

Natural Resources Wales
Chester Road
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30th January 2017

Dear Matthew

The Environmental Permitting Regs 2010
Permit Reference: YP3732LZ (BM4848IY)
Summary Report of Annual Improvement Targets

As required in condition 4.1.4 of permit YP3732LZ (BM4848IY), detailed below is a summary of Prysmian Cables & Systems Ltd, Wrexham, annual improvement targets and results for 2016. The specific improvement targets are generated within the framework of our ISO 14001 environmental management system certificated by UKAS approved certification body, SGS.

During July 2016, the management system was re-audited for compliance to ISO 14001:2004, which was undertaken by an affiliate assessor for SGS. During this audit the EMS was found to be compliant to the standard with just one non-conformance identified. This was addressed immediately during the audit to the satisfaction of the auditor. Further improvements have been planned and actioned to ensure continued compliance.

The UK Prysmian Group is committed to the reduction of the environmental impact of its activities. Prysmian joined the Achilles CEMARS programme in 2012 and had a certified Carbon Footprint to the ISO14064-1:2006 standard. The last audit for this was completed in July 2015. The previous 2014 audit had shown a reduction of around 4% in CO2 emissions, but due to the change in the emission factors the 2015 audit showed an increase of around 3% compared to the base year. The scope 2 emission (electricity) accounts for around 60% of the emissions and the reported increase in CO2e was despite a significant 5.3% reduction in electricity usage. As a result of this anomaly in the reporting mechanism and a change of commercial drive from customers the membership of the Achilles programme has been dropped in 2016. The drive to reduce the environmental impact of the company activities has continued and this is driven by the on-going monitoring and target setting. This is demonstrated by the issue of the Corporate Sustainability Report which is available on the company website: <http://www.prysmiangroup.com/en/index.html>

The company approach is to set annual environmental objectives in 5 categories as listed below;

- Compliance with legislation
- Energy and Water Usage
- Waste Management, Recycling and Yield
- Employee Training / Communication / Awareness
- Risk assessments / reduction, housekeeping and improvements

A description of the main aspects of the achievements of the Wrexham site against each of these categories follows:

1. Compliance with legislation

The Wrexham site maintains a register of relevant environmental legislation and the level of compliance is determined from an annual Compliance Evaluation and from any other audit or compliance issues raised during the year. Overall the level of compliance during 2016 was high in all areas of legislation and the objective was achieved with no breaches of permitted limits.

A minor breach was raised in the NRW compliance assessment report (CAR_NRW0020592). Criteria reference G4, CCS category C4 - Ensure reports required by the permit are submitted by deadlines specified in permit, resulting in a compliance score of 0.1. This has been discussed internally during Environmental Management Review with an action to address the timeline for data collection.

No external complaints were filed against the facility and its operations. Three near misses were recorded across the site for the year, all involving external logistics contractors entering site and part of their hydraulic systems failing. From the resultant spillages, no significant amount of fluid was lost from the vehicles and the onsite spillage procedure was engaged successfully to ensure the liquid was contained, with none entering the water courses around the facility during any of the near misses.

All incidents were investigated with conclusions and corrective actions documented. All companies involved have been contacted concerning the issues with their vehicles and have subsequently provided the company with their corrective actions.

2. Energy and Water Usage

The Wrexham site has a CCA and therefore has a specific energy target. The monitoring and reporting of the energy is managed by Briars Associates on behalf of Prysmian. The target for the 2016-2017 period was set as 1,942 kWhp/tonne.

The cumulative figure achieved at the end of 2016 was 1,831 kWhp/tonne. This is within the target set for the year and is a 6% improvement. The improvement was not as high as previous years due to a decrease in production output but fixed energy requirements for the site remaining the same.

The water usage at Wrexham is well managed with a recirculation system for process water and this is topped up by collection of water from the roof. The town water consumption continues to be monitored, and any anomalies are reported to the site team for investigation. However, no anomalies have been reported this last year.

3. Waste Management, Recycling and Yield

The effective use of material is a key measure for Prysmian and tight controls are in place to ensure that start up scrap is minimised and that only the minimum amount of material is used for the products consistent with meeting the product specifications. A target for material efficiency is set for each factory and for Wrexham the final result was a reduction of 0.06% over usage during 2016, from 1.35% during 2015 to 1.29%. This change is due to a reduction of production output and a continual focus on product being made to specification tolerances.

The waste to landfill was targeted for a 5% reduction for 2016 over the 2015 result, in ratio to a known 4% reduction of output for the site. A target figure of 1.85% was set but the year-end figure was 2.13%, an increase of 0.28% of the target. This is attributed to a key factor at the start of the year when the business was re-aligning the shift pattern onsite from a 4 shift system to a 5 shift system. Due to this, the number of production start/stops and changeovers increased and as such, produced waste increased. The first three months running at 2.72% ratio, a position which was recovered during the rest of the year but not to set target.

This year it is envisaged that the initial peak concerning waste will not reoccur and a more linear figure will be produced enabling further reductions in line with set target.

4. Employee Training / Communication / Awareness

The training objective has been met by ensuring that all new starters during the year have been briefed and inducted on all aspects of the company including items such as the Company policies and procedures. This is a formalised process and records of induction training are maintained and audited.

The awareness of the environmental objectives and requirements is maintained by a number of Environmental Team Meetings with representation from all areas of the factory. The objectives are maintained by planned 5S audits which prompt the identification of concerns which could affect the environment and regular management audits of all areas. These audits are part of the site safety plan and are monitored through the site HSE KPI measures.

Spill kit/waste awareness training has been completed with the logistics team with a number of other key members of the production facility. A presentation and film was used in conjunction to raise awareness of both key issues.

In a general way, there is an Environmental Notice Board alongside the main pedestrian access to the factory working areas and relevant information has been posted here throughout the year. It is concluded that this training/ awareness objective has been satisfactorily completed.

5. Risk assessments / reduction, housekeeping and improvements

The environmental system is well established and a significant aspect of this now is to maintain the system. This is achieved by setting an objective to carry out 5S housekeeping audits in the offices, factory and external areas of the factory. These have been carried out to plan and thus the objective is achieved.

- Total actions completed 41 versus 59 raised = 69% completion rate. Remaining items are generally long term legacy actions.
- Annual average audit score was 86% versus 84% previous year, a sustained 2% improvement.

Opportunities to reduce the risk to the environment are identified and reviewed by the business as part of the management process. Three examples of such improvements are listed below:

- Continued significant investment to external roads and drum storage areas. Road repairs completed to minimise any environmental risk that could result in fuel spillage from wagons and FLT fuel tanks.
- Refurbishment of external chemical mixing building and increase of operator awareness to ensure the reduction possible chemical spillage/exposure.
- Refresher training of onsite Logistical contractor employees, covering onsite policies.

In conclusion, the management review of the performance for 2016 shows that a number of significant objectives have been achieved such as the specific energy target. These achievements have been generated despite the significant shift pattern change for the site and an extremely demanding market place for product which has seen a drop of output. Other targets such as the waste target have proved to be more difficult to achieve in 2016. Actions are in place to try and achieve an improved performance in 2017 as some of the influences described previous should not be a factor this year.

To conclude, the EMS has been successful in reducing the impact that the company has on the environment and thus fulfilling the policy statement.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Derick Forsyth", written over a horizontal line.

Derick Forsyth

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