

# CSR Report 2019



Sekisui Plastics Group —  
Expanding Our Dreams for People and the Earth



## Management Philosophy

We, Sekisui Plastics Group, practice “Zen-in Keiei” based on respect and mutual trust.

We are always innovating in our aim of “new happiness.”

## Code of Conduct

1. Unite individual efforts to make a strong power.
2. Grow and develop together with customers by creating top quality and service.
3. Contribute to a better environment and an enriched society in perfect harmony among people, nature, and technology.
4. Make a honest, generous and fresh workplace.
5. Address each and every challenge in creation and innovation to achieve our goals.

## Management Policies Related to the Environment, Safety, and Quality

1. Provide high-quality, safe products and services that meet the expectations of each customer.
2. In overall business activities, strive to prevent accidents and disasters and ensure the health and safety of all the people including employees, business partners, and local residents.
3. Consider the environment and safety in every process from product development to use and disposal and strive to conserve the environment.
4. Consider the resource and energy savings in product development and production, and promote the recycling of used products.
5. Engage in responsible care activities to improve environment, safety, and quality management and gain further confidence from society.
6. Comply with domestic and overseas laws, regulations and standards established by local governments and industries, and engage in business activities.

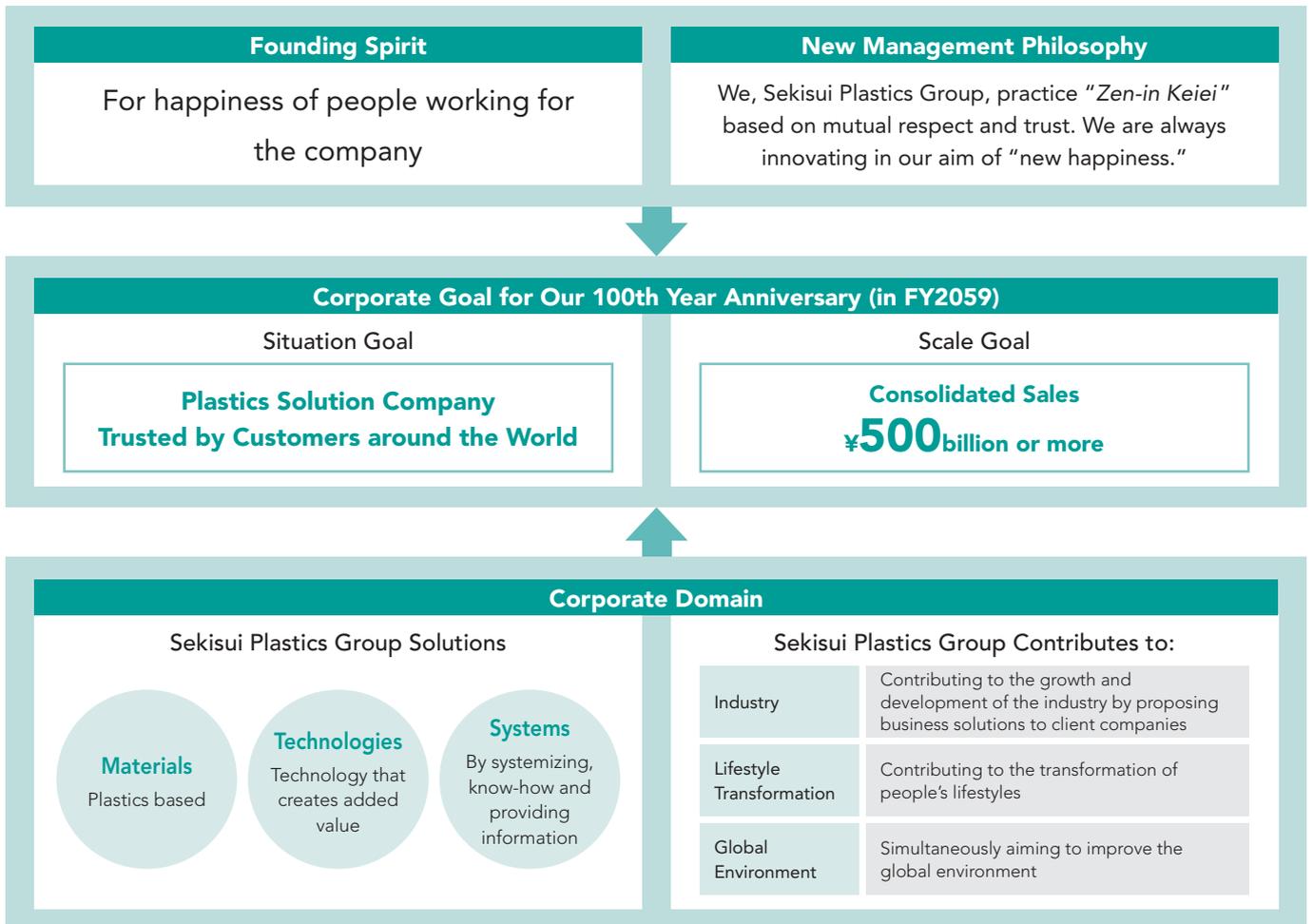
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# Sekisui Plastics Group's 100th Year Vision

## Further growth and development toward the 100th anniversary in FY2059

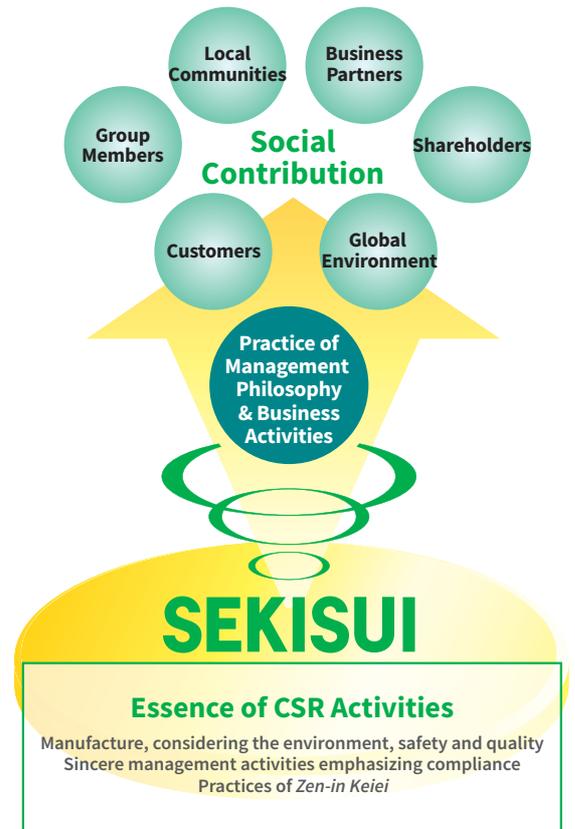
Sekisui Plastics Group aspires to be "a plastics solution company trusted by customers around the world," by practicing the group-wide CSR and *Zen-in Keiei* on the basis of the founding spirit and our new management philosophy.



# CSR Declaration

## Sekisui Plastics Group, Expanding Our Dreams for People and the Earth

We, Sekisui Plastics Group, carry out social responsibility to stakeholders including the global environment by practicing our management philosophy and contribute to the sustainable development of the global society.



Stakeholder	Responsibility of Sekisui Plastics Group
Customers	The Company not only supplies safe/reliable products but also bring comfort and convenience to the lives of people by always creating new functions/value and proposing materials/services as solutions for customers.
Group Members	The Company places emphasis on mutual respect and trust, and pursues the happiness of people working for the company. Consequently, we will improve fairness to skill development and rating, and make efforts to create a healthy/safe work environment, and a good balance between work and family.
Local Communities	The Company believes being a safe workplace is the most important to communities. In addition, as a member of local communities, we aim to be a company trusted and loved by the whole community.
Shareholders	The Company meets expectations from shareholders with returns by improving its corporate value. Furthermore, we focus on the active disclosure of our management information and dialogue with shareholders.
Business Partners	The Company builds trust in relationships with business partners through fair, honest business practices with sincerity as our motto. Also, we aim at co-existence and co-prosperity as a better partner for the partners.
Global Environment	The Company actively endeavors to improve environment to protect our precious earth. In particular, we contribute to the low-carbon society and develop the recycling-based society with foam plastics in the community and lowering carbon levels centering on foam plastics which are eco materials.

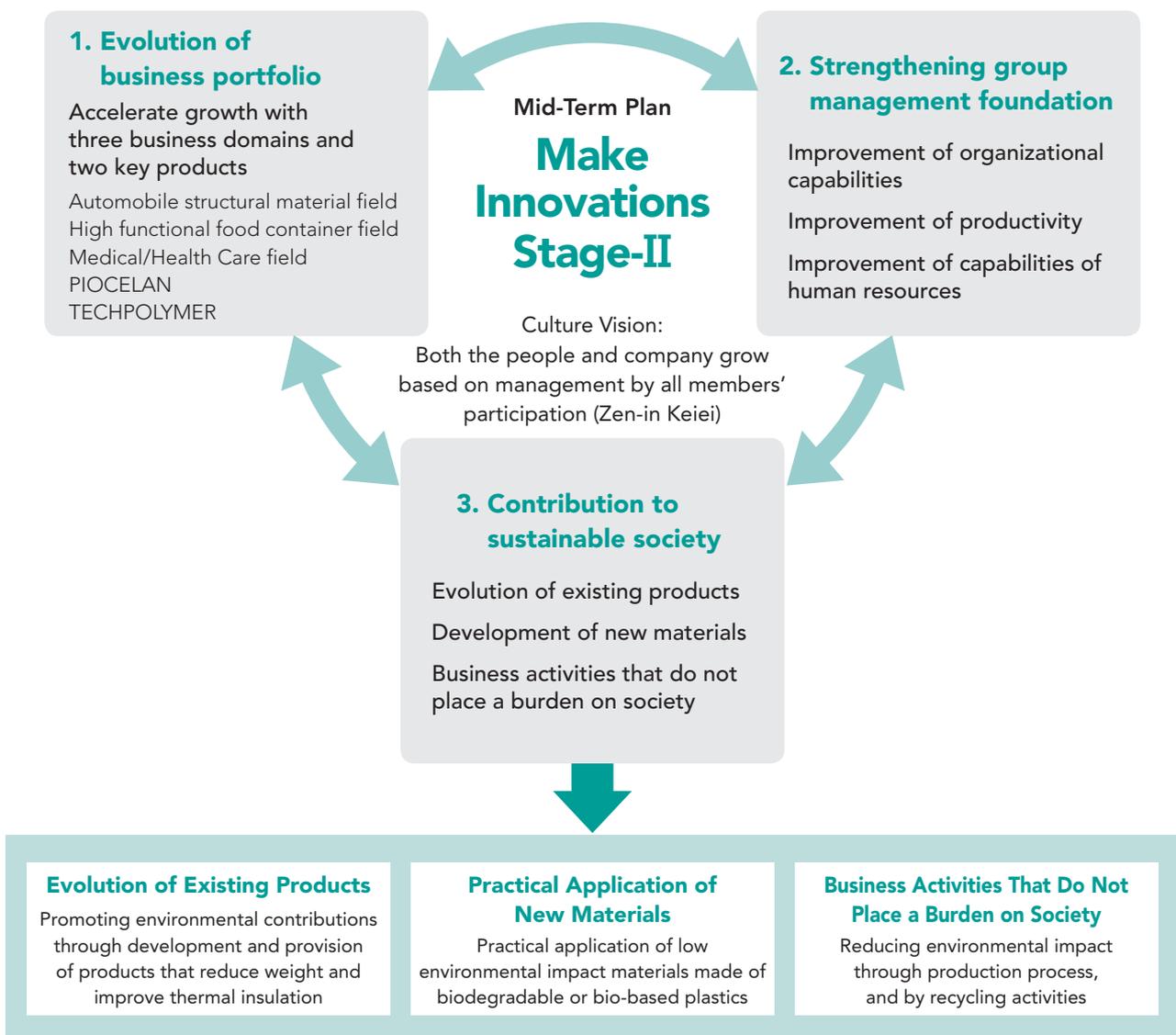
# Mid-Term Plan

## Make Innovations Stage-II (FY2019–FY2021)

Promote business portfolio transformation and execution of strategies to strengthen earnings structure while solidifying position as leading environmental company

- Promote to get contribution from M&A Activities in MI60
- Work to bring about actual results early with MI60 development projects
- Promote further Business Portfolio Transformation
- Strengthen group management foundation and implement efforts that further emphasize the environment

### Priority Policy



**Become leading environmental company**

# A Message from the President



The Sekisui Plastics Group established its Sekisui Plastics Group's 100th Year Vision in 2009 to celebrate the 50th anniversary of the Company's founding and to provide a roadmap for further development in the next 50 years leading up to its 100th anniversary. This vision is shared among all members of the Group, and includes the CSR Declaration, "Sekisui Plastics Group, Expanding Our Dreams for People and the Earth."

With this as a foundation, we believe the most important thing for us to do is fulfill our responsibilities as a company and contribute to the sustainable development of the global society by addressing social issues through our business activities.

On the business front, FY2018 was the final year in our *Make Innovations 60* Mid-term Management Plan. During the term of this Plan, we were able to develop new customers and markets in the industrial and lifestyle fields, with a focus in particular on strategic merchandise that contributes to the resolution of social issues. We also acquired shares of Proseat Group, an automotive components manufacturer operating mainly in Europe, and welcomed them to a member of

the Sekisui Plastics Group.

We are launching Make Innovations StageII, our new three-year Mid-term Management Plan, in FY2019. In the previous plan, we established a foundation by focusing on "business portfolio transformation" and "reform of the earnings structure." In the new Mid-term Plan, we will continue to evolve and strengthen those reforms as well as striving for becoming a leading environmental company. Specific themes in the new plan include addressing "strengthening the Group's management foundation," and "contributing to a sustainable society" by "Zen-in-keiei."

On the other hand, our three key themes in our CSR activities are, "manufacture, considering the environment, safety, and quality," "sincere management activities emphasizing compliance," and "practices of Zen-in Keiei". After clarifying our responsibilities to our stakeholders, which include our shareholders, group employees, customers, and the global environment in general, we are working to fulfill our roles.

