

Zeon Chemicals L.P. (ZCLP)

Company Profile

Business Description

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

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



Kentucky Plant

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

Locations

Louisville, Kentucky; Hattiesburg, Mississippi; Pasadena, Texas

Subsidiary

Zeon do Brasil Ltda

Company Policy (Executive Message)

Hello, my name is Bob Barlow. I am privileged to serve as President and CEO of Zeon Chemicals L.P., with responsibility for sales of Zeon manufactured products in the Americas. The ZCLP theme for 2017 is: "NOW IS THE TIME." We believe that in the year 2017, ZCLP is positioned to achieve successful commercial launches of new products, realize sales expansion plans according to the SZ-20 Plan, finalize new product and process developments, and consolidate efficiency improvements in the plants. In previous years, ZCLP has put in place the systems and resources to demonstrate leadership in the world marketplace. My challenge to ZCLP members is for 2017 to be the year when ZCLP fully delivers planned results in the following areas.



President and CEO
Bob Barlow

- **R&D:** ZCLP is recognized as a technical leader with fast and effective R&D and applications development that anticipates what the market needs are.
- **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.
- **Sales and Marketing:** ZCLP has fully functioning Zeon sales and marketing operations in the U.S., Mexico, and Brazil, leading full commercial integration with the rest of Zeon Group.

Safety Initiatives

Policy

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

Specific Initiatives

During the annual safety awards ceremony for Zeon Group facilities held in Tokyo this year, one ZCLP facility was recognized for their performance in 2016. The Texas Plant 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.

Environmental Impact Reductions

Policy

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

Specific Initiatives

An example of ZCLP's efforts to improve environmental compliance is the revamping of our incident reporting system to emphasize spill prevention.

Large releases to the local publicly owned treatment system can cause negative publicity, concern from our neighbors and fines for Zeon.

To reduce this risk, ZCLP SHE team revised the incident reporting ranking system to include a new Rank D level for minor spills/releases and near misses as a leading indicator. We believe that reporting all near misses and small spills, analyzing them for root causes and instituting corrective actions will prevent more serious releases (Rank A/B) from occurring. Employees reported 50 Rank D spills in 2016.

In addition, ZCLP developed an electronic incident reporting system in the ETQ Reliance software platform to provide transparency of spill incidents across the company, sharing of lessons learned, and greater use of analytics for spill prevention.

Environmental Data

*"0" indicates less than 0.5 tons, and "0.0" indicates less than 0.005 tons

Kentucky Plant		FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Substances subject to the PRTR Act	No. of substances	8	8	7	7	7
	Consumption (tons)	16,260	14,927	16,202	15,376	13,757
	Emissions (tons)	28	20	10	21	8
Industrial waste	Amount generated before compacting (tons)	572	505	344	532	551
	Amount sent to landfills (tons)	552	478	332	526	539
Water resource consumption (1,000 m ³) (industrial water + groundwater + waterworks)		965	957	1,014	685	722
CO ₂ emissions (tons)		32,217	31,741	33,570	32,329	31,368
Energy consumption (crude oil equivalent, kL)		10,136	9,820	11,017	10,323	9,755

Texas Plant		FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Substances subject to the PRTR Act	No. of substances	0	0	0	0	0
	Consumption (tons)	0	0	0	0	0
	Emissions (tons)	0	0	0	0	0
Industrial waste	Amount generated before compacting (tons)	32	47	36	41	42
	Amount sent to landfills (tons)	1.2	2.2	3.0	1.6	1.0
Water resource consumption (1,000 m ³) (industrial water + groundwater + waterworks)		234	226	252	188	228
CO ₂ emissions (tons)		9,965	10,059	10,712	10,520	9,651
Energy consumption (crude oil equivalent, kL)		2,945	2,940	3,150	3,099	2,837

Mississippi Plant		FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Substances subject to the PRTR Act	No. of substances	3	3	3	3	3
	Consumption (tons)	4,444	4,933	5,125	4,298	4,367
	Emissions (tons)	47	48	71	61	58
Industrial waste	Amount generated before compacting (tons)	22	44	42	97	128
	Amount sent to landfills (tons)	22	44	42	97	128
Water resource consumption (1,000 m ³) (industrial water + groundwater + waterworks)		134	142	132	166	124
CO ₂ emissions (tons)		17,925	17,133	16,045	14,777	13,923
Energy consumption (crude oil equivalent, kL)		7,514	7,122	6,452	5,999	5,624

Relationship with the Local Community

ZCLP’s mission statement says that we will surpass the expectations of the community through world-class innovation and excellence in all of our activities. 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 of our world.

Specific Initiatives

1. Donations to charities

The ZCLP Corporate team selected Make-A-Wish® as our 2016 charity. The Make-A-Wish® Foundation’s goal is to grant the wish of every child diagnosed with a life-threatening medical condition. Since the Chapter's inception in 1983, Make-A-Wish® Ohio, Kentucky & Indiana has granted over 15,000 wishes.

ZCLP employees raised more than \$11,600 during the March Madness Basketball Free Throw Contest, the Labor Day Picnic with Dunk Tank, and our traditional Holiday Raffle, Silent Auction and Santa Contest!



March Madness Basketball Free Throw Contest



Labor Day Picnic with Dunk Tank



Donation to the Make-A-Wish® Foundation

2. Support for neighboring elementary school

ZCLP employees also continued our support of neighboring Cane Run Elementary School through donations of school supplies in September and Christmas gift bags full of healthy treats, school supplies, and a stuffed toy in December.



Visiting the elementary school as Santa Claus to deliver gift bags