

The logo for ZEON, consisting of the word "ZEON" in a bold, blue, sans-serif font. The background of the entire page features a large, stylized diamond shape formed by four overlapping, semi-transparent blue bands that create a sense of depth and movement.

**Zeon Group
Sustainability Report
2025**

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Editorial Policy

Zeon's Sustainability website aims to help a wide range of stakeholders understand our Group's sustainability initiatives. It is designed as a communication tool to convey our initiatives and deepen stakeholders' understanding.

To remain a company that continues to contribute to society, we place great importance on dialogue with stakeholders and position this website as a foundation for such engagement.

We welcome your candid opinions and feedback, which will help further enhance our future activities.

In addition to past initiatives, the website will also disclose ongoing initiatives while updating information as appropriate.

Period covered

April 2024 to March 2025 (The website also covers certain activities and initiatives outside the above period.)

Scope

Zeon Corporation and its consolidated subsidiaries and affiliates.

Scope of the ESG Data Book

The scope covered by the ESG Data Book is as described below.

Where the scope differs, this is noted in the relevant sections.

Environmental Data

Notation	Description
Zeon Group	Zeon Corporation and its consolidated subsidiaries whose primary business is manufacturing
Zeon Corporation	Zeon Corporation (Non-consolidated)
Zeon Group companies in Japan	Among consolidated subsidiaries, group companies whose primary business is manufacturing and which have bases in Japan, including certain non-consolidated companies (Zeon Chemicals Yonezawa, Zeon Opto Bio Lab)
Zeon Group companies outside Japan	Among consolidated subsidiaries, group companies whose primary business is manufacturing and which have bases outside Japan

Social Data and Governance Data

Notation	Description
Zeon Group	Zeon Corporation and its consolidated subsidiaries
Zeon Corporation	Zeon Corporation (Non-consolidated)
Zeon Group companies in Japan	Among consolidated subsidiaries, group companies with bases in Japan
Zeon Group companies outside Japan	Among consolidated subsidiaries, group companies with bases outside Japan

Reference guidelines

- GRI Standards
- Environmental Reporting Guidelines (Ministry of the Environment)

Inquiries

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
Chiyoda-ku, Tokyo 100-8246, Japan

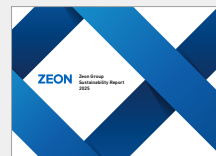
Tel: +81-3-3216-0603 <https://www.zeon.co.jp/en/>

Date of publication

March 2026 (previously published in January 2025)

Sustainability Information Disclosure

Publication	Contents
Sustainability Report	This report provides comprehensive and detailed information on our sustainability practices. While the website is updated on an ongoing basis, our sustainability-related information is also published as an annual report: the Sustainability Report (formerly the CSR Report until FY2021).
Integrated Report	This report is published to comprehensively communicate our medium- to long-term management policies, value creation process, business strategies, and financial and non-financial information to a wide range of stakeholders, including investors. It aims to foster dialogue that enhances our corporate value.
Corporate Governance Report (Japanese version only) 	This report describes our approach to corporate governance, including its systems, in accordance with the Corporate Governance Code. For more detailed information on our organizational design, operational status, effectiveness evaluations, and other related matters, please refer to the link on the left.
Annual Securities Report (Japanese version only)	This report is prepared pursuant to Article 24, paragraph (1) of the Financial Instruments and Exchange Act and is required to be filed with the Kanto Local Finance Bureau. For more detailed information regarding our financial condition, please refer to the link on the left.



About the Cover

The overlapping straight ribbons represent the direction of progress in which diverse values intersect and move forward together. The sharp lines and blue tones symbolize the Zeon Group's precision and integrity, as well as its commitment to a sustainable future. By carrying forward the philosophy embedded in the company name—"earth" and "eternity"—the design succinctly expresses a corporate vision that seeks to balance harmony and innovation.

Sustainability

Message

Message from the President



Tetsuya Toyoshima
President and CEO

Zeon Group upholds the corporate philosophy of “Contributing to the preservation of the Earth and the prosperity of the human race,” and works every day to realize a “Sustainable Earth” and a “Safe and Comfortable Life for People” by providing products and services backed by our original technologies.

Our corporate philosophy, which is tied to the Greek words that inspired our company name— “geo” (Earth) and “eon” (eternity)—is itself the very concept of sustainability, and making sustainability the core of our management is only natural for us.

Amid the growing complexity and severity of various social issues, including climate change, expectations for corporate initiatives to realize a sustainable society continue to rise. We at Zeon Group are determined to meet these expectations with even greater conviction and commitment.

As part of this effort, we have determined our priority issues, or materiality, as the Five Gears that drive Zeon. This clearly organizes and systematizes the pathway to realizing our corporate philosophy in a way that is easy for every employee to understand. Going forward, we will embed these Five Gears across the Group as a center core of actions that drive Zeon. We as management will take responsibility and translate them into concrete measures.

At the center of the Five Gears that drive Zeon lies the most important keyword: innovation. We believe that the innovative

materials and services Zeon creates through the power of chemistry can lead to the resolution of social issues and have the potential to fundamentally change the future of the Earth and human race. The source that generates such innovation is undoubtedly people. We believe that with motivation to conceive ideas and take action, anyone can realize innovation.

Zeon Group will foster a corporate culture that encourages taking on challenges without fear of failure and establish systems through which innovation arises naturally, thereby contributing to the realization of a sustainable society.

Message from the General Manager of Corporate Sustainability



Erisa Watanabe
General Manager, Corporate
Sustainability

“Based on our corporate philosophy of ‘Contributing to the preservation of the Earth and the prosperity of the human race,’ sustainability at Zeon means achieving sustainable growth together with society. To achieve this, we will provide products and services that are valuable for solving global and social issues, build trust with our stakeholders through fairness and integrity and have each one of us act proactively thinking how to create a better future for the society and ourselves.”

This is how Zeon Group defined sustainability in its Sustainability Policy established in July 2022. Our Group bases all aspects of its corporate activities on this approach to sustainability and aims to balance solving social issues with the sustainable growth of our Group.

In our Medium-Term Business Plan: STAGE30, we have placed contribution to the SDGs at the core of our strategy, and we launched the SDGs Contribution Product Certification program in FY2024. Under this program, among our products, we certify those that make particularly significant contributions to solving social issues as SDGs Contribution Products and promote their development and sales. Through this, we aim to accelerate the deployment of products, technologies, and services toward the resolution of social issues and to ensure that our stakeholders gain broad understanding of our Group’s initiatives and the added value of our products.

In addition, we are promoting a variety of sustainability initiatives, including pursuing carbon neutrality by 2050, enhancing employee engagement, conducting human rights due diligence, and advancing sustainable procurement.

Furthermore, Zeon Group will use the Five Gears that drive Zeon, determined as our materiality, as a center core. Every employee will act with an awareness of these gears and steadily turn each gear, that is, addressing each issue with sincerity. Through these efforts, we will aim to achieve our Vision for 2030 set out in STAGE30, “A company that lives up to societal expectations and the aspirations of employees,” and to realize further sustainability.

We will continue to value dialogue and collaboration with our stakeholders and to work toward the realization of a better future. We appreciate your continued support.

Sustainability

Zeon's Sustainability

Basic Approach

Corporate Philosophy

Contributing to the preservation of the Earth and the prosperity of the human race

In keeping with its name, derived from the Greek words “geo” (Earth) and “eon” (eternity), Zeon will contribute to a “Sustainable Earth” and “Safe and Comfortable Life for People” by providing original technologies, products, and services.

Sustainability Policy (Established July 1, 2022)

- We aspire to realize a “Sustainable Earth” and “Safe and Comfortable Life”.
- We will firmly maintain fairness and integrity in our activities to be a trustworthy company.
- Each of us will think and act proactively for a better future.

Based on our corporate philosophy of “Contributing to the preservation of the Earth and the prosperity of the human race,” sustainability at Zeon means achieving sustainable growth together with society. To achieve this, we will provide products and services that are valuable for solving global and social issues, build trust with our stakeholders through fairness and integrity and have each one of us act proactively thinking how to create a better future for the society and ourselves.



Explanation of the schematic diagram

Zeon’s Sustainability Policy can be explained with reference to the schematic diagram shown on the left to communicate its concept more clearly.

The inner arrows (1 and 2) drawn in the diagram represent the flow showing how, as a result of helping to solve social issues and thereby providing new value for society, Zeon can obtain profits from society in return for providing this value.

Furthermore, arrows 3 and 4 show how continuing to implement such a “virtuous circle” of value can lead to sustainable development for society and continued growth for Zeon.

The image in the middle of the diagram, representing two people shaking hands, denotes how, by continuing this kind of virtuous circle, the relationship of trust built between Zeon and society can be further strengthened.

Zeon's Materiality

We have determined our materiality, the Five Gears that drive Zeon, which represent the priority issues crucial for achieving sustainable growth together with society in alignment with our corporate philosophy of “Contributing to the preservation of the Earth and the prosperity of the human race.”

Five Gears that drive Zeon (materiality)

Creating a truly exciting company



We will create workplaces in which each and every one of our employees can display their abilities and experience excitement while working, and this is the most fundamental issue Zeon should address and will lead to innovation, the key to the company’s growth. Specific elements include diversity, inclusion, and belonging (DI&B); improvement of job satisfaction and engagement; and streamlining operations.

Providing unique value through innovation



Innovation is the most important keyword for Zeon to achieve growth while meeting the expectations of society and is viewed as central to the Five Gears. Providing society with value that can only be created by Zeon and cannot be imitated by others will lead to the sustainable growth of society and Zeon. Creating culture and systems that bring innovation; and creating original technologies, products, and services are the key to keeping the entire gears moving.

Establishing solid governance



To ensure that “we will firmly maintain fairness and integrity in our activities to be a trustworthy company,” one of the company’s Sustainability Policies, we need to solidify the foundation of Zeon as a company. In addition to management transparency, stable and secure production, high quality, and anti-corruption,

examples of elements include information security, sustainable procurement, and human rights, which have all been recognized as important issues in recent years.

Transforming business structure to respond to social changes



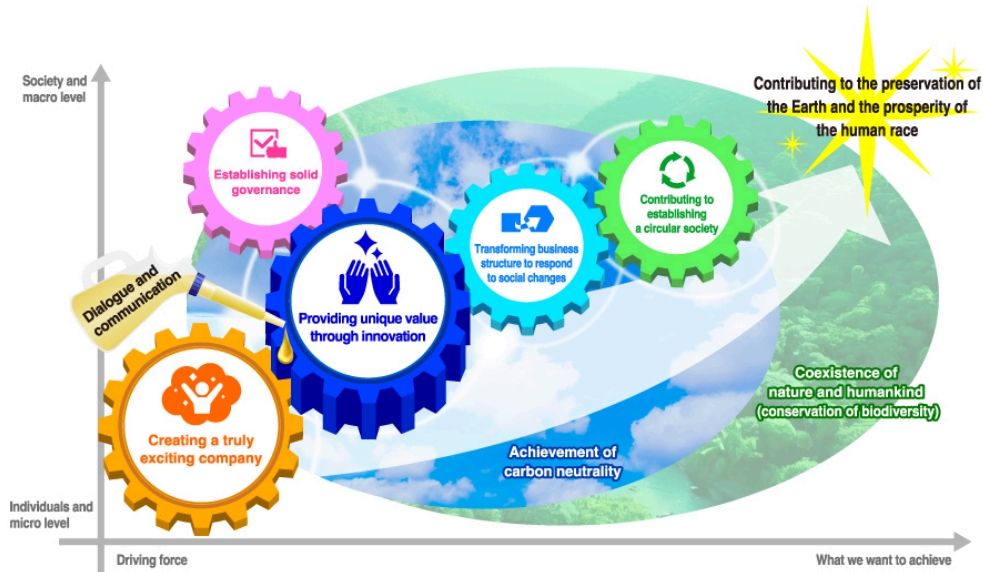
Through innovation, we will transform the business structure by developing products and services that meet the expectations of society and thus shifting the focus of business. From the viewpoint of sustainability, a shift to an information-oriented society, the evolution of mobility, and health and welfare are areas in which there are high social needs, and by actively bringing innovation mainly in these areas, we will transform the business structure to respond to social changes.

Contributing to establishing a circular society



A circular society refers to a society in which limited resources are utilized to the maximum extent and environmental impacts are minimized by, for example, promoting recycling and reducing waste. Transforming the business structure by bringing innovation into the production of products and services will contribute to establishing a circular society, and this will in turn help realize our corporate philosophy.

We organized the Five Gears that drive Zeon (materiality) to show the path the company should follow in the future clarifying the relationships among Five Gears. The below diagram indicates the Five Gears that drive Zeon as a center core to unite our efforts to realize our corporate philosophy consistently even in the rapidly changing business environment.

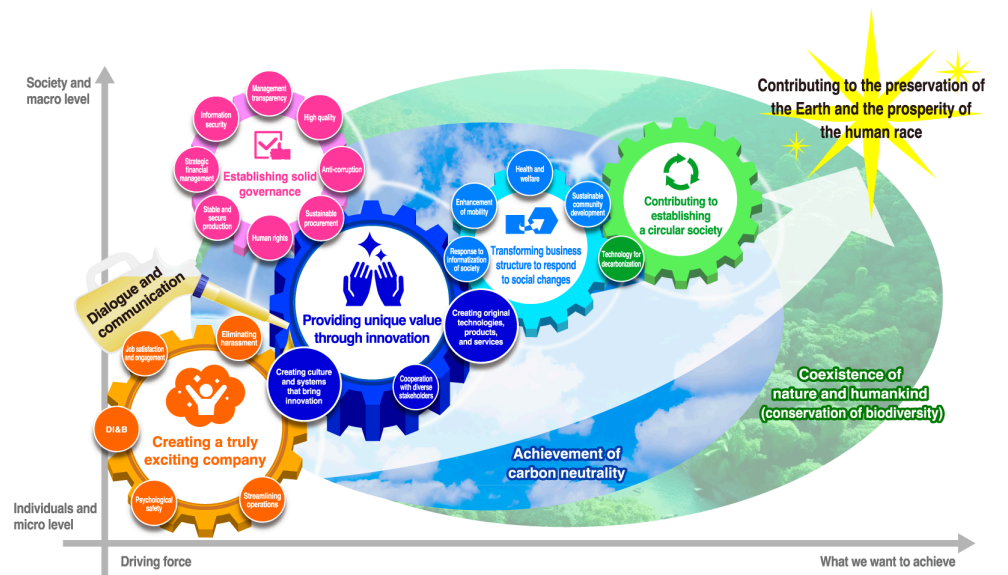


What the diagram shows

- The vertical axis is structured so that the lower part represents the individual, in other words, the micro level, and as we go up, it widens toward society as a whole, in other words, the macro level.
- The leftmost point on the horizontal axis denotes driving force for Zeon Group, and the rightmost point shows what the Group wants to achieve. The diagram indicates that we start from the familiar level as shown in the lower left of the diagram and that as we go to the upper right, our view further widens and we move toward longer-term issues.
- The Five Gears in the diagram interlock with each other, transmitting power from the lower left to the upper right. This represents the momentum toward realizing what Zeon Group wants to achieve, in other words, its corporate philosophy.
- Dialogue and communication are important to keep each of the gears rotating smoothly, and this is depicted as a lubricant.
- Keeping the Five Gears rotating leads to solving two major issues for the entire globe behind Zeon's materiality: achievement of carbon neutrality and coexistence of nature and humankind, including the conservation of biodiversity.

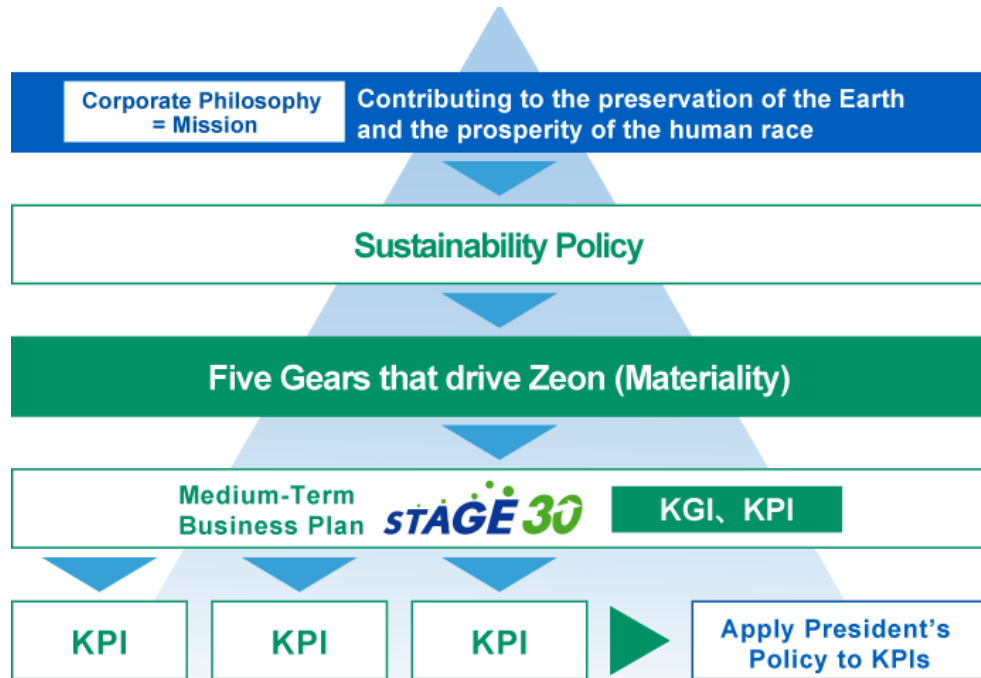
Examples of elements of each material issue

The diagram below indicates examples of specific elements in each of the Five Gears that drive Zeon. Creating culture and systems that bring innovation and creating original technologies, products, and services are two elements of the gear Providing unique value through innovation. They are depicted as larger circles in the diagram because they particularly constitute key elements in keeping all Five Gears moving.



Positioning of the Five Gears that drive Zeon (materiality)

The Five Gears that drive Zeon (materiality) represent the material issues that the company should address to realize its corporate philosophy in accordance with the Sustainability Policy. Based on the concept of the Five Gears that drive Zeon, we have set various KPIs and implemented initiatives in the Medium-Term Business Plan: STAGE30.



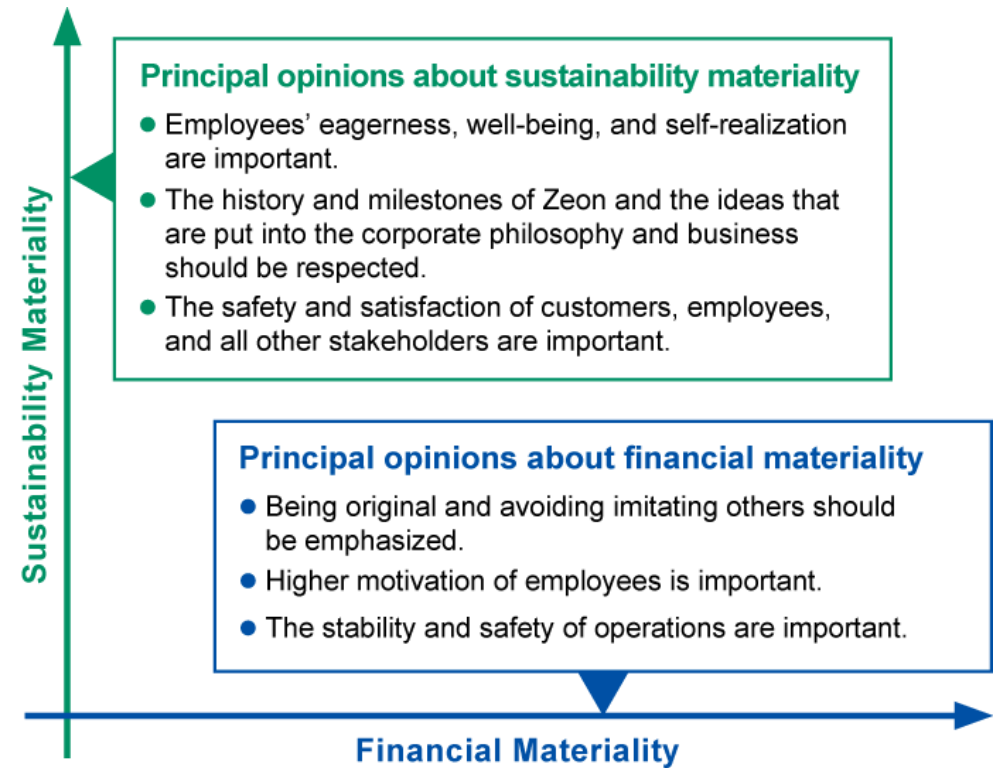
Materiality determination process

In April 2023, we launched the cross-sectional Materiality Determination Project consisting of members from various positions and age groups, which discussed material issues for about eight months, and in December 2023, the project determined the Zeon Group's materiality with the approval of the Board of Directors. We took below steps to determine Zeon's materiality.

1. Consideration of concepts and axes

We started to determine our materiality based on the concept of double materiality with two axes: the impact on our finances (financial materiality) and the impact of our actions on society and the environment (sustainability materiality).

Based on general elements, we discussed elements that should be included in the two axes used above taking into account the principles and values Zeon considered important. Specifically, elements that should be emphasized in and added to financial materiality included Zeon's originality, higher motivation of employees, and the safety and stability of operations, while those for sustainable materiality included employees' eagerness, the history and milestones of Zeon, and the ideas that were put into the company's corporate philosophy and business.



2. Extraction of candidates for materiality

Based on the social issues recognized by each division when formulating the Medium-Term Business Plan Phase 2, we added the items presented in the project's discussions and those that would be regarded as important in future international discussions and extracted candidates for materiality as a basis for further discussion.

3. Evaluation and analysis of candidates for materiality

Based on the axes examined in Step 1, the project members discussed and evaluated the importance of the candidates for materiality extracted in Step 2. Then, to reflect social expectations and demands on materiality when determining it, we evaluated the importance of the candidates for materiality using factors such as the degree of attention paid by international NGOs, rating agencies, and other organizations and future market forecasts while obtaining advice from consultants. We reflected the results of these two-level evaluations, analyses of differences therein, etc. on discussions to determine materiality.

4. Interviews with top management

Furthermore, through interviews, we understood what the management considered as Zeon's strengths and challenges, its thoughts on how the company should be in the future, etc. and reflected these in our discussions.

5. Close examination and narrowing down of materiality and consideration of how to express it

We further discussed what key elements of materiality were so that we could depict scenarios for the future of Zeon Group and society. Then we formulated a materiality proposal while figuring out effective ways to express it with the relationships among material issues, timeline, and other factors in mind.

6. Approval by the Board of Directors

The proposed materiality was finally approved by the Board of Directors in December 2023 through deliberations at the Executive Committee.

Stakeholder Engagement

We believe that building relationships of trust with stakeholders is essential for us to continue to grow sustainably together with society to realize our mission of "Contributing to the preservation of the Earth and the prosperity of the human race."

We identify societal expectations indicated in our Vision for 2030 as the SDGs. With our stakeholders comprising business partners referring to our customers and suppliers, shareholders referring to our shareholders and investors, life referring to people everywhere and their lifestyles, and employees, we strive to continue dialogue on a sustainable planet and future and promote efforts to further deepen mutual understanding.

Stakeholders	Stakeholder relations	Main communication channels
Customers	We will provide safe, reliable, high-quality products and services that earn customer trust. Moreover, through communication with customers, we will develop products and services that contribute to meeting their challenges, and collaborate to develop sustainable products that satisfy the diverse requirements and expectations of the global market.	<ul style="list-style-type: none"> • Sales activities • Exhibitions • Websites (product introduction/consultation) • Customer satisfaction surveys • Sustainability (CSR) assessments

Stakeholders	Stakeholder relations	Main communication channels
Suppliers	Our goal is to realize a sustainable society through our supply chain, by promoting responsible procurement activities in conformance with our Sustainable Procurement Policy. As such, it is incumbent upon us to build robust partnerships with suppliers. We strive to gain supplier understanding of our approach to sustainable procurement, and work to achieve procurement sustainability. We also monitor the progress of each supplier's activities and engage in dialogue toward improvement through procurement surveys and interviews.	<ul style="list-style-type: none"> • Procurement activities • Sustainable Procurement Guidelines enhancement and sharing with suppliers • Procurement questionnaire and feedback interviews with suppliers • Supply chain reporting hub
Shareholders and investors	Our information disclosure is fair, impartial, highly transparent, timely, and appropriate. We strive to bolster our corporate value through dialogue with shareholders and investors, to foster deeper understanding of our management policies and business activities. We also take external opinion seriously, and consider it in our management and information disclosure.	<ul style="list-style-type: none"> • Financial results briefing • Medium-Term Business Plan briefing • General shareholders meeting • Meetings with analysts and investors • Website (IR information) • Engagement with external ESG rating agencies

Stakeholders	Stakeholder relations	Main communication channels
Local community	Each of our locations contributes to community development by ensuring reliable business operations as a member of the local community. We value communication with the local community and, by building trust, collaborate to achieve a sustainable community.	<ul style="list-style-type: none"> • Business location visits and internships • Local event participation, support, and hosting (summer festivals, etc.) • Volunteer employee activities (preserving the local environment, etc.) • Chemical experiments classroom and other on-site lessons • Support for events related to chemistry education
Employees	Our vision for 2030 is to be a company that lives up to societal expectations and the aspirations of employees. To make this vision a reality, we are evolving our personnel system and formulating personnel policies that help every employee demonstrate his or her individual abilities and work with a sense of security and energy. We also welcome opportunities for dialogue, and strive sincerely to consider each employee's opinions.	<ul style="list-style-type: none"> • Get-togethers with employees • Employee engagement survey • Corporate management policy briefings • Internal portal site and in-house newsletter • Training sessions and briefings on sustainability, compliance, etc.

Sustainability Management

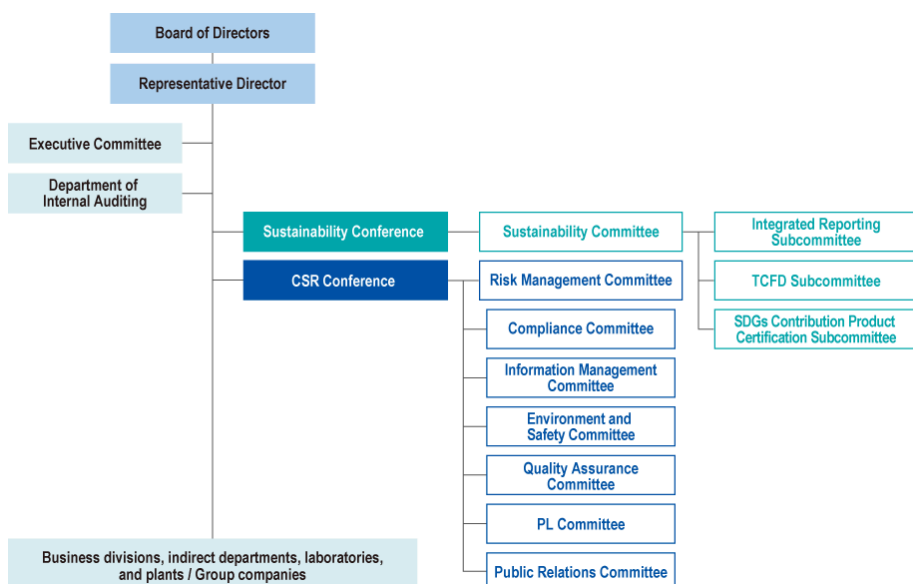
Organizational Bodies and Committees

To promote sustainability initiatives on a Group-wide basis, we have established a Sustainability Conference, and a CSR Conference as a body to drive measures such as risk management and compliance. Both conferences are chaired by the representative director and comprise members of the Executive Committee and other senior management.

The Sustainability Conference deliberates and decides on important matters such as responses to climate change and human rights issues, and reports to the Board of Directors as needed depending on the importance of the agenda topics.

To address various sustainability issues across the entire organization, we have also established a Sustainability Committee under the umbrella of the Sustainability Conference to advance concrete initiatives. Furthermore, we set up specialized subcommittees for each theme as needed, establishing a system to address individual issues.

Conferences and Committees Promoting Sustainability



Timeline of CSR/Sustainability Initiatives

1995	Joined the Japan Responsible Care Council and declared our commitment to Responsible Care
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	Established Zeon's Seven Articles Code of Conduct
2004	Implemented the Internal Reporting System
	Published the Compliance Textbook
2005	Conducted third-party verification for the Responsible Care Activity Report
2006	Switched from publishing the Responsible Care Activity Report to publishing the CSR Report
2009	Signed the Responsible Care Global Charter

2010	Established the CSR Policy and CSR Code of Conduct
	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 Zeon Group Human Rights Policy
2020	Expressed its support for the TCFD
2021	Established the Declaration for Health and Productivity Management
2022	Established the Sustainability Policy
	Switched from the Corporate Report to the Integrated Report; and from the CSR Report to the Sustainability Report
	Newly established the Sustainability Conference and Sustainability Committee
2023	Determined the Five Gears that drive Zeon (materiality)
2024	Acquired SBT initiative certification
	Began implementation of SDGs Contribution Product Certification program

Sustainability

SDGs Contribution Product Certification Program

The SDGs Contribution Product Certification Program is designed to certify, as “SDGs Contribution Products,” those of our products from which a high level of contribution to solving social issues is expected, in support of the Zeon Group’s pursuit of sustainability.

Through this program, we clarify the portfolio of products that contribute to the creation of social value and promote greater focus on their development, manufacturing, and sales. In doing so, we aim to achieve both meaningful contributions to society and sustainable growth as a company, while further advancing our sustainability management.

Certification Criteria

Criteria for certification include the level of contribution toward solving social issues, the scope of their contribution, and business sustainability, and the program was launched in April 2024 based on these three criteria. In FY2025, we adjusted the certification criteria to bring them more closely into line with the program’s objectives. The revised criteria are: the level of contribution toward solving social issues, business sustainability, and innovation.

SDGs Contribution Product certification criteria

- SDGs Contribution Product certification criteria**

 - I. Level of contribution toward solving social issues
 - II. Business sustainability
 - III. Innovation

Certification Process

Certification is performed annually. Based on applications made from our business divisions, SDGs Contribution Products undergo a review by the SDGs Contribution Product Certification Subcommittee under the Sustainability Committee, and the results of this review are submitted to the Sustainability Conference, the company’s highest decision-making body regarding sustainability, which makes the final decision on certification. Certified products are valid for three years.