The problem of ocean plastic waste has become an international concern over the past few years, and the

# Realizing sustainable development and contributing to the resolution of social issues through our business activities

Sekisui Plastics Group will continue to work toward a solution in cooperation with the Japan Plastics Industry Federation. Our mainstay foam plastic products help conserve resources by reducing the amount of raw materials used. Moreover, as a result of our industrywide efforts to promote the recycling of EPS (expandable polystyrene) foam over the past 48 years, about 90% of all EPS (expandable polystyrene) foam is now recycled. We are also focused on strengthening our efforts to put biodegradable plastics into practical use in order to further contribute to a sustainable society.

With the launch of the Environmental and Quality Management Center in April, the Sekisui Plastics Group is showing its commitment to addressing environment and quality-related issues throughout the Group, clarifying its efforts related to SDGs, and further bolstering corporate value.

As part of our focus on workstyle reforms and human resource development, we have formulated and are systematically promoting a three-year action plan aimed at support for raising next generation children and the active participation of women in the Company.

I believe we are making steady progress in this area, with the number of female department heads increasing in FY2019 and the hiring ratio for new female graduates already surpassing our goal of over 20%. Moving forward, our goal is to ensure respect for diversity and further promote the careers of women within the Company.

We feel that all of these initiatives are based on our founding spirit of “for the happiness of people working for the Company,” though we also understand that we are still halfway to achieving our corporate goals. As such, we will continue promoting these activities as a single, unified Group. We once again thank all of our stakeholders for their continued support and encouragement.

September 2019

President and Chief Executive Officer



# CSR that Supports Corporate Value

In addition to meeting the expectations of all our stakeholders, including shareholders, Group employees, and customers, the Sekisui Plastics Group remains committed to developing a variety of CSR and business activities that put our management philosophy into practice, so that we can fulfill our responsibility to the international community.

## Key CSR Issues and Targets

With the goal of contributing to the creation of a sustainable society, the Sekisui Plastics Group organizes its CSR issues into the five key areas of “environment,” “safety, security and health,” “quality,” “community,” and “governance.” We are committed to continually developing policies and implementing specific initiatives in each of these areas.

Focus Area	Key Points	Policy	Specific Initiatives (Direction, examples)	
E (Environment)	1. Environment	Contributing through our business to the preservation and improvement of the global environment  Contributing to the environment in cooperation with our stakeholders	Business activities based on the SKG-5R* concept  Evolving existing products  Creating practical uses from new materials  Engaging in activities that do not put a burden on society  Management  Addressing international issues  Preserving biodiversity	Providing sustainable products, goods and services  Expanding application products and improving the functionality of products that reduce weight and enhance thermal insulation  Developing products making use of biodegradable and biomass plastics  Promoting recycling and the saving of energy in production, administration, and management activities  Improving the environmental management system and complying with all laws and regulations  Compiling and releasing information in cooperation with industry and government  Participating in Green Wave and Satoyama Conservation Activities
	2. Safety, security, and health	Providing safe business activities and work environment  Contributing to safe cities and healthy lives	Achieving zero accidents  Contributing to the prevention and mitigation of disasters, and the advancement of green energy  Promoting improved health	Strengthening efforts to eliminate accidents and realize zero occupational accidents  Developing products that contribute to the advancement of green energy and the prevention and mitigation of disasters  Developing gels for use in medical products, cosmetics, and sports-related products
S (Social)	3. Quality	Providing products and services of the highest quality	Complying with product characteristics  Reflecting customer feedback	Maintaining and improving product quality  Enacting measures to incorporate customer feedback into management
	4. Community	Achieving co-existence and mutual prosperity with local communities and employees	Concluding disaster prevention agreements, etc.  Promoting local volunteer activities  Promoting workstyle reforms and diversity	Cooperating with local governments  Participating in community clean-up activities, disaster relief operations  Promoting flex-time, work-at-home, telecommuting for employees  Promoting diversity and the development of human resources
G (Governance)	5. Governance	Creating a company where transactions are conducted with confidence	Strengthening the global governance system  Sincere efforts to comply with the Corporate Governance Code  Strengthening compliance and risk management measures	Strengthening the global management system  Implementing steady management, including advisory committees  Improving quality in management systems and methods

\*SKG-5R: Reduce, Reuse, Recycle, Replace, Re-create

## Contributing to the Realization of a Sustainable Society

The “2030 Agenda for Sustainable Development” establishing international sustainable development targets for the years between 2016 and 2030 was adopted at a UN Summit in 2015. The Agenda contains 17 Sustainable Development Goals (SDGs) that are applied universally to all countries, including developed countries, and focus on confronting climate change, ensuring sustainable consumption and production, and resolving poverty and inequalities. With this international focus in mind, the Sekisui Plastics Group is committed to clarifying our priority issues.



## Contributing to the achievement of the SDGs through our business activities

The Sustainable Development Goals (SDGs) aim to address a wide range of issues which consist of 17 universal goals and 169 individual targets, and we note that there is quite a bit of overlap in these goals and targets with our efforts

to contribute to society through our business activities. In the following section we will outline the CSR and business activities of the Sekisui Plastics Group that contribute to the achievement of each SDG.

		Sekisui Plastics Group Initiatives			
<b>E</b> (Environment)	1-1	The advancement and environmental contributions of the Sekisui Plastics Group	From the founding of the Company to the present day, we have worked consistently to create resource-saving materials while simultaneously focusing on the development of an environmentally friendly business that promotes recycling and the conservation of energy.	P11-14	 
	1-2	Manufacturing with a focus on the environment, safety, and product quality	Foamed polystyrene sheets, used in a variety of containers taking advantage of its features to their light weight, thermal insulation, and strength, not only contribute to a richer diet for users but are manufactured with recycling in mind.	P21-22	 
	1-3	Environment	In addition to reducing the environmental impact from production-related activities, we are contributing to an improved co-existence with nature through environmental conservation activities both in Japan and overseas.	P25-28	   
	1-4	TOPICS: Signatory to the declaration aimed at solving the problem of ocean plastic waste	In addition to advancing awareness of the problem of ocean plastic waste and promoting reclamation activities, the Sekisui Plastics Group is creating an environment where employees readily work together on an individual basis.	P26	
	1-5	Social contribution activities of the Sekisui Plastics Group	Individual offices conduct clean-up activities and Satoyama Conservation activities in nearby locations, with each employee doing what he or she can to preserve the environment.	P36	 
<b>S</b> (Social)	2-1	Contributing to society through our business activities	With the goal of contributing to a richer life for all, we provide functionality in matching with applications in a wide variety of products while simultaneously contributing to the environment.	P15-20	    
	2-2	Human rights and labor practices	Based on the Sekisui Plastics Group founding spirit of "For happiness of people working for the company", we are focused on creating an environment in which employees can work in good health, both mentally and physically.	P29-32	    
	3-1	Consumer issues	We take our responsibilities as a manufacturer seriously and accordingly continually strive to manufacture and incorporate new value into our products by taking the views of our customers into account.	P33	
	4-1	Cooperation with Kyoto Manufacturing Workshop	The Sekisui Plastics Group is also working to explain in an easy-to-understand manner how EPS (expandable polystyrene) foam is used in a variety of ways in people's lives, as well as its functions and how it is created.	P34	
	4-2	Recycle	We are contributing to the promotion of recycling in local communities by expanding reclamation centers for used EPS (expandable polystyrene) foam.	P34	
	4-3	Social contribution activities of the Sekisui Plastics Group	In addition to the published activities with the concept of local community and individual employee-based, the Sekisui Plastics Group is also actively engaged in efforts such as the Table for Two program and Eco-cap collection activities.	P35-36	    
<b>G</b> (Governance)	5-1	Sincere management activities with an emphasis on compliance	The recycling of EPS (expandable polystyrene) foam, first launched 48 years ago, has evolved into an industrywide effort, and we remain focused on creating an environment in which small to medium-sized businesses can easily recycle.	P23	 
	5-2	Putting <i>Zen-in Keiei</i> into practice	We aim to promote growth in people and the Company by putting our corporate philosophy of <i>Zen-in Keiei</i> into practice under a corporate culture based on fairness.	P24, 39	 
	5-3	Organization governance	Based on our management philosophy, we are committed to the prompt disclosure of pertinent information and ensuring transparency, validity, and compliance in management.	P37-38	
	5-4	Fair business practices	In line with our management philosophy and the basic policies for each business activity, we are committed to observing compliance and creating an open and fair business environment.	P39-40	

# Sekisui Plastics Group—Expanding

The Sekisui Plastics Group has been contributing to improvements in the global environment since its inception by promoting, largely through our proprietary foam technologies, the effective use and recycling of limited oil and other natural resources. We will continue to promote the development of products that are environmentally friendly during their manufacture and use, and remain committed to becoming a leading environmental company.

## Environmentally friendly foaming technology

Our foam products inflate plastics by dozens of times, so **most of the product volume is air.**



Raw material beads prior to foaming



After foaming

Plastic is only **2%** of volume

Air accounts for 98% of volume



**Resource Saving**

\* In the case an expansion ratio is 50 times

Development, Manufacture

## The Environmental Contribution Goals of the Sekisui

### New Materials



We will continue to contribute to the environment by using environmentally friendly materials, including biodegradables and biomass plastics.

Re

# Our Dreams



## Environmental Plastics Group

### Contributing through technology



We will continue to contribute to the environment by making products lighter and better thermal insulated.

### Monozukuri (to create things)



We will contribute to preservation of the environment by manufacturing and recycling in an environmentally friendly manner.

Usage

cycle

## The energy saving effect

Foam products are largely composed of air, making them not only lightweight, but excellent in terms of thermal insulation (preserving heat and coolness).

### Thermal insulation

Preserving freshness by controlling temperature

Reduces  
food loss

### Light weight

Improving fuel efficiency by using lighter components

Reduces  
CO<sub>2</sub> emissions

## A high recycling ratio

EPS (expandable polystyrene) foam is easy to sort and recycle, and produces only carbon dioxide and water vapor when burned.



### EPS (expandable polystyrene) foam recycling rate (2018)

Material recycling 53%  
+  
Thermal recycling 38%

Data source: JEPSA

# Sekisui Plastics History and Environmental

## —Development and Launch of Environment - contributing Products—

Since its founding in 1959 and continuing to the present, Sekisui Plastics has consistently strived to develop eco materials, and in doing so, has advanced its business activities that take the environment into consideration by tackling such issues as energy saving and recycling.

In recent years, attention has been entirely focused on recycling after disposal, within the lifecycle of a product. However, we believe in the importance of resource and energy savings at the product's manufacturing and usage stages as well. As a result pursuing lightweight by having higher the expansion ratio, our products have been the adoption in a variety of settings, such as packaging materials for shipping and alternatives to metal for automotive components. We will continue to consider recycling, but at the same time, we will promote the development of products that are also environmentally friendly while they are being manufactured and used. This will open up Sekisui Plastics' path to becoming a leading company for the environment.

### 1959

Foundation



Foundation of Sekisui Sponge Industries Co. Ltd. (current: Sekisui Plastics Co., Ltd.) on Oct.1 Launched EPS (expandable polystyrene) beads business.

### 1962

Foamed Polystyrene (PSP) Sheet Products Launch



In the food packaging field, these products contribute to reducing food waste by helping to extend shelf life.

### 1974

PIOCELAN™ Successful Development



Adopted for transport packaging materials for motorbikes, PIOCELAN™ contributes to energy savings by reducing fuel consumption during transportation.

### 1960

EPS (expandable polystyrene) Beads Commences Manufacture and Sales



Light weight of foamed plastics contributes to resource-saving petroleum-based raw materials.

### 1971

EPS (expandable polystyrene) Beads Start of Recycling



Plastics waste collected and shipped to our Tenri and Kanto Plants (current: Sekisui Plastics Tenri Co., Ltd. and Sekisui Plastics Kanto Co., Ltd.), then recycled into molded articles or building materials. Since then, the Company has continued our recycling with the belief that it is a corporate responsibility.

### 1996

CELPET F Launch

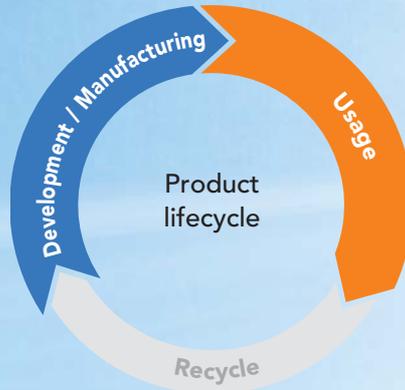


CELPET F contributes to resource recycling as it is composed primarily of waste PET bottles in flake form.

# Contribution 1

## Environment - contributing Target

Environmentally Friendly

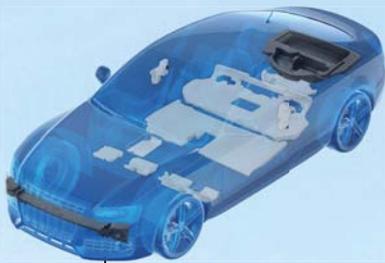


Energy Saving Effect

### 2000

**PIOCELAN™**

Adopted as Automotive Component (Impact Absorption Parts)



Given its lightweight properties by achieving metal alternative, PIOCELAN™ serves to improve fuel efficiency as an automotive component, and contributes to the reduction of CO<sub>2</sub> emissions.

### 2009

**AQUAROAD**

Development

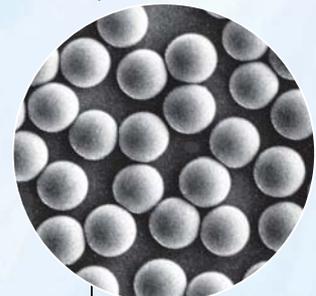


This product curbs rivers overflowing damage in times of torrential downpours.

### 2019

**TECHPOLYMER EF**

Development

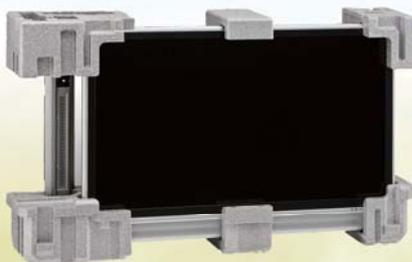


These polymer microparticles break down in the natural environment

### 2004

**EPSREM™**

Establishing a Closed Recycling System



Made with plastics recovered from discarded appliances and other items that are recycled into expanded polystyrene, EPSREM™ tackles environmental problems head on.



