

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

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|--|--|---------------|-----------------|-----------|------------------|
| Site | Deeside Packaging Coatings EPR/BU7545IM | Permit Ref | BU7545IM | | |
| Operator/ Permit holder | The Valspar (UK) Corporation Ltd | | | | |
| Date | 02/02/2016 | Time in | | Out | |
| What parts of the permit were assessed | Review of monitoring returns 2015 & Odour issues from previous inspections | | | | |
| Assessment | Report/data review | EPR Activity: | Installation: X | Waste Op: | Water Discharge: |
| Recipient's name/position | Phil Silver, SHE Manager | | | | |
| Officer's name | Lara Cubley | Date issued | 03/02/2016 | | |

Section 1 - Compliance Assessment Summary

This is based on the requirements of the permit under the Environmental Permitting Regulations. A detailed explanation and any action you may need to take are given in the "Detailed Assessment of Compliance" (section 3). 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 | | | Condition(s) breached |
|---|--|----|-----------------------|
| a) Permitted activities | 1. Specified by permit | N | |
| b) Infrastructure | 1. Engineering for prevention & control of pollution | N | |
| | 2. Closure & decommissioning | N | |
| | 3. Site drainage engineering (clean & foul) | N | |
| | 4. Containment of stored materials | N | |
| | 5. Plant and equipment | N | |
| c) General management | 1. Staff competency/ training | C3 | 1.1.1 |
| | 2. Management system & operating procedures | N | |
| | 3. Materials acceptance | N | |
| | 4. Storage handling, labelling, segregation | N | |
| d) Incident management | 1. Site security | N | |
| | 2. Accident, emergency & incident planning | N | |
| e) Emissions | 1. Air | C3 | 2.3.1, 3.1.1 |
| | 2. Land & Groundwater | N | |
| | 3. Surface water | N | |
| | 4. Sewer | N | |
| | 5. Waste | N | |
| f) Amenity | 1. Odour | N | |
| | 2. Noise | N | |
| | 3. Dust/fibres/particulates | N | |
| | 4. Pests, birds & scavengers | N | |
| | 5. Deposits on road | N | |
| g) Monitoring and records, maintenance and reporting | 1. Monitoring of emissions & environment | N | |
| | 2. Records of activity, site diary, journal & events | N | |
| | 3. Maintenance records | N | |
| | 4. Reporting & notification | C4 | 4.2.2, 4.2.1 |
| h) Resource efficiency | 1. Efficient use of raw materials | N | |
| | 2. Energy | N | |

KEY: C1, C2, C3, C4 = CCS breach category (* suspended scores are marked with an asterisk), A = Assessed (no evidence of non-compliance), N = Not assessed, NA = Not Applicable, O = Ongoing non-compliance – not scored

| | | | |
|------------------------------------|---|---|-----|
| Number of breaches recorded | 5 | Total compliance score (see section 5 for scoring scheme) | 8.3 |
|------------------------------------|---|---|-----|

If the Total No Breaches is greater than zero, then please see Section 3 for details of 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 (e.g. 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 suspended or consolidated scores.
- details of advice given
- any other areas of concern
- all actions requested
- any examples of good practice.
- a reference to photos taken

This report should be clear, comprehensive, unambiguous and normally completed within 14 days of an assessment.

This compliance assessment report covers all monitoring and reporting required by the Permit for 2015. It also covers odour issues identified at the site and associated permit compliance.

Emissions to Air

January – March 2015

REC report forwarded to Natural Resources Wales on 9 June 2015. **Permit condition 4.2.2 requires such monitoring data to be submitted within 28 days of the end of the reporting period. G4 Reporting - Permit non-compliance with no environmental impact CCS = 4.** Whilst the Particulate concentration is below the emission limit of 20mg/m³ it is elevated at a concentration of 18.4mg/m³. This does not appear to have been noted or investigated by the Operator.

April – June 2015

REC report forwarded to Natural Resources Wales on 11 August 2015. **Permit condition 4.2.2 requires such monitoring data to be submitted within 28 days of the end of the reporting period. G4 Reporting - Permit non-compliance with no environmental impact CCS = 4.** Whilst the VOC class B result for A2 is below the emission limit values of 2000 g/hr, the result of 1125.23 g/hr is higher than previous results. This issue does not appear to have been noted or investigated by the Operator.

