

Dr Mostyn Wall
Natural Resources Wales,
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31st January 2022

Permit BU2110IS – Permit Condition 4.1.5

Dear Dr. Wall,

Please find below the formal response to Permit Condition 4.1.5 from on behalf of Cabot Carbon which states:

“Where the Operator has a formal environmental management system applying to the Permitted Installation which encompasses annual improvement Targets the Operator shall, not later than 31 January in each year, provide a summary report of the previous year’s progress against such Targets.”

Setting of Objectives and Targets

A procedure is in place which describes the process for the setting of environmental objectives and Targets which Cabot aims to meet in order to facilitate continuous improvement in fulfilment of its Environmental Policy and Management System.

Setting, Monitoring and Tracking Progress

In setting Environmental Objectives and Targets the following areas are taken into consideration:

- Cabot SHE Policy
- Legal and other requirements
- Significant environmental aspects
- Environmental Permit improvement actions and NRW recommendations
- Technological options and best practice
- Financial, operational and business requirements (Scorecard)
- Views of interested parties both internal and external, including clients
- Opportunities for continual improvement (short and long term)

Progress towards the objectives and targets are discussed at monthly Leadership Team (LT) meetings and/or monitored via the personal Performance Based Management process (i.e. personal objectives and targets). The meeting is chaired by the site Facility General Manager and attended by relevant functional heads. The site scorecard is reviewed on a regular basis and the meeting and minutes/actions recorded and tracked.

In lieu of an annual ISO Management Review meeting, monthly LT meetings have become the main forum for detailed discussion of Environmental Management including progress of, or changes that may affect the performance of the EMS and associated objectives and targets. The objectives and targets are also tracked on an excel spreadsheet and updated on a regular basis.

A selection of environmental objectives and targets are set by the FGM and the LT in the form of an ORCI chart. Environmental objectives from the ORCI occasionally form part of the site scorecard or they feature as a personal goal via the Performance Based Management program. These initiatives raise environmental awareness and help to drive continual environmental improvement across the site.

During 2021 we had two external audits of our Environmental management system. The first in March 2021 was a regulatory check against SH&E and the second In May 2021 for recertification to the ISO14001:2015 standard. Both audits were completed with zero non-conformances reported and complimentary comments from the auditors. These results are testament to the hard work and dedication of all employees at the Barry facility and their commitment to Environmental protection. We will continue to seek opportunities to improve our environmental performance through the application of ISO 14001.

In 2021 we refreshed our site inspection programme to encourage database recording for safe/unsafe actions/conditions (SUSA) as well as maintaining our Management by walk about (MBWA) programme. All employees are encouraged to report and record SUSA conversations, the basis of which is the observation of someone completing a task and engaging in a conversation about SHE considerations. SUSA's are carried out daily by a cross section of employees and focus on working practices, behavioural safety, and continuous improvement of safe working systems. Observations with high potential for impact or improvement will also be reported in our Intellex incident reporting systems and these are reviewed every morning during a team call so any issues, if not rectified at the time, are investigated and corrected in a timely manner.

Cabot continues to focus on reducing Off Quality production, FY21 saw a low volume of 29MT OQ produced, this equates to an 0.24% of annual production volume.

We also continue to look for landfill diversion initiatives. In 2021 we reached an agreement with an existing customer to supply wide specification product that would otherwise have been diverted to landfill. However, the customer was unable to accept the package type of our back inventory. To address this, we spent several days reprocessing and packing into a suitable pack type. We also changed our start up processing methods to include this new pack type as standard.

We are committed to the ongoing training of all employees, equipping them with essential knowledge to carry out their jobs in a way that protects the environment and helps ensure compliance. Environmental Toolbox Talks and online training is delivered as part of the site training program. With online training making up the bulk of our efforts in 2021 due to the pandemic and work from home requirements.