SDGs Contribution Products certification process



Scope Expansion





The scope of certification was expanded in FY2025 to include the products from all Zeon Group companies, not just Zeon Corporation.








Certified SDGs Contribution Products

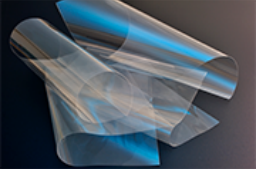



Besides the 39 products that were certified in FY2024, in FY2025 a further 6 products received certification, bringing the total number of products that have been recognized as SDGs Contribution Product certification to 45.




The products that have received certification include synthetic rubbers such as solution-polymerization styrene-butadiene rubber (S-SBR) and hydrogenated nitrile butadiene rubber (HNBR), as well as Cyclo Olefin Polymers, battery materials (lithium-ion battery binders), polymerized toners, synthetic aroma chemicals, and thermoplastic elastomers. Products that have received certification this year include optical films, RIM formulation and RIM moldings. Recently, the share of Zeon's consolidated net sales that these 45 products account for has risen to 38%.

Reference: Major SDGs Contribution Products

Products name * Photos illustrating product applications	Applications and contribution points	Relevant SDGs
Solution-polymerization styrene-butadiene rubber (S-SBR) - Link → 	Main application: Fuel-efficient tires Contribution points: <ul style="list-style-type: none"> Achieved three properties of wet grip, rolling resistance, and abrasion resistance at a high success level by controlling the molecular structure Reduces GHG emissions from improved automotive fuel efficiency Helps prevent air pollution as result of improved wear resistance that generates less dust 	  

Products name * Photos illustrating product applications	Applications and contribution points	Relevant SDGs
Cyclo Olefin Polymers - Link → 	Main application: Medical test devices, containers for pharmaceutical manufacturing, and medical packaging Contribution points: <ul style="list-style-type: none"> Improved quality and accessibility of medical services associated with inspection and analysis, pharmaceutical manufacturing, and drug transportation and storage based on properties such as high moisture barrier, chemical resistance, high purity, and sterilization compatibility 	 
Lithium-ion battery binders - Link → 	Main application: Lithium-ion batteries Contribution points: <ul style="list-style-type: none"> Achieved longer life and higher power output of lithium-ion batteries by resisting expansion and contraction associated with charge and discharge, in addition to increasing output by activating a chemical reaction Reduces GHG emissions and helps prevent driving related air pollution when used as power source for EVs Facilitates industrial development and economic growth by reducing the size and boosting the performance of mobile devices, electronic devices, and other products 	  

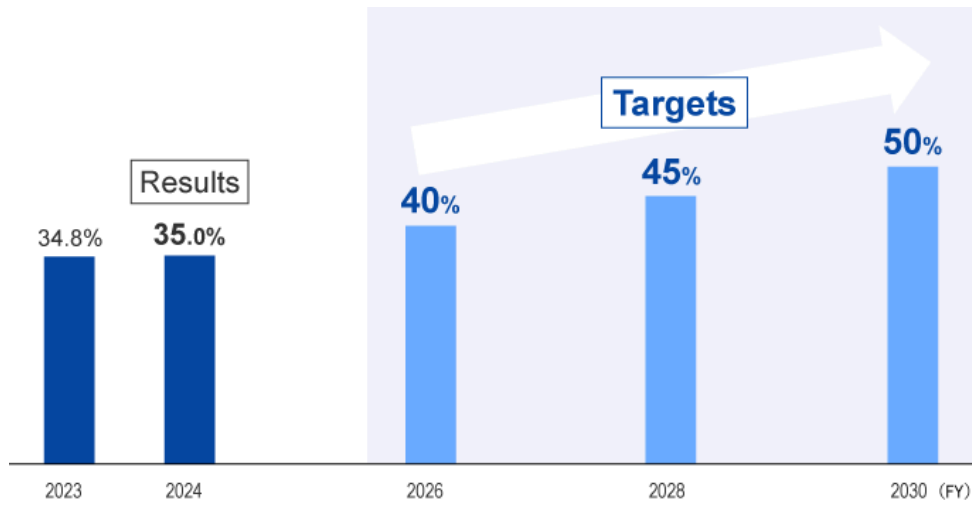
Products name * Photos illustrating product applications	Applications and contribution points	Relevant SDGs
<p>Newly certified products for FY2025</p> <p>Optical film (ZeonorFilm®)</p> <p>– Link →</p> 	<p>Main application:</p> <p>Optical film for TVs, smartphones, and tablets</p> <p>Contribution points:</p> <ul style="list-style-type: none"> Contributes to waste reduction through the reuse process of film scraps and other materials <p><u>50% or less of GHG emissions from raw materials</u></p> <ul style="list-style-type: none"> Contributes to reduced power consumption through use in energy-saving TVs Is produced using renewable energy 	  

Products name * Photos illustrating product applications	Applications and contribution points	Relevant SDGs
<p>Newly certified products for FY2025</p> <p>RIM formulation and RIM moldings</p> <p>– Link ↗</p> 	<p>Main application:</p> <p>Body panels for trucks and buses, construction machinery, and agricultural machinery</p> <p>Contribution points:</p> <ul style="list-style-type: none"> Achieved lower CO₂emissions throughout the process from raw material procurement and production to disposal than those of other resins <p><u>70% of FRP (SMC method), 40% or less of other thermoformed materials</u></p> <ul style="list-style-type: none"> Requires about half the energy from manufacturing to disposal compared to general-purpose resins (polypropylene, PP) Contributes to reducing CO₂ emissions by improving fuel efficiency through weight reduction of trucks and buses Supports thermal recycling and material recycling, contributing to waste reduction 	 

Future Planning

As part of our Medium-Term Business Plan: STAGE30, we have set a target to achieve a 50% sales ratio of products that contribute to SDGs by 2030. In the future, we aim to expand our range of SDGs Contribution Products across the whole Group to achieve the above target.

Sales ratio of SDGs Contribution Products: results and targets



Environment

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Resource Circulation and Pollution Prevention	29
Water Resource Conservation	34
Natural Capital and Biodiversity Conservation	36

Environment

Environmental Management

Basic Approach

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

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.

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. The Annual Worksite Manager's Policy is intended for all workers at the worksite, including our employees and partner company staff.

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.

Structure and System

We have built environmental and safety management systems based on the Responsible Care philosophy, and are working toward the goal of ensuring the safety of all persons at our worksites and plants. In the environmental field, we have also obtained ISO 14001 external certification and are working on continuous improvement.

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

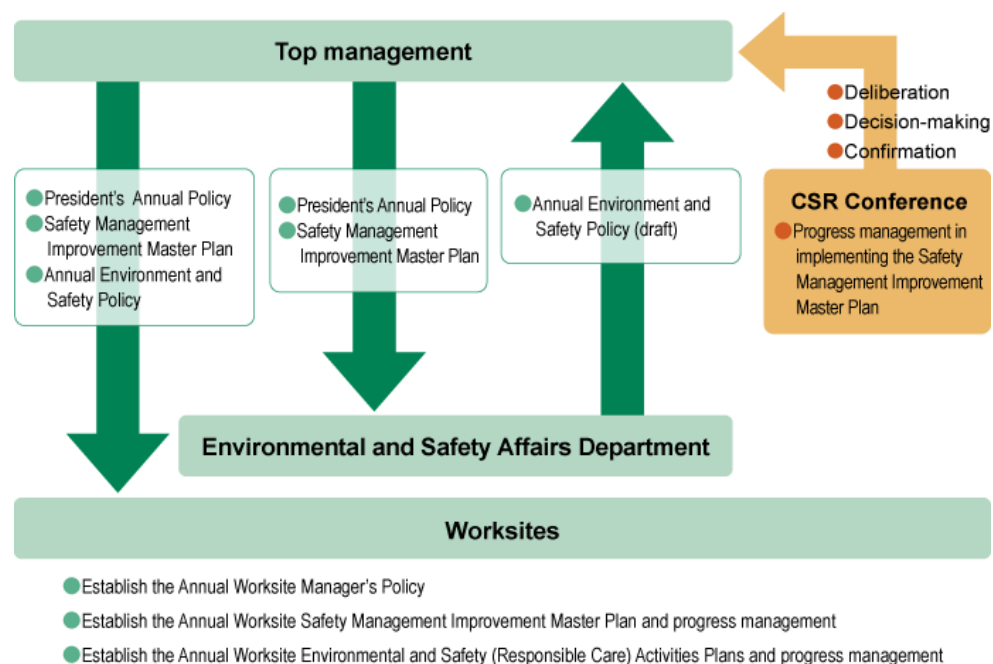
The General Manager of the Environmental and Safety Affairs Department creates this policy after the President's Annual Policy and the Safety Management Improvement Master Plan set by top management are released. The Annual Environment and Safety Policy is reviewed by the CSR Conference and finalized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

Progress management

The CSR Conference, chaired by the Representative Director, together with the Environment and Safety Committee under its supervision, deliberates on company-wide planning and progress management related to environmental management and occupational health and safety. The executive officer in charge of environmental safety serves as chair of the Committee.

- 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



Responsible Care Audits

- Audits using specialized indicators to monitor the progress of Responsible Care activities
- These audits also cover 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 dialogue among worksite members and management to jointly consider, discuss, and find solutions to 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 General Manager of the Environmental and Safety Affairs Department. The progress of improvements in areas where audits uncovered such needs is verified using the Audit Findings Improvement Plan and Progress Report.

Key Initiatives

Audits (assessments of existing lines)

Audits assess whether our management systems are functioning normally.

In particular, worksite Responsible Care audits cover environmental and safety initiatives and are headed by the General Manager of the Environmental and Safety Affairs Department. These audits have two parts: the Responsible Care Audit and the Responsible Care Dialogue.

Internal plant audits

Internal plant audits are conducted at plants as outlined below.

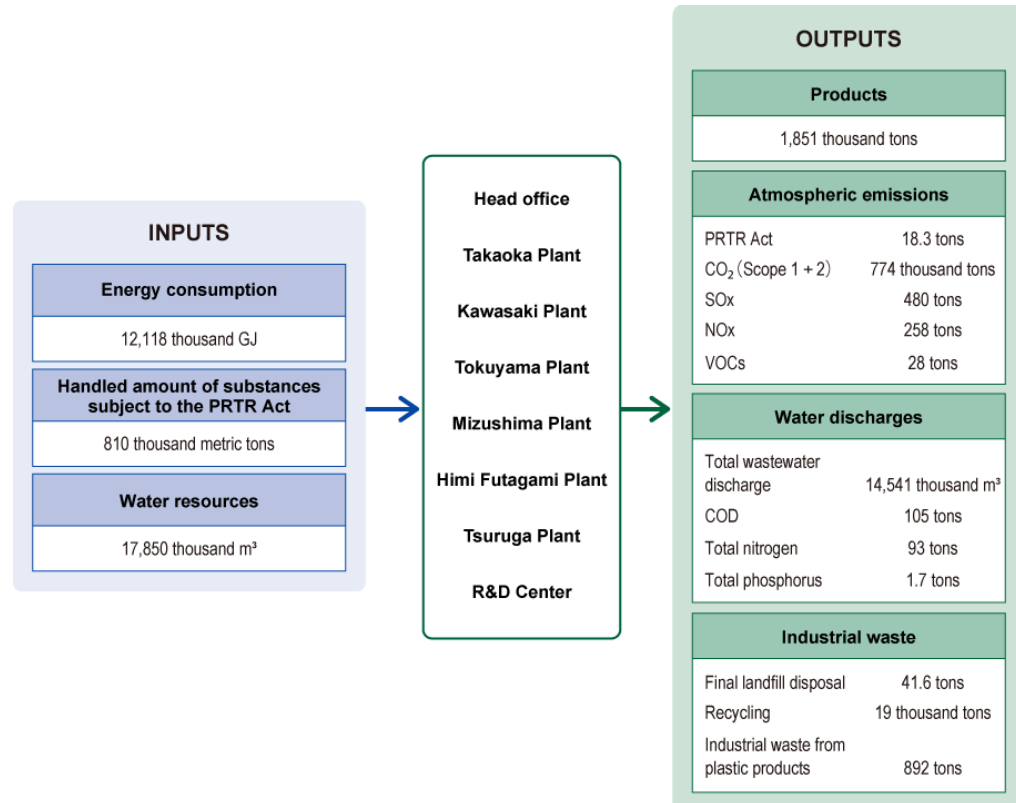
- Plant manager inspections: Inspections of the progress of Responsible Care implementation conducted by the plant manager (at least once/year)
- Environmental Management System (EMS) internal audits, and Safety Management System internal audits

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 products. In manufacturing products, at the input (resources introduced) stage, we evaluate resource and energy efficiency while also ensuring quality.

Regarding outputs (emissions), while emitting substances that have environmental impacts on water and the atmosphere may be unavoidable, we are implementing ongoing improvements to minimize these emissions.

Overview of environmental impacts (FY2024)



Environment

Climate Change

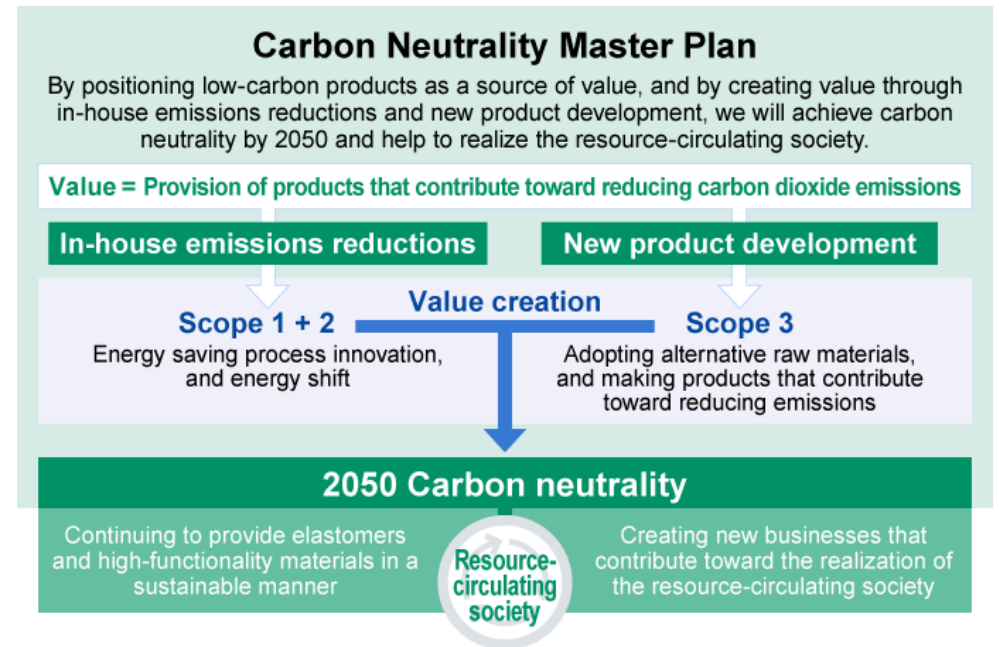
Basic Approach

With the adoption of the Paris Agreement, efforts toward carbon neutrality have been recognized as a common global challenge, and this movement is now accelerating even further. Zeon Group considers addressing climate change an important social challenge and aims to realize carbon neutrality. While climate change has a significant impact on the business environment, we recognize it not only as a risk but also as a chance to create new business opportunities. Based on this approach, we support the TCFD recommendations, disclose information in accordance with the TCFD framework, and promote climate change initiatives integrated with our management strategy.

In addition, at each of our domestic and overseas sites, we comply with laws, regulations, and related policies concerning climate change and the reduction of energy consumption, and respond appropriately to these requirements. In Japan, this includes the Act on Promotion of Global Warming Countermeasures and the Act on the Rational Use of Energy.

Carbon Neutrality Master Plan

In our Medium-Term Business Plan: STAGE30, we have set “Promote a transformation of monozukuri to realize carbon neutrality and a circular economy.” Regarding the reduction of greenhouse gas (CO₂) emissions (Scope 1 + 2), we aim for a 42% reduction across the entire Group by FY2030 compared to FY2020, and this target has been certified by the Science Based Targets (SBT) initiative.



Disclosure Based on TCFD Recommendations

Governance

Board’s oversight of climate-related risks and opportunities

In July 2021, we established the Corporate Sustainability Headquarters, driving sustainability efforts across the entire Group and promoting the disclosure of their progress and results. We have also carried out activities for “Promote a transformation of monozukuri to realize carbon neutrality and a circular economy,” a Group strategy under our Medium-Term Business Plan: STAGE30. These initiatives are conducted with the approval of the Board of Directors.

The Sustainability Conference and the Sustainability Committee position responding to climate change, including TCFD activities, as an important sustainability issue, carrying out any necessary deliberations and decisions. In addition, the content of the conferences is reported to the Board of Directors four times annually as our sustainability report, with any points raised by the Board reflected in TCFD activities. From FY2024, we established the TCFD Subcommittee under the Sustainability Committee to further improve our company-wide review system.

Management's role in assessing and managing climate-related risks and opportunities

The Sustainability Conference, whose body is chaired by the company's Chairman, was established to ensure sustainability-related issues are reflected within the company's medium- to long-term business plan.

Strategy

Climate-related risks and opportunities the organization has identified over the short, medium, and long term

During FY2020, our rubber business division conducted a 2°C/4°C scenario (RCP2.6/RCP8.5*) analysis and identified and distinguished risks and opportunities. In FY2021, we expanded these efforts, conducting the same scenario analysis on a company-wide basis, and in FY2023, after putting in place the relevant company-wide systems, we implemented scenario analysis based on a 1.5°C temperature increase scenario. In addition, in FY2024 we expanded the scope of the 4°C scenario (RCP8.5) analysis, which had originally been performed with respect to the Takaoka Plant, Kawasaki Plant, Tokuyama Plant, and Mizushima Plant to also include the Himi Futagami Plant and Tsuruga Plant, for a total of six plants, identifying and distinguishing risks with a focus on physical risks.

* RCP refers to climate change projection scenarios based on greenhouse gas emissions presented by the IPCC. RCP2.6 assumes stringent emission reductions, while RCP8.5 is a high-emissions scenario in which current emissions continue.

Impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning

- Business impact assessment

In our TCFD-related activity in FY2020 and FY2021, we identified an increase in raw material procurement costs as a major risk under a 4°C scenario, and identified both an increase in raw material procurement costs and the introduction of new carbon taxes as major risks under a 2°C scenario. Moreover, we reached the assessment that an accelerated shift toward the use of EVs would have a major impact on our business opportunities in the battery materials field. In FY2024, we reassessed the potential impact of this factor, based on an adjustment of the assumptions made regarding sales of EVs and other vehicles when formulating the profit targets for Phase 3 of our Medium-Term Business Plan.

- Climate-related risk priority assessment (identification of risks and opportunities)

In FY2024, in addition to our activities to date, we newly categorized our risks and opportunities related to climate change with a focus on plants, and estimated their impact on profit as shown in the table below.

Scenario analysis overview (risks and opportunities identified and distinguished; time of emergence; impact; and response measures)

Category	Item	Identified risks and opportunities	Overview	Time of emergence ¹	Impact ²	Response measures/taking advantage of opportunities
Transition risks (1.5°C)	Policy/Regulation	Carbon tax	Taxation of emissions upon carbon tax introduction (consolidated, both within and outside Japan) ³	Medium to long term	Significant	Energy conservation, process innovation, and energy conversion
		LCA and CFP survey costs	Increased LCA and CFP survey costs due to tightened regulation	Short to long term	Small	Examination of effective cost reduction measures
	Changes in customer behavior	ICE reduction and ZEV adoption rate	Decreased sales of products for combustion engines with widespread ZEVs ³	Short to long term	Moderate	Development of applications tailored to the adoption of EVs, and business portfolio restructuring
		Flood damage (damage to facilities)	Estimate of damage to facilities due to natural disasters ⁴	Short to long term	Significant	Disaster preparedness measures, and strengthening of resilience
Physical risks (4°C)	Acute	Flood damage (opportunity cost)	Opportunity cost due to natural disasters (assuming a one-month stoppage)	Short to long term	Moderate	Disaster preparedness measures, and strengthening of resilience
		Drought response costs	Increased costs due to water transfer from other areas ⁵	Short to long term	Moderate	Discussion of drought response strategies and water recycling measures with regional councils
	Chronic	Carbon pricing and carbon tax	Increased sales opportunities for products that contribute to CO ₂ reduction	Medium to long term	—	Production and utilization of bio-derived raw materials, and product recycling
		Evolution of next-generation technologies	Business opportunities associated with the development of material recycling technology	Medium to long term	—	Establishment of recycling technology

Category	Item	Identified risks and opportunities	Overview	Time of emergence ¹	Impact ²	Response measures/taking advantage of opportunities
Industry/Market/Technology	Individual countries' carbon emissions targets/policies	Higher demand for storage batteries for renewable energy	Higher demand for storage batteries for renewable energy	Medium to long term	—	Expanding sales of battery materials due to growing demand for storage batteries
		Key products / Increase or decrease in product prices	Falling raw material prices ³	Medium to long term	Significant	Formulation of strategies in response to fluctuating crude oil prices
	Changes in energy demand	Higher demand for ZB films due to widespread use of energy-saving TVs	Higher demand for ZB films due to widespread use of energy-saving TVs	Short to long term	Moderate	Development of new film products in response to growing demand for energy-saving TVs
		Increased opportunities for TIM sales due to higher demand for power semiconductors	Increased opportunities for TIM sales due to higher demand for power semiconductors	Medium to long term	—	Development of TIM in response to growing demand for power semiconductors
	Widespread use of low-carbon technology	Increased demand for EV batteries ³	Short to long term	Moderate	Expanding sales of battery materials due to growing demand for batteries	
	Evolution of next-generation technologies	Business opportunities associated with the development of material recycling technology	Medium to long term	—	Establishment of recycling technology	
	Reputation	Changes in customer behavior	Customers prefer to adopt products with higher recyclability	Short to long term	—	Achieving premium value through recycled resin

Category	Item	Identified risks and opportunities	Overview	Time of emergence ^{*1}	Impact ^{*2}	Response measures/taking advantage of opportunities
Opportunities (4°C)	Acute	Disruption caused to operations by severe natural disasters	Increased sales opportunities resulting from large-scale natural disasters	Short to long term	—	Expanding sales of repair tape, and expanding sales of battery materials due to growing demand for storage batteries
	Chronic	Rising average temperatures	Increased sales accompanying rising temperatures	Medium to long term	—	Expanding sales of substitute products accompanying a decline in production of naturally-derived products
		Water stress	Decrease in natural rubber production due to droughts, etc.	Medium to long term	—	Expanding sales of substitute products accompanying a decline in production of natural rubber

*1 Time of emergence Short term: Less than 3 years; Medium term: At least 3 years but less than 10 years; Long term: 10 years to 30 years or more

*2 Impact Significant: Estimated impact on profits equal to or more than 5 billion yen; Moderate: Estimated impact on profits ranging from 1–5 billion yen; Small: Estimated impact on profits less than 1 billion yen. “—” indicates that the concrete details of how to implement quantitative assessment of this item will be considered at a later date.

*3 For the 4°C scenario, estimation was based on the IEA's STEPS scenario; for the 1.5°C scenario, estimation was based on the EV sales, crude oil prices, and carbon tax levels used in the IEA's NZE scenario.

*4 The anticipated amount of damage was estimated as follows: We used the multi-layer hazard maps by Japan's Ministry of Land, Infrastructure, Transport and Tourism (MLIT) to calculate the depth of flooding for the most severe anticipated torrential rain (once in 1,000 years) at Zeon Corporation's six plants in Japan, and then used the calculation results in combination with the Manual for Economic Evaluation of Flood Control Investment by the MLIT to estimate the likely extent of damage.

*5 Estimated the cost of transporting water from another area during droughts at the Takaoka Plant, Kawasaki Plant, Tokuyama Plant or Mizushima Plant, all of which use large quantities of water.

Resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario

In March 2024, Zeon received SBT certification, for our goal of reducing greenhouse gas emissions to a level that would keep the average global temperature increase within 1.5°C. In FY2023, we implemented 1.5°C scenario analysis under a company-wide system, and defined strategies to respond to the risks and opportunities that we identified and distinguished through this analysis.

In FY2024, we rolled out this initiative at all our plants and worked to further strengthen our strategy based on the results of past activities, as part of the discussion for Phase 3 of our Medium-Term Business Plan.

Risk management

Processes for identifying and assessing climate-related risks

We are striving to further enhance our efforts by implementing the 4°C and 1.5°C scenario analyses that we have been conducting, as well as the identification and classification of transitional and physical risks associated with climate change projected for FY2030 and beyond based on the relative importance, on an annual basis. In FY2024, we added two more plants to the four previously analyzed, conducting transitional and physical risk identification and to impact assessment.

Processes for managing climate-related risks

Climate-related risks identified and distinguished via TCFD activities are discussed by the Sustainability Committee and deliberated and decided on at the Sustainability Conference. Regarding the response to each risk, after implementing risk assessment by considering the frequency of occurrence and the impact, we work to reduce and manage risk by implementing advance prevention for potential risks, and post-facto response measures for actualized risks.

How processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management

We have established a system whereby the Risk Management Committee monitors and discusses risks throughout Zeon Group, and reports on the results to the CSR Conference, which is chaired by the representative director. In FY2024, the TCFD Subcommittee added new climate risks, such as heatstroke due to rising summer temperatures and the risk of water shortages caused by drought which had been identified primarily at our plants, to the company-wide risk assessment framework. Company-wide risks and climate change risks are reported to and managed by the Board of Directors.

From FY2025 onwards, we will continue to review climate change related risks as necessary, implementing risk reduction and management through discussions and deliberations at the Sustainability Committee and Sustainability Conference.

Metrics and targets

GHG emissions

Zeon formulated its first Carbon Neutrality Master Plan in April 2022.

In this plan, we have set the target of reducing Zeon Corporation's Scope 1 + 2 CO₂ emissions by at least 50% by FY2030, compared to the level of emissions in FY2019.

We have adopted three approaches to reduce Scope 1 and 2 emissions: 1) Energy conservation; 2) Process innovation; and 3) Energy conversion.

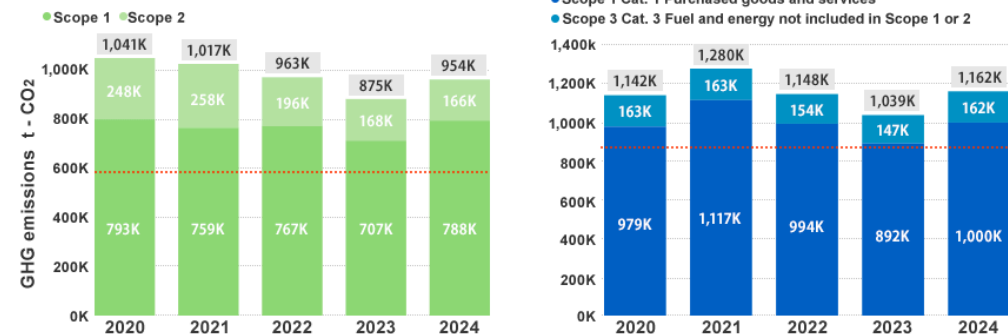
In addition, in FY2023 we established the following Scope 1 + 2 and Scope 3 reduction targets for Zeon Group as a whole.

Item	Base year	Target year	Reduction target
Scope 1, 2	2020	2030	42% reduction (1.5°C level)

Item	Base year	Target year	Reduction target
Scope 3			25% reduction (WB 2.0°C level)

We obtained SBT certification in March 2024 and unified the Group-wide targets into the reduction targets shown in the table above, which were set in FY2023. The method for calculating GHG emissions complies with the GHG Protocol.

Trends in Zeon Group Scope 1, 2, and 3 emissions



*Emission factors used for calculating emissions

Scope 1: Emission factors set by the SHK system for greenhouse gas emissions

Scope 2: Emission factors set by the SHK system for greenhouse gas emissions and emission factors for each electric utility

Scope 3: The Ministry of the Environment's emission factor database for corporate GHG emissions accounting over the supply chain

Compensation system

In FY2023, Zeon introduced a performance-linked stock compensation system for directors and officers. When calculating compensation, the evaluation indicators used include financial and non-financial indicators (including ESG-related indicators) that are linked to the target values for the final year of each phase of the Medium-Term Business Plan.

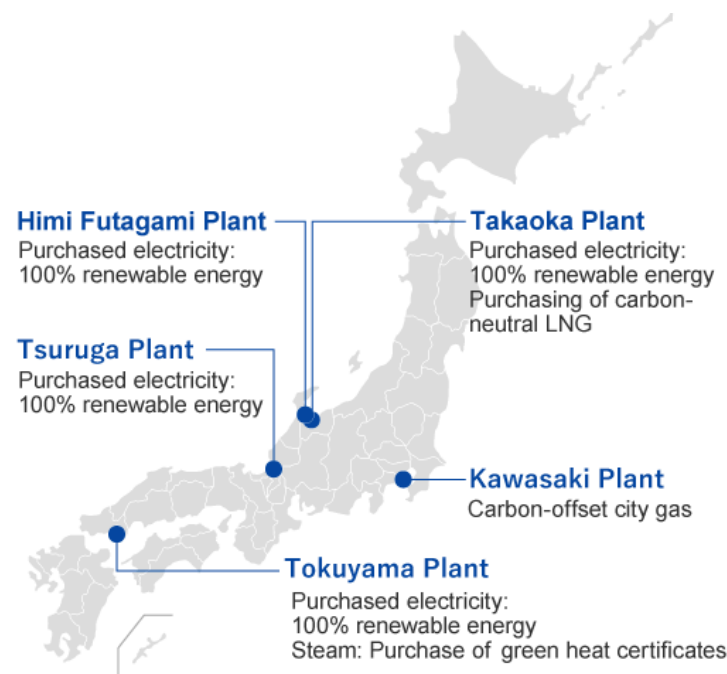
Key Initiatives

Expressing support for the TCFD recommendations and CO₂ emission reduction initiatives

In August 2020, Zeon Corporation expressed its support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

Based on the TCFD recommendations, we analyze the risks and opportunities that climate change poses to our business and reflect them in our business strategies to strengthen our business foundation, while also aiming to realize a sustainable society and improve Zeon's corporate value. These initiatives are also reflected in "Promote a transformation of monozukuri to realize carbon neutrality and a circular economy," which is outlined in our Medium-Term Business Plan. Over the medium to long term, we will disclose our initiatives to realize the Carbon Neutrality Master Plan, with 2050 as the target year, as well as the progress made in reducing CO₂ emissions.