July – Sept 2015

REC report forwarded to Natural Resources Wales on 23 October 2015.

Results for the VOC class B's are all below the emission limit value of 2000 g/hr. However, 852g/hr for VOC class B's for emission point A5 (paint plant) is considerably higher than previous quarters.

The Methyl Acrylate result for A5 is considerably higher than the usual result. At a concentration of 1385.6g/hr it is also significantly higher than the 100 g/hr proposed by the Operator as an emission limit value in response to Improvement Condition 3. Neither of these issues appear to have been noted or investigated by the Operator. **C1 General Management – Permit Condition 1.1.1 requires the activities to be operated in accordance with a management system which identifies and minimised the risk of pollution. However, this does not appear to have been the case with exceeding proposed limits and failure to investigate CCS = 3 with minor potential environmental impact.**

October – December 2015

Report received 29 January 2016. Results recorded are all below emission limits.

Reporting in General

The Operator should ensure that the appropriate reporting forms are used to make the submissions required by the Permit. The three quarters, January to September 2015, were subsequently received 21 December 2015 on correct forms required by the Permit.

No written procedures could be provided during inspection of 10 December 2015 to cover the process of reviewing results and making relevant submissions to Natural Resources Wales.

The higher than usual results should be investigated and the findings fed back to Natural Resources Wales.

An emission limit value for class A VOC's of 100 g/hr, on emission points A1, A2, A3, and A5 as proposed by the Operator's response to Improvement Condition 3, should be used going forward. This will be incorporated into the permit during the next variation.

The Operator's Environmental Management System should be updated to include a procedure to cover the responsibilities relating to arranging of monitoring, assessment of monitoring results and submission of results to Natural Resources Wales. **A copy of the updated procedure should be submitted to Natural Resources Wales by 25 March 2016. Permit breach Condition 1.1.1 – see C1 General Management above Emissions to air July – September 2015.**

Annual Reporting

The Operator provided an annual report for 2015 to Natural Resources Wales on 29 January 2016. The following issues were noted:

- Solvent - Total solvent emissions as a % of solvent input not provided. Operators comment regarding introduction of non BPA product – please see alternative resins section below.
- Energy – Conversion factor of 2.4 used when it should be 2.6 for delivered to primary. Gas oil not converted to primary MWh. Total primary energy usage and specific unit output not reported.

The Operator is to correct and re-submit annual reporting forms to Natural Resources Wales by 19 February 2016.

Condition 4.2.1 requires annual reporting as required by the Permit. This was lacking as pointed out above. It also failed to supply information on the Operator's EMS, Condition 4.2.1 (b), summary of previous year's progress against improvement target and a review of the monitoring results. G1 Reporting – Permit breach CCS = 4 no environmental impact. The Operator is to submit this information to Natural Resources Wales by 26 February 2016.

Alternative Resins

As previously requested the Operator has confirmed 'no change in resin type used that would have an impact on the scope of the permit. The reference to discussions in 2010 relating to alternative resin was at planning stage. This has yet to become live for the site and is currently on hold.'

Any changes to permitted activities and operating procedures as stated and incorporated into the Permit (see Conditions 2.1 – 2.3 inclusive) must be provided to Natural Resources Wales.

The nature of your response on the 15 January 2016 was not clear and is inconsistent with that provided in annual return 2015 dated 29 January 2016 and during site inspection 10 December 2015. **Please elaborate on any such changes including any assessment of impact on the scope of the permit which has been undertaken for our own assessment by 26 February 2016. Permit compliance will be assessed on receipt of this response.**

Odour Issues

Following on from the inspection 15 December 2015, the Operator responded to the compliance assessment report requirements on the 15 January 2016. This confirmed two additional emission points to air; SA1 LEV and resin TK filters LEV, both commissioned on 28 November 2014. **Condition 2.3.1 requires activities to be operated using the techniques and in the manner described in table S1.2 which includes additional information received on emission points to atmosphere. Specified by permit. Condition 3.1.1 of the Permit requires that there shall be no point source emissions to air except from the sources and points listed in table S4.1. E1 Emissions to air – CCS = 3 Potential minor environmental impact.**

The Operator must review his change management procedures to ensure any changes are managed in accordance with the permit, i.e. Natural Resources Wales are informed

and a variation to the permit is sought where required. See comments above under Alternative resins too. The Operator must submit evidence to Natural Resources Wales by 25 March 2016 to demonstrate that this management is in place.