### 2015

**ELASTIL™ and ST-LAYER™**

Development



Products that contribute to lightweight in the healthcare field and that also serve as a structural component.

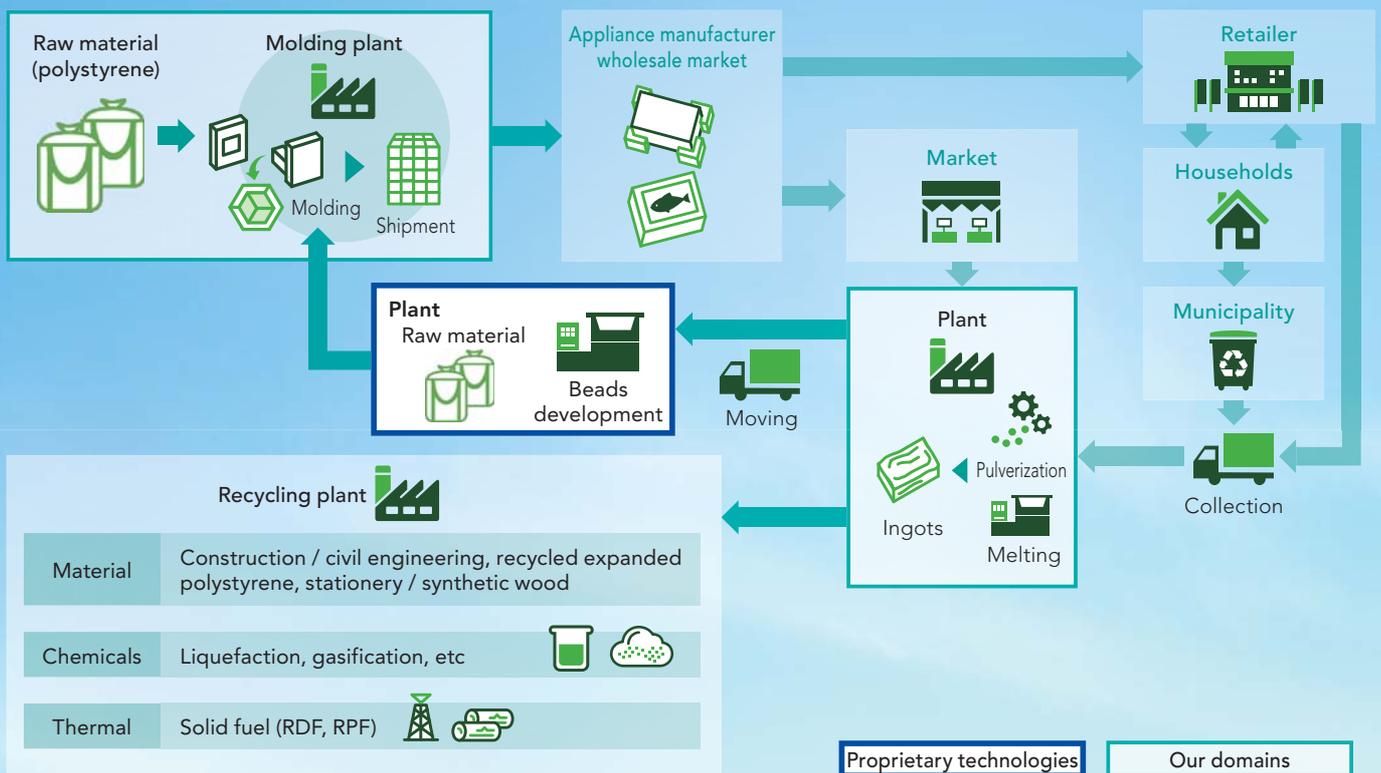
# Sekisui Plastics History and Environmental

## —Leveraging the Company’s Technologies to Promote Recycling—

In 1971, a mere decade after the Company’s founding, Sekisui Plastics began proprietary recycling efforts with foamed polystyrene products. We subsequently established the Japan EPS Recycling Association (current: JEPSA - Japan Expanded Polystyrene Association) together with raw material and molding companies and promote recycling activities of EPS foams in industry. In recent years we have seen the recycling rate of such material exceed a 90% level.

Moreover, we have developed EPSREM, a material that realizes a closed recycling system in which used EPS has been recovered, crushed, and melted down into ingots. This material is then formed into beads at the Company’s plants, with the cycle completed when it is once again made into EPS materials. We will continue working toward recycling initiatives that keep product lifecycles firmly in mind.

### Recycling of Expanded Polystyrene (EPS)

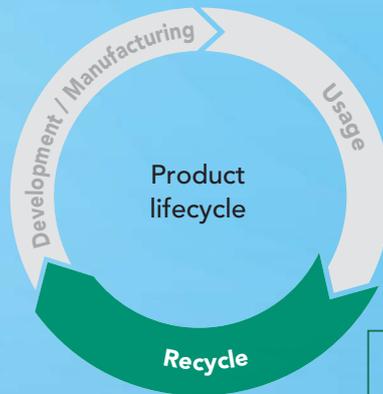


The primary responsibility is the processing of business waste that has ended its useful lifespan as containers or cushioning materials at wholesale markets or super markets, department stores, dining establishments, retailers offering electronic appliances, and equipment manufactures’ plants, and other sites.

Together with striving to develop the systems that make the recycling operations of emissions generators and resource recyclers proceed smoothly, we make proactive efforts at recycling.

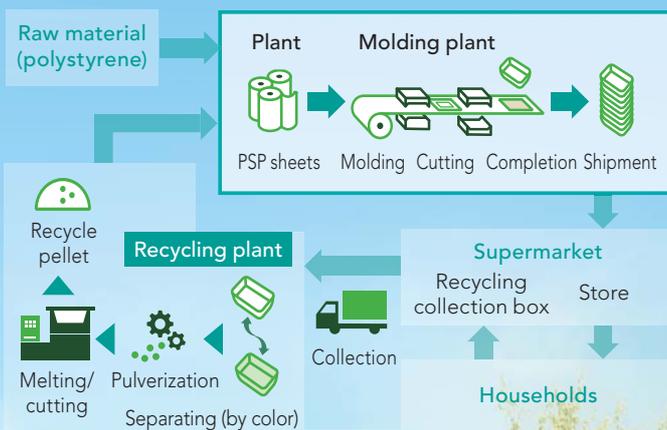
# Contribution 2

## Environment - contributing Target



High Recycling Rate

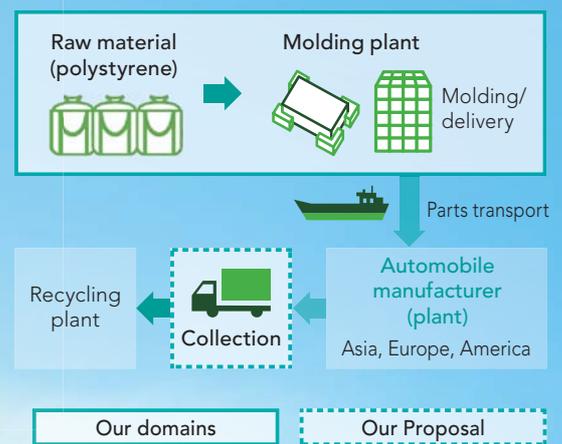
### Recycling of Expanded Sheets (PSP)



Our domains

The Law for Promotion of Sorted Collection and Recycling of Containers and Packaging was enacted in 1995 with the goal of curbing container and packaging waste, as well as to recycle these items as products. Sekisui Plastics advocates for the 3Rs, namely reduce, reuse and recycle, and also makes serious efforts to put the 3Rs into practice.

### Recycling of Packaging Materials for Transporting Automobile Parts



Our domains

Our Proposal

The components that go into one automobile are said to number in the several tens of thousands, and more than a few are transported across national borders. We go beyond just contributing to raising the quality of shipping these components, also leveraging our global network to support with the recycling of used EPS at the destinations where those components are delivered.



# Environmental Contribution through Business Activities

Sekisui Plastics Group aspires to be “a leading environmental company” that proposes group merchandise (products and systems), including eco-friendly products, as solutions in order to bring comfort and convenience to the lives of people.

## Human Life

Light weight, and featuring excellent thermal insulation and shock resistance, these products are used in items that have transformed the lifestyles of consumers and end users.



### Food



**ESLEN Sheet**  
Foamed polystyrene food tray



**ESLEN Sheet “Laminated”**  
Instant food containers



**CELEPET**  
Microwave/oven safe food container



**ESLEN wood folded box**  
Folded box made of foamed polystyrene sheet



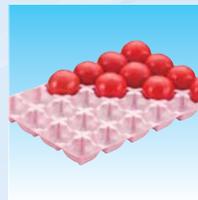
### Agricultural / Fishery



**Fish Box**  
Foamed polystyrene fish box



**Farm product box**  
Foamed polystyrene farm product box



**Fruit Tray**  
Cushioning material for protection



**Fishery products mounting board**  
Foamed polystyrene cut sheet



### Housing / Civil engineering



**ESLEN Block**  
Block for EPS construction method



**Super Soilen System**  
Lightweight greening method



**AQUAROAD**  
Underground stormwater tank



**TECHEATER**  
PTC ceramic heaters

## Industry

Value has been recognized based on proposed business solutions, including solutions improving customer businesses, operations and efficiency.



### Home Appliances / IT



**TECHPOLYMER**  
Fine polymer particles for optical applications



**EPSREM**  
Foamed polystyrene material for cushion packing



**LIGHTLON**  
Polystyrene sheet for protective cushion packing



**TECHTELAS**  
LED lighting equipment



### Automotive / Transportation



**PIOCELAN**  
Automotive component



**PIOCELAN**  
Packaging material for transporting automobile parts



**Resin Molding**  
Truck roof fairing



**TECHPOLYMER**  
Fine polymer particles for use in coatings



### Medical / Healthcare



**ST-gel**  
Self-adhesive gel pads for Medical / Healthcare use



**TECHPOLYMER**  
Fine polymer particles for cosmetics applications



**SMC Parts**  
Medical equipment cover



**ELASTIL**  
Elastic / high bounce foam

Food

## ESLEN sheet

Resource-saving and recyclable food trays



### Product Features

ESLEN sheets are polystyrene foam sheet which are commonly known as PSP. Mainly used for meat, fresh fish trays, lunch boxes, and natto (a fermented bean product) containers. Compare to other non-foamed plastic food containers, PSP food containers are lighter in weight, also they contribute to natural resource-saving due to less using raw materials. In addition, they have excellent thermal insulation property, which can contribute to reducing food waste.

ESLEN sheets have excellent recyclability as a mono-material product, they can be recycled into PSP food containers or various products made of polystyrene.



Food

## CELPET

Heat resistant food containers with excellent thermal insulation and light weight properties



### Product Features

CELPET is food containers made of foamed C-PET. They have good oil resistance and heat resistance up to 220 degree Celsius that can be used for microwave and commercial baking lines. Because of its excellent thermal insulation, it does not feel hot when touched after being heated in a microwave oven. CELPET containers can also be used in commercial automatic baking lines and they can be displayed in the supermarket as they are. (repacking operation is not necessary)

CELPET is also used as a container for in-flight meals. These are lightweight, environmentally friendly containers that contribute to reducing jet fuel consumption and thereby reducing CO<sub>2</sub> emissions.



Agricultural /  
Fishery

## ESLEN fish box / farm product box

Recyclable packaging materials that maintain freshness,  
even during long-distance transportation



### Product Features

ESLEN fish boxes and agricultural Boxes are used in the packing for transport of marine and agricultural products. The strong sealability blocks external thermal exchange and the thermal insulation property enables to maintain long-term freshness from production to consumption. Among them, the “cold transport box for farmed tuna” has a high cooling performance and has a structure that prevents damage to the fish and box due to the movement of the tuna inside, so it can not only keep the freshness but also protect the fish gently.

The EPS (expandable polystyrene) foams used in these ESLEN fish Boxes and agricultural Boxes contributes to waste reduction by collaborating with EPS recycling association to promote recycling activities.



Housing /  
Civil  
engineering

## AQUAROAD

Products to mitigate the impact of disasters by reducing flood damage and  
river inundation during times of torrential rain



### Product Features

Due to climate change in recent years, unprecedented extreme weather conditions such as warm winter, an increased frequency of typhoons and torrential downpour have occurred in Japan. AQUAROAD is effective for disaster risk reduction by serving as a temporarily rainwater storage against torrential downpour, reducing damage from flooding or suppressing river overflows. In order to secure roads where emergency vehicles can pass smoothly in the event of a disaster, it is important to take measures against flooding of roadways.

AQUAROAD has enough strength that can be installed under the roadway, it can be used as a countermeasure for flooding around the road.



Home  
Appliance  
/ IT

## EPSREM

Cushioning material for home appliances made from 100% recycled material



### Product Features

EPSREM is EPS bead made from 100% recycled material. It is a closed-loop recycling product made from discarded foamed polystyrene as well as injection plastics made of polystyrene taken from discarded home appliances. The product, in this manner, used material can be remolded and re-turned to the market as a cushioning material for home appliances.

Moreover, after being used as a cushioning material the product can be recycled and used many more times. Despite using recycled materials, it still maintains its strong performance as a cushioning material. It has been ten years since the launch of the product and when looked at from perspective of not wasting materials and using the same raw materials over and over, EPSREM can be said to have met the 3R(reduce, reuse, recycle) requirement.



Automotive /  
Transportation

## PIOCELAN

Automotive parts contributing to reduced weight and fuel consumption



### Product Features

Produced using our proprietary polymer hybrid technologies, PIOCELAN is a high-performance foam resin that features the added properties of polyolefin. In addition to the traditional strength of foamed polystyrene (EPS), namely high foamability and strong rigidity, the hybridization of polyolefin greatly improves impact, chemical, and abrasion resistance, which are weak point of EPS foams.

PIOCELAN is mainly used in automotive components, in order to improve passenger/pedestrian safety and as its lightweight extremely useful in reducing energy usage by improving fuel efficiency. In order to prevent global warming, automotive, automobiles will be lighter and lighter.

PIOCELAN, which features excellent impact, chemical, and abrasion resistance, is a key contributor in reducing the automobile weight, thus contributing to reduce CO<sub>2</sub> emissions.