For specific disclosures, please refer to Disclosure Based on TCFD Recommendations.



CO₂ emission reduction initiatives

Energy shift in plants in Japan

At four of our production sites in Japan (Takaoka Plant, Himi Futagami Plant, Tsuruga Plant, and Tokuyama Plant), we have converted all purchased electricity to 100% renewable electricity or to electricity effectively derived from renewable energy by utilizing renewable energy-designated non-fossil certificates.

Furthermore, at the Takaoka Plant, we have concluded a purchase agreement for carbon-neutral LNG with effectively zero CO₂ emissions.

At the Tokuyama Plant, we have entered into a purchase agreement for green heat certificates to reduce CO₂ emissions from steam.

In addition, at the Kawasaki Plant, we have adopted Tokyo Gas Co., Ltd.'s carbon-offset city gas and have also joined the Carbon Offset City Gas Buyers Alliance.

Adoption of internal carbon pricing (ICP) program

1. Internal carbon price: 10,000 yen/t-CO₂
2. Scope of application: Capital investment that will lead to an increase or decrease in CO₂ emissions
3. Method of application: The increase or decrease in CO₂ emissions accompanying the capital investment project in question will be converted into a monetary amount using the internal carbon price, and this will be taken into account when making the decision as to whether or not to invest in the project.

Selected for NEDO* Green Innovation Fund Projects

- Development of manufacturing technology using carbon recycling for commodity chemicals used in synthetic rubber

This demonstration project aims to establish two advanced technologies to produce butadiene and isoprene, which are key synthetic rubber chemicals, at high yield rates, using renewable carbon resources such as used tires and biomass as feedstocks, and to implement those technologies in society in the 2030s.

In February 2025, we decided to introduce bench-scale equipment for a technology that efficiently produces butadiene from ethanol, including plant-derived ethanol. This will accelerate full-fledged technology verification and scale-up toward social implementation.

* NEDO: New Energy and Industrial Technology Development Organization

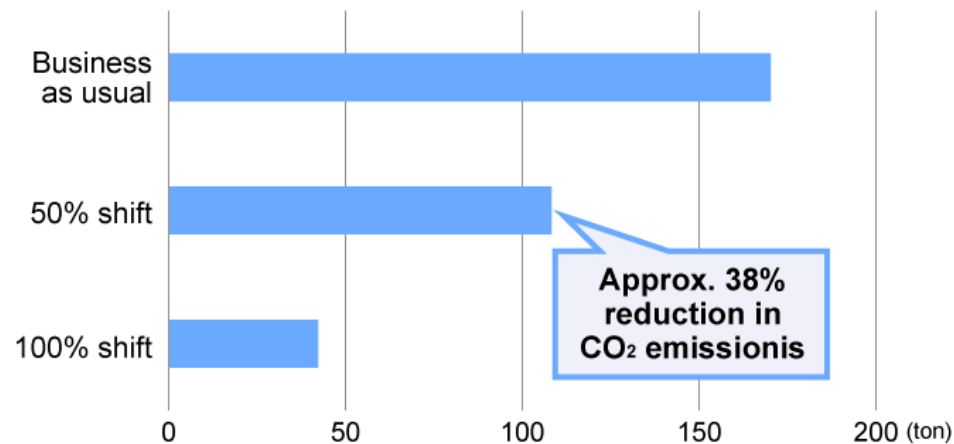
Act and efforts to reduce CO₂ emissions in logistics

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 various measures, including improvements in loading efficiency, modal shift to rail and ship transportation, and truck and ship fuel efficiency.

In particular, for truck transportation, we plan to shift from using domestic long-haul truck transportation to rail and coastal ship transportation, aiming to contain future transportation costs and reduce CO₂ emissions..

An example of this is switching truck transportation to rail transportation while containing cost increases for a portion of raw materials transportation in Japan. At present, as a result of the modal shift to rail transportation for about half of the shipped volume, we have been able to reduce CO₂ emissions by approximately 38%, according to Zeon estimates. We will continue to take further steps to shift the total shipping volume.

Annual CO₂ emissions from logistics after modal shift (Zeon estimate)



Environment

Resource Circulation and Pollution Prevention

Basic Approach

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

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.

Structure and System

We have built environmental and safety management systems based on the Responsible Care philosophy, and are working toward the goal of ensuring the safety of all persons at our worksites and plants. We have also obtained ISO 14001 external certification related to the environment.

Overview of environmental and safety management systems

The management systems are operated through hierarchical policies and plans as outlined below.

President's Annual Policy and Safety Management Improvement Master Plan

These documents are created by top management.

Annual Environment and Safety Policy

The General Manager of the Environmental and Safety Affairs Department 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

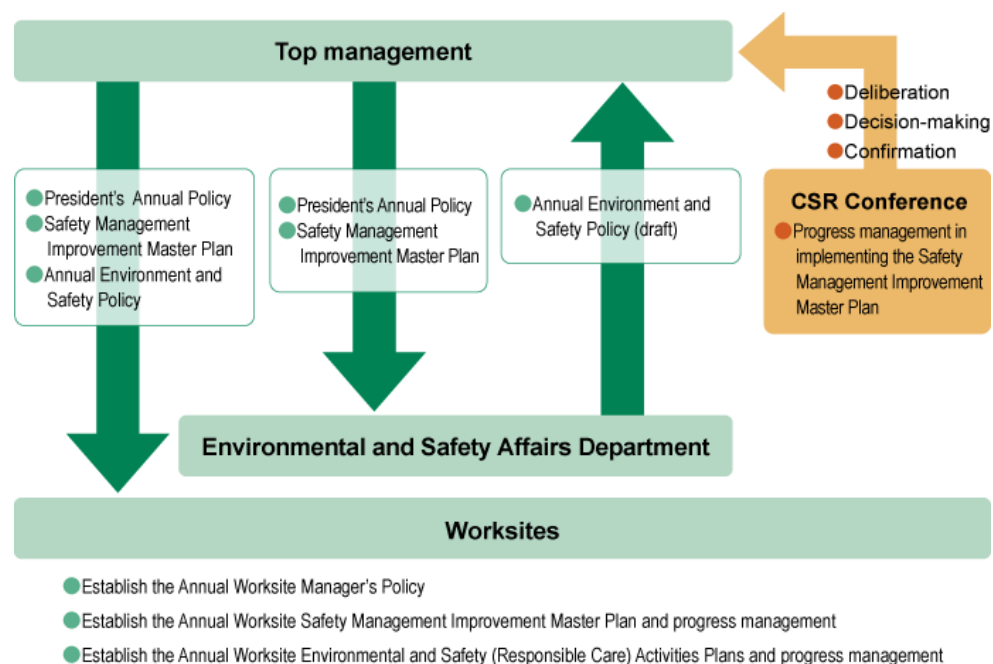
Worksite managers create the Activities Plans after the Group-wide Annual Environment and Safety Policy is released.

Progress management

The CSR Conference, chaired by the Representative Director, together with the Environment and Safety Committee under its supervision, deliberates on company-wide planning and progress management related to environmental management and occupational health and safety. The executive officer in charge of environmental safety serves as chair of the Committee.

- 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



to maintain emissions at or below the FY2010 level, in line with the voluntary targets established by the Japan Chemical Industry Association. Specifically, we aim to maintain total annual emissions from our domestic sites at 36.7 tons or less and are promoting equipment modifications and other measures toward further reductions.

* PRTR: Pollutant Release and Transfer Register

Air and water

Atmospheric emission reductions of hazardous chemical substances

We are installing collection facilities, implementing measures including improving facilities to prevent evaporation from openings in manufacturing facilities, and systematically reducing emissions of butadiene and acrylonitrile, which are among the substances requiring priority action under the Japan's Air Pollution Control Act.

Initiatives to prevent air pollution

Our emissions of NOx and SOx, which are air pollutants, occur during the combustion of fuels such as BC heavy oil.

Each worksite complies with regulatory limits under pollution-related laws and regulations and with voluntary management standards, striving to curb emissions in daily operations.

We are also promoting measures such as the adoption of heavy oil with low sulfur (S) content and conversion to liquid natural gas (LNG).

Going forward, we will proceed with technical and economic assessments toward converting to fuels with lower environmental impact, aiming for even lower emission levels.

In addition, we continuously monitor and work to reduce emissions of hazardous air pollutants designated under the Air Pollution Control Act as priority substances due to their potential health risks. For example, at our domestic sites, we are strengthening acrylonitrile recovery facilities and implementing equipment improvements to prevent evaporation from manufacturing equipment openings, while studying technologies to achieve a target acrylonitrile emission level of 1 ton or less per year.

Key Initiatives

Chemical substances management

PRTR* initiatives

Based on the Act on Confirmation, etc. of Release Amounts of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management Thereof (PRTR Act), we report annually to the government the amounts of designated chemical substances manufactured or used by the Company, including their releases into the environment and transfers.

We will continue strengthening the management of PRTR-applicable substance emissions and aim

Initiatives to prevent water pollution

We set regulatory limits stipulated by laws and local ordinances related to water pollution as our target values, and monitor emissions of COD*, nitrogen, phosphorus, and other substances to help preserve the aquatic environment. Each of these emissions is controlled at levels below the established targets.

At our domestic production sites, where water usage is high, wastewater from each plant is collected and treated through processes such as neutralization, oil separation, and removal of solid matter. In addition, we employ activated sludge treatment using microorganisms to decompose organic substances in wastewater.

* COD: Chemical Oxygen Demand

Waste reductions

As part of our efforts to reduce the amount of industrial waste destined for final landfill disposal, our worksites achieved the standard of less than 0.1% of the industrial waste generated in FY2007, realizing zero emissions in FY2011. Since then, we have maintained that status.

Zeon Group companies also had a final landfill volume of more than 600 tons in FY2007, but since FY2012 this has been reduced to around 10 tons, or roughly 0.4% of the industrial waste generated in FY2007. This is considered zero emissions.

The Group companies will aim to maintain a final landfill volume of 5 tons or less per year, the same as at our worksites.

Initiatives to reduce industrial waste from plastic products

Article three in our Responsible Care Policy is “Minimize the discharge of toxic chemicals and waste.”

Under the Act on Promotion of Resource Circulation for Plastics, which came into force in April 2022, Zeon is classified as a business that generates a large amount of industrial waste from plastic products (250 tons or more per year). In line with the spirit of the Act, we are working to reduce the amount of waste we generate, while also formulating medium- to long-term targets and plans to manage waste.

Chemical product safety information

We collect and provide safety information on our chemical products. We also conduct hazard assessments.

For quality assurance, see Quality Management.

Information for the proper handling of chemical products

We produce Safety Data Sheets (SDS) providing information including GHS^{*1} classification results, product hazards, and cautions for handling, etc.

For some of our products, we also compile 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. An industry voluntary initiative promoted by the Japan Chemical Industry Association, based on the fundamental concept of the global initiative by the International Council of Chemical Associations (ICCA)

Participation in voluntary chemical industry initiatives

Zeon provides financial support for research activities by the LRI^{*1} to assist in efforts such as chemical substance hazard reviews, safety evaluations, and environmental impact surveys. Zeon also participates in the Technology Subcommittee and the Environment Subcommittee of the Asia Pacific Section of the IISRP^{*2}. In international meetings, Zeon proactively participates in activities to improve the overall level of technology in the global rubber industry and to promote sustainability

*1 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).

*2 IISRP

International Institute of Synthetic Rubber Producers

Environment

Water Resource Conservation

Basic Approach

Zeon Group positions the conservation of water resources as a key issue for business continuity and works to make effective use of water and mitigate water risks through measures such as reducing water consumption through water-saving and wastewater reuse, and properly managing wastewater treatment and effluent quality.

At our production sites, after assessing local water stress conditions, we also take necessary measures to ensure that there are no adverse impacts on ecosystems or people's livelihoods.

Structure and System

Zeon Group believes that climate change has a serious impact on our business, and in 2020 expressed its support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). Based on the TCFD recommendations, we analyze the risks and opportunities posed by climate change and reflect them in our business strategies to strengthen our business foundation, while also aiming to realize a sustainable society and improve Zeon's corporate value. With regard to water risks, we also recognize risks and opportunities such as floods and droughts caused by climate change, and we continue to promote measures from an environmental and safety perspective, such as preventing water pollution and reducing water withdrawal, that we have long been implementing.

Key Initiatives

Water management plan

As a company that uses large volumes of water, we strive to reduce water consumption at our production sites. We manage water intake using flow meters and have established a system to control both water volume and quality through water recycling within our facilities and wastewater treatment systems.

We also undertake initiatives to reduce water-related risks. Water risks are incorporated into the Group-wide risk management list, by which they are recognized as materialized risk. Each division also assesses risk impacts and considers appropriate measures.

In addressing flood risks, we have long conducted risk impact assessments from a business continuity planning (BCP) perspective and are advancing the consideration of necessary countermeasures. Regarding drought risks, we conduct simulations that assume water sharing from other sites and external procurement, including procedures and cost estimates, and have established a system that enables response as needed.

These risk assessments are reviewed annually, establishing a system that enables the implementation of necessary measures in response to changing environments.

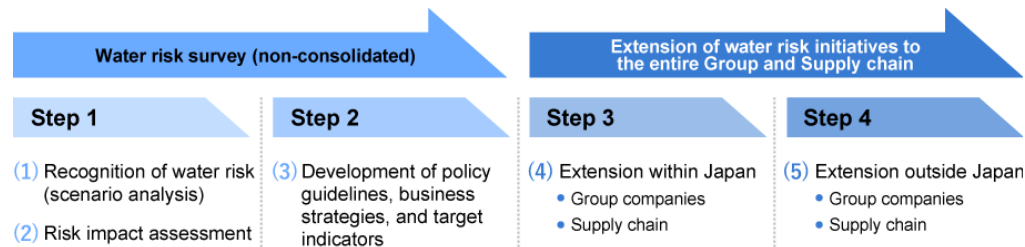
Based on this water management plan, we take appropriate measures to manage water withdrawal and wastewater discharge so as to minimize environmental impact as much as possible, while taking into account improvements in water-use efficiency and ecosystem conservation.

Initiatives on water resources

In our Group, water is indispensable for our manufacturing activities. If water resources were to become depleted or water quality deteriorated, we understand that it would be a serious risk to both our Group and local communities. It is with this recognition that we have been actively working on water risks since FY2022. Going forward, we will proceed with our initiatives in line with the steps outlined below.

1. Identification of our risks and opportunities concerning water risk
2. Establishment of Group-wide policies, targets, and indicators for water risk
3. Promotion of PDCA for targets and indicators
4. Disclosure of our initiatives to stakeholders

Roadmap of initiatives on water resources



Water risk analysis

To appropriately identify and assess business risks related to water, the Zeon Group conducted a potential water risk analysis covering manufacturing sites of Zeon Corporation as well as its consolidated and non-consolidated subsidiaries in Japan and overseas. The analysis utilized the AQUEDUCT Water Risk Atlas developed by the World Resources Institute (WRI).

The results indicated that overall water risk across the Group tends to be low. However, four of the 31 sites analyzed (12.9%) are located in areas assessed as facing “extremely high” water stress. Among consolidated subsidiaries, one site was confirmed to be situated in a high water-stress area. In addition to water stress, we also assessed water pollution risks associated with wastewater discharge. The assessment confirmed that several of our sites are located in areas that could be considered relatively high risk in terms of water quality impacts. These findings provide important insights for identifying priority areas in the Group’s water resource management efforts.

Going forward, the Zeon Group will continue working to enhance the accuracy of its water risk analysis while advancing the consideration and strengthening of necessary measures based on the risk level of each site. Through these efforts, we remain committed to the sustainable use of water resources and environmental conservation.

Environment

Natural Capital and Biodiversity Conservation

Basic Approach

To realize our corporate philosophy of “Contributing to the preservation of the Earth and the prosperity of the human race,” we are promoting initiatives to achieve our Medium-Term Business Plan under our materiality, the Five Gears that drive Zeon. In realizing this corporate philosophy, we recognize that contributing to the achievement of carbon neutrality and the coexistence of nature and humankind (conservation of biodiversity) is an indispensable and inherent mission for our company, and we have reflected these two perspectives in the illustration of our materiality.

Structure and System

To continuously promote initiatives based on TCFD, we have established and are operating an internal TCFD Subcommittee. Going forward, we will address not only climate change but also natural capital and biodiversity conservation, utilizing the frameworks of TCFD and TNFD. Through the operation of the above subcommittee, we will deepen our examination of these themes and connect them to the implementation of impact assessments and concrete measures.

Key Initiatives

The Tokuyama Plant conducts activities to maintain forests with water sources, with participation from a wide range of stakeholders including companies that use the water, to deepen understanding

of forests' role in water source cultivation and global warming prevention as well as to promote independent activities to improve and appropriately manage forests.

As part of our activities to conserve and restore blue carbon ecosystems, we also participate in conservation activities held at the Oshima tidal flats in Shunan City. Furthermore, through the Japan Blue Economy Association, we purchase and utilize J Blue Credit® created in the Oshima tidal flats—originating Shunan City blue carbon project in the Port of Tokuyama Kudamatsu. This helps offset our CO₂ emissions, while also contributing to conserving the natural environment in the surrounding area, promoting marine industry, and promoting community vitalization.

Responding to TNFD recommendations

Starting in FY2025, we launched an initiative to analyze our dependencies, impacts, risks, and opportunities related to natural capital using the TNFD LEAP approach, focusing on our worksites considered to have significant dependencies and impacts on natural capital. Based on this, we will proceed with assessing our impacts on the natural environment and examining measures.

Social

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Social

Human Rights

Basic Approach

Zeon Group positions initiatives relating to respect for human rights as one of the important foundations underpinning sustainability management and as a critically important element of its business activities and is promoting various measures based on the Zeon Group Human Rights Policy, which was established in line with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises.

In addition, we support the Ten Principles of the United Nations Global Compact and the Children's Rights and Business Principles, and based on these frameworks, we work to identify and appropriately address human rights issues in our business activities.

Moreover, of the Five Gears that Drive Zeon, human rights are closely related to "Creating a Truly Exciting Company" and "Establishing Solid Governance." We plan to strengthen our efforts in these areas going forward.

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. We 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, while fostering mutual respect.

This policy applies to all officers and employees of the Zeon Group. We also strongly expect our business partners and other stakeholders to comply with this policy and engage in dialogue and consultation as necessary.

Starting from FY2022, we have begun to implement full-scale human rights due diligence initiatives. In implementing these initiatives, after providing human rights education to relevant divisions such as

procurement and human resources, Zeon Corporation, group companies, and the supply chain have been carrying out relevant measures while receiving advice from external experts.

Zeon Group Human Rights Policy (Established in 2019, revised in 2023)

We, 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 Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, 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.

Information Disclosure

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

Structure and System

As a system for promoting sustainability initiatives, Zeon Group has established the Sustainability Conference and the Sustainability Committee under it, each of which meets regularly twice a year. These bodies also deliberate and decide as necessary on initiatives related to respect for human rights, steadily advancing our measures.

Key Initiatives

Human Rights Education

Our Group provides all officers and employees, including non-regular employees, with the education and awareness programs necessary to implement our Human Rights Policy.

Specifically, the “Compliance Text Q&A”, which comprehensively covers compliance-related matters, clearly sets out the fundamental principles of respect for human rights and is shared with all employees.

In addition, we conduct regular e-learning programs for all employees to further deepen their understanding.

Furthermore, we are committed not only to preventing child labor in Japan and overseas, but also to respecting children’s rights and promoting educational initiatives that contribute to the development of the next generation through our social contribution activities.

Human rights due diligence

Based on the Zeon Group Human Rights Policy, the Group launched full-scale human rights due diligence initiatives in FY2022. In implementing these initiatives, Zeon Corporation, along with our Group companies and supply chain partners, have been carrying out relevant measures while receiving advice from external experts.

Zeon Corporation

At Zeon Corporation, we have designated a department in charge of each human rights risk category and are working to reduce human rights risks by incorporating them into our company-wide critical risk control activities. Human rights risk categories are set based on the 25 categories indicated in “Company Obligations to Respond to Business and Human Rights,” published by the Ministry of Justice’s Human Rights Bureau, and in consideration of human rights issues in advertising and other risks, which have recently surfaced downstream in the supply chain.

Group companies

For our Group companies in Japan, we have provided education to the management and staff involved with human rights at each company regarding the importance of efforts to promote respect for human rights and the background of our initiatives. Starting in FY2024, we have been making full-fledged efforts to identify human rights risks at each Group company, and formulate and implement measures to reduce such risks.

Supply chain

(For details, see [Supply Chain Management](#).)

Becoming a signatory to the United Nations Global Compact and participating in subcommittee activities

Zeon Group endorses the UN Global Compact and participates actively in subcommittees of Global Compact Network Japan. We participate in workshops and working groups of the human-rights-related supply chain subcommittee and human rights due diligence subcommittee, and apply the information and knowledge gained through the Group's efforts to actions that ensure respect for human rights.



Prevention of Child Labor and Forced Labor

The Zeon Group complies with the laws and regulations of each country concerning human rights and labor and is committed to preventing child labor and forced labor.

To prevent child labor, we verify official documents at the time of hiring to properly confirm the age of applicants.

To prevent forced labor, Zeon Corporation and its Group companies conduct regular monitoring using organization-specific risk lists and have established reporting channels that can be used in cases where there is a risk of violations.

In addition, all hiring is conducted based on the free will of the individual. In particular, for mid-career hires, working conditions such as working hours and wages are presented in writing in advance, and employment is carried out with the applicant's consent.

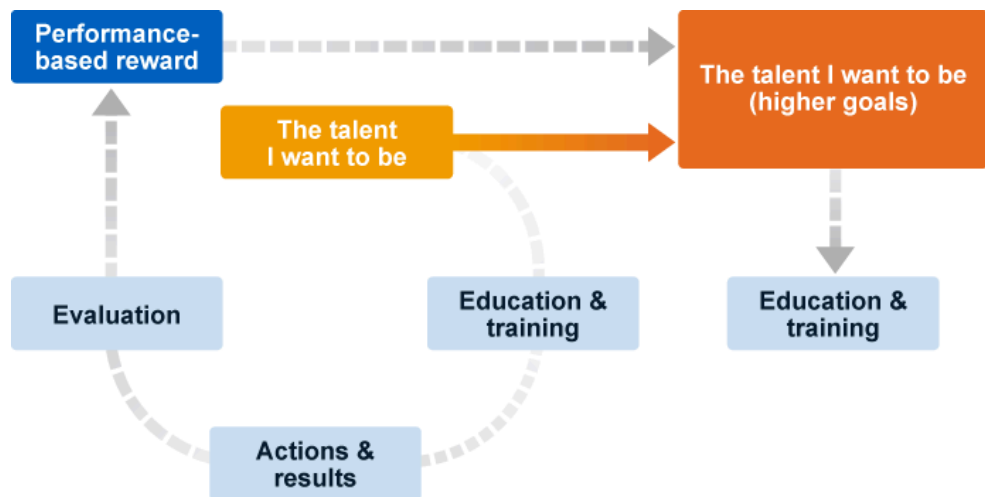
Social

Human Resource Development

Basic Approach

We define our concept of “being the talent I want to be” as “people who continually evolve by pursuing high goals based on independent thinking.” Each employee is encouraged to set goals to become the talent they want to be and to recognize and bridge the gap between the current reality and their goals. We are reviewing our education and training systems to allow them to take goal-driven actions on a daily basis. By fairly evaluating what employees have accomplished through their actions and rewarding them accordingly, we aim to nurture those who aspire to even higher levels.

Nurturing human resources at Zeon



Structure and System

We implement basic education to nurture human resources at Zeon with a focus on understanding our management philosophy, building a cooperation-oriented attitude, and acquiring standard knowledge. We also provide specialized rank-specific education including that intended to develop and improve the work competencies needed in specific occupations, evaluation training aimed at enhancing the skills of evaluators, and on-the-job training (OJT) through implementation at worksites, thereby delivering education tailored to each organizational level.

An example of education in specific occupations is the *monozukuri* training, aimed at nurturing human resources who support production innovation activities that rigorously pursue stable and safe production. This training targets operators in their first to third years after joining the company who work at manufacturing sites, and provides hands-on training in shared knowledge and skills across manufacturing sites, such as plant rules and basic knowledge of plant operations. We enhance on-site education, including the transfer of technologies essential to Zeon’s *monozukuri* and safety education.

In addition, as part of our support for self-development, we encourage each employee to learn proactively in order to move closer to the talent they want to be, and we provide learning assistance tailored to individual needs, such as covering costs related to obtaining certifications.

Educational grants for correspondence courses are offered as part of support for self-development. These grants cover 100% of tuition fees provided employees satisfy the course completion requirements.

Education & training system

Rank	Enforcement of Zeon Sustainability 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	Sustainability / Compliance / Information management	Strategic planning ability Goal setting ability	Strategic planning ability Supporting team member growth	Personnel evaluation ability	MBA dispatch / Language study / Studying abroad / Business school dispatch	Distance Learning Support for obtaining qualifications TOEIC
Deputy managers		Goal achieving ability				DI&B promotion
Leaders		Problem identification ability		Environmental and safety affairs / Quality / Intellectual property / Manufacturing / R&D / Sales / Administration, etc.	1-on-1 career training Harassment prevention training, etc.	
Newly-recruited employees		Problem solving ability		Monozukuri ZI basics	Other	

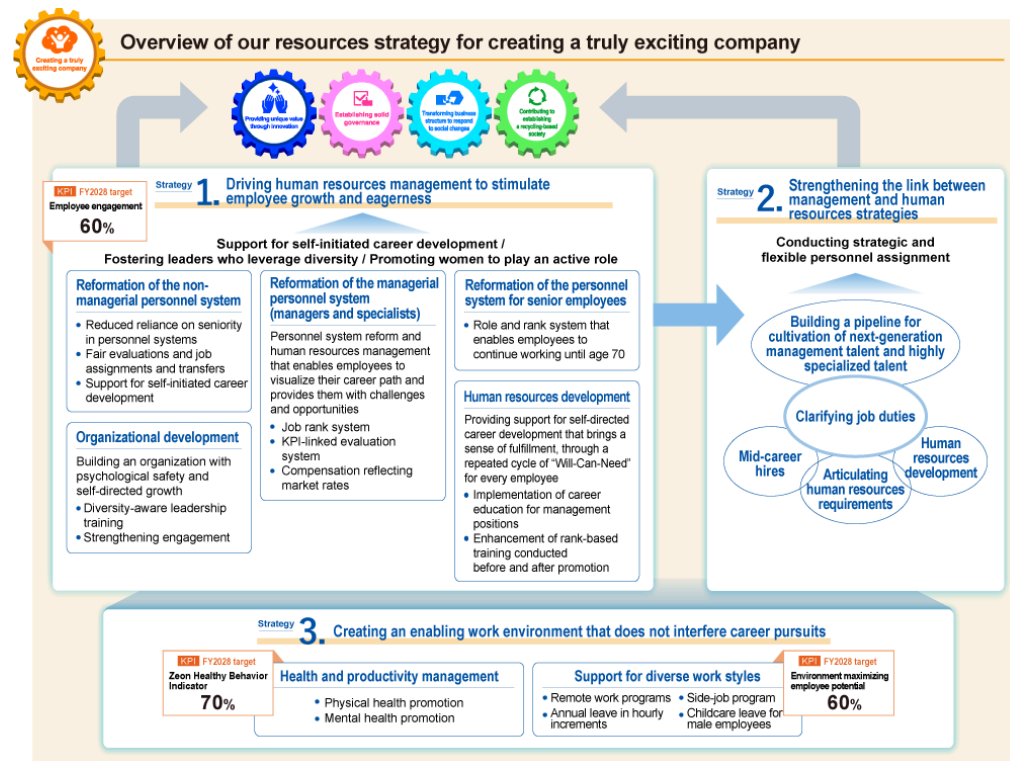
Key Initiatives

Driving human resources management to stimulate employee growth and eagerness

Work together to create stages to be active on

We are looking for people who continually evolve by pursuing high goals based on independent thinking. To recruit and nurture even more human resources with this ability, we are creating organizations in developing environments that draw out, develop, and fully use the capabilities of each employee. We will continue to promote the creation of “stages” where employees can demonstrate their individual strengths to realize our materiality (Five Gears that drive Zeon), including “Creating a truly exciting company.”

Overall view of and KPIs for the creation of “stages” where employees can demonstrate their individual strengths in Phase 3 of the Medium-Term Business Plan



The overall view of the creation of “stages” where employees can demonstrate their individual strengths is as follows: 1. Driving human resources management to promote employee growth and motivation, 2. Strengthening the link between management and human resources strategies, and 3. Creating an enabling work environment that does not interfere career pursuits. We have set KPIs through FY2028 and will continue working on the actions, as shown in the diagram, to achieve those KPIs.

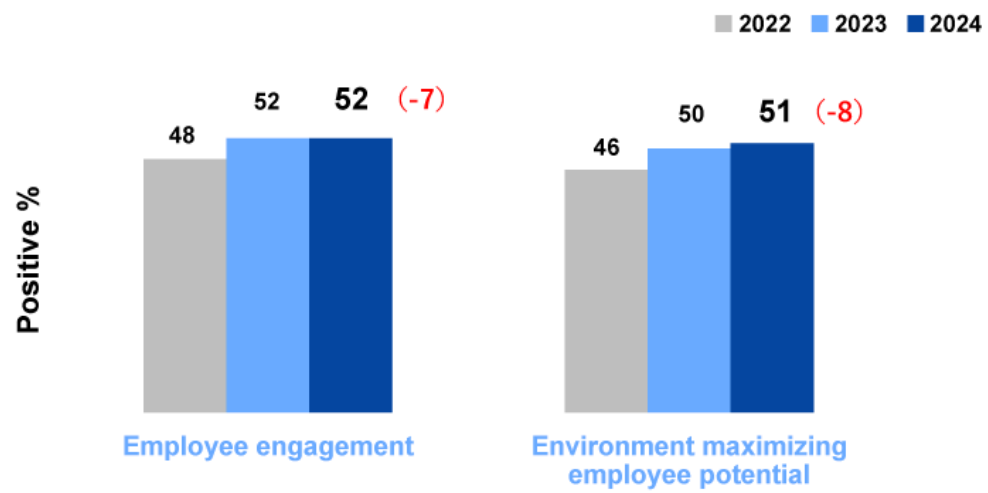
Visualizing issues through employee engagement survey

The company has been conducting an employee engagement survey annually since FY2021 to visualize issues and link them to human resources strategy initiatives aimed at realizing our materiality. In this survey, our assessments focus on two outcome indicators: employee engagement, which measures mutual trust between employees and the company; and the environment maximizing employee potential, which measures the organizational conditions where individuals can demonstrate and leverage their abilities. We consider and implement measures to maximize the abilities of both employees and the organization and to drive growth on both sides.