The Operator must also apply for a Normal Variation to their Permit to reflect these additional emission points to air by 29 April, or as otherwise agreed in writing with Natural Resources Wales.

The Operator must take into account the recommendations /comments in relation to the Odour Management Plan (OMP) made in compliance assessment report BU7545IM/0254286. He must also ensure that dispersion modelling takes into account concentrations such as Methyl Acrylate of 1385g/hr at emission point A5 (July – Sept 2015). Please also confirm corresponding efflux velocities and other model parameters used in any modelling exercises. **A revised copy of the OMP taking into account comments shall be made to NRW by 25 March 2016. The Operator must provide a plan of Further Works/Improvements required together with timescales by 25 March 2016 to Natural Resources Wales.**

Solvent Emissions


The Operator provided Natural Resources Wales with Solvent Emissions – 2014 report dated 29 January 2015 on 28 May 2015 as requested. We have the following comments:

- There is some uncertainty as to the method used to calculate solvent emissions from the LEV. It is thought that the LEV takes solvent emissions from the top of the mixing vessels and then vents to atmosphere. As such, why has only ambient VOC monitoring within the paint plant been considered and not monitoring directly from the LEV exhaust vent itself?
- During and since the recent inspection (10 December 2015) an additional emission points within the paint plant has been identified. Emissions from this point should be considered within the Solvent Management Plan.

The report showed compliance with Total Solvent Emissions of <3% of solvent input (0.83%) as required by Industrial Emissions Directive.

The Operator must address these comments and report on 2015 solvent emissions (see section above Annual Reporting).

In this document 'Natural Resources Wales' means the Natural Resources Body for Wales established by Article 3 of the Natural Resources Body for Wales (Establishment) Order 2012.

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|--|---|-----------------------------|
|  | EPR Compliance Assessment Report | Report ID: BU7545IM/0256845 |
|--|---|-----------------------------|

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

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|------------------|---|--------|------------|
| Site | Deeside Packaging Coatings EPR/BU7545IM | Permit | BU7545IM |
| Operator/ Permit | The Valspar (UK) Corporation Ltd | Date | 02/02/2016 |

Section 3- Enforcement Response **Only one of the boxes below should be ticked**

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.

| | |
|--|--------------------------|
| Other than the provision of advice and guidance, at present we do not intend to take further enforcement action in respect of the non-compliance identified above. This does not preclude us from taking enforcement action if further relevant information comes to light or advice isn't followed. | <input type="checkbox"/> |
|--|--------------------------|

| | |
|--|-------------------------------------|
| 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. | <input checked="" type="checkbox"/> |
|--|-------------------------------------|

| | |
|--|--------------------------|
| We will now consider what enforcement action is appropriate and notify you, referencing this form. | <input type="checkbox"/> |
|--|--------------------------|

Section 4- Action(s)

Where non-compliance has been detected and an enforcement response has been selected above, this section summarises the steps you need to take to return to compliance and also provides timescales for this to be done.

| Criteria Ref. | CCS Category | Action Required/Advised | Due Date |
|---------------------|--------------|--|----------------------|
| See Section 1 above | | | |
| G4 | C4 | See Actions Section 2 – Emissions to air (January – June) & Reporting in General. | 25/03/16 |
| C1 | C3 | See Actions Section 2 – Emissions to air (July – September) & Reporting in General. | 25/03/16 |
| G4 | C4 | Annual reporting requirements to be corrected and re-submitted and those not submitted to be submitted. See text in Section 2. | 19/02/16 26/02/16 |
| E1 | C3 | See Actions Section 2 – Odour Issues. Normal Variation. | 25/03/16 29/04/16 |

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 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 which 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 fulfill 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 (e.g. 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 and taking any resulting action
- preventing breaches of environmental law
- assessing customer service satisfaction and improving its service
- Freedom of Information Act/Environmental Information 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 twenty 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 the officer's line managers. 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.