## TECHPOLYMER

Developing the TECHPOLYMER EF Series, which degrades in a natural environment



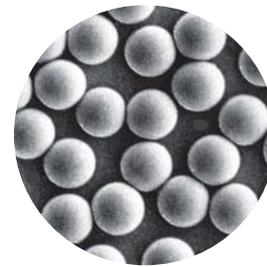
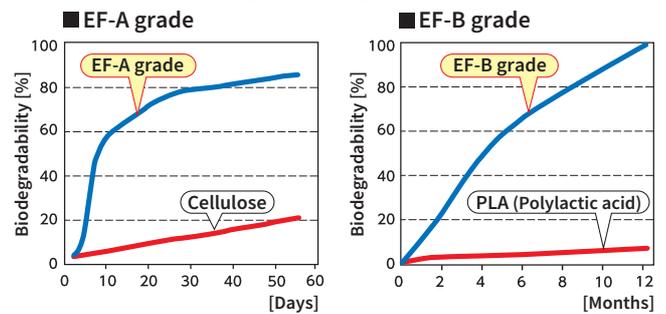
### Product Features

The problem of plastic marine pollution has become more serious over the last few years. More specifically, there has been a growing impact on the environment from microbeads found in facial cleaners, tooth paste, and body soap.

With this problem in mind, the Sekisui Plastics Group developed TECHPOLYMER EF Series as biodegradable polymer micro particles in June 2019.

TECHPOLYMER is currently used in a wide variety of applications. In cosmetics applications, it is used as an additive that enhances the slickness of foundation and contributes to a soft-focus effect that makes skin appear brighter. The Sekisui Plastics Group has continued to introduce environmentally friendly products to the market. We will introduce TECHPOLYMER EF Series to the market not only for cosmetic field, but also other fields that might impact on the ecosystem in order to contribute to preservation of the environment through our business activities.

### ◎Evaluation of Biodegradability



## ELASTIL

Used in midsoles to support the evolution of running shoes



### Product Features

ELASTIL is a thermoplastic elastomer bead foam that combines elastomers and our bead foam technology to provide new values such as lightweight, resilience, shape flexibility and so on. Sports footwear, including running shoes, are required not only to reduce weight, but also to have an outstanding resilience and better cushioning for a comfortable and fast run. While resilience and cushioning are inherently contradictory features and there have been many challenges in achieving both, ELASTIL has been able to achieve the required performances, as the result, ELASTIL has been adopted as a high-performance midsole for running shoes.

Today these shoes are being sold around the world, and we continue to contribute to promote health of people through our business activities.



## Manufacturing That Considers the Environment, Safety and Quality

The Sekisui Plastics Group deems three factors as the essence of its CSR activities: manufacturing that considers the environment, safety and quality; sincere management activities emphasizing compliance; and the “practice of *Zen-in Keiei*” (all-member management).

In terms of “manufacturing that considers the environment, safety and quality,” we are promoting measures that take the environmental impact of all our products into consideration, including from product development to use and disposal. In particular, we are continuing our work aimed at recycling our mainstream foamed polystyrene sheet (PSP) products, which are used in a wide variety of products taking advantage of its features to their light weight, strength, and thermal insulation properties.

### ■ Achieving resource and energy saving taking advantage of its lightweight, and maintaining our focus on recycling

Generally speaking, EPS (expandable polystyrene) foam is formed by expanding polystyrene resin, a type of plastic, by about 100 times.

About 90%–98% of the product’s volume is actually air, with the plastic resin composing only 2%–10%. The reduced amount of precious natural resources needed for production contributed to the conservation of resources. The product itself is rather easily produced and can be molded into a variety of shapes and used in various applications. In addition to its rigidity, the polystyrene material itself is composed largely of individual closed-cell air bubbles (about 95% of volume), making it not only strong and durable, but also able to absorb impacts and therefore better protect the enclosed product. As a mass of individual closed-cell air bubbles, EPS foam also boasts a high thermal insulation property that is

suited to keeping foods cool and warm because heat has difficulty transferring between the air cells.

Moreover, as a single material, it is easy to separate, which makes it ideal for recycling.

EPS foam can be classified largely into three types, with each type based on the manufacturing method.

Among these is foamed polystyrene sheets (PSP), which are formed by foaming polystyrene resin up to dozens of times. Taking advantage of its strength, lightweight, absorption impact, thermal insulation, PSP is used to make not only food trays for meat & fresh fish, but also natto containers, instant noodles packaging and fruit packaging.

On the other hand, bead method expanded polystyrene (EPS) is foamed about 50 times and is used as a cushioning



EPS foam particles (left), enlarged cross-section photo (right)





material for home appliances, fresh food transport boxes, automotive components and housing applications.

When used as a heat insulating material for automotive parts and housing, the effects from reduced energy usage also contribute to a drop in CO<sub>2</sub> emissions.

Because of these superior properties, EPS foam is used in a variety of segments, including in Human Life Segment and Industry Segment. Moreover, since the foamed polystyrene in both PSP and EPS forms is composed of carbon and hydrogen, when there are carried out complete combustion, there is almost no ash and no harmful gasses such as dioxin or carbon monoxide, just water vapor and carbon dioxide. As such, foamed polystyrene can be seen as a material with a very limited impact on the environment, when its collection and processing operations are conducted in a proper manner.

For foamed polystyrene sheets, used PSP trays are collected from consumers at local stores and supermarkets, and then recycled. Sekisui Plastics has maintained a focus

on the environmental impact over the lifecycle of our products, and we have been working with tray manufacturers for a long time, including in regard to manufacturing products from the raw materials reclaimed through recycling. The PSP we manufacture is governed by the Japan Environmental Management Association for Industry (JEMAI) and was registered in 2006 with an Eco-leaf Environmental Label, which discloses environmental information pertaining to the entire life cycle of a product, from the collection of raw materials and resources, to manufacturing, distribution, use, disposal, and recycling based on life-cycle assessment (LCA) methods.

The Company will continue to engage in product development that takes advantage of strong material properties such as impact resistance, thermal insulation, water impermeability, lightweight, and moldability. At the same time, we will remain committed to promoting the creation of products with the environment in mind, with particular attention given to resources saving and recycling as part of that product's life cycle.

## Interview

### Focusing on improving the environment by enhancing efficiency in production

In terms of consideration given to the environment, attention over the last few years has been largely centered on the second half of a given product's life-cycle, including in regard to recycling efforts. However, since reduced production efficiency as a result of product defects results in an increase in waste, we believe it important when focusing on the environment to also consider the first half of a product's life-cycle, where improvements in production efficiency can contribute to the reduced utilization of resources. More specifically, I work in quality control, and continually

strive to improve quality awareness, including in regard to safety, while also promoting measures aimed at preventing foreign matter contamination. The Kanuma Plant recently set a record by remaining accident free for more than 3,000 days, and we have seen the results of our efforts in other ways as well, including by receiving quality awards from customers for two consecutive years. We will continue our efforts moving forward, with the awareness that the entrenchment of quality control will ultimately contribute to an enhanced focus on the environment.



**Mikado Yamazaki**  
Sekisui Plastics Tobu  
Kanuma Plant

## Sincere Management Activities Emphasizing Compliance

One of the three factors that the Sekisui Plastics Group regards as the essence of its CSR activities is “sincere management activities emphasizing compliance.” We believe this to be a rule with which we must comply in order to fulfill the social responsibility that we have to all of our stakeholders.

One matter attracting the world’s attention is the issue of plastic garbage in the marine environment. Recycling activities aimed at reducing plastic waste in order to resolve this issue are being promoted throughout the company and are positioned as activities emphasizing compliance in line with the company’s responsibility.

### Promoting the recycling not only of in-house plastic, but also waste from small volume emitters

The Sekisui Plastics Group launched the recycling of expandable polystyrene 48 years ago in 1971. We now have collection and recycling facilities at our 23 offices of the Group and are working to recycle used expandable polystyrene, as well as product and material losses incurred during production.

The Sakai (Ibaraki Prefecture), Tenri (Nara Prefecture), Ozu (Ehime Prefecture), Nakatsu (Oita Prefecture) and Uruma (Okinawa Prefecture) facilities have acquired industrial waste processing licenses and accept used expandable polystyrene for recycling from external businesses. One of the key points in recycling is to incorporate waste from businesses generating only a small amount of waste in accordance with the law. These five locations ac-

cept items from home appliance retailers, air conditioner operators, and equipment manufacturers after product deliveries to customers, and make effective use of these resources to produce recycled resins.

The Sekisui Plastics Group also operates as a managing company and has organized a small-volume waste group, with the Tenri recycling center, “Tenri Epsy Plaza” using an electronic manifest system operated by the Japan Industrial Waste Management Promotion Center, a public interest incorporated foundation, to ensure compliance with laws and regulations when accepting items from appliance retailers. The creation of a manual showing the minimum number of necessary procedures for relatively inexperienced businesses makes it easier to exchange forms, and by eliminating the need for individual operators to report to the government, we are working to improve the effectiveness of recycling while simultaneously eliminating the avoidance of compliance.

### Interview

## Observing compliance in the recycling of plastics



**Ikuo Morioka**  
Environment and Quality Control Center  
Department for the Promotion of  
Environmental Safety

The issue of plastic waste in the world’s oceans is gathering a great deal of interest, resulting in growing efforts aimed at reducing plastic waste and resolving the problem. Recycling is one of the ways companies are working to address the issue, though it should also be noted that there are a number of laws and regulations related to the processing of waste that these companies must also deal with.

The Sekisui Plastics Group’s Ibaraki, Nara, Ehime, Oita, and Okinawa facilities have ac-

quired industrial waste processing licenses and collect used expandable polystyrene for recycling from external businesses. Thanks to the efforts of workers to remove foreign substances that hinder the recycling process, we were able to recycle roughly 224 tons of waste expandable polystyrene from external sources in fiscal 2018. We intend to continue to work with local governments to further advance the proper collection and recycling of this waste.

## Practice of *Zen-in Keiei*

The Sekisui Plastics Group believes that the “practice of *Zen-in Keiei*” (all-member management) forms not only an essential part of its CSR activities but also the very corporate culture that underpins the Group’s development. An entrepreneurial spirit to tackle new things and a business entrepreneurial spirit to work on your own initiative or devise mutual studies are thought necessary for the practice of *Zen-in Keiei*.

In order to convey the spirit of practices of *Zen-in Keiei* to the next generation, we have established Sekisui Plastics - Juku (Sekisui Plastics School), with the Company president at its head as part of our effort to create a system for fostering the human resources who will be responsible for leading the next generation.

■ **The Sekisui Plastics – Juku was established to develop the next generation leaders and executives earlier in Japan and overseas, and focuses on nurturing global human resources as well as improving vitality and a proactive approach**

The Sekisui Plastics – Juku was launched in fiscal 2013 as a selected in-house training program to execute practices of *Zen-in Keiei* and achieve global growth.

Our goal is to use the program to develop vital and proactive human resources that will lead the next generation and act on a global basis.

This Juku teaches and fosters not only basic necessary skills, including in areas such as “development and sales” and “creating a new business,” but also the five human resource qualities required of employees of the Sekisui Plastics Group (thinking, creativity, self-reliance, commu-

nication, and ability to execute).

The purpose is not just to produce immediate results, but also to learn new things and grow through discussions with fellow participants.

The Juku has three level-based courses, including a course aimed at developing executive leadership. Each course has more than a dozen participants, with each giving a presentation to executives at the end of the course.

The Sekisui Plastics – Juku is now in its seventh year and continues to convey the spirit of practices of *Zen-in Keiei*, at the same time it trains the human resources who will ultimately play an active role on the global stage.

### Interview

## Using the experience gained at the Sekisui Plastics – Juku to launch new products in new market

I attended the B course at the Sekisui Plastics - Juku, which focuses on fostering human resources that can maintain a “market-in” mindset, utilize their cross-organizational capabilities, and propose useful solutions to their customers.

I was able to make use of my personal hobbies during the course and worked on the design of sneaker materials. After looking at existing products on the market, it became clear that “high resilience” was currently in demand, which led to the development of

ELASTIL, a new material based on Sekisui Plastics technology.

It was of course important to cultivate customers after development, and by remembering the spirit of practices of *Zen-in Keiei* taught at the school, we were able to fully commercialize the product by making use of our in-house network to reach our customers.



