

## Zeon Chemicals L.P. (ZCLP)

### Introduction to Zeon Chemicals L.P. (ZCLP)

Zeon Chemicals L.P. was established in 1989 from the purchase of the BF Goodrich Elastomers Division combined with the new Zeon HNBR facility in Pasadena, Texas. ZCLP manufactures Nipol<sup>®</sup> NBR, HyTemp<sup>®</sup> PA (acrylic rubber), Zetpol<sup>®</sup> (HNBR), Hydrin<sup>®</sup>, and Zeotherm<sup>®</sup> polymers in North America. The company also provides sales and market development support in North America for Cyclo-olefin polymers, styrene isoprene block polymers, reaction injection molding, and electronic materials. It also includes Zeon Brazil, a wholly owned subsidiary serving South America.



Kentucky Plant

### Policy and Message from President/CEO

Hello, my name is Bob Barlow. As President and CEO of Zeon Chemicals, LP, my mission is to provide leadership for our Zeon Group team in the America's. For 2016, my challenge to ZCLP members is the following: As a key member of Zeon Group, ZCLP is viewed in the industry as the Leader in Specialty Elastomers in the world marketplace. Leadership should be demonstrated in the following areas:

ZCLP R&D -- ZCLP is recognized technical leader with fast and effective R&D and Applications Development, that anticipates what the market needs are.

ZCLP Production -- All North American Plants are running at full capacity and efficiency with competitive cost structures and supply chains. In addition, ZCLP is recognized as safety and quality leader with Zero OSHA Recordables, Zero Customer Complaints and superior environmental performance.

ZCLP Sales and Marketing -- ZCLP has fully functioning Zeon Sales and Marketing Operations in U.S., Mexico and Brazil. ZCLP is leading full commercial integration with the rest of Zeon Group using "state of the art" CRM technology. Also, ZCLP is an essential partner in growth of Zeon NBD in the world.



President and CEO Bob Barlow

### Safety Initiatives

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

•During the annual safety awards ceremony for Zeon Group facilities held in Tokyo this year, two ZCLP facilities were recognized for their performance in 2015. Both the Mississippi and Texas Plants had zero accidents. This level of performance is a result of the emphasis on building a superior safety culture, embraced by the workers in these locations.

### Efforts to Reduce Environmental Impact

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

•An example of ZCLP's efforts to improve environmental compliance is implementation of a new on-line odor reporting

system for all ZCLP employees working on the Louisville campus. ZCLP’s Kentucky Plant and R&D campus is located in the “Rubbertown” section of Louisville, with many industrial neighbors nearby. In such an industrial environment located in a city, there are sometimes annoyances for neighbors in the form of unpleasant odors. In order to be the best neighbor possible, ZCLP implemented a system in 2015 for all employees to be able to enter complaints about odors via an automated reporting system on our intranet site– even odors from others outside of ZCLP. Each odor complaint is tracked and investigated to determine source, root cause, and hopefully preventive action. This program has been well received and is helping ZCLP to be a better neighbor as well as give our members a better working environment and communicate to others in the community when there are odor problems from our neighbors .

**Environmental data**

Kentucky Plant		FY2011	FY2012	FY2013	FY2014	FY2015
Substances covered by PRTR law	Number of substances	8	8	8	7	7
	Consumption (tons)	18,189	16,260	14,927	16,202	15,376
	Amount emitted (tons)	43	28	20	10	21
Industrial waste	Amount generated (before volume reduction) (tons)	720	572	505	344	532
	Amount sent to landfill (tons)	689	552	478	332	526
Water resources (Industrial water + Ground water + Waterworks) consumption (1,000 m <sup>3</sup> )		152	134	142	132	166
CO <sub>2</sub> emissions (tons)		19,256	17,925	17,133	16,045	14,777
Energy consumption (crude oil equivalent, kL)		8,157	7,514	7,122	6,452	5,999

Texas Plant		FY2011	FY2012	FY2013	FY2014	FY2015
Substances covered by PRTR law	Number of substances	0	0	0	0	0
	Consumption (tons)	0	0	0	0	0
	Amount emitted (tons)	0	0	0	0	0
Industrial waste	Amount generated (before volume reduction) (tons)	39	32	47	36	41
	Amount sent to landfill (tons)	1.0	1.2	2.2	3.0	1.6
Water resources (Industrial water + Ground water + Waterworks) consumption (1,000 m <sup>3</sup> )		198	234	226	252	188
CO <sub>2</sub> emissions (tons)		10,325	9,965	10,059	10,712	10,520
Energy consumption (crude oil equivalent, kL)		3,065	2,945	2,940	3,150	3,099

Mississippi Plant		FY2011	FY2012	FY2013	FY2014	FY2015
Substances covered by PRTR law	Number of substances	3	3	3	3	3
	Consumption (tons)	5,160	4,444	4,933	5,125	4,298
	Amount emitted (tons)	70	47	48	71	61
Industrial waste	Amount generated (before volume reduction) (tons)	41	22	44	42	97
	Amount sent to landfill (tons)	41	22	44	42	97
Water resources (Industrial water + Ground water + Waterworks) consumption (1,000 m <sup>3</sup> )		152	134	142	132	166
CO <sub>2</sub> emissions (tons)		19,256	17,925	17,133	16,045	14,777
Energy consumption (crude oil equivalent, kL)		8,157	7,514	7,122	6,452	5,999

### Quality Assurance Efforts

•The ZCLP Quality Policy states: “At Zeon Chemicals, we are committed to customer satisfaction achieved by clearly understanding the customers' needs and fulfilling those requirements through continual improvement of products, services, and the quality management system”. A key component of our policy is continual improvement - customers expect continual improvement in our quality and efficiency.

•An example of continual improvement at ZCLP in the area of quality is the installation of an automated visual inspection system in the HyTemp acrylic rubber production line. This is the fourth such system ZCLP has installed, and our goal of automated inspection of all bale rubber products has been achieved.



HyTemp Vision Inspection Camera

### Living Together with the Local Community

•Policy - ZCLP’s mission statement says that we will surpass the expectations of the community through world class innovation and excellence in all of our activities. ZCLP employees have a concern for the community which is focused primarily on doing what we can do to improve opportunities for the less fortunate, primarily school aged children. They are the future for our world.

•Example of Activities for 2015 - Zeon’s generosity to our local community continued through 2015. The ZCLP Kentucky Plant’s Maintenance team selected Kosair Charities as our holiday charity for 2015. Kosair Charities protects the health and well-being of children in Kentucky and Southern Indiana by providing financial support for clinical services, research, pediatric healthcare education, and child advocacy. ZCLP employees gave donations of toys, books and art supplies as well as \$16,000! ZCLP employees also provided ongoing support of Cane Run Elementary school through donations of school supplies in September, volunteers for Science Technology Engineering Arts and Math (STEAM) Day in October as well as Christmas gift bags full of healthy treats, school supplies, card games and a stuffed toy for the holiday. Pictured at left are Bill Simpson and Tony Stivers, who presented the check to Kosair Charities. Pictured at center and right, SHE team members JJ Edwards and Lori Carson demonstrate colorful “latex” properties using milk at Cane Run STEAM Day.

Finally, ZCLP was the honored recipient of the Chestnut Street YMCA’s Legacy Award for Zeon’s 15 years of financial support to the Black Achievers’ program. ZCLP strives to strengthen local neighborhoods by focusing on youth-centered programs and educational initiatives. Pictured above is the award (left) and Jeff Anderson Director of Operations (right).



Kosair Charities



Steam Day



YMCA's Legacy Award