

This form will report compliance with your permit as determined by an NRW officer

| | | | | |
|------------------------------|--|-------------|------------|-----------|
| Site | Deeside Packaging Coatings EPR/BU7545IM | Permit Ref | BU7545IM | |
| Operator/Permit holder | The Valspar (UK) Corporation Ltd | | | |
| Regime | Installations | | | |
| Date of assessment | 02/02/2017 | Time in | 10:30 | Out 16:00 |
| Assessment type | Audit | | | |
| Parts of the permit assessed | 1.1.1 | | | |
| Lead officer's name | Frost, Julia | | | |
| Accompanied by | Ellis, Rhys | | | |
| Recipient's name/position | Dudley Pritchard/ Site Manager | Date issued | 22/02/2017 | |

Section 1 – Compliance Assessment Summary

This is based on the requirements of the permit under the Environmental Permitting Regulations or the licence under the Water Resources Act 1991 as amended by the Water Act 2003. A detailed explanation is captured in "Compliance Assessment Report Detail" (Section 2) and any actions you may need to take are given in the "Action(s)" (section 4). This summary details where we believe any non-compliance with the permit has occurred, the relevant condition and how the non-compliance has been categorised using our Compliance Classification Scheme (CCS). CCS Scores can be consolidated or suspended where appropriate, to reflect the impact of some non-compliances more accurately. For more details of our CCS scheme, contact your local office.

| Permit conditions and compliance summary | CCS Category | Condition(s) breached |
|--|--------------|-----------------------|
| C2 - Infrastructure - Management system and operating procedures | C3 | 1.1.1 |
| G3 - Infrastructure - Maintenance records | A | |

KEY: See Section 5 for breach categories, suspended scores will be indicated as such.

A = Assessed or assessed in part (no evidence of non-compliance), **X** = Action only,

O = Ongoing non-compliance, not scored.

| | | | |
|------------------------------------|----------|---|----------|
| Number of breaches recorded | 1 | Total compliance score (see section 5 for scoring scheme) | 4 |
|------------------------------------|----------|---|----------|

If the Number of breaches recorded is greater than zero, please see Section 3 for our proposed enforcement response

Section 2 – Compliance Assessment Report Detail

This section contains a report of our findings and will usually include information on:

- The part(s) of the permit that were assessed (eg. Maintenance, training, combustion plant, etc)
- Where the type of assessment was 'Data Review' details of the report/results triggering the assessment
- Any non-compliances identified
- Any non-compliances with directly applicable legislation
- Details of any multiple non-compliances
- Information on the compliance score accrued inc.
- Details of advice given
- Any other areas of concern
- Any actions requested
- Any examples of good practice
- A reference to photos taken

The purpose of the audit was to assess compliance with condition 1.1.1 of the permit.

Environmental Management System

Valspar have an EMS that is accredited to ISO 14001.

Documents are held electronically and are in the process of being moved onto the Qualtrax (integrated management system) that the site will be using to store all documents. At the time of the audit there appeared to be little structure to where the EMS documents were stored and it was not possible to easily locate some of the requested information.

All staff have read only access to Qualtrax. Once amended documents have gone through the appropriate sign off, specific staff are able to put amended documents back onto the system. The Quality Engineer is responsible for document control.

An Environmental Policy is produced every year and signed by the Site Manager. The Policy is displayed at the entrance to the site, as well as electronically.

We were advised during the audit that all relevant documents are reviewed on an annual basis. However, this is not documented when there are no changes required.

An internal audit plan is produced on an annual basis and responsibility is assigned to qualified staff to carry out the audit. The 2016 audit plan was reviewed, a number of these audits were outstanding and follow up on actions had not been completed. The 2017 audit plan is still to be produced.

External audits are carried out, to assess on-going compliance with ISO 14001, on a twice yearly basis. Copies of the last two audit write ups were provided.

An "Environmental Manual" has been produced as part of the ISO 14001 Accreditation. This document provides an overview of the documents that make up the EMS. Not all of these could be located during the audit.

A number of procedures exist that are relevant to permit compliance. In some cases there is overlap between the procedures which could lead to confusion. A number of conditions in the permit, whilst touched upon in a procedure, are not considered adequate enough to secure compliance with the permit.