**Masayuki Takano**

Sekisui Plastics Tobu  
Manufacturing Department, No. 1  
Manufacturing Center  
No. 3 Manufacturing G

# Sekisui Plastics Group ESG

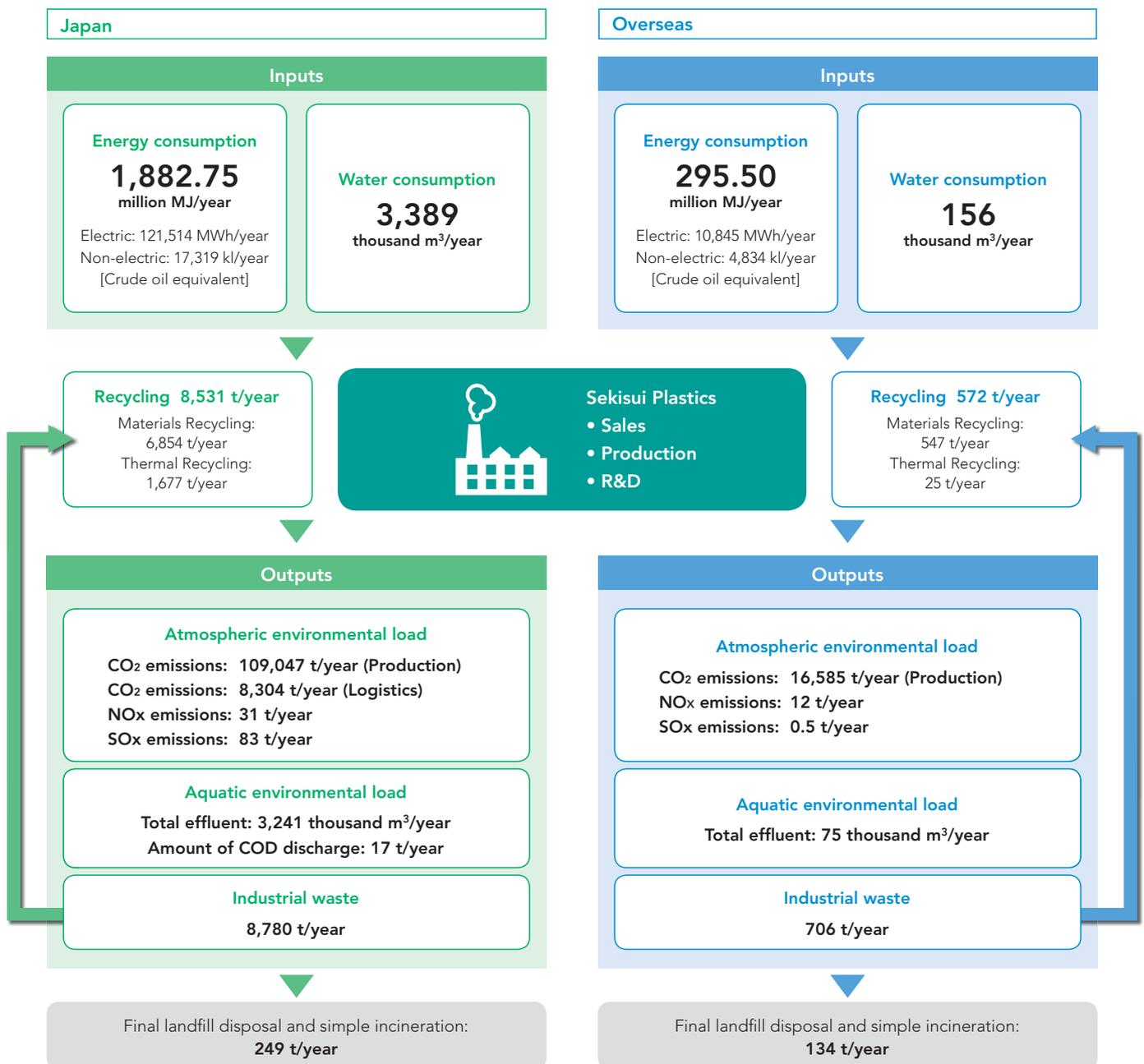
## The Environment

To achieve a sustainable society, Sekisui Plastics Group promotes activities that reduce emissions of environmentally hazardous substances generated through business activities, and that preserve biodiversity.

### Inputs/Outputs (FY2018 Results)

Sekisui Plastics Group grasps and manages the environmental impact arising from business activities in "unit consumption/output," which expresses environmental loadings per

production volume. We are working on the low carbon society plan launched in FY2013.



## FY2018 Activity Results

### Initiative to Reduce CO<sub>2</sub> Emissions in Production

Sekisui Plastics Group set up the Energy-Saving Promotion Committee and promotes the energy saving through innovations on production process.

In FY2018, our energy-saving activities resulted in a 0.8% decline in domestic CO<sub>2</sub> emissions (basic unit) from the previous year. Likewise, overseas CO<sub>2</sub> emissions (basic unit) declined 4.6% due to greater production efficiency.

We are continuing to work to reduce CO<sub>2</sub> emissions in FY2019, by improving processes, eliminating steam/air leakage, and reducing heat loss.



### Reducing Water Consumption in the Production Process

Water is becoming an increasingly precious natural resource worldwide and in addition to focusing on how much water the company uses and how much wastewater it releases, the Sekisui Plastics Group is taking measures to reduce usage by studying ways to more efficiently use this valuable resource.

Domestic water consumption in FY2018 was 3,389,000m<sup>3</sup>, including 1,371,000m<sup>3</sup> of groundwater and 81,000m<sup>3</sup> of publicly supplied water. Overseas water consumption was 156,000m<sup>3</sup>. In FY2018, the Company conducted a review of processes and promoted reuse of water, in particular, which led to a 1.4% decline in total water consumption and a 2.7% decline per basic unit from the previous year.

We are continuing to work to conserve water in FY2019 in order to maintain and preserve water resources.



## TOPICS

### Signatory to The Declaration of the Global Plastics Associations for Solutions on Marine Litter

With worldwide interest in the subject of garbage in the oceans continuing to increase, Sekisui Plastics is a signatory to "The Declaration of the Global Plastics Associations for Solutions on Marine Litter" promoted by the Japan Plastics Industry Federation.

The Company will continue to develop materials and products that are less likely to become marine litter while simultaneously working on the issue with customers and employees. We are also working to instill the idea of reducing river and ocean garbage in individual activities.

The Sekisui Plastics Shikoku Co., Ltd., Ozu location is working to recover and recycle EPS foam floats used on aquaculture rafts throughout Shikoku.

In FY2019, the Company will endorse the UMIGOMI Zero WEEK activities called for by Japan's Ministry of the Environment and The Nippon Foundation. Under the theme of "preventing the discharge of plastic pieces to the outside," all Group companies will conduct cleanup activities around their business locations.



# Sekisui Plastics Group ESG

## The Environment

### Initiative to Reduce CO<sub>2</sub> Emissions in Distribution

The Sekisui Plastics Group is working to reduce CO<sub>2</sub> emissions by improving efficiency in distribution and organizing projects to reform the distribution system from FY2017. As part of our efforts, we are decentralizing production sites and constructing warehouses in business centers to improve our distribution network. In FY2018, we achieved our reduction targets for transport between plants, but higher shipment volumes led to a 5.7% increase in CO<sub>2</sub> emissions.



### Initiative to Reduce CO<sub>2</sub> Emissions in Offices

We have started energy-saving activities such as turning off unnecessary lights, and installation of energy-saving equipment such as LED lighting and individual air conditioners. In FY2018, we completed conversion to LED lighting at all locations, including production sites. In FY2018, we reduced energy consumption on a basic unit per area by 4.3% from the previous fiscal year.



### Compliance with the Chemical Substances Management Act

In compliance with the PRTR\* system under the Chemical Substances Management Act (the Act on Confirmation, etc. of Release Amounts of Specific Chemical Substances in the Environment and Promotion of Improvements to the

Management Thereof), we promote improvement to reduce emissions of specified chemical substances.

\*PRTR: Pollutant Release and Transfer Register

Emissions of chemical substances (PRTR substances: Rounded to one decimal place)

(t)

Substance	Styrene					Toluene					Methyl methacrylate					Ethyl benzene					
	Fiscal Year	2014	2015	2016	2017	2018	2014	2015	2016	2017	2018	2014	2015	2016	2017	2018	2014	2015	2016	2017	2018
Emission	Air	5.8	6.2	6.6	4.7	4.7	0.7	0.4	0.4	0.5	0.4	1.3	1.4	1.4	1.6	1.4	0.0	0.1	0.1	0.1	0.1
	Water	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Soil	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Transfer		1.1	1.6	2.7	2.8	3.4	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

## Green Curtain Activity & Green Wave Activity

As an environmental contribution activity based on a groupwide topic, Sekisui Plastics Group carries out the Green Curtain Activity that the Ministry of the Environment encourages as a summertime power-saving and CO<sub>2</sub> reduction measure. In FY2018, 39 locations in Japan and overseas joined in the activity.

Moreover, to raise biodiversity awareness, mainly among employees, as part of the Green Wave Activities called for by the Ministry of the Environment of Japan, in FY2018, 39 locations from 17 Group companies registered with the Ministry of the Environment's website and engaged in activities.

In addition, during the International Day for Biological diversity on 22 May, our locations in Niigata, Oita, China, Indonesia, the Netherlands, and Mexico planted trees starting at 10:00am in their respective time zones to launch a green wave.



## Zero Emission Activity

In order to reduce and recycle the industrial waste, we joined in the zero emission activity in FY2001.

Our Group companies also started the activity from April 2005. The recycling rate in FY2017 was 98.5% in a total of all Group companies. The head office started from November 2004 and we achieved almost 100% recycling rate in FY2017 by thoroughly separating the waste.



### Column Green Wave Activities

Sekisui Plastics Mexico S.A. de C.V.  
Jorge Arroyo

The "Green Wave" activities involve people planting trees in their respective time zones at 10:00am on 22 May, the International Day for Biological Diversity as designated by the United Nations. This activity occurring at 10:00am in each time zone creates a "green wave" that moves across the world from east to west.

I understand that Sekisui Plastics in Japan had previously participated in green waves, but in FY2018, those of us in Mexico also participated in this activity in response to encouragement from Japan. Our involvement in this activity attended by many people from around the world at the same timing and during which the Sekisui Plastics Group alone realized a wave of green that encircled the globe, from Japan to Mexico, was an amazing experience.

Going forward, we will keep watch so that the old and newly planted trees within our locations grow vibrantly, and will actively participate in activities that contribute to local greening.



# Sekisui Plastics Group ESG

## Society

### Human Rights

Sekisui Plastics Group respects fundamental human rights and takes into consideration that no one is discriminated on any and all factors such as birth, nationality, ethnicity, creed, religion, gender, age, disability.

## Human Rights

### Initiatives to Human Rights

Sekisui Plastics Group's stance on human rights appears in the Compliance Manual and is widely publicized among the Group's employees.

To prevent sexual harassment, power harassment, and other abuses that could occur in the workplace, we conduct several training programs as part of employee education.

In addition, we have set up the SKG (Sekisui Kasei Group) Clean Network, an internal whistleblowing system whereby a staff member can directly report human rights abuses to an

internal point of contact or an outside attorney and address issues related to human rights.

In March 2018, Sekisui Plastics published the second edition of the company's compliance manual, which included revisions centered on labor practices and harassment. In order to expand the understanding of the topics covered in the second edition, we are implementing e-learning programs for all group employees, and with the goal of fostering an awareness of the importance of compliance we continue to remind our employees that the issues of human rights and harassment are never far away.



## Column

### Support for Parents

Foam Materials Development Group (Tenri),  
Development Department, R&D Center **Yuichi Gondo**

In raising our children it's been helpful to use the childcare leave system that makes it possible to take time off up until a child reaches age two, and the company's system for taking leave in half-day increments for up to five days per year to care for a child. Thanks to childcare leave I've been able to share lots of time with my kids who are growing up so fast, and it's been possible to have a greater sense of their growth. Together with the childcare leave I took when my third child was born, I was able to be there for the birth of all three of my children, which has been an enormous joy.

More than just offering an ample lineup of systems, though, this is a company where people understand what it takes to raise a small child, like when one of them has a fever or some other problem, my coworkers or supervisor will say "Why don't you go home early and take care of your kid." I really feel that owing to these systems I've been able to more easily balance work with childcare.



## Labor Practices

On the basis of our founding spirit such as “for the happiness of people working for the company,” we regard human resources as one of our most important management resources. For this reason, Sekisui Plastics Group is proactive in not only skill development supports and fair evaluation of employees, but also efforts to create a good work-life balance and a healthy/safe work environment.

### Labor Practices

#### Certification as a Company Promoting Child-Raising Support

In 2012 and 2014, we acquired the “Mark of Certification of Support for Raising Next-Generation Children” (commonly called “Kurumin”) from the Osaka Labour Bureau of the Ministry of Health, Labour and Welfare. This is an official acknowledgement of our efforts to support employees to balance work and family life by enhancing our childcare leave system and promoting taking paid leave. We continue to aspire to be a company that supports child-raising by encouraging the use of relevant programs and supporting systems that create employee-friendly workplaces and work-life balance.

#### Business Promotion Consortium— passing on the founding spirit to now

Sekisui Plastics Group set up the Business Promotion Consortium comprising all members of employees and directors, and encourages their voluntary participation in management.

The Consortium pursues the workers’ happiness through the management philosophy of mutual respect and trust.

We treasure the founding spirit of Sekisui Plastics Group, “the happiness of people working for the company,” and practice the corporate culture, *Zen-in Keiei*, through activities of the Consortium.



#### Physical and Mental Healthcare

To support the physical and mental health of employees, we provide a wide range of services including medical checkups, medical consultations with an industrial physician, guidance from public health nurses on reversing metabolic syndrome, and hygiene training.

For the mental health, in FY2012, we formulated a basic policy, Sekisui Plastics Group’s Mental Health Promotion. We continually and systematically engage in mental health support activities, including preventive measures.

In FY2016, we held stress-check tests, engaged in activities to prevent lifestyle-related diseases from becoming severe, and provided health information in order to raise health awareness among employees. In FY2018, our stresscheck implementation rate was 92.3%.

#### Employment Promotion of People with Disabilities

The employment rate for people with disabilities for the entire Group was 1.6% in FY2018. This rate has not reached the legal standard so we continuously strive to increase the rate by sharing examples of employment (job content, working environment, etc.) of the Group companies hiring such people.

#### Diversity Initiatives

With the goal of promoting diversity, Sekisui Plastics Group believes it essential to provide all employees, regardless of nationality, age, or gender, with workplaces where they can fully demonstrate their skills and abilities under a variety of conditions. As part of this effort, we are focusing on the active advancement of women and advancing measures aimed at creating an environment in which as many women as possible can excel.

# Sekisui Plastics Group ESG

## Society

## Human Rights/Labor Practices

### Sekisui Plastics Cram School (SK-Juku)

The SK-Juku promotes the early development of global executive-level employees and next-generation leaders, strengthens develop-sales skills, and cultivates human resources with a sense of vitality. Participants can learn the knowledge and theories required as future management/managers through lessons by external lecturers, discussions between directors, and practical education by directors and management.



### Safety-Related Activities

In addition to safety patrols of each workplace and site patrols by top managers, we carry out the following activities.

#### 1 Safety briefings with the top manager

Each top manager has a briefing with every single employee to find out dangerous facilities and procedures. We use results of the safety response survey of the Japan Industrial Safety and Health Association.

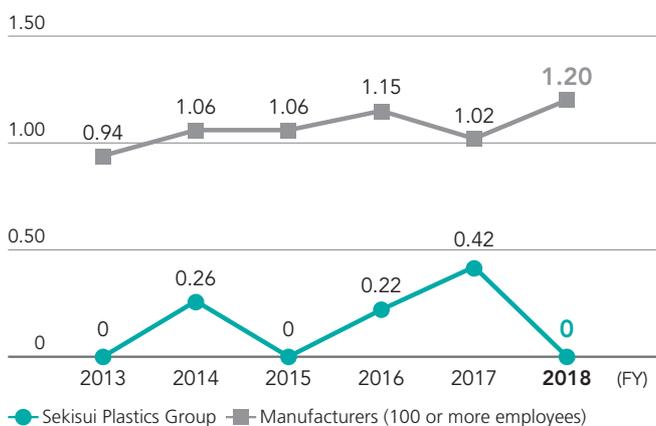
#### 2 Appointment of one-day safety managers

All Group companies appoint one-day safety managers to increase awareness and responsibility on safety and finding out unsafe conditions.