Last year we reported that Cabot had announced a challenging set of Sustainability goals, and that the Barry facility had committed to working on three focus areas including: Energy efficiency, Community engagement and Diversity and Inclusion. Please see an update on our progress to date on these goals.

Energy Intensity – Electricity users (equipment, fans, pumps, motors etc) have been identified and ranked by biggest consumption/cost, Improvement opportunities have been identified for these users and we are currently ranking these improvement opportunities for impact vs ease of implementation.

Community Engagement – We asked employees to propose local schools, charities, or community groups in need of support and we received a number of proposals. We were able to support 8 of those proposals in 2021 including

- CAVRA local assistance flood support group,
- Christmas for care homes gift appeal
- Snacks and drinks donation for NHS ward staff
- Support for local scout group
- Defibrillator donation to a local athletic club
- PPE donation to local school
- Donation to local school Eco club
- We were also able to secure a significant donation from Cabot foundation for Ty-Hafan children's hospice

Diversity and Inclusion- WIM-IN an Employee Resource Group (ERG) formed to discuss how we can positively raise the profile of roles in manufacturing for women and to partner with local schools to raise the profile of our STEM roles, of Cabot and of our industry to girls who may be considering what subjects and what careers to follow.

We look forward to bringing you further updates on our sustainability initiatives over the coming years.

I hope that this report satisfies the annual Objectives and Targets reporting requirements of section 4.1.5 of our environmental permit BU2110IS. If you should have any further questions arising from the report, then please do not hesitate to contact me.

Yours sincerely,



Sian Llewellyn

STOP, THINK, ACT

Nothing we do is worth getting hurt for.

.....

Sian Llewellyn

Senior Quality & Environmental Specialist

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Environmental Objectives & Targets and Improvement Plans FY21



Environmental Objectives and Targets

Ref	Objective	Target/KPI	Action Plan	Responsibilities	Timescales	Status
FY21/1	Maintain compliance with our Environmental Permit.	100% compliance and no ENC's with our Environmental Permit.	Execute Compliance Calendar actions, Fulfil permit requirements (Quarterly/Annual Reporting, CAR response, IP actions).	SHEQ Mgr	End of FY21	CAR reports issued on time to NRW. Zero ENC's/Permit Deviations: full compliance across all areas to date
FY21/2	Control and reduce Off Quality (OQ) material produced.	<0.4% of hydrophilic silica, <0.75% treated silica produced in FY21. Establish quality KPIs (e.g. %OQ by Grade, Unit, Cause, Disposition).	Monitor via monthly/YTD %OQ and KPIs	Operations Manager	End of FY21	Hydrophilic result 0.22% vs target <0.3% Hydrophobic result 0.33% vs target <0.65%
FY21/3	Energy Intensity reduction (Sustainability 2025)	Understand current conditions, Review previous energy studies, Identify energy reduction opportunities, Develop real time energy intensity indication	Energy Intensity A3 team	Operations Manager	End Q2	Electricity users identified and ranked by biggest consumption/cost Improvement opportunities identified for these users Currently ranking opportunities for impact vs ease of implementation
FY21/4	FIBC recycle project	Test feasibility of reusing FIBC bags through supplier recycle programme	Select a key customer to trial recycle bag station and send one set of bags through cleaning process. Refill and supply bags to customer and review usability	Product line engineer	End of FY21	Timeline on this objective has moved into FY22 we had significant delays to the project in FY21 due to COVID 19 impacting resources at our site, the supplier site and the customer site. Progress to date: Customer partner selected, bags filled and shipped, customer has used product and packed bags for cleaning. Next step receive bags back at site to refill and reship to customer
FY21/5	Packaging sustainability	Decrease use of virgin plastics for packaging	Identify site use of virgin plastics and opportunities to replace with recycled options	Product line engineer	End of FY21	After successful trials with the WPS team we have replaced all of our shrink wrap for a version with a content of 30% Sustane® (a high quality and performance recycled polymer). The shrink film is used for protecting and securing the small bags/FIBC on the pallets

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