We conduct an employee engagement survey that is utilized globally, and benchmark it against the averages of high-performing global and Japanese companies. As a result, various organizational issues that were previously often perceived intuitively can now be visualized more objectively.

The results for FY2024 showed that employee engagement was 52% and the environment maximizing employee potential was 51%, both at the same level as the previous fiscal year's results. To achieve the FY2030 target of 75%, we believe it is necessary to provide ongoing, more positive encouragement that makes employees feel motivated to go above and beyond what is expected. To that end, we will advance a human resource management transformation centered on personnel system reforms, which is the key to this effort.

Trends in employee engagement survey indicators



* Figures in parentheses are the difference from the average in Japan.

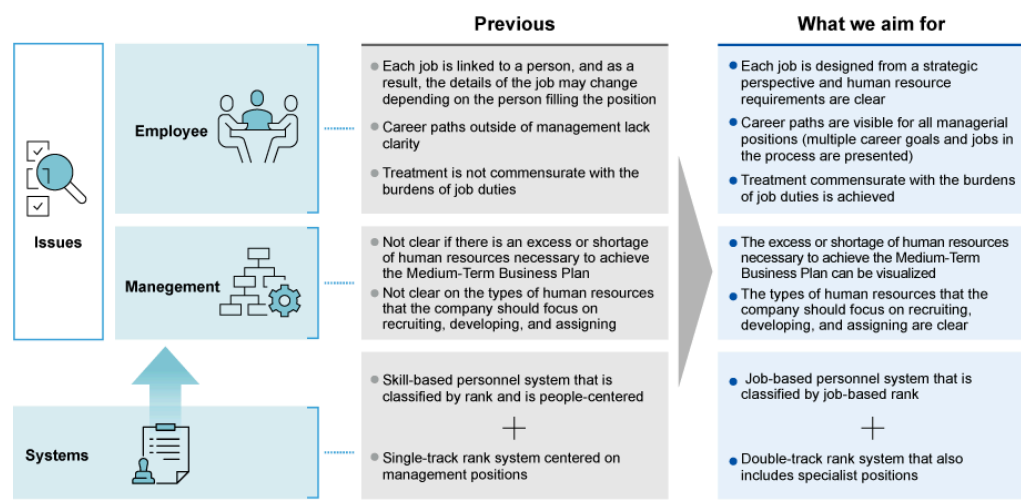
Operating a personnel system that allows employees to be themselves and a new managerial personnel system

We updated our managerial personnel system in July 2023 and introduced a new job-based system. In the former system, grades and compensation were used as stepping stones to management roles, based on the person's ability to perform their duties. However, the roles (i.e., job duties) employees are expected to perform have been diversifying. To foster employees' motivation and create "stages" that allow employees to demonstrate their individual strengths, we decided that we needed to transition to a personnel system that draws out employees' diverse strengths and prompts their growth. This led to the revision of our personnel system.

First, while retaining the conventional skill-based qualification system and operating a hybrid model, we are building an HR portfolio and clarifying the job requirements expected of managerial roles to support getting the right people in the right positions to achieve our management and business strategy. After organizing a grade structure based on these efforts, we will completely abolish the skill-based qualifications in FY2025 and plan to consider and introduce a personnel system optimized for our company.

In addition, we are planning to revise the non-managerial personnel system in FY2025 and beyond. In this revision, we will identify issues in work styles and career development through two-way dialogue and review the system to support opportunities for young employees to independently develop their careers.

Direction of personnel system reforms



Labor agreements and communication between labor and management

Joint Declaration by Labor and Management Aimed at the Growth of the Company(2009)

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.

In addition, we have set up numerous opportunities for exchanging opinions, including labor-management conference, Responsible Care (RC) dialog, and joint labor-management patrols, as well as round-table meetings, which are now a permanent part of the labor-management dialog. Labor-management conferences involve ample opportunity for forthright discussion. Both sides turn the discussion into forward-looking initiatives while maintaining 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.



Central labor-management conference

Our stance on wages

Zeon Corporation and its labor union engage in ongoing discussions and consultations to ensure the sound development of the business and to maintain and improve employees' working conditions.

Regarding wages, an important element of working conditions, we not only ensure compliance with statutory minimum wage requirements, but also maintain a level of compensation necessary for employees and their families to sustain an adequate standard of living. In addition, we aim to provide remuneration that exceeds a competitive living wage level when compared with regional and industry labor markets.

Furthermore, we link individual growth to the Company's growth and reflect the results in wages as appropriate. Based on the principle of equal pay for equal work, we eliminate unreasonable disparities in treatment arising from differences in employment status and foster an environment in which diverse working styles can be freely chosen.

Promoting women to play an active role

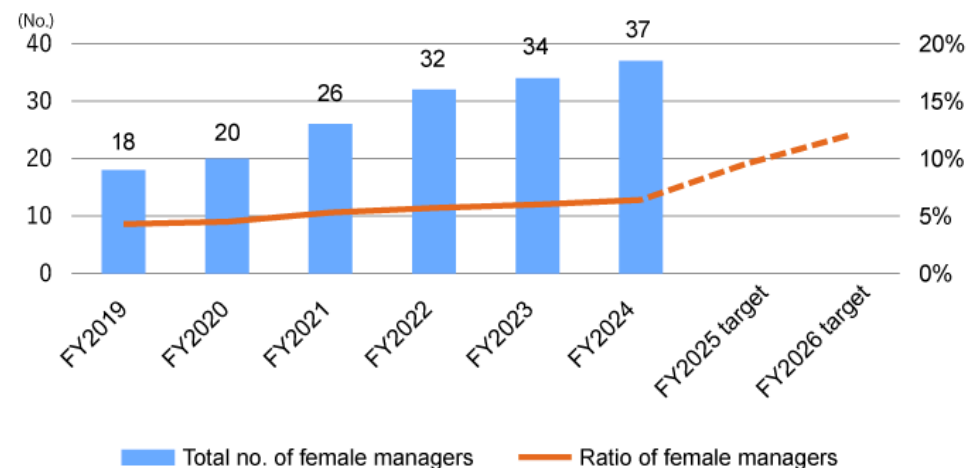
We are undertaking initiatives to support women to play an active role with the objective of providing opportunities for diverse human resources to demonstrate their individual strengths and play significant roles.

Recognizing the extremely low number of female employees as an issue, we have proactively worked to expand the hiring of women. Specifically, for the recruitment of new graduates with a university degree or higher, we have set targets of at least 50% women for administrative staff and 30% for technical staff, and we have been promoting recruitment activities accordingly. As a result of these efforts, the number of our female employees has increased 2.2 times compared to 10 years ago, and their share of the total workforce has increased from 9.8% to 13.8%.

Although the percentage of female in managerial positions remained at 6.4% as of the end of March 2025, we believe that the results of these efforts will lead to an increase in the number of female managers in the future, and we are strengthening initiatives to make this a reality.

We updated the managerial personnel system in July 2023, better clarifying the job duties and human resource requirements of managerial positions. Going forward, we will develop a pool of managerial candidates by identifying human resource requirements and gaps for promotion. Through initiatives such as a sponsorship program, we will also strengthen support for female managers and female managerial candidates.

Ratio and number of female managers (non-consolidated)



Strengthening the link between management and human resources strategies

We are reviewing and clarifying the duties of managerial positions, which were previously often linked to a person, from the view point of our strategies through a job-based personnel system introduced in July 2023. Also, we are articulating human resource requirements and accumulating behavioral characteristics information to build a pipeline for next-generation executive and managerial human resources. Through these measures, we will enhance our ability to strategically and flexibly assign personnel who can drive our business strategies, improving our organizational capability to realize our management strategies.

Creating an enabling work environment that does not interfere career pursuits

Instilling DI&B thinking

We are promoting DI&B, with Belonging added to the principles of Diversity and Inclusion. We are conducting various activities with the goal of a state in which diversity is respected and leveraged (D&I) while everyone at Zeon has a sense of security and trust that they are accepted (Belonging). This also contributes to “Creating a truly exciting company,” included in Zeon’s materiality, and serves as a driving force for our employees.

Fostering a culture rooted in DI&B, where everyone is happy to work at Zeon and feels we have a place to belong is the whole process of “creating ‘stages’ together with employees where they can demonstrate their individual strengths” set forth in our Medium-Term Business Plan. Going forward, we will turn diversity into a driver of transformation and link it to the creation of innovation.

As for the promotion system, Zeon has a promotion department within the Human Resources Division, and is also rolling out DI&B promotion projects across the organization, conducting both top-down and bottom-up activities. In particular, within these DI&B promotion projects, project members proactively address DI&B-related issues they wish to work on while also receiving education to grow as leaders who leverage diversity. We are thus working on fostering change agents.

Results of DI&B Initiatives

Initiatives	Details
Education on psychological safety	Workshops for understanding psychological safety (from executive to division managerial levels and other management positions), publishing in-house newsletter articles, lectures, communication training, etc.

Initiatives	Details
DI&B-related education	DI&B culture leadership training, unconscious bias training, self-leadership training, and one-on-one introduction training
Internal communications (dedicated website)	Articles on psychological safety education, articles for managers on handling maternity and childcare leave, and introduction to other DI&B initiatives
DI&B promotion projects	Members gathered from each division of the company who address DI&B issues while receiving leadership training
Utilizing senior employees	Career design lectures for mid- to senior-level employees
Implementing frameworks that connect employees with each other	Tsunasapo (connection support) room, networking events for mid-career hires, social gatherings for employees from outside Japan, social gatherings for fathers with children, etc.
Support for employees with children	Mutual-understanding workshops for employees with children and those involved with them
Support for mid-career hires	Business location visits and dialogues
Work style reforms	Lectures on work style reforms
Career development	Providing opportunities for employees to consider their careers, and training that uses game elements

Initiatives	Details
Implementation of DI&B Week	Company-wide campaign week aimed at ensuring that everyone at Zeon understands DI&B and that DI&B fosters connection across Zeon, planned and managed by the DI&B project members
Dialogue sessions with management	Deepening mutual understanding through reporting and dialogue sessions for the DI&B promotion projects

Hiring of recent graduates and career/mid-career candidates

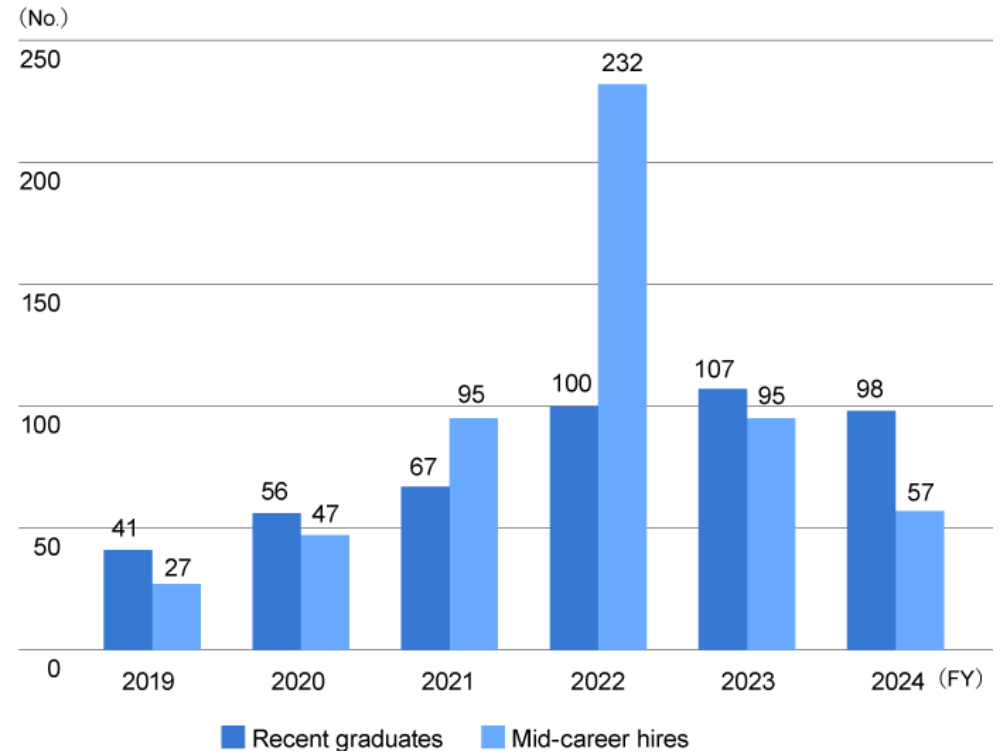
In FY2024, we hired 57 mid-career employees to work in many areas of Zeon, including research and development, business, and digital. We are actively promoting these human resources to managerial roles to create teams with diverse viewpoints.

In FY2024, we hired 98 new graduates. As a means of advancing gender equality and steadily increasing the ratio of women employees that play a central role in future management decision-making, we aim to continue hiring women each year to fill at least 30% of the roles for new graduate hires at the head office.

Our workforce is growing from robust hiring activities over the last several years, and we are focusing on onboarding and creating frameworks to retain these new employees and have them demonstrate their individual skills. This includes providing support in their personal life, in-house self-study opportunities, and support for building interpersonal networks, based on two-way communication.

In particular, for newly hired mid-career hires, we hold frank discussions with Human Resources soon after they start working at Zeon to deepen their understanding of Zeon's manufacturing activities, while also conducting education to help them perform their work with a high-level understanding of our Group. Furthermore, since FY2024, we have been conducting individual interviews to support their retention and early development as productive contributors.

Number of new hires (non-consolidated)



Promoting employment of people with disabilities

We are promoting the employment of people with disabilities while exercising the utmost care regarding safety, at our laboratories and plants which handle hazardous materials and use rotating and other industrial equipment as a chemical manufacturer.

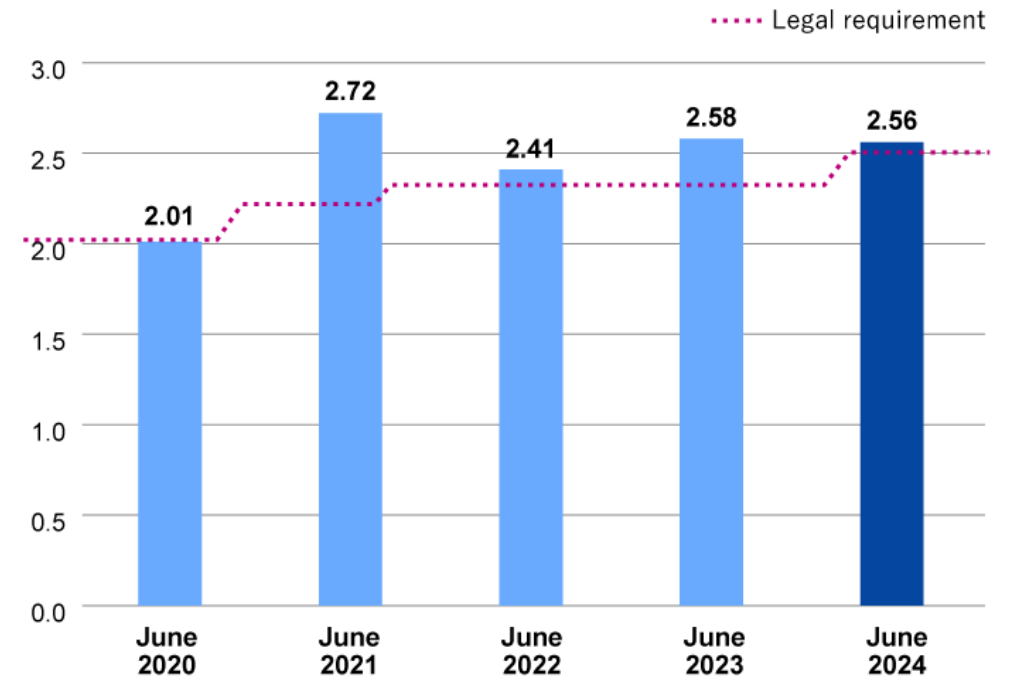
As places that provide Decent Work (rewarding and humane work), we also opened Zeon Farm, a facility for the employment of people with disabilities, in Kashiwa City, Chiba Prefecture in October 2020 and Zeon Farm Tokuyama, in Shunan City, Yamaguchi Prefecture in September 2022. Including a farm in Hirakata City, Osaka Prefecture, these three facilities actively provide opportunities for Decent Work.

Vegetables cultivated and harvested at the farms are transported to the head office, laboratories, and plants. They are also regularly shipped to employees on solo assignments to support their health or donated to “Kodomo Shokudo” cafeterias for children, thus contributing to health and productivity management as well as community outreach activities. People with disabilities are at the center of these activities.



At Zeon Farm Tokuyama

Percentage of employees with disabilities



Participation and advancement of foreign-national employees

As we expand our business globally, it is of the utmost importance to our company that an active role is played not just by Japanese employees but also by employees of other nationalities. Their active roles in various departments serve to help not only non-Japanese employees but also the Japanese colleagues working alongside them to grow, while also promoting respect for diverse values and invigorating our organization as a whole.

Zeon has continuously pursued the recruitment of a multinational workforce, including hires from outside Japan, irrespective of nationality, for some time. As of March 2025, we have 34 foreign-national employees, an increase on past numbers. Of these 34 employees, seven are active in managerial roles.

We will continue to pursue a policy of increasing the number of foreign-national employees capable of playing a central role in managerial decision-making into the future.

Globally active employees

As of March 2025, Zeon had 45 employees stationed outside Japan, who are active in regions throughout the globe driving our business outside Japan, mainly in Asian countries, along with North America, Europe, and other regions.

In addition to offering our support to employees stationed outside Japan to ensure that they can live and work in safety, we aim to clarify the roles and duties required of each of these employees, as well as providing visions for their careers with an eye to their growth. We will also actively undertake the creation of environments which allow employees to rise to challenges with confidence. This will include canvassing and providing them with opportunities to volunteer their opinions and wishes.

Contributions by senior employees

We created a personnel system for senior employees that applies to employees who are at or above the mandatory retirement age of 60 years. As of March 2025, a total of 203 senior employees (including personnel seconded to the Group companies) are working under this program and are active in various areas including assignments outside Japan.

The concept of this system is “creating stages (workplace) where employees who have entered or are about to enter their senior years can demonstrate their individual strengths for an even longer period in anticipation of an era of 100-year life spans.”

The adoption of this system will provide a framework for rehiring up to the age of 70, as well as increasing the variety of life options and providing environments in which employees can work in peace of mind. It will achieve this through the provision of attractive benefits and flexible work styles, including part-time work and side work, as a response to the desire of seniors to remain active and take on challenges even after the mandatory retirement age.

Overview of the personnel system for senior employees

Rehire period	Up to 70 years old
Course categories	Course categories that better reflect roles and demonstrated and refined abilities
Rewards and benefits	<ul style="list-style-type: none"> • Attractive rewards and benefits aligned to roles and abilities • Utilization of the “Meister” title
Internal communications (dedicated website)	<ul style="list-style-type: none"> • Possible to choose between full-time or part-time work • Permission to work side jobs under certain conditions • Utilization of support leave

Award system (Zeon Challenge Award)

The Zeon Challenge Awards are presented annually to employees who contribute to corporate value enhancement and take on challenges. The prizes given for the President’s Award and other rewards are commensurate with the levels of these achievements.

Alongside the Employee of the Month award, which is presented on a monthly basis to individual employees by division managers, the Zeon Challenge Award is also intended to provide a stage to be active on, and caters to challenges undertaken at the initiative of employees themselves.

Social

Occupational Health and Safety / Health and Productivity Management

Basic Approach (Occupational Health and Safety)

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)

Responsible Care Policy

In 1998, we established our own Responsible Care Policy to define our conduct guidelines based on Responsible Care. This policy is included in our Environmental and Safety Regulations. We regularly examine the need for revisions to our regulations every three years and as needed, and operate the policy so that we can appropriately respond to evolving social expectations and the latest standards. Under this policy, all stakeholders, including our employees and partner companies working with us, work together to promote occupational health and safety activities aimed at achieving zero serious accidents and major incidents. We are committed to continuously improving our occupational health and safety management system in line with international standards, as well as our initiatives on machinery safety, and to company-wide efforts to maintain and enhance our safety culture.

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.

Basic Approach (Health and Productivity Management)

In FY2021, Zeon established a Declaration for Health and Productivity Management and Code of Conduct for Well-Being: "For me to be happy" and declared that the company and employees will work together to address health and productivity management. The Declaration for Health and Productivity Management expresses the company's commitment, while the Code of Conduct for Well-Being: "For me to be happy" incorporates a message and thoughts directed to employees.

The general concept of health and productivity management is that investing in employee health leads to corporate growth, and we believe that implementing health management enables each

individual to continue working with enthusiasm and create a truly exciting company. Accordingly, we are focusing our efforts on these initiatives.

In 2023, we established the Health and Productivity Management Conference and focused efforts on proposing and implementing measures from the perspective of employees. Going forward, the company will collaborate with employees to promote health and productivity management.

Declaration for Health and Productivity Management (October 2021)

Our corporate philosophy is "Contributing to the preservation of the Earth and the prosperity of the human race." This mission will be accomplished by each and every employee of Zeon Group fulfilling his or her potential and playing an active and vibrant role in the company and in the society.

In order for us to continue contributing to a "Sustainable Earth" and a "Safe and Comfortable Lives for People," we will create a work environment where employees can work cheerfully and vigorously and lead healthy lives, both physically and mentally, with their families and colleagues.

Code of Conduct for Well-Being: "For me to be happy"

- I will be conscious of and proactively work to ensure that I am healthy, happy and empowered in my work
- I will establish the status of my health by means of regular checkups and avail of appropriate feedback and guidance
- I will ask myself if I am sleeping and eating well and maintain awareness of my daily routines, noticing any changes in my condition as soon as possible, and engaging in self-care routines
- I will give due attention to the environment which surrounds me, and make daily improvements to make it safer and more comfortable
- I will understand the resources available around me that will support me in times of emergency

Structure and System (Occupational Health and Safety)

We have built environmental and safety management systems based on the Responsible Care philosophy, and are working toward the goal of ensuring the safety of all persons at our worksites and plants. We have also obtained ISO 14001 external certification related to the environmental field, working on continuous improvement.

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 General Manager of the Environmental and Safety Affairs Department creates this policy after the President's Annual Policy and the Safety Management Improvement Master Plan set by top management 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

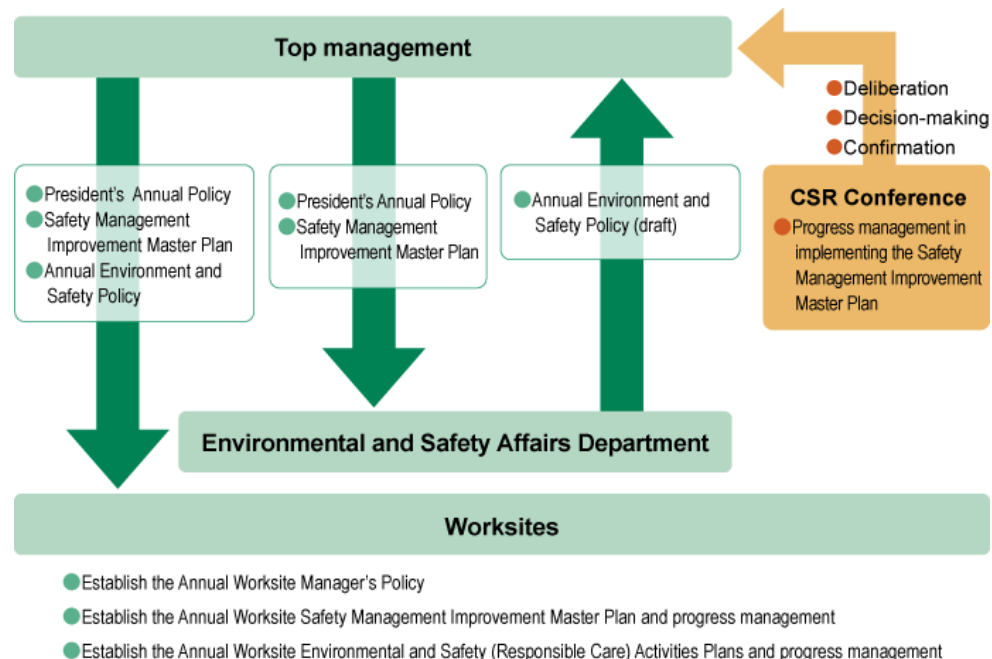
Worksite managers create the Activities Plans after the Group-wide Annual Environment and Safety Policy is released.

Progress management

At the CSR Conference, chaired by the Representative Director, and the Environmental and Safety Committee under its supervision, company-wide plans and progress management related to environmental protection and occupational health and safety are deliberated, with the executive officer in charge of environmental safety serving as chair of the committee.

- 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



Concrete initiatives for occupational health and safety

Initiatives to prevent occupational accidents and protect the safety and health of all plant employees

We emphasize communication between worksite managers and workers to enhance worksite capabilities while implementing various measures to prevent infectious diseases, 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 and 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.

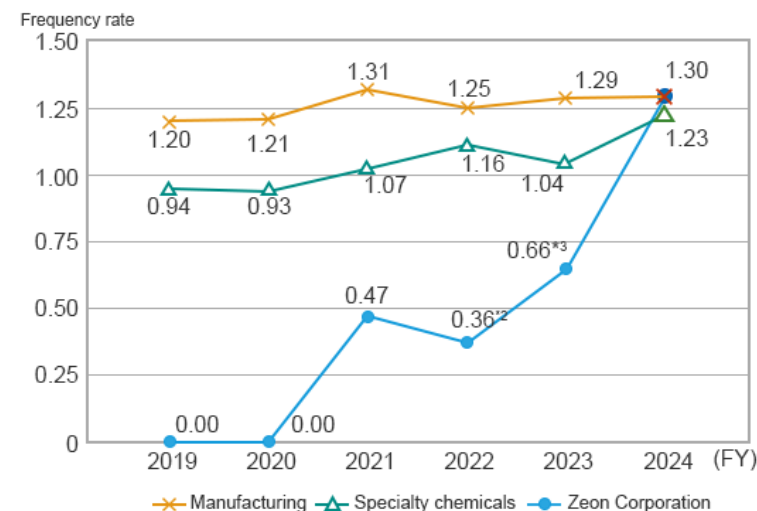
Record of occupational accidents

We have set a target in our Medium-Term Management Plan to achieve a lost-time injury frequency rate of 0.4 or lower by fiscal year 2028.

In fiscal year 2024, the frequency rate was 1.30 (three lost-time injuries), and we did not achieve the target.

We will thoroughly investigate the causes and implement preventive measures, and will continue company-wide efforts to prevent occupational accidents.

Lost worktime accident rate^{*1} (Zeon Corporation)



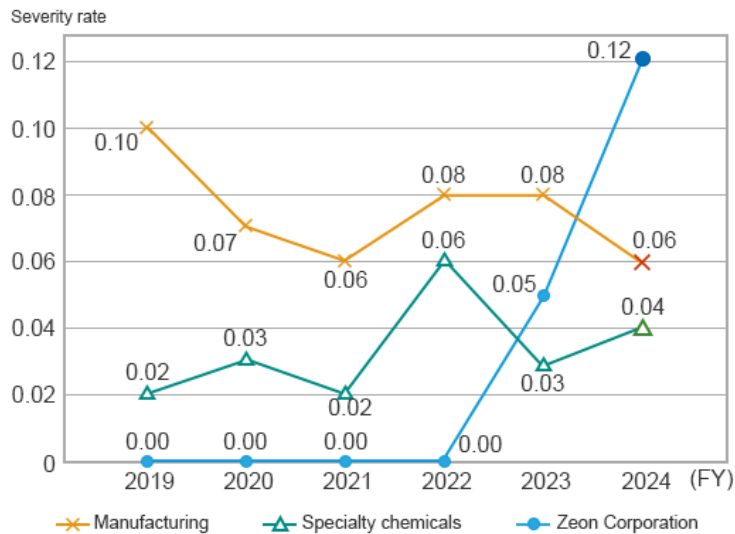
^{*1} Lost worktime accident rate
A safety indicator of the frequency of occupational accidents, calculated using the following formula.

$$\text{Frequency of lost worktime accidents} = \frac{\text{Number of workers who experienced a lost worktime accident}}{\text{Total working hours} \times 1,000,000 \text{ hours}}$$

^{*2} From FY2022, the total value for Zeon Corporation increased to 6 plants from 4 due to an absorption-type merger.

^{*3} The number of lost worktime accidents increased in FY2024 compared to the previous year.

Change in severity rate of lost worktime accidents* (Zeon Corporation)



* Severity rate of lost worktime accidents = Total number of lost work days / Total actual worked hours × 1,000 hours

5S safety inspections

5S safety inspections assess operations where safety is critical to maintaining the 5Ss (Sort, Straighten, Scrub, Systematize and Sustain). The General Manager of the Environmental and Safety Affairs Department at the head office and Managers at Environmental and Safety Affairs Offices at each worksite conduct patrols of worksites where the Environmental and Safety Affairs Committee is held, to identify areas of excellence and areas where improvements are required (conducted in FY2024 at the Mizushima Plant and the Tsuruga Plant).

Safety and accident prevention

Safety management efforts led by top management

Each year, top management develops the Annual 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.

Specifically, we are continuing to conduct priority measures to ensure safety, based on the following straightforward phrases.

1. Reliable operation of equipment and systems to prevent errors (“Never rely on ‘maybe’ or ‘should’”)
2. Plant degradation countermeasures and fail-safe measures* (Think smart! Best proposals will be approved.)
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.