#### 3 Safety meetings by each production section

Group companies that have any similar facility and/ or procedure get together to discuss common issues and make/ carry out safety measures.

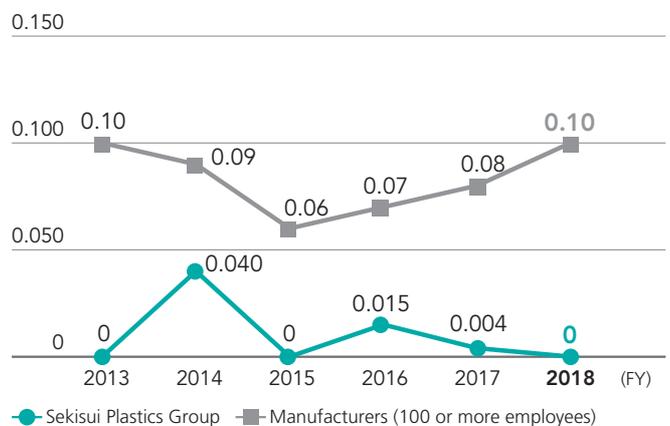
### Lost Time Injury Frequency Rates\*



\* Lost Time Injury Frequency Rates: The number of absent employees due to industrial accidents per 1 million working hours

Lost Time Injury Frequency Rates of Manufacturers (100 or more employees): Excerpted from statistics in the Ministry of Health, Labour and Welfare's Survey on Industrial Accidents.

### Accident Severity Rate\*



\* Accident Severity Rate: The number of lost workdays per 1,000 working hours

Accident Severity Rate of Manufacturers (100 or more employees): Excerpted from statistics in the Ministry of Health, Labour and Welfare's Survey on Industrial Accidents.

### Human Resource Development at Production Sites

We promote human resource development at production sites based on a concept, "Monodukuri (to create things)" is "Hitodukuri (to create human resource)."

We promote the SKG Kaizen Activities for enhancing Monodukuri capability of the entire Group while improving human resource of production site workers.

All workers at production sites, whether they are fulltimer and part-timer, participate in SKG Kaizen activities and are committed to create better things in terms of the environment, safety, quality and cost.

Every year, 10 teams, which qualified from over 240 teams in global, give KAIZEN presentation at the final tournament.



### Safety-Related and Health Activities

We conduct periodic training, safety education and emergency response drills to hone employee abilities and skills, and maintain/improve safety and health. We set up Anzen Dojo (Safety training halls), where employees can experience simulated accidents, at eleven locations in Japan and nine locations overseas as educational facilities to raise safety awareness among individual employees and impart safety skills.



### Column Safety Training Center in the United States

Sekisui Plastics U.S.A., Inc  
Environmental, Safety and Training Supervisor  
Kris Foster

At our location in Tennessee we have set our sights on a safety training center, otherwise known as an "anzen dojo," or "safety hall," with the goal of eliciting awareness. The anzen dojo is installed with visual and hands-on training equipment that facilitates understanding and awareness with regard to proper procedures and processes needed to perform operations, all while securing safety in the course of carrying out tasks.

There is also safety education and training with a wide array of content. For example, every month guidance meetings are held to instruct employees on a variety of topics, including "knife safety," "the handling of packaging boxes," "fire extinguisher drills," and "emergency action planning drills."

We also refresh programs and training method design on a daily basis so as to have all of our employees stay active in the "anzen dojo."

Moreover, all employees take the full lineup of programs, and we take care to create an atmosphere that makes it easy to participate so that they will apply what they learned to their daily duties.



# Sekisui Plastics Group ESG

## Society

### Consumer Problems

To carry out our responsibility to consumers, Sekisui Plastics Group pursues safety and reliability through activities ensuring product safety and correcting the understanding of environmental impact.

### Initiative to Quality Assurance

We operate a customer-focused quality assurance system, applied from the development stage to ensure that all products and services meet the expectations of our customers.

#### Basic Stance on Quality Assurance

The Company's philosophy is that product quality should reflect customer values, not those of the Company, and as such we carry out upstream management (ensuring product quality at the development stage) in an integrated manner throughout the entire Group. We conducted an in-house campaign to improve quality awareness in FY2018.

#### Approach to Product Safety

We are committed to developing products that take into consideration the environment, safety and health throughout the entire product life cycle, from the research and development stage to product disposal after use.

#### Chemical Substance Management

The Sekisui Plastics Group has established a green procurement standard for raw materials and with the goal of providing information on chemical substances in its products, manages all chemical substances under ChemSHERPA (short for chemical information sharing and exchange under reporting partnership in supply chain), a domestic information transfer scheme.

In addition, all of our products are labeled according to GHS classifications and their safety data sheets (SDS) are available.

### Improve Product Quality at Development Stage



### Respond to Consumer Problems

#### Responding to Accidents/Defects on Products

We developed internal regulations to deal with product accidents. When an accident occurs, responsible departments take the lead in promptly response based on the regulations, with full consideration of the customers' perspective, and related departments cooperate in finding a solution as necessary. In the case of a serious product accident, responsible departments promptly report to the top management and takes rapid, appropriate response.

#### Raising Customer Satisfaction

The Group attempts to identify customer needs using inquiries via our corporate website and by visits to customers, in our pursuit of customer satisfaction.

## Cooperation with Kyoto Manufacturing Workshop

Sekisui Plastics is working in cooperation with the Kyoto Manufacturing Workshop courses promoted by the Kyoto City Board of Education. One of the learning programs is focused on foamed polystyrene (generally referred to as Styrofoam), which is quite useful in our lives thanks to its light weight, thermal insulation, and shock absorbing properties. The learning

course is offered to and enjoyed by elementary school students in the city of Kyoto. In cooperation with the 3S Senior Venture Club (a volunteer group of Sekisui Chemical alumni), the Sekisui Plastics Group provides support, instructors, and materials for hands-on learning in these programs.

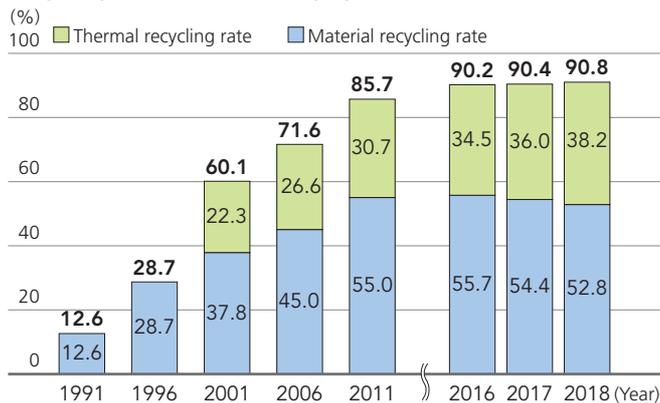


## Recycling

Sekisui Plastics Group has been a leader in the recycling of EPS foam for 48 years, since 1971. We established the Japan EPS Recycling Association (current: JEPSA - Japan Expanded Polystyrene Association) together with raw material and molding companies in 1991. Following the acquisition of permission to operate industrial waste disposal businesses in Ibaraki, Nara, Ehime, Oita, and Okinawa Prefectures as

well as wide-area certification at Sekisui Plastics Yamaguchi (covering Hiroshima, Yamaguchi, and Shimane Prefectures), the Group is actively engaged in the recycling of Styrofoam. Of particular note, the Sekisui Plastics Shikoku Ozu facility acquired permission to operate transport businesses and is undertaking the collection and recycling of foamed polystyrene floats used throughout Shikoku.

### Recycling of Expandable Polystyrene Foam (EPS)



Data source: JEPSA



# Sekisui Plastics Group ESG

## Society

### Community Involvement and Development

As a good corporate citizen, Sekisui Plastics Group aims to meet the expectations and reward the trust by society. The Group will fulfill its role as a member of society through its business activities in order to promote the sound development of communities.

### Social Contribution Activities of Sekisui Plastics Group

In accordance with our CSR Declaration set forth in the Sekisui Plastics Group's 100th Year Vision, we foster a culture of social contribution and actively promote social contribution activities.

With greater importance given to CSR-oriented management, the Social Contribution Committee has formulated the "Social Contribution Action Policy" and promoted activities in an organized manner throughout the Group.

The Action Policy defines two themes in its promotion of social contribution: corporate social contribution activities and support for activities by Group employees.

Following the policy, we have set two activities of "social contribution activity promotion as a company" and "social contribution activity support to the Group members" to promote our activities.

#### Social Contribution Activity Policy

- 1 We play an active role in and fulfill our responsibilities toward local and international communities as good corporate citizens.
- 2 We use our management resources effectively and promote distinctive activities.
- 3 We stay focused on the objectives and results and make every effort to promote activities of value to all.
- 4 We encourage the voluntary participation of everyone in the Group.
- 5 We disseminate information on our activities both within and outside the Group.

#### Disaster Assistance Agreements Signed with Local Authorities

In January 2019, three group companies, Sekisui Plastics Kanto, Sekisui Plastics Tenri and Sekisui Plastics Shiga entered into agreements with regard to providing material support in times of disaster to Koga City in Ibaraki Prefecture, Tenri City in Nara Prefecture, and Koka City in Shiga Prefecture, respectively. In the event of a large-scale disaster, the companies will supply local authorities with insulation and cushion materials, as well as simple food containers and other items made using the materials of the Sekisui Plastics Group, thus contributing to local communities.



## Volunteers and Donation Drives for the Torrential Rain Disaster in Western Japan

In July 2018, the Mabicho district of Kurashiki City in western Japan was the scene of a devastating torrential downpour, and it was here that we participated in disaster volunteer activities. Under the blistering late August sun we worked to clean mud out of houses, a monumental task, and had the painful realization that this would require long-term support.

We also matched the donations given by Group company personnel as a corporate monetary donation subsequently provided to the Japan Red Cross Society.



## Grant Activities through the Sekisui Plastics Fund

With the aim of providing assistance to support biodiversity preservation activities, we established the Sekisui Plastics Fund with a contribution to the “Mirai Fund Ohmi” in 2012, and to expand upon this, we created a new fund with a contribution to the “Mirai Fund Ibaraki.” We continue to assist activities conducted by local NPOs, in which Group employees are active and participate as volunteers, and together with that, endeavor at Satoyama Conservation Activities.



### Column

## Hands-on Experience at Creating a Water Conservation Forest to Protect Saba River

Hofu Plant, Sekisui Plastics Yamaguchi Co., Ltd.  
Takuya Fujiwara

Every year we participate in hands-on activities to create a water conservation forest that conserves the Saba River in an initiative sponsored by the Yamaguchi Prefecture’s Office of Agriculture, Forestry and Fisheries. In November of FY2018 approximately 70 employees from companies that utilize Saba River water participated in these activities, and joining in was a group of 12 led by President Ejiri from the Hofu Plant.

These activities at forest maintenance, such as clearing out brush and pruning trees, helped not only the participants, but all employees, to gain a deeper understanding of the role the forest plays as a crucial source of industrial water to a company’s production activities, specifically functions including water source recharging and the prevention of global warming.

Prior to thinning brush and pruning, the forest was thick with an atmosphere of the heavy darkness found deep in the mountains. The completion of that work, however, let the sun shine in and the trees and ground that had been covered in darkness were bathed in sunlight. It felt as though this would foster the growth of trees and new vegetation.

Participation in this activity further elevated an awareness of the environment, and to even in just a small measure contribute to solving the ongoing societal issue of water-borne plastic garbage, we are renewing the resolve that we must also make efforts to collect plastic garbage from within forests and from rivers.



# Sekisui Plastics Group ESG

## Governance

### Organizational Governance

Sekisui Plastics Group, on the basis of its management philosophy, is proactive in the prompt and pertinent information disclosure while ensuring management transparency, validity, and compliance in management.

### Corporate Governance

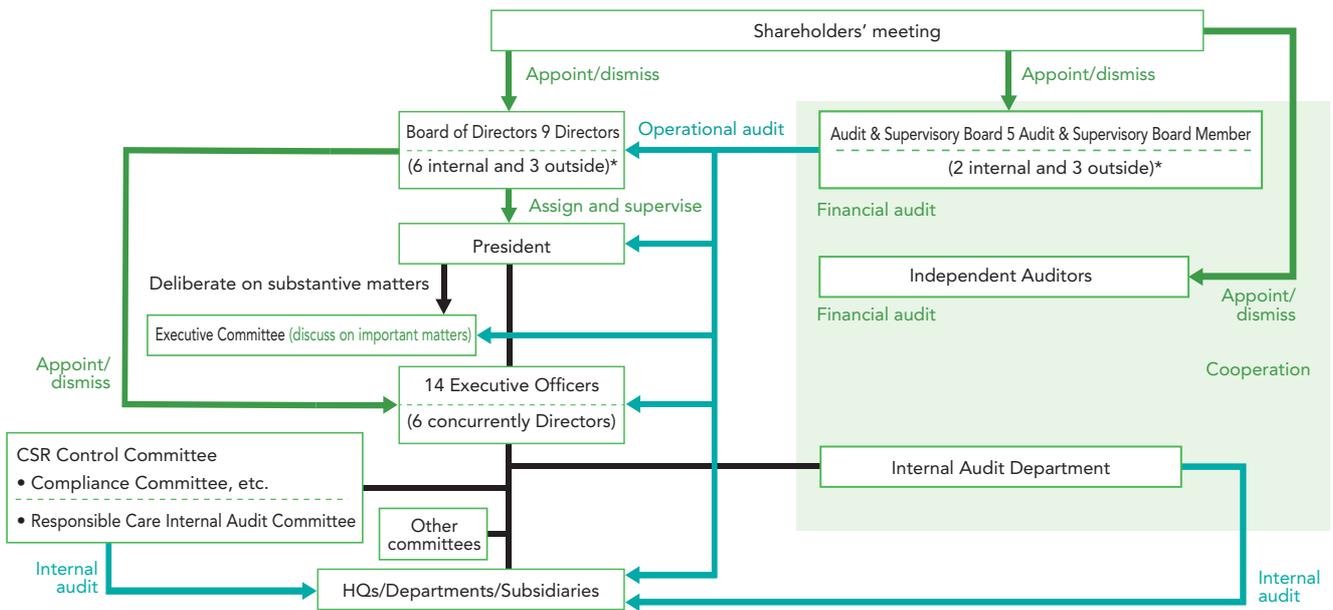
Sekisui Plastics carries out social responsibility to stakeholders and aspires to be “a plastics solution company trusted by customers around the world.”