For example PRO-023 and PRO-027 both mention the requirement to notify NRW of certain issues. Neither provide clear instructions as to what is required and when. The timescales for the required notification are not clear and in PRO0 023 conflict with the requirements of the permit.

In its current format the EMS is not robust enough to secure compliance with the permit conditions, breach permit condition 1.1.1 a, category 3.

Action 1

The Operator shall review and update the existing EMS procedures to ensure it is adequate to secure compliance with the environmental permit. Deadline end May 2017. The Operator should also ensure that all relevant staff are provided with training on where the documents are kept.

The Operator has recently started to use the "KMI" system to track actions (for example maintenance, reporting, non conformances). The system can be used to log regular submissions as well as one off's. Reminders are sent to the responsible personnel. The system can also be used to log once the action is complete. Not all of the reports required by the permit were included within the KMI during the audit.

Action 2

Ensure all reports required by Permit are detailed in the KMI system, by end March 2017.

PRO -029. The site's aspect and impacts register was discussed during the audit. The document has been in place for a number of years and the rationale behind the process could not be located during the audit. Approximately 100 aspects have been considered and assessed against certain criteria. Without the rationale behind the chosen aspects it is hard to assess whether all aspects have been considered and exactly what some of these cover. Each aspect has been scored against set criteria during both normal and abnormal / accident / abnormal conditions. Using this score the aspects are then ranked in order of significance. Using the current scoring system there is very little difference in the scores of all the aspects considered. No definition of significance, or actions taken to reduce significance, could be provided. Aspects such as runaway or exothermic reactions had not been considered. The aspect and impacts register should then feed into a significant aspects list, which will require an action plan

Action 3

The Operator shall review PRO-029 and the associated current impacts and aspects register to ensure it fully reflects the activities on site and correctly ranks them. A significant aspects list and associated action plan shall be produced based on the updated register.

Action 4

By the end of March 2017, the Operator shall review the Operator Performance section of their EP OPRA spreadsheet to ensure, based on the EMS as it currently exists, that the answers are correct.

Recommendations

- Continue with the transfer of all relevant documents onto the Qualtrax system as a priority
- Produce an index of all of the documents that make up the EMS
- Document the annual review of the EMS documents
- Ensure adequate resources are made available to secure compliance with the permit
- Replace reference to Environment Agency with Natural Resources Wales when the procedures are next reviewed
- The Operator should ensure that adequate resources are available to carry out the planned audits
- The documents need updating to reflect the fact that the site has registered under COMAH

Maintenance

All maintenance, planned and reactive is logged on the KMI system. Tasks are assigned to relevant staff and the system is updated once the task is complete.

Service agreements are in place for some key plant.

A number of reports can be run from the KMI system which assist the Operator with the maintenance on site. For example, repeat failures of equipment, if improvements highlighted on equipment which other equipment may benefit from this also.

An approved supplier list has been produced.

There is currently no list of environmentally critical equipment. This feeds on from the significant aspects and impacts discussed above. For any equipment that is deemed environmentally critical the Operator should carry out an assessment into the impacts, if the equipment breaks down and ensure that processes are in place to cover the actions required / critical spares list etc.

Recommendations

- Produce a list of environmentally critical equipment detailing the required response if this equipment fails

Tank Farm Improvements

The Operator highlighted their intention to carry out improvements in the bulk storage tank bund. It is proposed that an additional tank will be installed, resulting in an additional emission point. The bund capacity will be increased.

This change will require a permit variation and the Operator was advised to submit the information to be considered as part of the variation that has recently been submitted.

The Operator was advised to consider the requirements of CIRIA 736, Containment systems for the prevention of pollution - secondary, tertiary and other measures for industrial and commercial premises.

Odour

The Operator advised that progress had been made with investigating the recent odour issues raised by NRW. Further work was underway and the Operator will be able to feedback fully on the proposed solution by the end of February 2017.

The Operator also confirmed that improvements had been made to the daily checks. Checks are now made on and off site by two staff - one office based and one who would be able to recognise the type of odour and highlight the source.

These checks are documented and will be reviewed further during future audits.