Dialogue between management and plants

To monitor progress on priority issues, Zeon management visit plants on a regular basis to conduct the top diagnosis, hold hearing meetings with employees, and brief them on annual policies. Visits are also made to plants on other occasions to communicate directly with plant employees, who are on the front-line operations. Along with these visits, we concurrently held online meetings from FY2020 to prevent the spread of COVID-19. In FY2024, management made all visits in person, marking a resumption in holding proactive dialogue with worksites over a total of 48 days.

Communication with employees

Zeon Corporation and its labor union (hereinafter referred to as the “Labor Union”) work together to address various issues under a collective bargaining agreement established with the aim of ensuring the sound development of the business and maintaining and improving the working conditions of union members.

Based on this agreement, a Central Labor-Management Council is held four times a year as a forum for dialogue between labor and management representatives.

In addition, Safety and Health Committees have been established at each business site to ensure and enhance the safety and health of union members.

Safety inspector certification at all sites

- Certified Safety Inspector*1

Obtained by Takaoka Plant, Kawasaki Plant, Tokuyama Plant, and Mizushima Plant

- Certified Completion and Process Safety Inspector*2

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*3 and promoting initiatives toward 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 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

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 2022)	2008 (renewed in 2022)
Tokuyama Plant	2007 (renewed in 2021)	2012 (renewed in 2021)
Mizushima Plant	2006 (renewed in 2021)	2006 (renewed in 2021)

Occurrences of accidents and injuries

- FY2024: Safety incidents* 9
(High-pressure gas leaks: 2; Other leaks: 4; Smoke: 3)

Although these incidents did not result in injury to humans 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

At Zeon Corporation, we have participated as a supporting company (full member) since the initial establishment of the Japan Safety Competency Center (a specified nonprofit corporation), and have made efforts to evaluate and improve its safety competency in terms of our safety foundation and safety culture. In third-party evaluations, the Japan Industrial Safety Competency Center evaluates our 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 we continue to conduct improvement activities aimed at improving our safety competency.

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 and Safety Affairs

Department is combined with worksite-specific environmental and safety education tailored to the specific needs of each individual worksite.

Shared Group-wide educational content includes content provided through e-learning as well as education on legal amendments of environmental and safety-related laws.

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, and the Safety Management System, etc.

Safety education provided by former plant managers

Education using accident case studies

Held since FY2003, 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. This education is also provided to resident partner companies and Group companies.



Education using accident case studies

Environmental and safety education for new employees

Newly recruited employees at Zeon head office

Presentation of case studies of occupational accidents that have occurred while newly recruited employees were undertaking plant 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 is implemented.

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 (Environmental and Safety Education and Training 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.

Educational activities through 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. In accordance with the “Standards Governing Usage of the Mizushima Plant Safety Workshop,” initiatives are conducted using the “Plant Safety Rules Understanding Verification Sheet” to check employees’ level of understanding of safety rules; in addition, initiatives are held that make use of education based on the exhibits in the Safety Workshop to promote understanding of plant rules among plant personnel (including the personnel of partner companies).

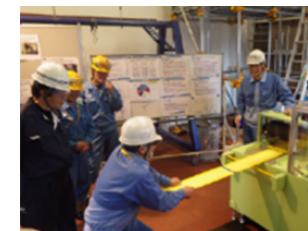


Display in the Safety Workshop showing how to use scaffolding

Adoption of hands-on safety education

Safety experiential education is conducted at plants, research facilities, resident partner companies and neighboring Zeon Group companies. Every year experiential education is provided on 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 cuts.

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



Hands-on safety education on dangers of getting caught in a roller

Safety-related risk assessments

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, which suggests that in a workplace, for every accident that causes a major injury, there are 29 accidents that cause minor injuries and 300 incidents 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.

In FY2024, focusing on the fall accidents that occurred frequently in FY2023, we analyzed near-miss incidents of falls at the Takaoka Plant, Kawasaki Plant, Mizushima Plant, Himi Futagami Plant, and Tsuruga Plant, and conducted dialogues involving the worksite of each plant.

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 (assessments of new lines)

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.

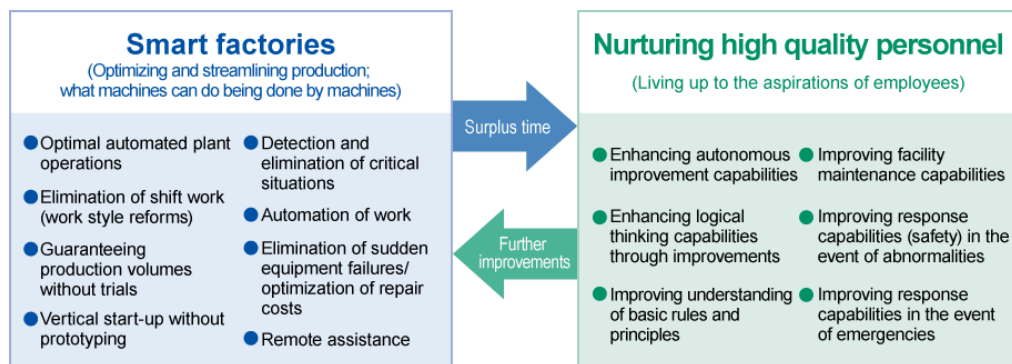
Creation of “smart factories” to simultaneously improve plant efficiency and realize work style reforms

At Zeon, we have been working to make our plants “smarter” since 2020. We have already carried out various activities to facilitate production innovation (visualization and utilization of intangible assets, including know-how and expertise of skilled and experienced workers) to date. The creation of smart factories will enable further production innovations and transformations in work tasks by increasing the range of things that can be accomplished by machines through the leveraging of digital technologies. For plants, this will lead to optimized and streamlined production while continually ensuring product quality. For employees, it will lead to the realization of comfortable and rewarding work environments.

As part of the “Smart Factory Realization Project” undertaken throughout Zeon Group, we initially discussed the “Vision of an Ideal Plant” in six areas (work operations, safety, quality assurance, facilities, personnel, and logistics and warehousing), establishing the specifics of what we hoped to achieve via the creation of smart factories, as well as the steps needed to achieve this. Meanwhile, it is important to organize these various ideas and initiatives to facilitate optimization of the whole, rather than groupings of digitization initiatives partially optimized for individual fields.

Initiatives undertaken over a two-year period as part of this project involved pilot tests ranging from studies on ways to achieve the transition to smart factories to those on optimizing the whole, thereby identifying the topics to be addressed. We also worked out the organizational structures and a visualization of the digital human resources which would be required to achieve these goals. Since April 2022, initiatives to facilitate the creation of smart factories are being continued by the Production Innovation Center based on the Medium-Term Business Plan.

Vision for smart factories



Example 1: Reduction of essential tasks through transition to the use of robotics

Activities for production innovation have to date reduced on-site troubleshooting operations by around 90%. We have now reached a juncture of considering whether to further reduce essential tasks required for production to reduce workloads even more. In this context, we deliberated on the potential of adopting digital technologies intended to reduce essential tasks.

If plant patrols can be replaced with cameras and robots, this would allow the time thus saved by increases in efficiency to be used for other improvement activities (workstyle reforms), while also improving operator safety. In addition, standardization of work tasks and the development of facilities for the transition to the use of robotics would further facilitate improvements in the basic infrastructure of plants.

As a result of conducting reviews inside actual plants, it was found that commercially available functions would not meet our implementation needs, and the technical issues that need to be resolved to have robots move around automatically were identified. The direction for solving these issues is becoming clear as we are accumulating expertise through investigations conducted in collaboration among industry, government, and academia while combining various peripheral technologies and solutions. Our objective remains to realize safer work



Patrol inspection at an actual plant

environments where people are not placed in dangerous situations during emergencies.

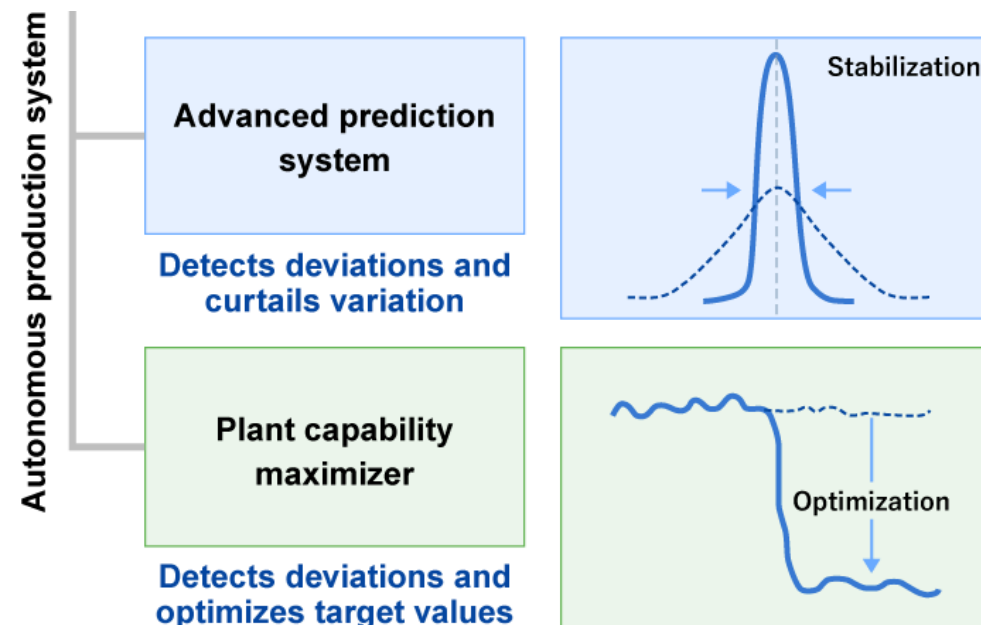
Example 2: Mechanisms for achieving both safety and quality

We have formalized the know-how of veteran operators and introduced and used an intelligent production system^{*1} that enables less experienced operators to also perform safe and stable operations.

To advance this system even further, we are investigating the introduction of an autonomous production system^{*2} that will make high-level forecasts and predictions on factors that can lead to quality changes, and based on those forecasts and predictions, support operations with optimized quality and costs by integrating the formalized know-how with data science.

*1, 2 DAICEL Production Innovation method

Autonomous production system



Example 3: Immersive training using VR technology

To operate a plant, it is important to acquire the ability to respond in the event of abnormal conditions, in addition to understanding basic rules and principles. The introduction of VR technology during training drills is expected to facilitate improvements in the efficiency of both instructors and those under their instruction by allowing them to repeatedly be exposed to various situations and facilitate autonomous learning.

To raise the efficiency of new employee training by using virtual reality, we have looked into the use of 360-degree cameras. It creates an environment where learners can move freely throughout the plant in a virtual space and learn procedures by performing them repeatedly without the need to go to the actual work site. As a result of our investigations, we were able to perform all photography, document preparation, and revisions in-house and we have now started use in practical training.

Training for more advanced troubleshooting drills, and launching new plants is under ongoing consideration as the burden involved in creating training materials is high.

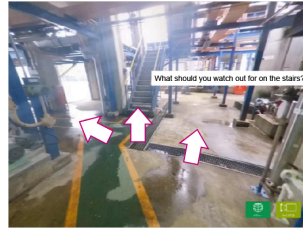
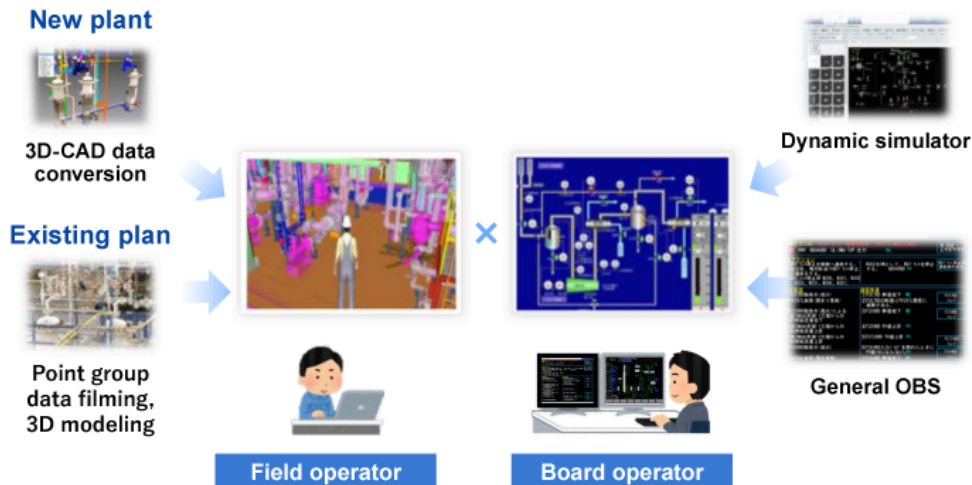


Image from a 360-degree camera

Advanced drills on responding to problems and new plant launch drills



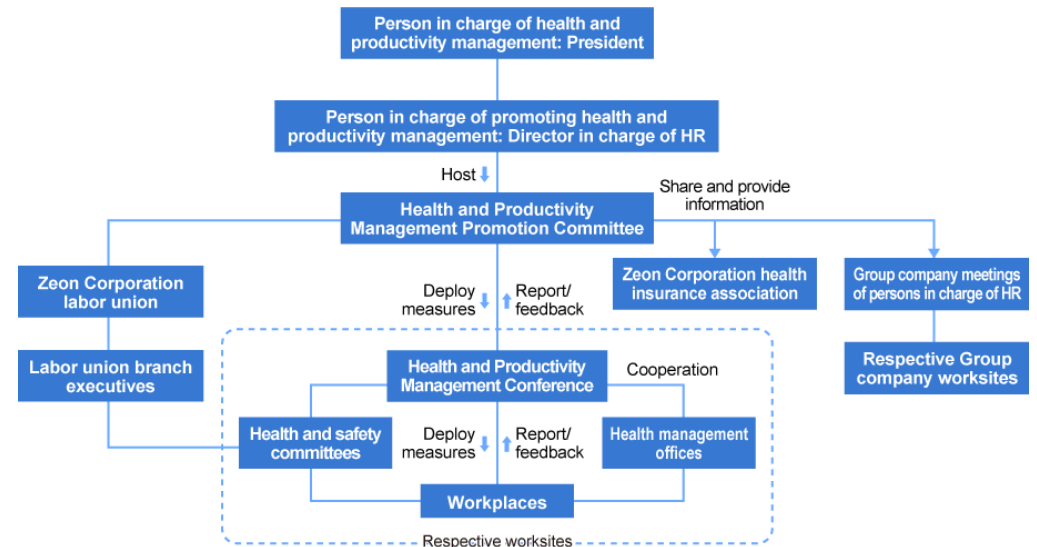
Structure and System (Health and Productivity Management)

The President and CEO is positioned as the person in charge of health and productivity management.

The Health and Productivity Management Promotion Committee is chaired by the director in charge of human resources with participation from representatives of the labor union. The Committee both deliberates on measures and makes decisions on health and productivity management.

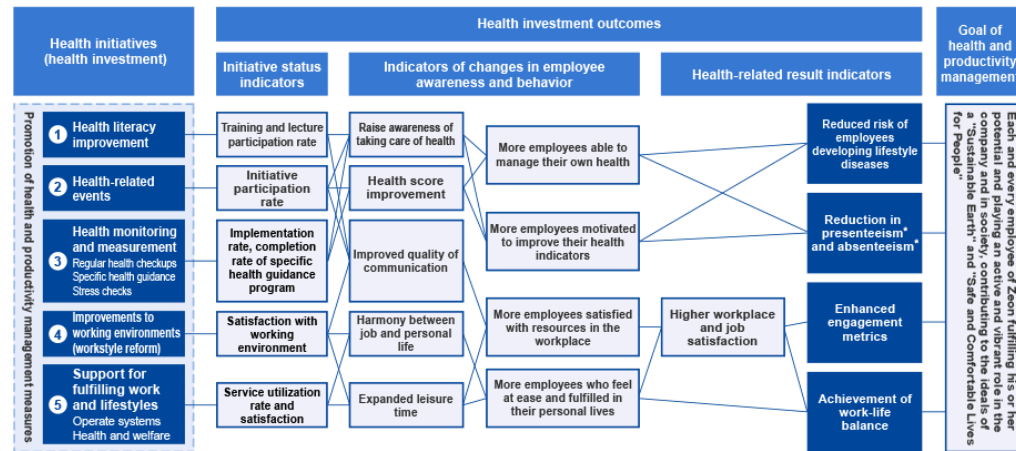
We established the Health and Productivity Management Conference as its subsidiary organization in FY2023. It conducts activities to establish health and productivity management initiatives among employees through sharing worksites' independent initiatives and building a cooperative structure between the head office and worksites.

Health and productivity management promotion framework



Key Initiatives

Health and productivity management targets and key issues/policies (Health and Productivity Management Strategy Map)

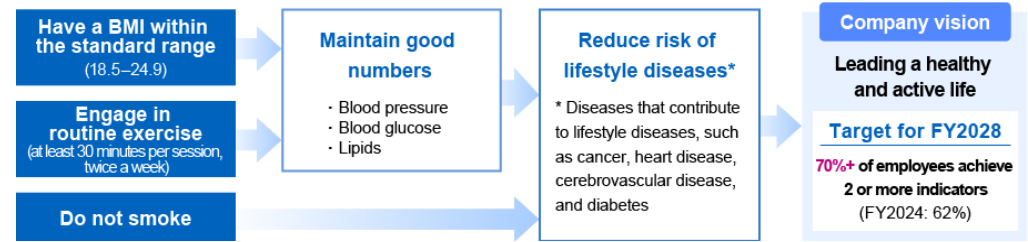


*Presenteeism: Productivity lost due to employees coming to work despite being unwell
 **Absenteeism: Productivity lost due to employees being absent for reasons of illness

Introducing Zeon Healthy Behavior Indicator

In Phase 2 of STAGE30, our Medium-Term Business Plan that we launched in FY2023, we created the Zeon Healthy Behavior Indicator to set forth our goals for physical health. This original index consists of the three health indicators of a BMI within the standard range, engaging in routine exercise, and not smoking. Key points of this index were making the self-assessment easy to complete and including healthy activities that anyone can do. We have set the target of increasing the percentage of employees that satisfy two or three of the three health indicators from 60% (FY2022) to 70% (FY2028) and are taking steps to achieve this target.

Zeon Healthy Behavior Indicator



Physical and mental health initiatives

Mental health training

We distribute video content on mental health for all employees. In addition, the Line Care Training for line positions, with our company-employed psychiatrist serving as the instructor, provides training with content based on familiar examples.

Health checkups and follow-up care

For regular health checkups, industrial physicians and nurses provide follow-up consultations and health guidance for persons who require guidance. We have also launched a system that allows employees to view their health checkup results online 24 hours a day, with the intent to provide a state of health awareness whenever it is convenient. Awareness of health is the first step to creating good health. We will cultivate awareness for health through the launch of this system.

Stress checks

We conduct annual stress checks every July. Feedback is provided to employees at worksites and activities to improve workplace environments are conducted.

Launch of support for external counseling

We have launched support for external counseling with the aim of promoting better mental health and well-being. Professional counselors provide support for resolving work-related problems, health worries, and other issues.

Independent worksite initiatives

We implement measures to promote health tailored to the specific issues and needs of respective worksites, including walking events, physical fitness measurements, and the adoption of menus with healthy food options at cafeterias, as well as the holding of seminars to improve health literacy.

Flexible work styles initiatives

We are promoting the maintenance of “environments to facilitate flexible work styles unconstrained by time and place,” which includes the extension of teleworking and the flex-time system, as well as by making it possible to take annual paid leave in hourly increments, as means to encourage the realization of well-being for each and every employee.

Office environment improvement

Prompted by the increased permeation of teleworking, we reviewed the role of the office, defining it as “a confluence point for communication to collaborate and cocreate as well as for education.” Employing a unilateral open-plan layout encompassing all organizational units and departments, as well as introducing state-of-the-art ICT infrastructure to facilitate flexible work styles, head office has transformed itself into a stage on which all employees can be active. From FY2024, to strengthen organizational capabilities by taking the best of both teleworking and in-office work, we are further expanding office functions and changing layouts to foster communication among employees when they come to the office.

While improving the environment for flexible work styles, we are also advancing initiatives that reaffirm the value of face-to-face interaction, such as group work aimed at casual communication



Meeting at the head office

and programs that encourage connections among employees and departments.

Deregulation of dress codes

At head office, we have deregulated dress codes with the aim of creating a work environment where each and every employee can freely express their own ideas and conduct themselves with autonomy.

Enhanced support for transferees

We have expanded and enhanced our support for transferred employees to reduce burdens at the time of transfer and to cover expenses for traveling home. If an employee returns to their pre-transfer home or if a spouse joins the employee at the new assignment, the company pays travel expenses according to distance zones separate from the unaccompanied transferred employee allowance. We also began paying expenses for travel home for some single employees if they are transferred to a business location other than the area where they were initially hired. We expect that these enhanced support programs for transferred employees will help all our employees to thrive and work with enthusiasm.

Launch of side work system

We have introduced a side work system. This system is being used to support employees to realize their career aspirations, by allowing them to build their careers by gaining skills and experience through side work and pursue self-realization by taking on challenges they seek out themselves.

Initiatives to reduce overtime work and promote taking of annual paid leave

As part of various measures to realize freedom and well-being, we are working to reduce overtime work and promote the taking of annual paid leave, while also ensuring compliance with labor laws regarding working hours.

To reduce overtime work, we have implemented measures such as working days within regular hours (instituted days with no overtime) and a review of operating staffing levels at plants, resulting in a downward trend in recent years. In principle, we aim to eliminate excessive long working hours (an average of more than 45 hours per month, including overtime and holiday work).

To raise the rate of employees taking annual paid leave, we have also made it easier to take leave, such as by setting up days and periods of time where taking annual paid leave is encouraged and creating programs to enable taking leave in single-hour and half-day increments. As a result, the rate in 2024 reached 75.6%, achieving the 2026 target of 70% ahead of schedule for the second consecutive year.

Initiative to expand application of the teleworking system

To realize work styles not tied to a particular place, we are conducting a trial expansion of the teleworking system at some worksites to allow employees to work at places apart from the standard telework locations (employees' homes and shared offices). While the majority of participants in the trial have given positive feedback, including the ability to have flexibility in how they work and more fulfillment in private life, employees providing nursing care support have also requested an increase in the maximum number of days they can use the program. In response to this feedback, in FY2024 we maintained the number of days the program can be used at 40 work days, making the system easier to use. Aiming to create a teleworking system that supports employees in balancing their work and private life, we will continue to conduct measures while listening to employee feedback.

Supporting employees with children by creating leave programs

Approximately 80% of married union member households have both partners working, and as a result, it is necessary for the company to create an environment where employees can continue their careers with confidence even if their spouse is transferred. Employees who are recognized as having difficulty continuing to work due to accompanying a spouse who is being transferred to another location are allowed to take a leave of absence for up to three years. The objective of this program is to avoid disrupting the careers of employees confirmed through discussions with the labor union and to prevent the loss of high-quality human resources.

Health and welfare service: Zeon Cafeteria Plan

We have introduced the Zeon Cafeteria Plan, a system which allows employees to make their own choices from a menu of options to support the "peace of mind" and "career development," as well as options to help them "connect/co-create."

It can be used for various purposes, including health promotion, encompassing comprehensive physical examinations and fitness clubs; support for childcare and nursing care, including babysitting

and daycare services; self-development activities, for example correspondence courses and language study; to avail of facilities for overnight stays; and travel expenses for employees on assignment without their family, as well as for those using nursing care, to return to their family home.

GLTD Program (Zeon Corporation Long-Term Rehabilitation Support Program)

We established this program with the aim of supporting creation of conditions that allow employees and their families to live with peace of mind. In the event of an illness or injury that prevents someone from working for a long period, this program compensates the employee at the company's expense for a portion of the employee's income for as long as up to their 65th birthday. Employees can also enroll in an optional plan that increases this compensation and attach a rider that covers unpaid periods during caregiving leave.

Establishment of Childcare Leave Consultation Service

We have established the Childcare Leave Consultation Service as part of our efforts to improve understanding of the systems for childcare leave and to create an environment conducive to availing of this leave, while supporting the taking of childcare leave as well as offering support to those returning to work.

We are also working to create a comfortable work environment for employees with childcare responsibilities by, for example, expanding eligibility for leave to care for sick children and exemptions from overtime for those providing childcare.

Expansion of nursing care support

With the aim of helping employees to balance the obligations of their job and nursing care, we have established an external nursing care consultation service.

Employees can consult nursing care specialists about issues or concerns they have by email or over the phone, with the service acting as a safety net for nursing care consultations.

In addition, we have published a nursing care support handbook to give employees basic information on nursing care. Going forward, we plan to actively disseminate information and conduct training to entrench the system.

Volunteer leave program

As part of our efforts to create an environment in which employees can proactively participate in social contribution activities, we have established a volunteer leave program that allows employees to take up to two days of leave per year.

This program supports activities such as contributing to local communities, environmental conservation, and disaster relief, and is intended to provide employees with opportunities to gain diverse perspectives and foster personal growth.

Through these initiatives, we aim to fulfill our corporate social responsibility and contribute to the realization of a sustainable society.

Expansion of support leave

Toward the consolidation of an environment in which they can work in peace of mind, we have established a system making it possible for employees to avail of paid support leave in the event that it becomes difficult for them to work due to personal injury or illness, or other unforeseen situations such as closure of schools of their children after they have taken all of their allocated annual paid leave for the year.

List of freedom and well-being initiatives and systems

Work styles unconstrained by time and place	<ul style="list-style-type: none"> ★Flex-time system, ★teleworking system, ★overhaul of head office, ★deregulation of head office dress code, encouraging the taking of annual paid leave, half-day holidays, ★taking of annual paid leave in hourly increments (some worksites), instituted days with no overtime, ★elimination of postings of employees at locations remote from their families (some worksites), and ★launch of side work system
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Maternity/childcare support systems	Maternity leave before and after birth, ★childcare leave and childcare leave at birth (up to five days paid leave) system, ★childbirth leave for spouses (for male employees), leave to care for sick children or to deal with other related situations, half-day leave, shortened working hours system, limits on overtime work, exemptions from late night work, child nursing time, childcare/caregiver leave financial support system, childbirth cash payments, dependents allowance, tuition allowance, ★support leave, flextime system with no defined core times, ★cafeteria plan, and development of guidelines for taking childcare leave
Nursing care support systems	Nursing care leave, caregiving leave system, consultation service for nursing care, ★development of a nursing care support handbook, and ★cafeteria plan
Support for health improvement	Regular health checkups, ★launch of health checkup results viewing system, stress checks, ★employee engagement surveys, physical fitness measurements, mental health training, ★seminars on women's health issues, issuance of health news, ★holding of events to support health, ★cafeteria plan, and ★COVID-19 (some worksites)/influenza workplace vaccination program
Asset accumulation	Employee savings scheme, employee stock ownership scheme (with financial incentives), defined-contribution (DC) corporate pensions, and matching contributions system
Housing assistance	Housing assistance system (dormitory accommodation and company housing, rent subsidy system, home ownership allowance, and home rental for transferred employees)

<p>Systems for holidays and absences</p>	<p>Annual paid leave (up to 22 days granted), ★support leave system (up to 40 days granted), menstrual leave, childbirth leave, job transfer leave, relocation leave, public-service leave (for jury duty), disaster leave, quarantine and infectious disease leave, paid leave for family births, marriages or bereavement, ★childbirth leave for spouses, My Life leave (on reaching the age of 50), leave to care for sick children or to deal with other related situations, nursing care leave, volunteering leave, leave for hospital visits by expectant mothers, refreshment leave (for senior employees), and ★leave of absence due to spouse's job transfer</p>
<p>Self-help</p>	<p>Disaster assistance, group medical insurance, compensation for absences from work (Zeon health insurance cooperative association), optional group insurance, group medical insurance, and ★GLTD system</p>

★: Initiatives expanded during the period of the Medium-Term Business Plan (FY2021–FY2024)

Harassment prevention measures

In our Zeon Group Human Rights Policy, established in 2019, we declared our commitment to respect for human rights and not tolerating acts of discrimination or harassment. We have also established the Zeon Group policy on harassment prevention and the harassment prevention rules. Based on these policies and rules, we have established a harassment consultation service which accepts consultations regarding acts of harassment, suspected cases, and concerns. This service also accepts anonymous consultations and reports. We ensure the utmost consideration for the privacy and confidentiality of those who seek consultation or make reports and clearly communicate that no employee will suffer dismissal, reassignment, discrimination, or any other disadvantageous treatment as a result of making such a consultation or report.

Furthermore, we provide harassment training for employees in management positions. In addition to promoting understanding of harassment, the training also provides guidance on appropriate actions to take when receiving consultations from subordinates. We regularly issue awareness-raising news on harassment to ensure harassment prevention throughout the company.

Social

Quality Management

Basic Approach

In accordance with our corporate philosophy and Sustainability 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.

Structure and System

In order to consistently manufacture products that reflect the needs and wants of customers and 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



Key Initiatives

Targets and results of major quality assurance initiatives

Initiatives (topics)	Targets	Results	Status
Timely responses to complaints, opinions from customers, etc.	Complete responses within a single year	A case exceeding a single year occurred; however, it was completed in April 2025. Internal regulations were also revised around the same time to prevent recurrence.	✓

Initiatives (topics)	Targets	Results	Status
Enhance customer satisfaction	Analysis on customer satisfaction and initiatives for improvements	In order to efficiently analyze customer satisfaction surveys, a new system was introduced, and the identification of issues was initiated company-wide and within each division.	✓

Framework supporting quality assurance

In order 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.

In 2010, we obtained Group-wide consolidated ISO 9001 certification and have maintained the certification since then. Zeon Group companies have also obtained global standard certifications related to quality.

In addition, in order to prevent quality issues from occurring, we offer commentaries on actual case studies for issues that could potentially arise as part of annual e-learning compliance checks to confirm levels of understanding for all employees. We are working to ensure that every employee has an accurate understanding of quality assurance and performs their duties.

Going forward, in order to establish a quality assurance system that adapts to changes in the external environment, we plan to switch our ISO 9001 certification from Group-wide certification to worksite-specific certification.