With Japan’s Corporate Governance Code having taken effect from June 2015 for companies listed on the Tokyo Stock Exchange, Sekisui Plastics Group has formulated its own “Corporate Governance Guidelines” outlining the Group’s policies and activities regarding corporate gov-

ernance. These Guidelines form the starting point for the effective functioning of corporate governance, to maintain management transparency and soundness, and establish a management structure that is able to address changes in the operating environment.

The guidelines are available in Japanese only on our website: <https://www.sekisuiplastics.com/company/outline/governance/>

### Corporate Governance Framework



\*Three Outside Directors and Two Outside Corporate Auditors are appointed as independent officers.

### CSR Promotion

To mark the 50th anniversary of foundation, we formulated the CSR Vision as well as Sekisui Plastics Group’s 100th Year Vision. According to the CSR Vision, we set up the CSR Control Committee, whose chair is the president, and actively promote the CSR.

#### CSR Promotion Structure



## Promoting Compliance

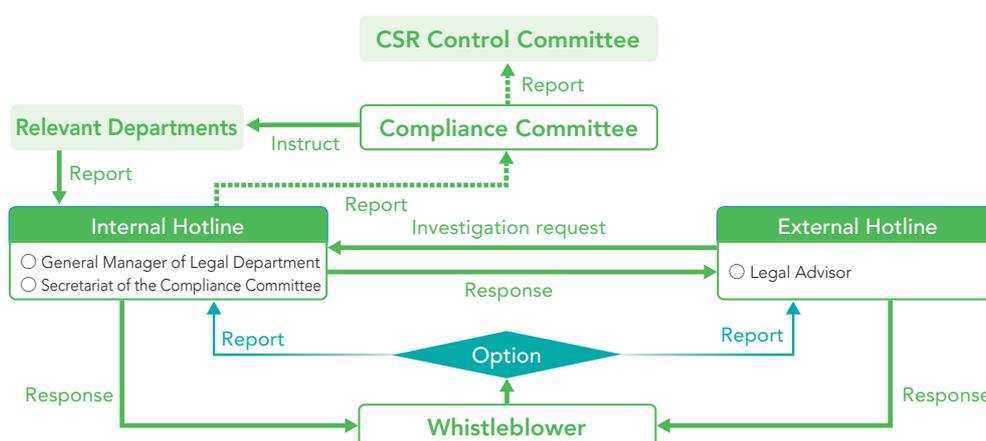
Sekisui Plastics Group set up the Sekisui Plastics Group's Compliance Guideline, describing how to act as a representative of the Company, and has been building a favorable relationship with societies.

Also, the Group established a Compliance Committee to enhance and promote compliance of the entire Group with laws/regulations. The Committee is held twice a year on a reg-

ular basis to deliberate on compliance matters in the Group.

In addition, each Group company establishes a Compliance Committee and appoints a responsible person to cooperate the Groups each other.

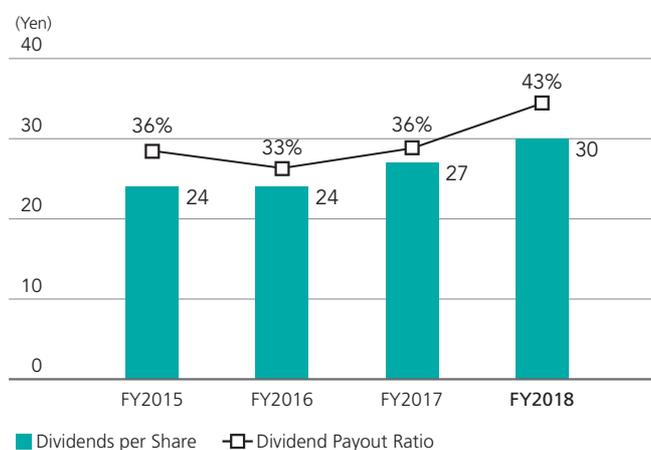
To fulfill corporate social responsibilities, the Group set up an internal whistle-blowing system "SKG Clean Network," and strives to build a fair and vigorous organization.



## Basic Policy Concerning the Distribution of Profits

In principle, we return profits to shareholders depending on consolidated financial performance and with the aim of distributing stable dividends. We will implement a dividend policy targeting a consolidated dividend payout ratio of 30–40%. In addition, we plan to flexibly implement the acquisition and retirement of treasury stock as part of profit-sharing with shareholders. Internal reserves are selectively appropriated for strategic investment leading to the future growth and enhancement of the management structure.

### Dividends per Share and Dividend Payout Ratio



Note: The Company consolidated its common share at the ratio of two shares to one, effective on October 1, 2016. On assumption that the share consolidation was implemented on the beginning of FY2015, the dividend per share shows in the graph.

## Governance

### Fair Operating Practices

Sekisui Plastics Group complies with laws and regulations, strives to engage in fair operating practices, and conducts business activities based on high ethical standards.

## Culture Vision "Zen-in Keiei"

### For the growth of both company and its people

#### 4 keywords for the practice of Zen-in Keiei

Innovation

Speed

Teamwork

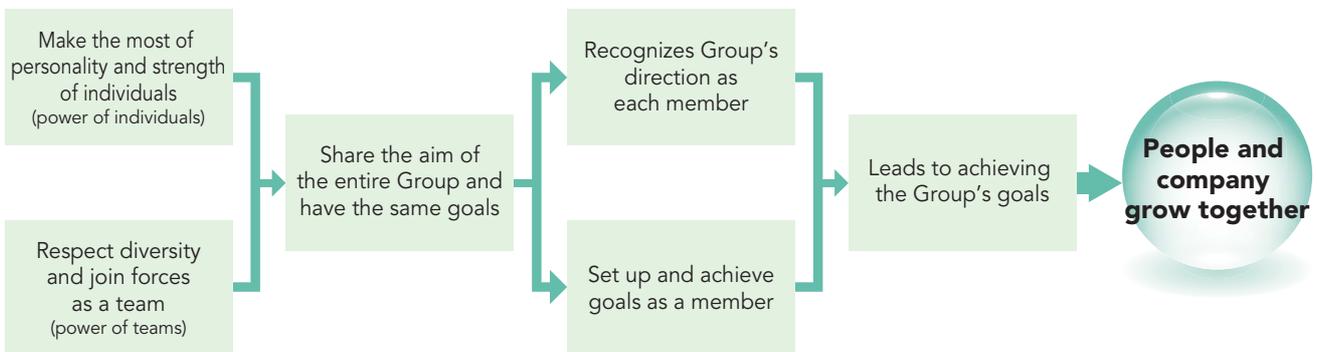
Respect for Diversity

Under the concept of *Zen-in Keiei*, each member thinks by themselves, proposes, and makes voluntary actions, not be forced by top-down instructions. Under the Sekisui Plastics Group culture, we value brainstorm with other members for improving personality and strength of individuals.

Furthermore, for understanding and realizing the corporate goal of the entire Group we have been making each member act with the spirit of Entrepreneur and Industrialist.

All members, including managements and employees in general, of Sekisui Plastics Group always recognize the 4 keywords, "Innovation," "Speed," "Teamwork" and "Respect for Diversity" as starting point of achievement by making the most of strength and improving the weakness.

### Zen-in Keiei



### The "Zen-in Keiei" card

Sekisui Plastics Group has created the "Zen-in Keiei" card that contains information on the origin of the Group name "Sekisui," management philosophy and code of conduct of Sekisui Plastics, and action guidelines for the "Zen-in Keiei," all in a booklet-sized card. The Group started to hand the card to all Group members in April 2017.



## Information Security System

Sekisui Plastics Group has formulated a Basic Policy for Information Security to ensure the security of information assets, and appropriately manages and operate the assets.

In order to enhance the Group's information security, we set up an "IT Promotion Committee." In accordance with the Basic Policy, the committee enhances information security systems, formulates rules, and prepares operational manuals, and also strives to improve knowledge for handling information assets by seminars and e-learning programs for all Group members.



## Purchasing/Procurement Policy

Our purchasing departments provide equal opportunity for suppliers by widely opening the door to pursue better products and services based on transparency and fairness.

We deepened our partnership with our suppliers from FY2017, actively visiting and auditing their factories and plants with our quality assurance and factory purchasing departments.

We are conducting our purchasing activities based on our purchasing policies, with the goals of expanding green procurement and the sustained development of each company's business.



## Respect for Intellectual Property

Sekisui Plastics Group recognizes intellectual property as a critical management resource, and has thus formulated and conducts activities in line with our Basic Policy on Intellectual Property.

We work to share information through collaboration between the business departments and research and development departments, and strive to undertake activities that acquire and maintain intellectual property beneficial to our business activities, respect the intellectual property rights of others, and lawfully exercise our intellectual property rights. In order to maintain the motivation of inventors, we actively apply for invention commendations offered by external commendation systems.



# Environmental Performance Data

## Environmental Accounting (Japan)

### Environmental Conservation Costs

(Millions of yen)

Category	Major activities	FY2017		FY2018	
		Investment	Costs	Investment	Costs
1) Costs in business area					
(1) Pollution control	Control measures for air/water quality	71	114	51	116
(2) Global environment	Energy saving	226	25	150	11
(3) Recycling	Recycling, industrial waste treatment	7	226	5	231
<b>Subtotal</b>		<b>304</b>	<b>365</b>	<b>207</b>	<b>358</b>
2) Up-/down-stream	Product recycling	4	423	0	428
3) Management costs	Departmental costs associated with introducing environment management system	0	114	0	167
4) R&D costs	R&D for environmental conservation products	0	47	0	47
5) Social Activity cost	Greening, social supports	0	2	6	3
6) Environmental damage fixing cost	Nature restoration	0	0	0	0
<b>Total</b>		<b>308</b>	<b>951</b>	<b>213</b>	<b>1,003</b>

### Environmental Conservation Effects (in terms of volume)

Details of effects (Unit)	FY2017	FY2018
1) Effects on costs in business area		
(1) Electricity consumption (MWh)	121,788	121,573
(2) Crude oil consumption (kl)	17,240	17,319
(3) Total effluent (thousand m <sup>3</sup> )	3,459	3,246
(4) Amount of COD discharge (t)	17	17
2) Effects on Up-/down-stream costs		
Amount of recycled polystyrene foam (t)	398	309

### Economic Effects Related to Environmental Conservation Measures

(Millions of yen)

Details of effects	FY2017	FY2018
1) Cost reduction through energy-saving activities	128	45
2) Income from recycling	435	453
<b>Total</b>	<b>563</b>	<b>498</b>

### Cost Effectiveness of Environmental Conservation Activities

FY2017	FY2018
59.2%	49.7%

Investment figures are for construction completed during the period.  
Expense figures do not include depreciation and amortization

## Certification list

As of July 31, 2019

### ISO9001 Certification

Sekisui Plastics Co., Ltd. The 2nd Business Headquarters  
Sekisui Plastics Toubu Co., Ltd. Main Plant  
Sekisui Plastics Kanto Co., Ltd. Main Plant  
Sekisui Plastics Kanto Co., Ltd. Miho Mfg. Department  
Sekisui Plastics Gunma Co., Ltd.  
Sekisui Plastics Saitama Co., Ltd.  
Shonan Sekisui Kogyo Co., Ltd.  
Sekisui Plastics Yamakyu Co., Ltd.  
Sekisui Plastics Ohmi Co., Ltd.  
Sekisui Plastics Shiga Co., Ltd.  
Sekisui Giken Co., Ltd. Kansai Plant  
Sekisui Giken Co., Ltd. Meihan Ogura Plant  
Sekisui Plastics Tenri Co., Ltd.  
Sekisui Plastics Yamaguchi Co., Ltd.  
Sekisui Plastics Shikoku Co., Ltd.  
Sekisui Plastics Kyushu Co., Ltd. Oita Plant and Buzen Plant  
Sekisui Plastics Okinawa Co., Ltd.  
Sekisui Plastics Taiwan Co., Ltd.  
Tianjin Sekisui Plastics Co., Ltd.  
Suzhou Sekisui Plastics Co., Ltd.  
Sekisui Plastics (Shanghai) International Trading Co., Ltd.  
Sekisui Plastics (Shanghai) Precision Forming Co., Ltd.  
P.T. Sekisui Plastics Indonesia  
Sekisui Plastics (Thailand) Co., Ltd.  
Sekisui Plastics Europe B.V.  
Proseat GmbH & Co. KG Mörfelden-Walldorf Plant

### Eco-Action 21 Certification

Sekisui Plastics Yamakyu Co., Ltd.

### ISO45001 Certification

Sekisui Plastics Tenri Co., Ltd.

### ISO13485 Certification

Sekisui Plastics Co., Ltd. The 2nd Business Headquarters  
Sekisui Plastics Kanto Co., Ltd. Miho Mfg. Department

### ISO14001 Certification

Sekisui Plastics Co., Ltd. The 2nd Business Headquarters  
Sekisui Urethane Kako Co., Ltd.  
Sekisui Plastics Kanto Co., Ltd. Main Plant  
Sekisui Plastics Kanto Co., Ltd. Miho Mfg. Department  
Sekisui Plastics Gunma Co., Ltd.  
Sekisui Plastics Shiga Co., Ltd.  
Sekisui Plastics Sakai Co., Ltd.  
Sekisui Plastics Tenri Co., Ltd. Main Plant  
Sekisui Plastics Kyushu Co., Ltd. Oita Plant  
Sekisui Plastics Taiwan Co., Ltd.  
Tianjin Sekisui Plastics Co., Ltd.  
Suzhou Sekisui Plastics Co., Ltd.  
Sekisui Plastics (Shanghai) International Trading Co., Ltd.  
Sekisui Plastics (Shanghai) Precision Forming Co., Ltd.  
Proseat GmbH & Co. KG  
Proseat Schwarzheide GmbH  
Proseat SAS  
Proseat LLP  
Proseat Foam Manufacturing, s.l.  
Proseat Sp.zo.o  
Proseat Mladá Boleslav s.r.o

### ISO/TS16949 Certification

Sekisui Plastics U.S.A., Inc.  
Sekisui Plastics Mexico S.A. de C.V.  
Proseat GmbH & Co. KG Espelkamp Plant  
Proseat Schwarzheide GmbH  
Proseat SAS  
Proseat LLP  
Proseat Foam Manufacturing, s.l.  
Proseat Sp.zo.o  
Proseat Mladá Boleslav s.r.o

### ISO50001 Certification

Proseat GmbH & Co. KG Espelkamp Plant  
Proseat Schwarzheide GmbH

\* Even in the case that there is no description, relevant departments within a site may be included.