EPR Compliance Assessment Report

**Report ID:
CAR_NRW0031122**

This form will report compliance with your permit as determined by an NRW officer

| | | | |
|------------------------|--|------------|------------|
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| Operator/Permit holder | The Valspar (UK) Corporation Ltd | Date | 02/02/2017 |

Section 3 – Enforcement Response

You must take immediate action to rectify any non-compliance and prevent repetition. Non-compliance with your permit conditions constitutes an offence and can result in criminal prosecutions and/or suspension or revocation of a permit. Please read the detailed assessment in Section 2 and the steps you need to take in Section 4 below.

In respect of the above non-compliance you have been issued with a warning. At present we do not intend to take further enforcement action. This does not preclude us from taking additional enforcement action if further relevant information comes to light or offences continue.

Section 4 – Action(s)

This section summarises the actions identified during the assessment along with the timescales for when they will need to be completed.

| Criteria Ref. | CCS Category | Action required/advised | Due Date |
|---------------------|--------------|-------------------------|------------|
| See Section 1 above | | | |
| C2 | C3 | See CAR form text | 31/05/2017 |

Section 5 – Compliance notes for the Operator

To ensure you correct actual or potential non-compliance we may

- Advise on corrective actions verbally or in writing
- Require you to take specific actions verbally or in writing
- Issue a notice
- Require you to review your procedures or management system
- Change some of the conditions of your permit
- Decide to undertake a full review of your permit

Any breach of a permit condition is an offence and we may take legal action against you

- We will normally provide advice and guidance to assist you to come back into compliance either after an offence is committed or where we consider that an offence is likely to be committed. This is without prejudice to any other enforcement response that we consider may be required.
- Enforcement action can include the issue of a formal caution, prosecution, the service of a notice and/or suspension or revocation of the permit.

See our Enforcement and Civil Sanctions guidance for further information

This report does not relieve the site operator of the responsibility to

- Ensure you comply with the conditions of the permit at all times and prevent pollution of the environment
- Ensure you comply with other legislative provisions which may apply

Non-compliance scores and categories

| CCS category | Description | Score |
|--------------|--|-------|
| C1 | A non-compliance that could have a major environmental effect | 60 |
| C2 | A non-compliance which could have a significant environmental effect | 31 |
| C3 | A non-compliance which could have a minor environmental effect | 4 |
| C4 | A non-compliance which has no potential environmental effect | 0.1 |

Operational Risk Appraisal (Opra) - Compliance assessment findings may affect your Opra score and/or your charges. This score influences the resource we use to assess permit compliance.

Section 6 – General information

Data protection notice

The information on this form will be processed by the Natural Resources Wales (NRW) to fulfil its regulatory and monitoring functions and to maintain the relevant public register(s). The NRW may also use and/or disclose it in connection with:

- Offering/providing you with its literature/services relating to environmental matters
- Consulting with the public, public bodies and other organisations (eg. Health and Safety Executive, local authorities) on environmental issues
- Carrying out statistical analysis, research and development on environmental issues
- Providing public register information to enquirers
- Investigating possible breaches of environmental law
- Assessing customer service satisfaction and improving its service
- Freedom of Information Act/Environmental Regulations request

The NRW may pass it on to its agents/representatives to do these things on its behalf. You should ensure that any persons named on this form are informed of the contents of this data protection notice.

Disclosure of information

The NRW will provide a copy of this report to the public register(s). However, if you consider that any information contained in this report should not be released to the public register(s) on the grounds of commercial confidentiality, you must write to your local area office within fifteen working days of receipt of this form indicating which information it concerns and why it should not be released, giving your reasons in full.

Customer charter

What can I do if I disagree with this compliance assessment report?

If you are unable to resolve the issue with your site officer, you should firstly discuss the matter with officer's line managers using the informal appeals procedure. If you wish to raise your dispute further through our official Complaints and Commendations procedure, phone our general enquiry number 0300 065 3000 (Mon to Fri 08.00 – 18.00) and ask for the Customer Contact team or send an email to enquiries@naturalresourceswales.gov.uk. If you are still dissatisfied you can make a complaint to the Public Services Ombudsman for Wales. For advice on how to complain to the Ombudsman phone their helpline on 0845 607 0987.

Welsh Language

If you would like this form in Welsh please contact your Regulatory Officer.