Status of Zeon Group certifications for international quality standards

Site	ISO 9001:2015 ^{*1}	ISO 13485:2016 ^{*2}	IATF 16949:2016 ^{*3}	FSSC 22000v5 ^{*4}
Japan				
Zeon Corporation	✓			✓ ^{*6}
Zeon Kasei Co., Ltd.	✓ ^{*5}			
Zeon Polymix Inc.	✓			
Zeon Opto Bio Lab Co., Ltd.	✓	✓		
Tokyo Zairyo Co., Ltd.	✓			
Tohpe Corporation	✓			
Zeon Medical Inc.		✓		
Zeon North Co., Ltd.	✓			
Zeon Chemicals Yonezawa Co., Ltd.	✓			✓
Outside Japan				
Zeon Chemicals L.P.	✓			
Zeon Chemicals (Thailand) Co., Ltd.	✓			
Zeon Advanced Polymix Co., Ltd.	✓		✓	

Site	ISO 9001:2015 ^{*1}	ISO 13485:2016 ^{*2}	IATF 16949:2016 ^{*3}	FSSC 22000v5 ^{*4}
Zeon Chemicals Singapore Pte. Ltd.	✓			
Zeon Europe GmbH	✓			
Zeon Chemicals Asia Co., Ltd.	✓			
Zeon Kasei (Changshu) Co., Ltd.			✓	
Zeon Kasei Mexico S.A. de C.V.	✓			

- *1 ISO 9001 is the international standard to increase customer satisfaction based on efforts to guarantee product and service quality through continuous improvement of quality management systems.
- *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 IATF 16949 is a standard issued by the International Automotive Task Force (IATF) for the automobile industry sector, and which is intended as a supplement to the requirements of ISO 9001 for automobile manufacturers.
- *4 FSSC 22000 (Food Safety System Certification 22000) is a standard developed by the Foundation of Food Safety Certification to certify management systems for the production of safe food.
- *5 The logistical materials division has acquired certification limited to certain shipping containers.
- *6 Mizushima Plant has acquired FSSC 22000 certification for the manufacture of food-grade synthetic aroma chemicals.

Framework to achieve product safety

1. Product safety reviews

We strive to ensure product safety in every possible aspect by conducting PSR* 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.

* PSR: Product safety review

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 enacted and 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.

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 consist of individually performed audits at business departments and plants using checklists, while on-site audits target product liability (PL) and product safety and are performed by an audit team led by a compliance officer. 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 conducted when serious issues concerning quality arise, performed by an auditing team led by the head of the Quality Assurance Department that focuses on checking the progress of implementing quality improvement activities. They are conducted at Zeon's business divisions, plants, laboratories, and Group 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 met 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 Zeon Group; as far as possible, audits are conducted by an auditing team comprised of auditors from other divisions. We identify issues through internal quality audits and connect these activities to improvements in our systems and processes.

Quality data management

At Zeon, we define all customer comments or expressions of dissatisfaction with our products or services as "complaints," and utilize a complaints response system to report, review, approve, and manage delivery time.

We have also implemented a specification management system to ensure compliance with the customer specifications, by aligning customer specifications and product test criteria.

Inspection data is further checked against product test criteria in the product testing system, with a decision of pass/fail assigned, and results structured to be automatically forwarded to the ERP system.

Process changes and process abnormalities are also reliably managed through the deployment of a system that reports, reviews, and sends out effectiveness evaluations, emergency measures, and corrective actions, to ensure the implementation of assured change management and deviation management. We are currently constructing an even more reliable and efficient system for quality assurance by means of linking these systems.

Risk reduction for new products

Zeon conducts a comprehensive review (PSTR)^{*1} from quality assurance perspectives when transitioning from the production preparations stage to actual production.

This review confirms items related to product quality to ensure that new products satisfy the quality requirements of our customers, and to allow us to fulfill supply obligations. Other items subject to review include data on the chemical substances making up the product; 3D-QFD (Quality Function Deployment), for data-based clarification of cause-and-effect relationships of information related to manufacturing; FMEA^{*2}, which attempts to prevent potential post-production abnormalities; and testing methodologies and testing facilities to measure quality characteristics and characteristics of critical processes.

*1 PSTR: Product Stage-gate Transfer Review

*2 FMEA: Failure Mode and Effects Analysis

Communicating safety information

For more information about safety information for chemical products handled by Zeon, see [Home > Products/ Business > SDS · chemSHERPA](#).

Social

Supply Chain Management

Basic Approach

Zeon Group believes that in order to fulfill social responsibilities such as environmental and human rights considerations across the entire supply chain, it is essential not only for our Group but also for our business partners to align our direction and advance initiatives together. As guidelines for our initiatives, we have established the Zeon Group Sustainable Procurement Guidelines, and we share the guidelines with our business partners and ask for their understanding of the objectives. Going forward, we will continue to review the guidelines as appropriate in light of social demands for a sustainable supply chain, and, through collaboration with our business partners, fulfill our social responsibilities including environmental and human rights considerations.

Structure and System

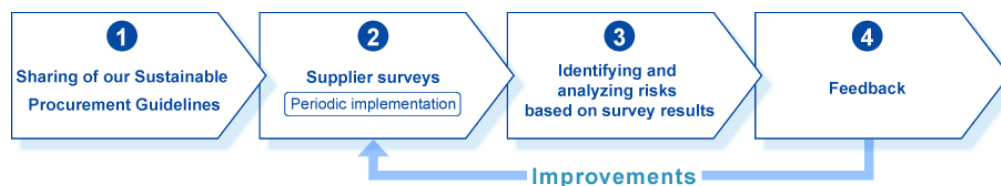
We aim for a robust and sustainable supply chain by considering each of the environmental, social, and governance (ESG) aspects. As a system to advance this effort, we have established the Sustainability Conference and the Sustainability Committee under it, each of which meets regularly twice a year. These bodies also deliberate and decide as necessary on initiatives related to respect for human rights and the environment while also factoring in the supply chain, steadily advancing our measures. We have also established a supply chain reporting hub as a point of contact for any legal or compliance violations or human rights abuses within the supply chain.

– [Click here to access the Supply Chain Reporting Desk.](#) →

Key Initiatives

Sustainable procurement initiatives

To promote sustainable procurement, Zeon works with its business partners to implement measures that embody concern for CSR (including human rights and environmental protection) throughout the supply chain. We take the steps outlined in the diagram below.



1. Sharing of our Sustainable Procurement Guidelines

In FY2023, we established our Sustainable Procurement Guidelines, which set out our Group's fundamental approach to procurement and our commitment to building a sustainable supply chain. The Guidelines were distributed to suppliers in FY2024, and we are aiming to ensure that Zeon's approach to sustainability and our strategy for related initiatives are disseminated throughout the supply chain.

In addition, to promote understanding and internalization of the Guidelines within the Company, we continue to conduct training sessions and briefings for procurement personnel to enhance their understanding and share key points for practical implementation.

Sustainable Procurement Policy

Zeon Group conducts responsible procurement activities based on our "Sustainability Policy" aiming to realize a sustainable society throughout the supply chain.

1. Compliance with laws and social norms

We comply with laws and social norms and conduct fair procurement activities based on corporate ethics.

2. Optimal procurement of raw materials, products, and services

We strive to ensure the optimal procurement of raw materials, products, and services in respect of safety, quality, price, delivery date, supply stability, and technical capabilities to provide better products.

3. Consideration for the global environment

We strive to procure raw materials and products that have less negative impact on the global environment, giving consideration to conservation of environment, resources and biodiversity.

4. Consideration for human rights

We respect human rights in our supply chain and strive to procure raw materials, products, and services that are human rights friendly.

5. Promoting responsible mineral sourcing

We strive to responsibly procure minerals to avoid involvement in conflicts, environmental destruction, and human rights violations in conflict-affected and high-risk areas.

6. Appropriate management of information

We understand the importance of confidential information obtained through procurement activities, and striving to use, manage, and protect it appropriately.

7. Open purchasing attitude and partnership

We look for business partners from a global perspective, striving to ensure fair, impartial, and transparent business opportunities, and build partnerships with our suppliers through dialogue to realize mutual development and a sustainable society.

Sustainable Procurement Guidelines

– Click here for the full text [PDF: 363KB]

2. Supplier surveys

To monitor the implementation status of suppliers' sustainability initiatives and identify risks, we implement surveys targeting existing suppliers on a regular basis.

For the survey, we use the "Zeon Corporation CSR Procurement Self-Assessment Questionnaire" (SAQ), which was developed by the Company based on the common self-assessment questionnaire (SAQ) provided by the Global Compact Network Japan (GCNJ).

The purchasing departments for raw materials, materials, and logistics select those suppliers that account for over 80% of procurement value and suppliers that are felt to have a high risk of human rights related issues, etc.

In FY2024, SAQs were delivered by the relevant departments to a total of 140 suppliers, of which 134 suppliers (96%) returned a completed SAQ. With regard to the six non-responding suppliers, we checked the sustainability-related information on each company's website, and confirmed that no major risks were apparent at the present time.

Zeon Corporation CSR Procurement Self-Assessment Questionnaire

I. CSR-related corporate governance

Establishment of a CSR promotion system, Establishment of internal controls, Establishment of a business continuity planning (BCP) system, Establishment of a whistle-blower system, and Dispatch of CSR-related information inside and outside the company

II. Human Rights

Basic attitude toward human rights, Respect for human rights and prohibition of discrimination, Avoidance of complicity in (or contribution to) human rights abuses, Respect and consideration for the life and culture of the local community and indigenous people, and Requests for suppliers to comply with applicable requirements

III. Labor

Basic attitude toward labor practices, Prohibition of discrimination in the workplace, Provision of equal opportunities to employees regarding human resources development and career advancement, etc., Prohibition of inhumane treatment, Payment of fair wages, Fair application of working hours, time off, and paid time off, etc., Prohibition of forced labor, Prohibition of child labor, Respect for the religious traditions and customs of the country of operation, Recognition of and respect for freedom of association and the right to collective bargaining, and Proper management of employee safety and health

IV. Environment

Basic attitude toward environmental initiatives, Control and reduction of wastewater, sludge and air emissions, Control and reduction of wastewater, sludge and air emissions, Sustainable and efficient utilization of resources (energy, water, raw materials, etc.), Reduction of GHG (greenhouse gases), Identification management, reduction, and responsible disposal or recycling of waste, and Initiatives related to biodiversity

V. Fair Business Practices

Basic attitude toward fair business practices, Establishment of appropriate relationships with local governments and public officials in and outside countries where business activities are conducted, Prevention of the giving and receiving of improper advantages with customers and trade partners, etc., in sales and purchasing activities, etc., Prevention of competition law violations in sales activities, etc., Rejection of relationships with antisocial forces/organizations, Prevention of unauthorized use of a third party's intellectual property and of illegal reproduction of copyrighted works, Services for responding to complaints from outside the company and for consultations, Prohibition of insider trading, Prohibition of acts with conflicting interests

VI. Quality and Safety

Basic attitude toward product and service quality and safety, Ensuring product and service quality and safety, Appropriate response to product and service accidents and the circulation of defective goods

VII. Information Security

Basic attitude toward information security, Defense against attacks on computer networks, Protection of personal information and privacy, Prevention of misuse of confidential information

VIII. Supply Chain

Basic attitude toward the supply chain, Use of raw materials not involved in conflict or crime (initiatives against conflict minerals)

IX. Harmonious coexistence with local communities

Initiatives to reduce damage to the health, safety, and sanitation of local communities and residents, Initiatives with contribute to the local community and residents and collaborate towards sustainable development

3. Identifying and analyzing risks based on survey results

Based on the above survey results, we analyzed the risks with each supplier and clearly identified points requiring improvements.

4. Feedback

We provide a feedback sheet based on the analysis results referred to in 3. above to all suppliers that completed the common SAQ. The feedback sheet includes the score for each assessment item, including human rights, labor affairs, environmental protection, as well as the overall average score, a comparison with the previous survey, and an overall evaluation. Suppliers can objectively understand their own progress, enabling them to continuously improve their CSR activities.

In addition, we conduct on-site assessments and hold feedback interviews for those suppliers that have a relatively low score on the common SAQ and may present higher CSR risks, and those suppliers handling raw materials that are deemed to be particularly high-risk from a CSR perspective. In the interviews, besides explaining the importance of sustainable procurement, we also confirm the status of initiatives based on the common SAQ, and request improvements where necessary. The

average score for the five companies subject to on-site assessments and feedback interviews in FY2022 was 283 points (out of 900 points), but in FY2024, it had risen substantially to 488 points.

Comparison of percentage scores between FY2022 and FY2024



* The target consists of the five companies that underwent feedback interviews in 2022.

In FY2024, we also conducted feedback interviews with 11 companies. Through the dialogues outlined in the table below, we are advancing initiatives toward continuous improvement.

CSR-related issues	Dialogue for improving CSR activities, and content of advice to suppliers
Enhancement of transparency	<ul style="list-style-type: none"> • Publication of management policies and social contribution activities on their websites • Documentation of initiatives and establishment of their internal rules
Formulation of a human rights policy	Introduction of the UN Global Compact and the formulation guidelines issued by the Ministry of Economy, Trade and Industry
Conflict minerals	Review of risk management status and sharing of issues related to conflict minerals

Monitoring of suppliers

While conducting the due diligence described above, we will monitor overall changes in the common SAQ percentage score and the improvement status of companies with low percentage scores, and, as necessary, conduct on-site assessments and engage in dialogue for improvement through additional interviews. Through support that leads to improvements by our suppliers and other efforts, we will advance sustainability risk mitigation initiatives and work to strengthen our sustainable supply chain.

Status of Supplier Monitoring

指標	FY2022	FY2024
SAQ Collection Rate	77%	96%
Number of Suppliers Supported Through On-Site Audits and Feedback Meetings	16 (6.1%)	11 (7.8%)

Collaboration with outside parties

We participate in the GCNJ's supply chain subcommittee every year and gain diverse insights through it. We also actively engage in the preparation and publication of the subcommittee's deliverables, incorporating them into our initiatives.

Social

Corporate Social Contribution

Basic Approach

Zeon Group contributes to solving social issues by providing various products and services to members of society in alignment with its corporate philosophy of "Contributing to the preservation of the Earth and the prosperity of the human race."

Meanwhile, based on the belief that as members of society we have a responsibility to address various social issues beyond our core business, we actively promote social contribution activities to address these issues. In particular, our initiatives focus on the key areas connected to our corporate philosophy: environmental protection; next-generation development; community revitalization; and humanitarian support and health and welfare.

Structure and System

Led by the Corporate Sustainability Department, we undertake social contribution activities. At our head office, each plant, and Group companies in Japan, we have established CSR Promotional Committees, each of which formulates an annual activity plan and advances social contribution activities.

The Corporate Sustainability Department receives quarterly reports on the performance of social contribution activities, monitoring their content and providing oversight and support for improvement.

Key Initiatives

Environmental protection

Responsible Care community dialogue

Plants participate in community dialogue 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. In addition, since FY2023 we have released videos on our website introducing each worksite to facilitate dialogue with communities.



Responsible Care community dialogue at the Kawasaki Plant

Coastal cleanup

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.



Coastal cleanup in the Cleanup Fukui campaign (Tsuruga Plant)

Green purchasing of office supplies

As part of our green procurement initiatives, we are pursuing efforts for green purchasing of office supplies at Zeon Group companies in Japan.

Next-generation development

Support for education

Zeon's plants and Group companies help 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.



Internships at the Kawasaki Plant



Internships at the Takaoka Plant



Internships at the Tsuruga Plant



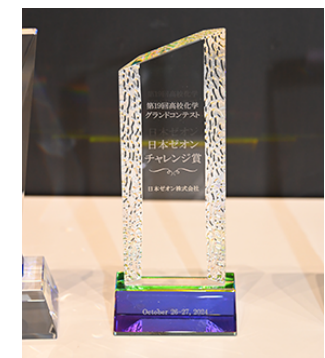
Internships at Zeon Chemicals Yonezawa

Participating as a special co-sponsor in the 19th Grand Contest on Chemistry for High School Students, supporting the development of human resources who will lead the next generation

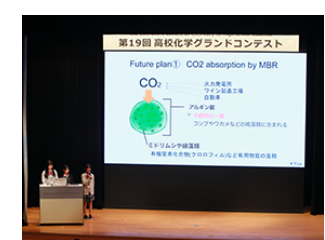
The Grand Contest on Chemistry for High School Students is held to support the learning and research activities of high school students and technical college students across Japan, encourage them to nurture their scientific creativity while enjoying self-initiated exploration activities, and develop human resources capable of demonstrating their abilities in scientific fields in the future. Zeon Corporation has supported the objectives of the contest, hosted by the Shibaura Institute of Technology, and has served as a special co-sponsor since 2023. The contest, often referred to as the "Koshien of Chemistry" after Japan's national high school baseball championship, concluded with the final round in October 2024. More than 90 teams, selected nationwide through document screening, gave research presentations. Eight of our researchers took part, deepening exchanges through discussions with many presenters.

Among them, the Zeon Challenge Award—selected from our unique perspective—as a special sponsor company award was presented on this occasion to the team from the Natural Science Club of Nagano Prefectural Iiyama High School for their work on the Development of a Midori Bioreactor (MBR), CO₂ absorption ball. This was because the judges for the award (our researchers) highly evaluated the aspects that the team, focusing on setting a theme that fused chemistry and biology, conceived the idea of enclosing live photosynthetic green algae, such as Euglena, in particles and then went on to achieve it, and particularly that their research reflected their enthusiasm for a self-directed approach.

Moreover, the school not only achieved the double honor of winning the Chemical Future Award, the second prize overall in the Grand Contest, but also represented Japan at the Taiwan International Science Fair 2025 (TISF) in January 2025. This fair



Trophy for the Zeon Challenge Award



Presentation by Iiyama High School



Award ceremony (presentation of the Zeon Challenge Award)

featured research presentations by high school students from all over the world, where they honorably won first place in the biochemistry category. The seed of a unique research project undertaken by high school students out of a desire to solve global warming grew and blossomed, ultimately earning high international recognition.

Zeon Corporation has a culture that encourages challenges. Through our co-sponsorship of this contest, we will continue to support the unique challenges of high school students and contribute to the development of human resources who will lead the next generation.



Students from Iiyama High School with Zeon Corporation representatives

Exhibition for Kawasaki City Free Summer Vacation Research Week

Every year Zeon's Specialty Plastics Laboratory holds a light experiment exhibition as part of the Kawasaki City Free Summer Vacation Research Week, which is well received by elementary school students and their parents.



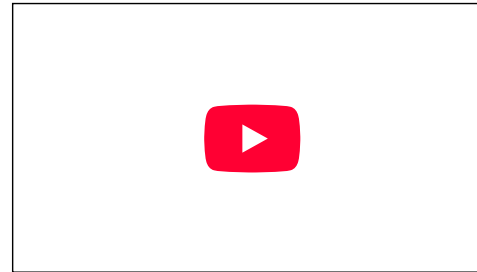
Holding of chemistry experiment classrooms

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

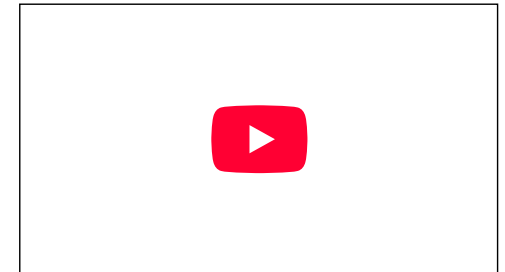
Scientific experiment videos

Videos below are created by company employees to demonstrate science and chemistry experiments.

"The Mysterious World of Light Used in Displays"



"Welcome to the World of Light"



Zeon Kids [🔗](#)

A website that communicates the fun of science and chemistry and introduces elementary and junior high school students to scientific experiments.

The screenshot displays the 'Zeon Kids' website with a header 'おすすめの自由研究' (Recommended Free Research). It features four experiment cards:

- 卵の殻でチョコレートを作ろう!** (Chocolate with eggshells): A card with an image of a chocolate bar and text explaining that eggshells can be recycled as fertilizer. Target age: 小1, 小2, 小3, 小4, 小5, 小6, 中1, 中2, 中3.
- 高速で回る歯車を作ろう** (High-speed rotating gears): A card with an image of gears and text about observing gears. Target age: 小1, 小2, 小3, 小4, 小5, 小6, 中1, 中2, 中3.
- きれいな塩の結晶を作ってみよう!** (Beautiful salt crystals): A card with an image of salt crystals and text about growing crystals. Target age: 小1, 小2, 小3, 小4, 小5, 小6, 中1, 中2, 中3.
- スライムを作ってみよう!** (Slime): A card with an image of slime and text about making it. Target age: 小1, 小2, 小3, 小4, 小5, 小6, 中1, 中2, 中3.

Community revitalization

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.

Summer festivals

At the Tokuyama Plant, we held the Waraku dance to interact with the local community, drawing approximately 2,000 attendees, including our employees and their families as well as community residents. During the bean-throwing and the distribution of Waraku candies, children's faces were filled with joyful smiles. During the main event, the Waraku dance, the attendees came together in excitement with performances by the festival music ensemble and vocals by the singers, and many participants enjoyed dancing while deepening their interactions.



Performance by the festival music ensemble during the Waraku dance

Regional sports sponsorship

Zeon Group supports sports in areas where we have business sites and currently sponsors the following sports teams.

Toyama Dreams (men's handball)
This men's handball team is based in Himi City, Toyama Prefecture.



Community donations and volunteering

Zeon Advanced Polymix Co., Ltd. in Thailand has conducted volunteer cleanup and donation activities over the course of many years.



Repair work at a local temple nearby



Donating snacks and other goods to nearby elementary schools

Zeon Chemicals (Thailand) Co., Ltd. in Thailand has participated in community volunteer activities and donation drives for elementary schools for many years.



Blood donation activities by Zeon Chemicals (Thailand)

Video introducing worksites

Since FY2023 we have released videos on our website introducing each worksite to facilitate dialogue with community members.

– Video introducing worksites (YouTube) [↗](#)

Humanitarian support and health and welfare

Zeon Group continuously provides support that safeguards lives and livelihoods through activities such as participating in blood donation and food banks and supplying goods to impoverished communities, contributing to peace of mind across society and to sustainable development.

Blood donation

With the cooperation of the Japanese Red Cross Society, we set up a one-day blood donation room at our head office. Many employees participated in blood donation.



Blood donation venue

Participation in Chiyoda-ku simultaneous cleanup

We participated in a cleanup activity in Chiyoda-ku, Tokyo, where our head office is located. Under the theme of Clean District × Health × Engagement, we held a team-based activity competing based on the weight of collected trash and the number of steps taken during the cleanup, working to beautify the city and promote health.



Cleanup activity

Governance

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Governance

Corporate Governance

Basic Approach

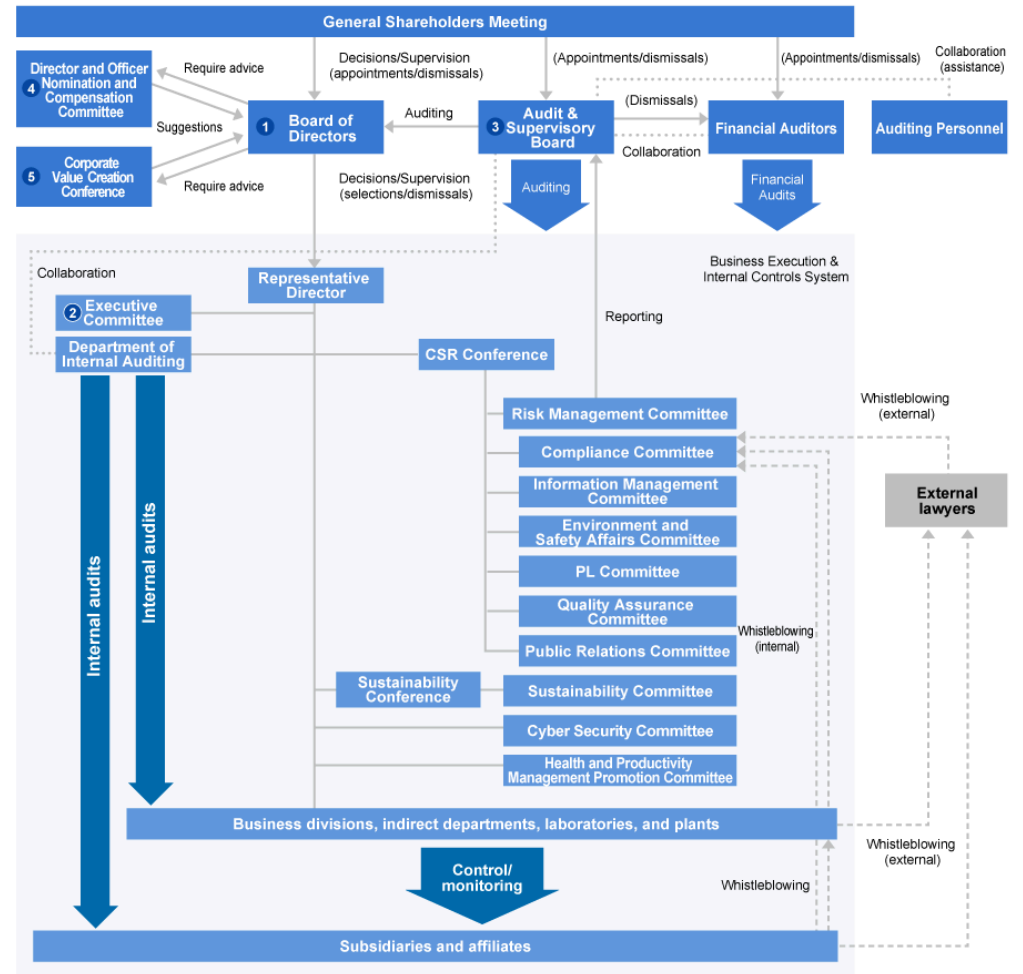
Zeon aims to increase profits and enhance corporate value on an ongoing basis while respecting and balancing the various interests of its shareholders and other diverse stakeholders. To this end, we continue to work on building a system that enables efficient and sound corporate management through corporate governance. In addition, in our Medium-Term Business Plan: STAGE30, we have set a 30% ratio of foreign-national and/or female directors and officers as a KGI for FY2030, and we are making progress toward realizing board diversity, including gender.

Furthermore, by enhancing our internal control system, we will clarify the functions and division of roles of each body and internal organization to ensure swift decision-making and execution. We will also strive to enhance management transparency through appropriate monitoring and information disclosure regarding our progress and results.

- Basic Policy on Corporate Governance (Japanese version only) [PDF: 654KB]
- Corporate Governance Report (Japanese version only) [PDF: 190KB]

Corporate Governance System

Corporate governance system (as of July 2025)



--> : How reports are handled via our whistleblowing system

Board of Directors

The Board of Directors meets, in principle, every month with Audit & Supervisory Board 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 Board of Directors makes decisions on basic management policy, strategy, and other important aspects of business execution. The Board of Directors consists of 10 directors, including five outside directors.

Executive Committee

The Executive Committee, in accordance with the Executive Committee Rules, comprises the representative director and executive officers ranked senior corporate officer or above and, in principle, meets twice a month. The committee examines and makes decisions on important business matters after due deliberation based on the opinions of attending full-time Audit & Supervisory Board members. Among the agenda topics, important matters stipulated in the Board of Director Rules are examined and decided by the Board of Directors.

Audit & Supervisory Board

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

Director and Officer Nomination and Compensation Committee

The Director and Officer Nomination and Compensation Committee has been established as an advisory organ to the Board of Directors for the purpose of strengthening the objectivity and transparency of the Board of Directors functions regarding the nomination, compensation, and other matters of directors and officers. Dialogue sessions are also held between corporate officers and other managerial employees, who are future director candidates, and outside officers. The committee is composed of seven members, of which five are independent outside directors. The committee is chaired by an independent outside director.

Corporate Value Creation Conference

The Corporate Value Creation Conference has been established as an advisory body to the Board of Directors to strengthen the decision-making and oversight functions of the Board regarding the creation of the Zeon Group's corporate value and activities aimed at reflecting that value in our market capitalization.

The conference is composed of seven members, and its outside members consist of two independent outside directors, two independent outside Audit & Supervisory Board members, and one outside expert (an attorney with no advisory relationship with the company). The conference is chaired by an independent outside director.

Evaluation of the effectiveness of the Board of Directors

Regarding the effectiveness of the Board of Directors, once a year we conduct surveys of directors, and Audit & Supervisory Board members, including outside officers as well as supplementary interviews with each officer. We entrust the analysis and evaluation of the contents to a third-party outside attorney.

The most recent (FY2024) survey and interviews produced results similar to those of previous years, and the effectiveness of our Board of Directors was generally evaluated as high. By extending and securing deliberation time for the Board, discussions at the Board became more active, and as a result of initiatives such as submitting topics including those regarding the Medium-Term Business Plan and business risks, more vigorous discussions than ever took place on the agenda topics. On the other hand, there were comments that efforts regarding the SDGs and corporate value enhancement were still insufficient, as well as calls for discussions from a longer-term perspective than the Medium-Term Business Plan. These highlight the challenge of devising ways to further deepen Board discussions. We intend to further enhance effectiveness by implementing measures to enrich deliberations, such as expanding the Board's time frames and clarifying discussion points at the Board from the presenters' perspective, as well as setting agenda topics on important management themes including financial strategy and long-term management strategy and vision, increasing opportunities to promote outside officers' understanding of our businesses, and invigorating communication among inside and outside officers.

Director and officer compensation

To serve as one of the sound incentives for sustainable growth, our compensation is structured as described below. Executive compensation for inside directors consists of elements (i) to (iv) below, while that for corporate officers consists of (i), (ii), and (iv). For outside directors, compensation consists solely of fixed-amount cash compensation.

Stock compensation is granted through the Board Benefit Trust-Restricted Stock (BBT-RS). Based on the number of points awarded at a certain time each year, the company will, in principle, grant common shares annually for (iii) and at the end of each phase of the Medium-Term Business Plan for (iv).

The shares to be granted will, pursuant to the agreement with the eligible person, be subject to restrictions on transfer, the creation of security interests, and other dispositions for a certain period. In addition, if any circumstance occurs, such as the eligible person resigning from a position predetermined by the Board of Directors during the transfer-restricted period, except in cases of the expiration of term, death, or other justifiable reasons, the company will acquire the relevant shares without consideration.