# Consolidated Financial and Non-financial Data

Fiscal Year	2014*1	2015	2016	2017	2018
For the year:					(Millions of yen)
Net sales	113,660	101,559	102,398	112,101	<b>112,593</b>
Operating income	3,930	5,118	5,401	5,284	<b>4,784</b>
Recurring income	4,180	4,862	5,049	5,154	<b>4,776</b>
Net income attributable to owners of the parent	2,530	3,147	3,404	3,448	<b>3,129</b>
Capital expenditures	5,908	4,424	5,836	7,762	<b>7,368</b>
Depreciation and amortization	3,999	3,937	3,591	4,087	<b>4,517</b>
At year-end:					
Total assets	115,238	113,958	119,039	131,148	<b>152,845</b>
Total net assets	58,275	58,800	61,363	66,145	<b>66,771</b>
Interest-bearing debt	19,467	18,274	18,425	19,096	<b>35,229</b>
Amounts per share*2:					(Yen)
Net income	54.14	67.33	73.03	75.33	<b>69.09</b>
Net assets	1,231.37	1,243.30	1,322.14	1,444.28	<b>1,439.43</b>
Cash dividends	18.00	24.00	24.00	27.00	<b>30.00</b>
Key ratios:					
Operating income ratio (%)	3.5	5.0	5.3	4.7	<b>4.2</b>
ROE (%)	4.6	5.4	5.7	5.5	<b>4.8</b>
ROA (%)	3.7	4.2	4.3	4.1	<b>3.4</b>
Equity ratio (%)	49.9	51.0	50.9	49.9	<b>42.7</b>
Total number of employees	1,859	1,895	2,011	2,101	<b>3,881</b>
Employees (Japan)	1,539	1,545	1,633	1,680	<b>1,723</b>
Employees (overseas)	320	350	378	421	<b>2,158</b>
Female employee ratio (%) (Figures don't include those of subsidiaries in Europe due to non-disclosure of information)	—	16.9	18.1	18.9	<b>20.7</b>
Industrial accident	4	1	1	2	<b>0</b>
Equipment disaster	1	0	0	1	<b>0</b>

\*1 In order to synchronize accounting periods of overseas Group companies with the accounting period in Japan beginning in FY2014, the FY2014 results for overseas Group companies are based on a 15-month accounting period.

\*2 Sekisui Plastics Co., Ltd. consolidated its common share at the ratio of two shares to one, effective on October 1, 2016. On assumption that the share consolidation was implemented on the beginning of FY2012, the dividend per share shows as above.

(Note) Since FY2018, "Partial Amendments to Accounting Standard for Tax Effect Accounting" has been applied, and the same is applied to figures in FY2017 and before retroactively.

Fiscal Year	2014	2015	2016	2017	2018
<b>Number of production sites:</b>					
Japan	35	35	36	37	<b>38</b>
Overseas	6	8	10	10	<b>22</b>
<b>Inputs (Japan):</b>					
Energy consumption (million MJ/year)	175,018	171,086	180,126	188,244	<b>188,275</b>
Unit consumption/output (MJ/t)	8,532	8,308	8,308	8,453	<b>8,389</b>
Water consumption (thousand m <sup>3</sup> /year)	2,883	2,865	3,256	3,459	<b>3,389</b>
Unit consumption/output (m <sup>3</sup> /t)	14.1	13.9	15.0	15.5	<b>15.1</b>
<b>Outputs (Japan):</b>					
CO <sub>2</sub> emissions (Production) (t/year)	102,445	99,963	104,367	109,128	<b>109,047</b>
Unit consumption/output (kg-CO <sub>2</sub> /t)	499	485	481	490	<b>486</b>
CO <sub>2</sub> emissions (Transportation) (t/year)	6,333	6,506	7,177	7,854	<b>8,304</b>
Unit consumption/output (kg-CO <sub>2</sub> /t)	33.1	32.4	38.0	39.2	<b>39.5</b>
CO <sub>2</sub> emissions (Office) (t/year)	221	143	136	126	<b>121</b>
Unit consumption/output (kg-CO <sub>2</sub> /m <sup>2</sup> )	57.9	37.6	35.6	33.1	<b>31.7</b>
Effluent (thousand m <sup>3</sup> )	2,704	2,799	3,044	3,263	<b>3,241</b>
Unit consumption/output (m <sup>3</sup> /t)	13.2	13.6	14.0	14.7	<b>14.4</b>
Amount of COD discharge (t)	13.3	11.7	14.1	16.6	<b>17.0</b>
Industrial waste (t)	7,665	7,278	8,138	8,961	<b>8,780</b>
Recycling rate (%)	98.5	98.8	98.5	98.5	<b>97.2</b>
<b>Inputs (Overseas):</b>					
Energy consumption (million MJ/year)	14,083	16,670	22,936	29,156	<b>29,550</b>
Unit consumption/output (MJ/t)	12,858	13,571	14,041	16,165	<b>14,526</b>
Water consumption (thousand m <sup>3</sup> /year)	66	70	118	138	<b>156</b>
Unit consumption/output (m <sup>3</sup> /t)	6.0	5.7	7.2	7.7	<b>7.7</b>
<b>Outputs (Overseas):</b>					
CO <sub>2</sub> emissions (Production) (t/year)	8,171	9,936	12,394	15,400	<b>16,585</b>
Unit consumption/output (kg-CO <sub>2</sub> /t)	746	809	759	854	<b>815</b>
Effluent (thousand m <sup>3</sup> )	59	62	106	109	<b>75</b>
Unit consumption/output (m <sup>3</sup> /t)	5.4	5.1	6.5	6.0	<b>3.7</b>
Amount of COD discharge (t)	7.3	7.6	10.4	11.0	<b>7.5</b>
Industrial waste (t)	287	425	410	476	<b>706</b>
Recycling rate (%)	76.9	82.6	78.3	73.9	<b>81.0</b>

(Note 1) Sekisui Plastics Group identifies and manages the environmental impact arising from business activities in "unit consumption/output," which expresses the quantity of environmental loadings per unit in the volume of production.

(Note 2) As for the above numbers and amounts, those of Proseat Europe GmbH are excluded.

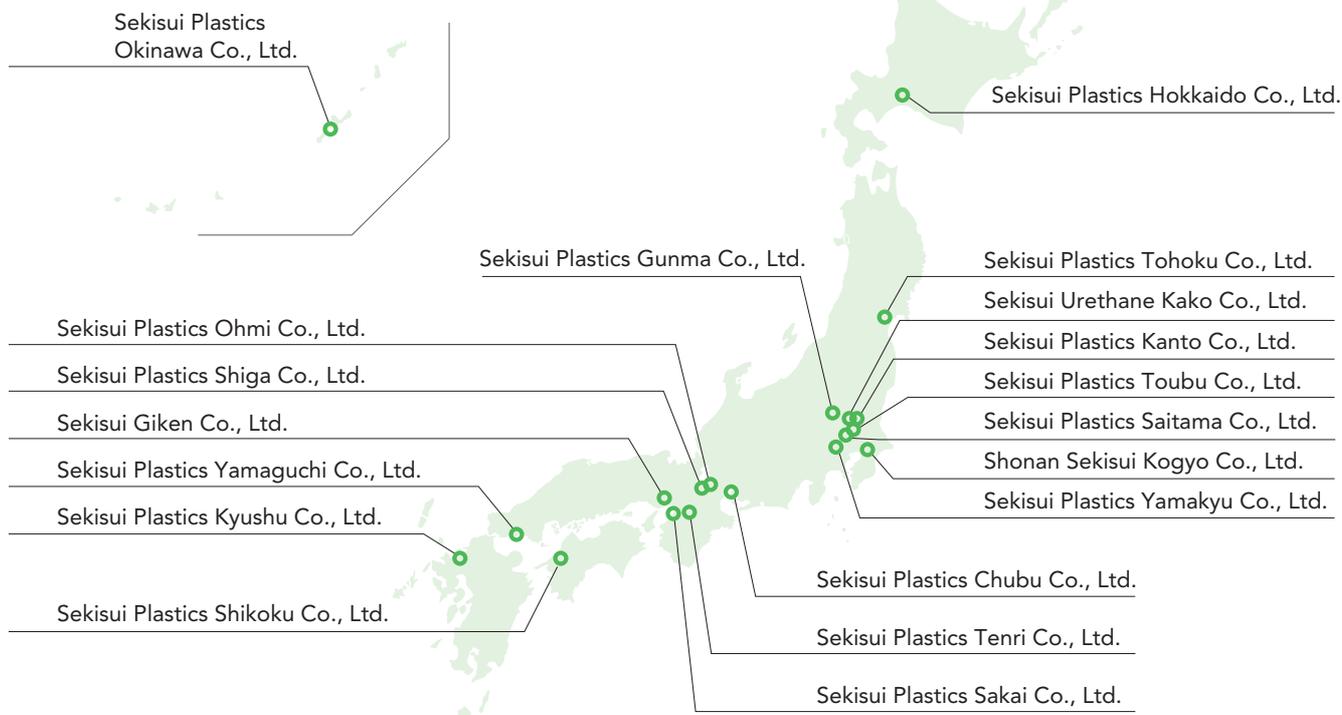
# Our Group Network (42 companies)

(As of August 1, 2019)

## Overseas Subsidiaries



## Domestic Subsidiaries



# Company Profile

Company name	Sekisui Plastics Co., Ltd.	
Founded	October 1, 1959	
Paid-in capital	¥16,533 million	
Directors	President and Representative Director Chief Executive Officer	Masato Kashiwabara
	Director Senior Managing Executive Officer	Tetsuya Ikegaki
	Director Managing Executive Officer	Tetsuharu Hirota
	Director Managing Executive Officer	Nobuyuki Tsujiwaki
	Director Managing Executive Officer	Tetsuya Shiota
	Director Managing Executive Officer	Katsumi Sasaki
	Outside Director	Katsuya Amimoto
	Outside Director	Hiroyuki Bamba
	Outside Director	Morio Kubota
	Corporate Auditor	Masayuki Moriya
	Corporate Auditor	Koichi Miyashita
	Outside Auditor	Yuichi Hamabe
	Outside Auditor	Morinobu Nagahama
	Outside Auditor	Keizo Kousaka
Number of employees	427 (non-consolidated)	
	3,881 (consolidated)	

## Business Lines in Each Segment

Human Life	Market/ Application	Agricultural and marine product containers, food containers, distribution materials, construction materials, civil engineering materials
	Major Products	ESLEN Beads, ESLEN Sheet, ESLEN Wood, INTERFOAM, other foamed/ molded products

Industry	Market/ Application	Automotive components, packaging materials for transporting automotive parts, industrial components, industrial packaging, electric part materials, medical and health care materials
	Major Products	PIOCELAN, LIGHTLON, NEOMICROLEN, CELPET, TECHPOLYMER, ST-gel, TECHEATER, ELASTIL, FOAMAC, ST-LAYER, other foamed/molded products

### Editorial Policy

Sekisui Plastics Group engages in CSR activities with the aim of becoming a corporate group trusted by stakeholders around the world based on the Sekisui Plastics Group's 100th Year Vision set forth in October 2009. In response to the increasingly shared recognition among our stakeholders that it is important to consider ESG (Environment, Society, Governance) as part of corporate management, this Report is composed of chapters that categorize our activity details under the framework of ESG.

### Period Covered

Activities in this report were carried out in the period from FY2018 (April 1, 2018 – March 31, 2019) until August 2018.

### Scope of Reporting

This report covers the 42 companies of Sekisui Plastics Group, including Sekisui Plastics Co., Ltd. However, the environmental performance data do not include Proseat Europe GmbH, which became a subsidiary in February 2019.

### Referred Guidelines

- Ministry of the Environment: *Environment Report Guidelines (Y2012 Edition)*, and *Environmental Accounting Guidelines (Y2005 Edition)*
- Japanese Standards Association: *Guidance on Social Responsibility JISZ26000 (ISO 26000)*

Some of the data in this report differs from the data in last year's report as a result of revisions implemented to reflect changes in calculation methods and business sites covered.

You can find the latest information of corporation, shareholder and investor relations as well as details of our products and green activities on the Website of Sekisui Plastics.

<https://www.sekisuiplastics.com/>

## Sekisui Plastics Co., Ltd.

Contact: Investor and Public Relations Department  
Corporate Strategic Headquarters  
Address: 2-7-1 Nishi-Shinjuku, Shinjuku-ku, Tokyo  
163-0727, Japan  
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CSR Report 2019

1911SD276.9-500  
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This product is made of FSC®-certified and other controlled material.



Using plant-derived ink containing less than 1% of petroleum-based solvent minimizes the emission of volatile organic compounds (VOCs) and cuts air pollution.



This publication is printed by a certified Green Printing company using printing materials that meet the green printing standard.



Printed using a waterless printing method, without the developing solution or dampening water, it discharges no hazardous wastewater. The amount of CO<sub>2</sub> emissions from manufacturing processes is visualized and offset through purchasing carbon emissions rights equal to or surpassing the amount (of CO<sub>2</sub> emissions) in the aim of preventing global warming. Waterless printing causes no water contamination and no CO<sub>2</sub> emissions during wastewater treatment. Furthermore, the efforts of carbon off-setting contribute to CO<sub>2</sub> reduction.



Easy-to-read universal design fonts are used in this report.