Components of remuneration

(i) Cash compensation (fixed)

(ii) Cash compensation (performance-linked)

Evaluation indicators include financial indicators related to the entire company and business divisions for a single fiscal year, as well as the performance against divisional and individual challenges primarily relating to the Medium-Term Business Plan. Each indicator is set with the aim of enhancing the entire Group's long-term, sustainable growth and profitability.

(iii) Stock compensation (fixed)

(iv) Stock compensation (performance-linked)

Evaluation indicators include financial and non-financial indicators (including ESG-related indicators) linked to the targets in the final fiscal year of each phase of the Medium-Term Business Plan. Each indicator is set with the aim of enhancing the entire Group's long-term, sustainable growth and profitability.

Cross-shareholdings

For cross-shareholdings, we decide whether to hold such shares only after thoroughly examining, among other factors, whether they contribute to enhancing our medium- to long-term corporate value through strengthening relationships with business partners, local communities, and other stakeholders. For shares acquired following such examination, we annually scrutinize, for each individual issue, the appropriateness of the purpose of the holding and whether the benefits and risks derived from the holding are commensurate with the capital cost, among other factors, thereby verifying the suitability of continued ownership.

In addition, in Phase 2 of the Medium-Term Business Plan: STAGE30, which began in FY2023, we set “Polish up” the management base as one of our Group-wide strategies and, from a financial strategy perspective, established a ratio of cross-shareholdings to consolidated net assets of less than 5% as a target for FY2026, advancing initiatives toward this end. This target has been carried forward into Phase 3 of the Medium-Term Business Plan: STAGE30, which started in FY2025, and we plan to further reduce such holdings to achieve the target.

With respect to the exercise of voting rights for cross-shareholdings, we make appropriate decisions from the standpoint of enhancing the investee companies’ medium- to long-term corporate value.

Governance

Compliance

Basic Approach

Zeon Corporation will not merely comply with laws and regulations. We will act with integrity based on the values and ethics expected of corporate and social citizens, realize fair and appropriate management through such conduct, and seek harmony with local communities and society.

Compliance System

The Compliance Committee has been established under the umbrella of the CSR Conference (chaired by the representative director), our highest decision-making body regarding CSR. The Compliance Committee deliberates and decides on compliance-related activities and various measures, receives progress reports, and issues necessary instructions.

The Compliance Committee also has three subcommittees, namely the Anti-trust Law Regulatory Subcommittee, the Export Security Control Subcommittee, and the Corporate Governance Subcommittee, which promote initiatives such as preventing violations of the Antimonopoly Law.

– Reference: Corporate governance system →

Compliance Initiatives

Based on the Sustainability Policy, Zeon Corporation strives to prevent corruption through implementation of the Sustainability and CSR Basic Policy as well as the CSR Code of Conduct, Policy on Prevention of Bribery, Guidelines for the Prevention of Bribery of Foreign Public Officials and Others, the Subcontract Act Compliance Rules, the Insider Trading and Timely Disclosure

Management Regulations and the Anti-trust Law Compliance Guidelines among others.

These various rules under the Sustainability and CSR Basic Policy are regularly revised every three years, based on Group-wide rule management regulations.

The CSR Code of Conduct applies to all Zeon Group companies both in Japan and globally and shares Zeon's compliance approach and initiatives.

In addition, to help ensure that compliance activities are conducted, the “Compliance Text Q&A” has been compiled and released on the intranet system. This information is organized and shared so that employees can confirm how to respond to specific incidents.

Furthermore, to deepen understanding of compliance and promote the incorporation of this understanding into business processes, employees in senior management roles and above are requested to submit a CSR pledge every year.

Meanwhile, persons who engage in fraudulent acts are subject to appropriate disciplinary measures based on Zeon rules including the Employment Rules.

Education and Training

We provide compliance education to all employees, including anti-corruption measures based on the “Zeon Group's Policy on Prevention of Bribery” and the prevention of harassment, covering compliance as a whole.

In addition to continuing conventional training programs such as e-learning-based compliance education and legal seminars conducted in an online meeting format, we are strengthening practical education and training to help employees better understand compliance as a personal responsibility. Specifically, we conduct workshops on fraud prevention for managers and workshops on the prevention of quality misconduct for factory quality assurance personnel, thereby enhancing practical response capabilities based on risks that may arise in the workplace.

Anti-Corruption Measures

Zeon Corporation supports the principles of the United Nations Global Compact and is working against corruption in all its forms, including extortion and bribery, striving to prevent conflict-of-interest transactions, anti-competitive behavior, insider trading, and other similar violations.

Furthermore, we prohibit offering, proposing, or promising improper entertainment, gifts, benefits, or other advantages to foreign public officials and others in accordance with the Zeon Group's Policy on Prevention of Bribery and the Guidelines for the Prevention of Bribery of Foreign Public Officials and Others.

Only when there is no improper intent and the act is deemed appropriate in light of internal rules, applicable laws and regulations, and social norms, entertainment and similar activities may be conducted in accordance with the Guidelines on Providing Advantages to Foreign Public Officials, and any expenses incurred are accurately reflected in the accounting records.

In addition, when engaging agents, consultants, and other similar parties, we ensure that payments are not used, with improper intent, to provide advantages including entertainment, gifts, and benefits to foreign public officials and others. Especially for those in countries and regions with high corruption risk where the Transparency International Corruption Perceptions Index score is below our internal threshold, we scrutinize, in advance, their identity, business activities, relationships with foreign public officials and others, and other relevant aspects in accordance with the Guidelines on the Engagement of Agents, Consultants, and Other Similar Parties and examine whether to engage with them as well as the appropriateness of the services and remuneration. We are also promoting the expansion of these initiatives to group companies in Japan and overseas.

In FY2024, there were no cases detected or fines or settlement payments paid in relation to corrupt practices. There were also no cases of dismissal or disciplinary action due to violations of anti-corruption policies.

Board Oversight

We report on the status of our compliance activities, including anti-corruption measures, to the Board of Directors and are subject to its oversight.

Governance

Risk Management

Basic Approach

We are promoting the development and operation of Group-wide systems that enable us not only to identify and prevent latent risks, but also to respond rapidly to and deal with risks that have already manifested themselves.

Risk Management System

We have established a Risk Management Committee responsible for building and managing a Group-wide risk management system under the umbrella of the CSR Conference, our highest decision-making body regarding CSR. The committee is advancing the development and management of a Group-wide system to work on identifying and preventing potential risks and to swiftly respond to and resolve materialized risks.

Additionally, each committee reports to the CSR Conference on the status of its activities and future plans regarding its control activities related to the risks within its jurisdiction.

Individual risks that have materialized are handled by the committee or department in charge of that risk, and are reported to the Risk Management Committee, including the status of implementing recurrence prevention measures and horizontal rollout.

The Risk Management Committee monitors whether risk management within Zeon Group is appropriately controlled and prepares a Group-wide risk list. Based on the list, the committee reports on control activities related to Group-wide critical risks to the CSR Conference and the Board of Directors to confirm risk management effectiveness.

Moreover, each organization within Zeon Group prepares its own list of risks, recognizes risks specific to that organization along with Group-wide risks, and implements any control activities needed based on the recognition. Evaluations and control activities for these individual risks are compiled by the Risk Management Committee and shared with the individual committees and

departments they fall under, thereby increasing the effectiveness of Group-wide risk management activities.

Group-wide risks include those related to climate change and human rights, among others.

– Reference: Corporate governance system →

BCP Formulation and Training

Recognizing the need on business continuity to minimize the impact of damage from disasters such as earthquakes and severe storm and flood damage, we have formulated a Business Continuity Plan (BCP), and we implement training to enhance its effectiveness. In FY2024, we conducted two whole-company emergency headquarters drills, one whole-company emergency headquarters secretariat drill, and two plant drills. Through these drills and other activities, we ensure the effectiveness of our BCP and work to strengthen our resilience to disasters.

In addition, each individual business division and plant has formulated its own BCP, and has put in place systems to facilitate a rapid response in the event of an emergency. We are also implementing Business Continuity Management (BCM) to maintain and strengthen our BCP and its effectiveness through ongoing improvement and our unique training.

Whistleblowing System

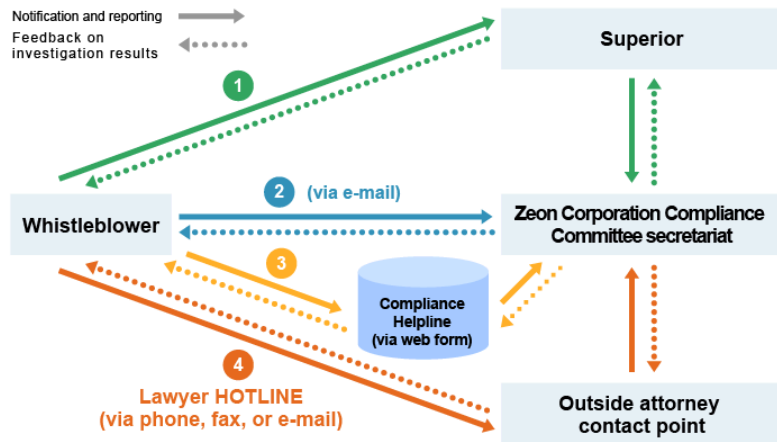
We have put in place a confidential whistleblowing system to identify information about potential risks as early as possible so that appropriate action can be taken. Reporting channels for risk information include internal channels such as reporting through superiors and reporting directly to the Compliance Committee secretariat. We have also set up the web-based Compliance Helpline, which allows anonymous reporting. In addition, we have established the Lawyer HOTLINE, with an outside attorney serving as the contact point, broadening the options available to whistleblowers (1 to 4 in the flowchart).

This whistleblowing system accepts reports related to overall compliance, including harassment, human rights violations, corruption and bribery, theft, fraud, threats, insider trading, and information security issues.

Upon receiving a report, the Compliance Committee secretariat investigates the facts regarding the report, while giving the utmost consideration to the privacy of the whistleblower and maintaining confidentiality, and, based on the results, takes appropriate actions such as instructing relevant internal departments to implement countermeasures.

We also ensure that employees are informed of the purpose of the system and that whistleblowers who make reports in good faith will not be subject to dismissal, reassignment, discrimination, or any other disadvantageous treatment as a result of their report.

Whistleblowing flowchart



Information Security System

Cybersecurity Policy

We recognize that cyber-related incidents constitute one of the risks that may impede business operations. To ensure business continuity and growth and to maintain social trust, we are committed to securing the digital environment, including information systems and industrial control systems.

Under the leadership of senior management, all directors, officers, and employees, together with our business partners, will address the expectations of diverse stakeholders and promote initiatives based on the following policy in order to establish and maintain a resilient cybersecurity framework.

1. Management Responsibility and Governance Structure

We position cybersecurity as a key management priority. Senior management will take the lead in implementing risk-based measures. We will establish a company-wide framework and promote coordinated efforts across relevant departments.

2. Securing Resources and Human Resource Development

We will secure the necessary personnel, technologies, and budget to continuously strengthen our cybersecurity measures. Through education and awareness programs for employees and related parties, we will promote improvements in awareness and capabilities.

3. Risk Management and Incident Response

We will conduct periodic risk assessments and implement measures according to the level of risk. In the event of an incident, we will respond promptly to minimize damage, ensure early recovery, and prevent recurrence.

4. Supply Chain and External Collaboration

We will collaborate with Group companies and business partners to ensure security throughout the supply chain. We will also strengthen our measures by leveraging the

latest information through cooperation with specialized institutions and industry associations.

5. Factory Cybersecurity

Particularly at manufacturing sites, we will implement cybersecurity measures with a strong emphasis on preventing disasters, including explosions and fires caused by high-pressure gases and large-scale leaks of toxic gases.

6. Continuous Improvement

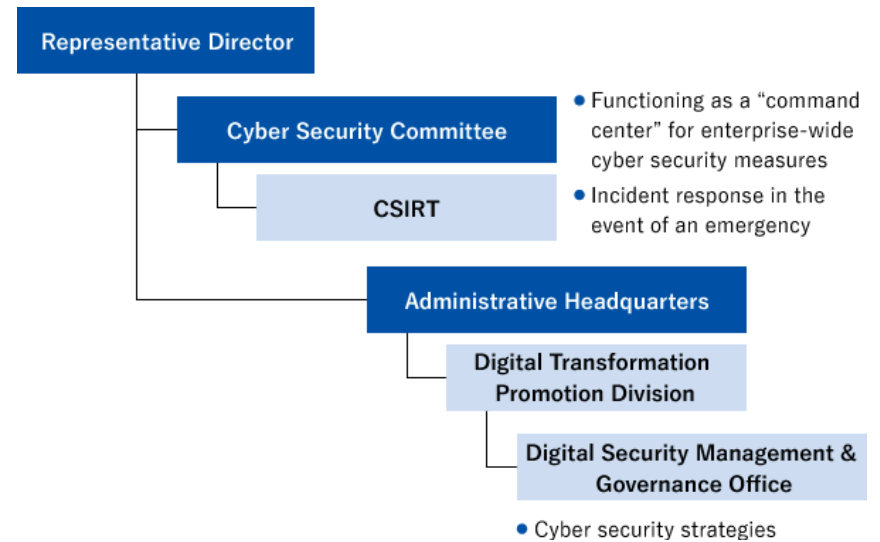
Through monitoring and internal audits, we will periodically evaluate the status of our initiatives and pursue continuous improvement in cybersecurity.

Structure and System

As part of our efforts to strengthen and promote information Systems relating to cyber security risk security, we have established a Cyber Security Committee, which reports directly to the representative director. The Committee is responsible for providing guidance, monitoring, and assessment of cyber security measures on an enterprise-wide basis. It is also positioned as the governing body for The Risk Management Committee performs monitoring to determine whether risk management in Zeon Group is directed properly, compiles a list of risks covering the whole enterprise, reports to the CSR Conference and Board of Directors on control activities relating to Group-wide risk management, and confirms the effectiveness of risk management. Moreover, each Zeon Group organization creates its own list of risks, recognizes risks specific to that organization along with Group-wide risks, and implements any control activities needed based on the recognition. Individual risk evaluation and control activities are compiled by the Risk Management Committee and shared with the individual committees and departments they fall under, thereby increasing the effectiveness of Group-wide risk management activities. Group-wide risks also include those related to climate change and human rights. rapid and effective incident response during emergencies. In addition, a Computer Security Incident Response Team (CSIRT) has been established, which reports to the Committee, and which is responsible for making expert judgements and implementing a practical response in the event of a security incident. The CSIRT is tasked with implementing an appropriate, speedy response if an incident occurs at any Zeon Group company. In addition, in order to respond to today's increasingly complex and diversified cyber-attack threats, the CSIRT is

working to realize ongoing improvement of Zeon's ability to respond to cyber security incidents, proceeding with a step-by-step enhancement of this capability, and collaborating with external organizations where necessary.

Systems relating to cyber security risk



Major Initiatives

Zeon has established specialist units to handle matters relating to cyber security, and we are implementing the following types of measures. Cyber security risks are being transformed by the continuing evolution of digital technology and the widespread promotion of DX. We recognize that implementing a strategic, effective response to these risks is an important management issue for Zeon, and going forward we will be working to strengthen our initiatives in this area and realize ongoing improvement.

Initiatives relating to cyber security risks

Technical and organizational measures	Human resources measures
<ul style="list-style-type: none"> • Adoption of a Zero Trust approach • Promotion of OT plant security • Strengthening of the incident response system, with CSIRT playing a central role • Establishment of a PSOC, and liaison with external specialist organizations • Establishment of a secure development environment, and promotion of its adoption • Ongoing establishment and adjustment of cyber security-related rules, in light of evolving threat trends, and regulatory changes 	<ul style="list-style-type: none"> • Provision of cyber security training for all employees, and measurement of its effectiveness • Implementation of rank-based cyber security training (training for officers, managers, etc.) Human resources measures • Study sessions, led by external instructors, covering the latest changes in the cyber security environment (for Cyber Security Committee members, officers, senior managers, etc.) • Implementation of training in relation to targeted e-mail attacks and incident response • Strategic, systematic recruitment of cyber security personnel

Sustainability

ESG Data

Environment Social Governance

Environmental Data

Third-party assurance

To improve the reliability of our environmental data, we undergo third-party verification. (Greenhouse gas emissions and water resource consumption)

FY2024: Third party assurance has been completed. The assurance statement is currently being prepared and will be posted on this page once issued.

- FY2023: Verification report on greenhouse gas emissions and water resource consumption [PDF:117KB]

Greenhouse gas emissions

Scope	Item	Unit	FY2020	FY2021	FY2022	FY2023	FY2024
Zeon Group	Scope 1	t-CO ₂ e	792,943	759,119	767,005	706,936	788,270
	Scope 2 (market-based)	t-CO ₂ e	248,185	258,436	196,382	167,840	166,054
	Scope 1 + 2 (market-based)	t-CO ₂ e	1,041,128	1,017,556	963,387	874,777	954,324

Scope	Item	Unit	FY2020	FY2021	FY2022	FY2023	FY2024
Zeon Group	Scope 3	t-CO ₂ e	1,432,408	1,576,301	1,405,070	1,313,864	1,409,584
	Category 1: Purchased goods and services	t-CO ₂ e	978,999	1,117,495	993,741	892,405	1,000,491
	Category 2: Capital goods	t-CO ₂ e	76,411	67,961	40,771	67,141	36,413
	Category 3: Fuel- and energy-related activities not included in Scope 1 or 2	t-CO ₂ e	163,280	163,120	153,870	147,283	162,453
	Category 4: Transportation and distribution (upstream)	t-CO ₂ e	47,833	57,290	52,551	46,873	50,619
	Category 5: Waste generated in operations	t-CO ₂ e	13,597	16,073	13,410	13,028	15,325
	Category 6: Business travel	t-CO ₂ e	278	435	467	3,354	3,369
	Category 7: Employee commuting	t-CO ₂ e	1,124	1,326	1,419	1,433	1,598
	Category 9: Transportation and distribution (downstream)	t-CO ₂ e	2,789	—	—	1,958	2,652
	Category 10: Processing of sold products	t-CO ₂ e	85,950	93,563	92,013	85,096	80,404

Scope	Item	Unit	FY2020	FY2021	FY2022	FY2023	FY2024
Zeon Group	Category 12: End-of-life treatment of sold products	t-CO ₂ e	62,147	59,038	56,829	55,294	56,260
	Scope 1 + 2 + 3	t-CO ₂ e	2,473,536	2,593,857	2,368,457	2,188,641	2,363,908
Zeon Corporation	Scope 1	t-CO ₂ e	760,890	726,775	737,482	684,234	760,028
	Scope 2 (market-based)	t-CO ₂ e	91,353	81,121	25,472	21,335	13,978
	Scope 1 + 2 (market-based)	t-CO ₂ e	852,243	807,896	762,954	705,569	774,005
Zeon Group companies in Japan *1	Scope 1	t-CO ₂ e	4,479	4,634	3,821	3,476	3,941
	Scope 2 (market-based)	t-CO ₂ e	9,138	8,588	6,903	6,909	5,621
	Scope 1 + 2 (market-based)	t-CO ₂ e	13,616	13,222	10,724	10,386	9,562
Zeon Group companies outside Japan	Scope 1	t-CO ₂ e	27,574	27,711	25,702	19,225	24,301
	Scope 2 (market-based)	t-CO ₂ e	147,694	168,727	164,007	139,596	146,455
	Scope 1 + 2 (market-based)	t-CO ₂ e	175,269	196,438	189,709	158,822	170,757

*1 Consolidated subsidiaries only

Energy consumption

Scope	Sub-item	Unit	FY2020	FY2021	FY2022	FY2023	FY2024
Zeon Corporation	Total consumption (crude oil equivalent)	kL	215,980	244,612	249,016	290,001	312,644
	Total consumption	GJ	8,371,318	9,481,085	9,651,783	11,240,349	12,117,980
		MWh	2,325,366	2,633,635	2,681,051	3,122,319	3,366,106
	Of which non-fossil energy consumption	GJ	-	-	1,219	1,166,183	1,145,897
		MWh	-	-	339	323,940	318,305
		%	-	-	0.01	10.37	9.46
Zeon Group companies in Japan	Total consumption (crude oil equivalent)	kL	26,074	4,162	3,920	3,588	3,707
	Total consumption	GJ	1,010,620	161,318	151,938	139,064	143,689
		MWh	280,728	44,811	42,205	38,629	39,914

Prevention of air pollution and emissions of toxic substances

Item	Sub-item	Scope	Unit	FY2020	FY2021	FY2022	FY2023	FY2024
Nitrogen oxides (NOx)	Emissions	Zeon Corporation	Ton	258	281	225	278	258
Sulfur oxides (SOx)	Emissions	Zeon Corporation	Ton	579	797	514	738	480
Volatile organic compounds (VOCs)	Emissions	Zeon Corporation	Ton	-	-	-	29.4	28.0
Soot and dust	Emissions	Zeon Corporation	Ton	4.0	7.0	4.0	5.0	4.7
Fluorocarbon leaks	Emissions	Zeon Corporation	t-CO ₂ e	304	446	311	311	86
Toxic substances	Butadiene emissions	Zeon Corporation	Ton	2.7	2.8	2.6	2.2	2.6
	Acrylonitrile emissions		Ton	3.1	3.3	2.9	1.9	2.2
Substances subject to the PRTR Act	Consumption	Zeon Corporation	Ton	817,455	782,415	790,981	732,606	810,233
	Emissions		Ton	23.4	23.4	18.5	17.9	18.3
	Emissions	Zeon Group companies in Japan	Ton	4.2	2.2	2.8	3.2	3.1

Waste reduction

Item	Sub-item	Scope	Unit	FY2020	FY2021	FY2022	FY2023	FY2024
Industrial waste	Amount generated before compacting	Zeon Corporation	Ton	140,226	140,146	131,606	123,955	138,032
	(General) industrial waste generated		Ton	-	-	17,965	17,133	17,383
	(Hazardous Waste) Specially controlled industrial waste generated		Ton	-	-	2,011	2,665	2,580
	Amount sent to landfills	Zeon Corporation	Ton	0.1	3.8	1.7	56.8	41.6
	Recycling volume		Ton	19,478	21,367	19,691	19,622	19,629
	Industrial waste from plastic products		Ton	-	1,606	1,362	1,166	892
	Amount generated before compacting	Zeon Group companies in Japan	Ton	2,247	859	957	859	926
	Amount sent to landfills		Ton	14.3	7.6	2.1	1.4	3.5
	Industrial waste from plastic products		Ton	-	142	150	108	110

Conservation of water resources *2

Item	Water source / Discharge destination	Scope	Unit	FY2022	FY2023	FY2024
Water resource management	Total water withdrawal	Zeon Group	1,000 m ³	20,262	19,674	20,201
		Zeon Corporation	1,000 m ³	17,963	17,518	17,850
		Zeon Group companies in Japan	1,000 m ³	372	424	428
		Zeon Group companies outside Japan	1,000 m ³	1,927	1,732	1,923
	Third-party water sources (tap water)	Zeon Group	1,000 m ³	19,901	19,325	19,849
		Zeon Corporation	1,000 m ³	17,963	17,518	17,850
		Zeon Group companies in Japan	1,000 m ³	177	185	182
		Zeon Group companies outside Japan	1,000 m ³	1,760	1,622	1,817
	Fresh surface water (rivers, lakes, etc.)	Zeon Group	1,000 m ³	0	0	0
		Zeon Corporation	1,000 m ³	0	0	0
		Zeon Group companies in Japan	1,000 m ³	0	0	0

Item	Water source / Discharge destination	Scope	Unit	FY2022	FY2023	FY2024
Water resource management	Fresh surface water (rivers, lakes, etc.)	Zeon Group companies outside Japan	1,000 m ³	0	0	0
		Groundwater	1,000 m ³	361	348	353
	Groundwater	Zeon Corporation	1,000 m ³	0	0	0
		Zeon Group companies in Japan	1,000 m ³	195	239	247
		Zeon Group companies outside Japan	1,000 m ³	167	110	106
	Produced water	Zeon Group	1,000 m ³	0	0	0
		Zeon Corporation	1,000 m ³	0	0	0
		Zeon Group companies in Japan	1,000 m ³	0	0	0
		Zeon Group companies outside Japan	1,000 m ³	0	0	0
	Seawater	Zeon Group	1,000 m ³	0	0	0
		Zeon Corporation	1,000 m ³	0	0	0
		Zeon Group companies in Japan	1,000 m ³	0	0	0

Environmental Social Governance

Item	Water source / Discharge destination	Scope	Unit	FY2022	FY2023	FY2024
Water resource management	Seawater	Zeon Group companies outside Japan	1,000 m ³	0	0	0
Wastewater management	Total wastewater discharge	Zeon Group	1,000 m ³	19,529	19,459	19,519
		Zeon Corporation	1,000 m ³	17,491	17,456	17,486
		Zeon Group companies in Japan	1,000 m ³	359	409	412
		Zeon Group companies outside Japan	1,000 m ³	1,678	1,593	1,621
	Discharge to third parties (sewerage system) ³	Zeon Group	1,000 m ³	1,850	1,779	1,737
		Zeon Corporation	1,000 m ³	150	167	101
		Zeon Group companies in Japan	1,000 m ³	21	19	15
		Zeon Group companies outside Japan	1,000 m ³	1,678	1,593	1,621
	Discharge to fresh surface water (rivers and lakes, etc.)	Zeon Group	1,000 m ³	4,184	4,358	4,269
		Zeon Corporation	1,000 m ³	3,977	4,097	4,008
Zeon Group companies in Japan		1,000 m ³	207	261	261	

Item	Water source / Discharge destination	Scope	Unit	FY2022	FY2023	FY2024
Wastewater management	Discharge to fresh surface water (rivers and lakes, etc.)	Zeon Group companies outside Japan	1,000 m ³	0	0	0
		Zeon Group	1,000 m ³	0	0	0
		Zeon Corporation	1,000 m ³	0	0	0
		Zeon Group companies in Japan	1,000 m ³	0	0	0
	Discharge to seawater	Zeon Group	1,000 m ³	13,495	13,322	13,513
		Zeon Corporation	1,000 m ³	13,364	13,192	13,377
		Zeon Group companies in Japan	1,000 m ³	131	130	136
		Zeon Group companies outside Japan	1,000 m ³	0	0	0
Wastewater management	COD emissions	Zeon Corporation	Ton	110	104	105
			Ton	2.0	2.0	1.7
			Ton	120	92.9	99.1
Water-stressed areas	Number of sites	Zeon Group	Sites	1	1	1
	Water withdrawal		1,000 m ³	1.5	0.8	0.8
	Water discharge		1,000 m ³	1.3	0.8	0.7

*2 Only consolidated subsidiaries are included.

*3 Overseas sites for which the discharge destination has not been confirmed are included in "Discharge to third parties."

Environmental Conservation Costs

Category	Scope	Unit	FY2022		FY2023		FY2024		
			Investment	Expense	Investment	Expense	Investment	Expense	
(1) Business area	Total	Zeon Corporation	million yen	455	3,122	5,585	4,409	1,985	5,550
	Pollution prevention		million yen	18	2,045	4,413	3,205	1,759	4,350
	Global environmental conservation		million yen	437	380	1,172	537	226	480
	Resource circulation		million yen	0	697	0	667	0	720
(2) Upstream / downstream			million yen	0	0	0	0	0	0
(3) Administrative			million yen	23	144	19	108	20	122
(4) Research and development			million yen	165	3,220	790	2,091	369	1,050
(5) Social activity			million yen	0	53	0	37	0	49
(6) Environmental remediation			million yen	0	81	0	42	0	73
Grand total			million yen	644	6,620	6,394	6,686	2,374	6,844

Environmental Violations and Incidents

Item	Scope	Unit	FY2022	FY2023	FY2024
Number of violations of environmental laws and regulations	Zeon Corporation Zeon Group companies in Japan	Cases	0	0	0
Of which: Violations related to water quality and water withdrawal		Cases	0	0	0
Fines and penalties related to violations of environmental laws and regulations		Thousand yen	0	0	0

Status of Certifications for International Environmental Standards

Item	Scope	Unit	FY2024
Percentage of sites certified to ISO 14001 ^{*4}	Zeon Group	%	70.4

*4 Percentage among manufacturing sites

Site		ISO 14001
Zeon Corporation	Takaoka Plant	✓
	Kawasaki Plant	✓
	Tokuyama Plant	✓
	Mizushima Plant	✓
	Himi Futagami Plant	✓
	Tsuruga Plant	✓
Zeon Kasei Co., Ltd.		✓
Zeon Polymix Inc.		✓
Zeon Opto Bio Lab Co., Ltd.		✓
Tokyo Zairyo Co., Ltd.		✓
Zeon Chemicals Yonezawa Co., Ltd.		✓
Zeon North Co., Ltd.		✓
Zeon Advanced Polymix Co., Ltd.		✓
Zeon Chemicals Asia Co.,Ltd		✓
Zeon Chemicals (Thailand) Co., Ltd		✓
Zeon Chemicals L.P.		✓
Zeon Chemicals Singapore Pte. Ltd.		✓
Zeon Polymix (Guangzhou) Co., Ltd.		✓
Zeon Kasei (Changshu) Co., Ltd.		✓

International Sustainability & Carbon Certification

Site		ISCC PLUS
Zeon Corporation	Takaoka Plant	✓
	Kawasaki Plant	✓
	Tokuyama Plant	✓
	Mizushima Plant	✓
Tokyo Zairyo Co., Ltd.		✓
Zeon Europe GmbH		✓
Zeon Chemicals Singapore Pte. Ltd.		✓
Zeon Asia Pte. Ltd.		✓
Zeon Trading (Shanghai) Co., Ltd.		✓

Sustainability

ESG Data

Environment	Social	Governance
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Employee Data

Composition of employees

Item		Scope	Unit	FY2021	FY2022	FY2023	FY2024
Full-time regular employees	Men	Zeon Corporation	persons	1,843	2,062	2,138	2,195
	Women		persons	274	318	341	351
	Total		persons	2,117	2,380	2,479	2,546
	Percentage of women		%	12.9	13.4	13.8	13.8
Average years of employment	Men	Zeon Corporation	years	16.2	13.6	14.3	14.4
	Women		years	13.1	9.5	10.4	10.8
	Total		years	15.8	13.1	13.8	13.9
Average age	Men	Zeon Corporation	years	40.2	40.1	40.3	39.8
	Women		years	37.1	36.6	37.0	37.1
	Total		years	39.8	39.7	39.9	39.4
No. of non-Japanese employees		Zeon Corporation	persons	28	32	32	34

Composition of managerial positions

Item	Scope	Unit	FY2021	FY2022	FY2023	FY2024
Percentage of female managers	Zeon Corporation	%	5.2	5.7	6.0	6.4

Hiring and turnover

Item		Scope	Unit	FY2021	FY2022	FY2023	FY2024
New graduate hires	Men	Zeon Corporation	persons	52	78	86	82
	Women		persons	13	20	21	16
	Total		persons	65	98	107	98
	Percentage of women		%	20.0	20.4	19.6	16.3
Mid-career hires	Men	Zeon Corporation	persons	79	195	75	47
	Women		persons	16	37	20	10
	Total		persons	95	232	95	57
	Percentage of women		%	16.8	15.9	21.1	17.5
Total number of hires	Men	Zeon Corporation	persons	131	273	161	129
	Women		persons	29	57	41	26
	Total		persons	160	330	202	155
	Percentage of women		%	18.1	17.3	20.3	16.8
	Mid-career hiring ratio		%	59.4	70.3	47.0	36.8

Item		Scope	Unit	FY2021	FY2022	FY2023	FY2024
Employees leaving voluntarily	Men	Zeon Corporation	persons	23	39	51	68
	Women		persons	10	8	10	14
	Total		persons	33	47	61	82
	Voluntary turnover rate		%	1.9	2.1	2.5	3.2
Ratio of employees with disabilities (Legally required ratio of 2.5%) ^{*1}		Zeon Corporation	%	2.41	2.58	2.52	2.56

*1 The figure for FY2024 is as of June 2024. The legally required ratio until March 2024 was 2.3%.

Work-life balance

Item		Scope	Unit	FY2021	FY2022	FY2023	FY2024
Paid leave utilization rate ^{*2}		Zeon Corporation	%	54.0	61.0	70.5	75.6
Average monthly overtime hours		Zeon Corporation	hours	24.2	21.4	16.9	17.1
Paternity leave uptake rate		Zeon Corporation	%	14.0	51.0	92.0	93.6

*2 January to December 2024 (due to annual paid leave being granted as of January 1)

Salary

Item		Scope	Unit	FY2021	FY2022	FY2023	FY2024
Average annual salary		Zeon Corporation	1,000 yen	7,507	7,324	7,325	7,378
Gender pay gap ^{*3}	All workers	Zeon Corporation	%	-	74.2	75.3	75.4

Item		Scope	Unit	FY2021	FY2022	FY2023	FY2024
	Full-time regular workers		%	-	78.2	79.7	80.9
	Part-time and contract workers		%	-	64.6	66.5	63.5

*3 Women's wage level as a percentage of men's

Occupational Health and Safety Data

Occupational safety

Item		Scope	Unit	FY2021	FY2022	FY2023	FY2024
Lost worktime accidents	Employees of Zeon Corporation	Zeon Corporation	cases	2	0	4	3
	Contractors		cases	4	3	2	1
	Employees of Zeon Group companies	Zeon Group companies in Japan	cases	-	-	-	0
	Contractors		cases	-	-	-	0
Fatal accidents	Employees of Zeon Corporation	Zeon Corporation	cases	0	0	0	0
	Contractors		cases	0	0	0	0
	Employees of Zeon Group companies	Zeon Group companies in Japan	cases	0	0	0	0

Item	Scope	Unit	FY2021	FY2022	FY2023	FY2024
Contractors		cases	0	0	0	0
Lost worktime accident rate ^{*3}	Zeon Corporation	rate	0.47	0.36	0.66	1.30
Severity rate of lost worktime accidents ^{*4}	Zeon Corporation	rate	0.00	0.00	0.05	0.12
No. of participants in safety education (accident case studies)	Zeon Corporation	persons	-	-	1,371	1,567
	Zeon Group companies in Japan	persons	-	-	26	235
Plant safety assessment implementation rate	Zeon Corporation	%	100	100	100	100
No. of RC audits conducted	Zeon Corporation	times/site	1	1	1	1
Safety incidents	Zeon Corporation	cases	7	6	5	8
	Zeon Group companies in Japan	cases	-	-	-	1
Serious accidents in logistics	Zeon Corporation	cases	0	0	1	0
Percentage of sites certified to ISO 45001	Zeon Group	%	-	-	-	18.5

*4 Number of lost-time injury victims ÷ Total actual working hours × 1,000,000
 *5 Total lost workdays ÷ Total actual working hours × 1,000 hours

Employee health

Item	Scope	Unit	FY2021	FY2022	FY2023	FY2024	
Periodic health checkup participation rate	Zeon Corporation	%	100	100	100	100	
Stress check participation rate	Zeon Corporation	%	96.0	93.0	92.7	95.8	
Absence rate due to illness or injury (absenteeism) ^{*6}	Zeon Corporation	%	0.6	0.7	1.1	1.1	
Productivity loss ratio (presenteeism) ^{*7}	Zeon Corporation	%	40.6	40.3	40.3	39.9	
Participation rate of eligible employees in mental health seminars	Zeon Corporation	%	76.0	88.0	88.0	99.0	
Zeon Healthy Behavior Indicator ^{*8}	Achieved 2 or more indicators	Zeon Corporation	%	-	60.0	62.0	61.7
	Have a BMI within the standard range		%	-	66.0	67.0	65.5
	Engage in routine exercise		%	-	26.0	26.0	28.3
	Do not smoke		%	-	76.0	76.0	77.1

*6 Ratio of total persons absent long term for more than 1 month and persons on leave in the total number of employees
 *7 Calculated the average loss ratio for all employees using the WHO-HPQ measure of absolute presenteeism
 *8 Results of regular health checkups conducted between January and June 2024

Status of Certifications for International Quality Standards

Site	ISO 9001:2015 ^{*9}	ISO 13485:2016 ^{*10}	IATF 16949:2016 ^{*11}	FSSC 22000 v5 ^{*12}
Japan				
Zeon Corporation	✓			✓ ^{*14}
Zeon Kasei Co., Ltd.	✓ ^{*13}			
Zeon Polymix Inc.	✓			
Zeon Opto Bio Lab Co., Ltd.	✓	✓		
Tokyo Zairyo Co., Ltd.	✓			
Tohpe Corporation	✓			
Zeon Medical Inc.		✓		
Zeon North Co., Ltd.	✓			
Zeon Chemicals Yonezawa Co., Ltd.	✓			✓
Outside Japan				
Zeon Chemicals L.P.	✓			
Zeon Chemicals (Thailand) Co., Ltd.	✓			
Zeon Advanced Polymix Co., Ltd.	✓		✓	
Zeon Chemicals Singapore Pte. Ltd.	✓			
Zeon Europe GmbH	✓			
Zeon Chemicals Asia Co., Ltd.	✓			
Zeon Kasei (Changshu) Co., Ltd.			✓	
Zeon Kasei Mexico S.A. de C.V.	✓			

- *9 ISO 9001 is the international standard for achieving ongoing improvements in enhancing customer satisfaction and quality management systems through product and services quality assurance.
- *10 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.
- *11 IATF 16949 is a standard issued by the International Automotive Task Force (IATF) for the automobile industry sector, and which is intended as a supplement to the requirements of ISO 9001 for automobile manufacturers.
- *12 FSSC 22000 (Food Safety System Certification 22000) is a standard developed by the Foundation of Food Safety Certification to certify management systems for the production of safe food.
- *13 The logistical materials division has acquired certification limited to STEC®.
- *14 Mizushima Plant acquired FSSC 22000 certification for the manufacture of food-grade synthetic aroma chemicals.

Organizations certified to ISO 45001 (Occupational Health and Safety Management System)

Site
Zeon Chemicals L.P.
Zeon Chemicals Singapore Pte. Ltd.
Zeon Chemicals (Thailand) Co., Ltd.
Zeon Advanced Polymix Co., Ltd.

Sustainability

ESG Data

Environment	Social	Governance
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Corporate Governance Data (Zeon Corporation)

Composition of directors, Audit & Supervisory Board members, and corporate officers *1

Item			Unit	FY2023	FY2024	FY2025
Composition of the Board of Directors	Inside directors	Men	persons	5	5	5
		Women	persons	1	1	0
		Total	persons	6	6	5
		Percentage of women	%	16.7	16.7	0.0
	Outside directors	Men	persons	3	3	2
		Women	persons	2	2	3
		Total	persons	5	5	5
		Percentage of women	%	40.0	40.0	60.0

Item			Unit	FY2023	FY2024	FY2025
Composition of the Board of Directors	Total number of directors	Men	persons	8	8	7
		Women	persons	3	3	3
		Total	persons	11	11	10
	Percentage of women	%	27.3	27.3	30.0	
	Percentage of outside directors	%	45.5	45.5	50.0	
Composition of the Audit & Supervisory Board	Inside Audit & Supervisory Board members	Men	persons	2	2	2
		Women	persons	0	0	0
		Total	persons	2	2	2
		Percentage of women	%	0.0	0.0	0.0
	Outside Audit & Supervisory Board members	Men	persons	3	2	2
		Women	persons	0	1	1
		Total	persons	3	3	3
		Percentage of women	%	0.0	33.3	33.3
Total number of Audit & Supervisory Board members	Men	persons	5	4	4	
	Women	persons	0	1	1	
	Total	persons	5	5	5	
	Percentage of women	%	0.0	20.0	20.0	
	Percentage of outside Audit & Supervisory Board members	%	60.0	60.0	60.0	

Item		Unit	FY2023	FY2024	FY2025
Composition of corporate officers	Men	persons	17	14	13
	Women	persons	1	1	0
	Total	persons	18	15	13
	Percentage of women	%	5.6	6.7	0.0

*1 Information as of July each year, after the Annual General Meeting of Shareholders

Number of meetings of the Board of Directors and other bodies

Item		Unit	FY2022	FY2023	FY2024
Board of Directors	No. of meetings	times	14	18	18
	Average attendance rate of directors	%	98.6	99.5	99.5
	Average attendance rate of Audit & Supervisory Board members	%	95.7	97.2	95.1
Audit & Supervisory Board	No. of meetings	times	6	7	6
	Average attendance rate of Audit & Supervisory Board members	%	96.7	97.6	97.6
Director and Officer Nomination and Compensation Committee	No. of meetings	times	5	5	7
	Average attendance rate of committee members	%	100.0	100.0	98.0

Attendance rates for meetings of the Board of Directors, the Audit & Supervisory Board, and other bodies for FY2024 *2

Title	Name	Board of Directors		Audit & Supervisory Board		Director and Officer Nomination and Compensation Committee	
		18/18	100%	-	-	7/7	100%
Chairman	Kimiaki Tanaka	18/18	100%	-	-	7/7	100%
President and CEO	Tetsuya Toyoshima	18/18	100%	-	-	7/7	100%
Director & Senior Corporate Officer	Kazuyoshi Matsuura	18/18	100%	-	-	-	-
Director & Senior Corporate Officer	Yoshiyuki Sone	18/18	100%	-	-	-	-
Director & Senior Corporate Officer	Yuichiro Konishi	18/18	100%	-	-	-	-
Director & Corporate Officer	Erisa Watanabe	18/18	100%	-	-	-	-
Outside Director (Independent)	Takao Kitabata	18/18	100%	-	-	6/7	86%
Outside Director (Independent)	Tadanobu Nagumo	18/18	100%	-	-	7/7	100%
Outside Director (Independent)	Fumiaki Ikeno	18/18	100%	-	-	7/7	100%
Outside Director (Independent)	Miki Akiyama	18/18	100%	-	-	7/7	100%
Outside Director (Independent)	Saeko Masumi	17/18	94%	-	-	7/7	100%
Audit & Supervisory Board Member	Toru Nishijima	18/18	100%	6/6	100%	-	-
Audit & Supervisory Board Member	Sachio Hayashi	18/18	100%	6/6	100%	-	-

Title	Name	Board of Directors		Audit & Supervisory Board		Director and Officer Nomination and Compensation Committee	
Audit & Supervisory Board Member (External) (Independent)	Hiroki Kimura	16/18	89%	5/6	83%	-	-
Audit & Supervisory Board Member (External) (Independent)	Masayoshi Nakamura	10/11	91%	4/4	100%	-	-
Audit & Supervisory Board Member (External) (Independent)	Miyuki Tanabu	11/11	100%	4/4	100%	-	-
Audit & Supervisory Board Member (External) (Independent)	Akio Kohri ^{*2}	6/7	86%	2/2	100%	-	-
Audit & Supervisory Board Member (External) (Independent)	Nobutake Nishijima ^{*3}	7/7	100%	2/2	100%	-	-

*2 Data from April 2024 to March 2025

*3 Mr. Akio Kohri and Mr. Nobutake Nishijima retired at the conclusion of the Annual General Meeting of Shareholders held in June 2024.

Director and officer compensation

Item		Unit	FY2022	FY2023	FY2024
Inside directors	No. of persons	persons	7	6	6
	Total compensation	million yen	251	424	406
Inside Audit & Supervisory Board members	No. of persons	persons	2	3	2
	Total compensation	million yen	53	47	53
Outside officers	No. of persons	persons	6	8	10
	Total compensation	million yen	66	84	90
Total compensation for directors and officers ^{*4}	No. of persons	persons	15	17	18
	Total compensation	million yen	370	555	549
CEO-to-average employee annual compensation ratio		Times	14.06	16.11	14.50

*4 The above figures for the number of directors and Audit & Supervisory Board members and for their compensation include compensation for officers who retired at the conclusion of the Annual General Meeting of Shareholders.

Compliance Data

Whistleblowing and Internal Audits

Item		Scope	Unit	FY2022	FY2023	FY2024
No. of reports received via the whistleblowing system		Zeon Group companies in Japan	cases	4	7	6
Internal audits	No. of departments/companies audited *5	Zeon Corporation	departments	16	15	13
		Zeon Group companies in Japan	companies	10	7	7
		Zeon Group companies outside Japan	companies	10	11	5
		Total	organizations	36	33	25

*5 All Zeon Group companies, whether consolidated or non-consolidated (excluding certain affiliates)


Compliance Training

Item			Unit	FY2022	FY2023	FY2024
Related internal training	Compliance	Lectures on laws and regulations *6	sessions	34	35	35
			persons (total)	6,999	2,403	6,329
	Information security	Internal test participation rate	%	96.4	97.8	91.4
	Overall sustainability	Internal test participation rate	%	97.3	98.2	96.8

*6 Lectures on the Antimonopoly Act, trade secrets, personal information protection, contract precautions, and other legal and regulatory topics

Political Contributions

Item	Scope	Unit	FY2022	FY2023	FY2024
Political Contributions	Zeon Corporation	million yen	0.29	0.17	0.11

– For more detailed information, see the Corporate Governance Report (Japanese version only) [PDF: 191KB] 

Sustainability

Commitment to International Initiatives

The United Nations Global Compact (UNGC)

The United Nations Global Compact (UNGC) is a voluntary initiative aimed at realizing sustainable growth, by encouraging companies and other organizations to act as good corporate citizens through the exercise of responsible, creative leadership, under the guidance of the United Nations. In July 2019, we announced our support for the UNGC's ten principles relating to protection of human rights, elimination of improper labor practices, safeguarding the environment, and preventing corruption.



TCFD

The Task Force on Climate-related Financial Disclosures (TCFD) was established under the Financial Stability Board (FSB). TCFD recommendations encourage companies to recognize risks and opportunities related to climate change and incorporate them into their business strategies, ultimately calling for companies to disclose the impact of these factors. Zeon announced its support for the TCFD in August 2020.



Science Based Targets (SBT)

These are greenhouse gas emission reduction targets set by a company for the next 5 to 10 years, consistent with the levels required by the Paris Agreement. The 2030 target set by Zeon Group has been certified by the Science Based Targets initiative as being based on scientific evidence, limiting emissions to keep the global temperature rise to 1.5 °C.



ISCC PLUS Certification

This is an international certification scheme for managing and ensuring the sustainability of products made from renewable materials, such as biomass, throughout the supply chain. Zeon has obtained certification for products manufactured at our four plants in Japan (Takaoka, Kawasaki, Tokuyama, and Mizushima).

Sustainability

External Evaluations

ESG-Related Evaluations

Inclusion in ESG indices

S&P/JPX Carbon Efficient Index

This is an ESG index jointly developed by S&P Dow Jones Indices and the Tokyo Stock Exchange. It targets companies included in the TOPIX index and determines the weighting of each company based on their level of environmental information disclosure and carbon efficiency. Zeon has been selected as one of the constituents of this index. This index is one of the ESG indices adopted by Japan's Government Pension Investment Fund (GPIF).



MSCI Japan Empowering Women Index (WIN)

It is a stock price index developed by MSCI in the United States and is constructed by selecting companies that have high gender diversity scores and actively promote women's participation, based on information disclosed under the Act on the Promotion of Women's Participation and Advancement in the Workplace. Our company has been selected as a constituent of this index. The index is one of the ESG indices adopted by the Government Pension Investment Fund (GPIF).

Morningstar Japan ex-REIT Gender Diversity Tilt Index (GenDi J)

This index was established by U.S.-based Morningstar, using the data and scoring methodology of Equileap. It emphasizes companies that have strong gender diversity policies embedded in their corporate culture and that ensure equal opportunities to employees, irrespective of their gender. Zeon has been selected as one of the constituents of this index. This index is one of the ESG indices adopted by Japan's Government Pension Investment Fund (GPIF).

CDP

CDP is an international NGO that conducts activities to encourage disclosure of environmental information such as climate change and water security. In the FY2024 assessment, Zeon received a B rating for climate change and also a B rating for water security.



EcoVadis

EcoVadis assesses the sustainability performance of more than 150,000 organizations and companies in more than 185 countries worldwide in four areas: Environment, Labor & Human Rights, Ethics, and Sustainable Procurement. In the 2025 assessment, Zeon received a Bronze rating, awarded to the top 35% of assessed companies.



Certified Health & Productivity Management Outstanding Organization

The Certified Health & Productivity Management Outstanding Organizations Recognition Program is a program established by the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi. It recognizes enterprises that practice excellent health management, with a focus on addressing local health issues and health initiatives led by the Nippon Kenko Kaigi. Zeon has been recognized as a Certified Health & Productivity Management Outstanding Organization for seven consecutive years.



Sustainability

Comparative Tables

GRI Content Index	United Nations Global Compact Index
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Statement of use	Zeon Corporation has reported the information cited in this GRI content index for the period [April 1, 2024–March 31, 2025] with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI Standard	Disclosure	Published format or item and page number
General Disclosures		
GRI 2: General Disclosures 2021		
1. The organization and its reporting practices		
2-1	Organizational details	Company Information →
2-2	Entities included in the organization's sustainability reporting	Editorial Policy →
2-3	Reporting period, frequency and contact point	Editorial Policy →
2-4	Restatements of information	–
2-5	External assurance	ESG Data →

GRI Standard	Disclosure	Published format or item and page number
2. Activities and workers		
2-6	Activities, value chain and other business relationships	Supply Chain Management →
2-7	Employees	ESG Data →
2-8	Workers who are not employees	–
3. Governance		
2-9	Governance structure and composition	Corporate Governance →
2-10	Nomination and selection of the highest governance body	Corporate Governance →
2-11	Chair of the highest governance body	Corporate Governance → Directors and Officers →
2-12	Role of the highest governance body in overseeing the management of impacts	Zeon's Sustainability → Risk Management →
2-13	Delegation of responsibility for managing impacts	Zeon's Sustainability → Risk Management →
2-14	Role of the highest governance body in sustainability reporting	Zeon's Sustainability → Risk Management →
2-15	Conflicts of interest	Corporate Governance → Corporate Governance Report (Japanese version only) 📄
2-16	Communication of critical concerns	Corporate Governance → Corporate Governance Report (Japanese version only) 📄

GRI Standard	Disclosure	Published format or item and page number
2-17	Collective knowledge of the highest governance body	Corporate Governance → Corporate Governance Report (.Japanese version only)
2-18	Evaluation of the performance of the highest governance body	Corporate Governance → Corporate Governance Report (.Japanese version only)
2-19	Remuneration policies	Corporate Governance → Corporate Governance Report (.Japanese version only)
2-20	Process to determine remuneration	Corporate Governance → Corporate Governance Report (.Japanese version only)
2-21	Annual total compensation ratio	Corporate Governance → Corporate Governance Report (.Japanese version only)
4. Strategy, policies and practices		
2-22	Statement on sustainable development strategy	Message → Zeon's Sustainability →
2-23	Policy commitments	Zeon's Sustainability →
2-24	Embedding policy commitments	Zeon's Sustainability →
2-25	Processes to remediate negative impacts	–
2-26	Mechanisms for seeking advice and raising concerns	Compliance → Risk Management →

GRI Standard	Disclosure	Published format or item and page number
2-27	Compliance with laws and regulations	Compliance →
2-28	Membership associations	Commitment to International Initiatives →
5. Stakeholder engagement		
2-29	Approach to stakeholder engagement	Zeon's Sustainability →
2-30	Collective bargaining agreements	Human Resource Development →

GRI Standard	Disclosure	
Material Topics		
GRI 3: Material Topics 2021		
3-1	Process to determine material topics	Zeon's Sustainability →
3-2	List of material topics	Zeon's Sustainability →
3-3	Management of material topics	Zeon's Sustainability →

GRI Standard	Disclosure	
GRI 200 Economic Standard Series		
Economic Performance		
GRI 201: Economic Performance 2016		

GRI Standard	Disclosure	
201-1	Direct economic value generated and distributed	Financial Highlights → Download → ESG Data →
201-2	Financial implications and other risks and opportunities due to climate change	Climate Change →
201-3	Defined benefit plan obligations and other retirement plans (Japanese version only)	Financial Flash Report (Japanese version only) 📄
201-4	Financial assistance received from government	–
Market Presence		
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	–
Indirect Economic Impacts		
GRI 203: Indirect Economic Impacts 2016		
203-1	Infrastructure investments and services supported	Environment → Corporate Social Contribution →
203-2	Significant indirect economic impacts	Zeon's Sustainability → Corporate Social Contribution →

GRI Standard	Disclosure	
Procurement Practices		
GRI 204: Procurement Practices 2016		
204-1	Proportion of spending on local suppliers	Supply Chain Management →
Anti-corruption		
GRI 205: Anti-corruption 2016		
205-1	Operations assessed for risks related to corruption	Compliance → Risk Management →
205-2	Communication and training about anti-corruption policies and procedures	Compliance → Risk Management →
205-3	Confirmed incidents of corruption and actions taken	Compliance →
Anti-competitive Behavior		
GRI 206: Anti-competitive Behavior 2016		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Compliance →
Tax		
GRI 207: Tax 2019		
207-1	Approach to tax	–

GRI Standard	Disclosure	
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	–

GRI Standard	Disclosure	
GRI 300 Environmental Standards Series		
Materials		
GRI 301: Materials 2016		
301-1	Materials used by weight or volume	ESG Data →
301-2	Recycled input materials used	–
301-3	Reclaimed products and their packaging materials	–
Energy		
GRI 302: Energy 2016		
302-1	Energy consumption within the organization	Environmental Management → ESG Data →
302-2	Energy consumption outside of the organization	ESG Data →

GRI Standard	Disclosure	
302-3	Energy intensity	ESG Data →
302-4	Reduction of energy consumption	Climate Change →
302-5	Reductions in energy requirements of products and services	Climate Change →
Water and Effluents		
GRI 303: Water and Effluents 2018		
303-1	Interactions with water as a shared resource	Resource Circulation and Pollution Prevention →
303-2	Management of water discharge-related impacts	Resource Circulation and Pollution Prevention →
303-3	Water withdrawal	Environmental Management → ESG Data →
303-4	Water discharge	Environmental Management → Resource Circulation and Pollution Prevention → ESG Data →
303-5	Water consumption	Environmental Management → ESG Data →
Biodiversity		
GRI 304: Biodiversity 2016		

GRI Standard	Disclosure	
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Natural Capital and Biodiversity Conservation →
304-2	Significant impacts of activities, products, and services on biodiversity	Natural Capital and Biodiversity Conservation →
304-3	Habitats protected or restored	–
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	–
Emissions		
GRI 305: Emissions 2016		
305-1	Direct (Scope 1) GHG emissions	Climate Change → ESG Data →
305-2	Energy indirect (Scope 2) GHG emissions	Climate Change → ESG Data →
305-3	Other indirect (Scope 3) GHG emissions	Climate Change → ESG Data →
305-4	GHG emissions intensity	Climate Change → ESG Data →
305-5	Reduction of GHG emissions	Climate Change → ESG Data →
305-6	Emissions of ozone-depleting substances (ODS)	–

GRI Standard	Disclosure	
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Resource Circulation and Pollution Prevention →
GRI 306: Waste		
GRI 306: Waste 2020		
306-1	Waste generation and significant waste-related impacts	Environmental Management → Resource Circulation and Pollution Prevention → ESG Data →
306-2	Management of significant waste-related impacts	Resource Circulation and Pollution Prevention →
306-3	Waste generated	Resource Circulation and Pollution Prevention → ESG Data →
306-4	Waste diverted from disposal	Resource Circulation and Pollution Prevention → ESG Data →
306-5	Waste directed to disposal	Resource Circulation and Pollution Prevention → ESG Data →
Supplier Environmental Assessment		
GRI 308: Supplier Environmental Assessment 2016		
308-1	New suppliers that were screened using environmental criteria	Supply Chain Management →

GRI Standard	Disclosure	
308-2	Negative environmental impacts in the supply chain and actions taken	Supply Chain Management →

GRI Standard	Disclosure	
GRI 400 Social Standards Series		
Employment		
GRI 401: Employment 2016		
401-1	New employee hires and employee turnover	Human Resource Development → ESG Data →
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	–
401-3	Parental leave	Occupational Health and Safety / Health and Productivity Management → ESG Data →
Labor/Management Relations		
GRI 402: Labor/Management Relations 2016		
402-1	Minimum notice periods regarding operational changes	Human Resource Development →
Occupational Health and Safety		
GRI 403: Occupational Health and Safety 2018		

GRI Standard	Disclosure	
403-1	Occupational health and safety management system	Occupational Health and Safety / Health and Productivity Management →
403-2	Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety / Health and Productivity Management →
403-3	Occupational health services	Occupational Health and Safety / Health and Productivity Management →
403-4	Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety / Health and Productivity Management →
403-5	Worker training on occupational health and safety	Occupational Health and Safety / Health and Productivity Management →
403-6	Promotion of worker health	Occupational Health and Safety / Health and Productivity Management →
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety / Health and Productivity Management →
403-8	Workers covered by an occupational health and safety management system	Occupational Health and Safety / Health and Productivity Management →
403-9	Work-related injuries	Occupational Health and Safety / Health and Productivity Management

GRI Standard	Disclosure	
		→ ESG Data →
403-10	Work-related ill health	Occupational Health and Safety / Health and Productivity Management → ESG Data →
Training and Education		
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	Human Resource Development →
404-3	Percentage of employees receiving regular performance and career development reviews	–
Diversity and Equal Opportunity		
GRI 405: Diversity and Equal Opportunity 2016		
405-1	Diversity of governance bodies and employees	Human Resource Development → ESG Data →
405-2	Ratio of basic salary and remuneration of women to men	ESG Data →
Non-discrimination		
GRI 406: Non-discrimination 2016		

GRI Standard	Disclosure	
406-1	Incidents of discrimination and corrective actions taken	Human Rights →
Freedom of Association and Collective Bargaining		
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	Human Rights → Human Resource Development →
Child Labor		
GRI 408: Child Labor 2016		
408-1	Operations and suppliers at significant risk for incidents of child labor	Supply Chain Management →
Forced or Compulsory Labor		
GRI 409: Forced or Compulsory Labor 2016		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Supply Chain Management →
Security Practices		
GRI 410: Security Practices 2016		
410-1	Security personnel trained in human rights policies or procedures	Human Rights →
Rights of Indigenous Peoples		

GRI Standard	Disclosure	
GRI 411: Rights of Indigenous Peoples 2016		
411-1	Incidents of violations involving rights of indigenous peoples	Human Rights →
Local Communities		
GRI 413: Local Communities 2016		
413-1	Operations with local community engagement, impact assessments, and development programs	Corporate Social Contribution →
413-2	Operations with significant actual and potential negative impacts on local communities	Corporate Social Contribution →
Supplier Social Assessment		
GRI 414: Supplier Social Assessment 2016		
414-1	New suppliers that were screened using social criteria	Supply Chain Management →
414-2	Negative social impacts in the supply chain and actions taken	Supply Chain Management →
Public Policy		
GRI 415: Public Policy 2016		
415-1	Political contributions	—
Customer Health and Safety		
GRI 416: Customer Health and Safety 2016		

GRI Standard	Disclosure	
416-1	Assessment of the health and safety impacts of product and service categories	Resource Circulation and Pollution Prevention →
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	—
Marketing and Labeling		
GRI 417: Marketing and Labeling 2016		
417-1	Requirements for product and service information and labeling	Resource Circulation and Pollution Prevention →
417-2	Incidents of non-compliance concerning product and service information and labeling	—
417-3	Incidents of non-compliance concerning marketing communications	—
Customer Privacy		
GRI 418: Customer Privacy 2016		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Compliance →
Socioeconomic Compliance		
GRI 419: Socioeconomic Compliance 2016		

GRI Standard	Disclosure	
419-1	Non-compliance with laws and regulations in the social and economic area	Compliance →

Sustainability

Comparative Tables

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

The UN Global Compact	Corresponding page in the Sustainability Report
Human Rights	
Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and	Human Rights →
Principle 2: make sure that they are not complicit in human rights abuses.	Human Rights →
Labour	
Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	Human Rights → Human Resource Development →
Principle 4: the elimination of all forms of forced and compulsory labour;	Human Rights →

The UN Global Compact	Corresponding page in the Sustainability Report
Principle 5: the effective abolition of child labour; and	Human Rights →
Principle 6: the elimination of discrimination in respect of employment and occupation.	Human Rights →
Environment	
Principle 7: Businesses should support a precautionary approach to environmental challenges;	Environment →
Principle 8: undertake initiatives to promote greater environmental responsibility; and	Environment →
Principle 9: encourage the development and diffusion of environmentally friendly technologies.	Environment →
Anti-Corruption	
Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	Compliance →