

Compliance Assessment Report CAR_NRW0042557

Permit being assessed: AB3893FZ.

For: Newport Semiconductor Facility, **held by:** IQE Silicon Compounds Ltd

At: Imperial Park, Celtic Way, Celtic Lakes, Newport, Newport, NP10 8BE.

Type of assessment: Report/Data Review,

Reason: Other.

On: 03/10/2023.

Parts of permit assessed: 4.3 Notifications.

NRW Lead Officer: Luke Burton.

Report sent to: Andrew Mason, Group HSE Manager UK & Asia, on 03/10/2023.

1. Summary of our findings (full details in section 4)

Part of permitted activity assessed (compliance criteria)	Assessment result	Permit condition
IR4C - Information - Notification	C4 No impact (Suspended)	4.3.5
IR3A - Emissions and monitoring - Emissions to water, air or land	C4 No impact (Suspended)	3.1.2

Result types are explained in more detail in the 'Important Information' section below.

Total non-compliances recorded	Total non-compliance score
2	0

How we use the non-compliance score to calculate your annual fee is explained in the 'Important Information' section below.

2. What action is required?

Criteria	Action needed	Complete by
IR4C	On-going conditions. See conditions in CAR body.	Already completed
IR3A	On-going conditions. See conditions in CAR body.	Already completed

Compliance criteria codes are listed in the 'Important information' section below.

3. What will happen next?

Any non-compliance we have identified and recorded on this form is an offence. It can result in criminal prosecution and/or suspension or revocation of your permit.

At this time, we do not intend to take any further action.

This statement does not stop us from taking additional enforcement action if further relevant information comes to light or offences continue.

4. Details of our assessment

This Compliance Assessment Report (CAR) has been produced in response to IQE Silicon Compounds Ltd request to use an oxidation furnace to test wafers produced at the Newport and other IQE facilities due to an urgent required change in business operations.

In summary, the oxidation furnace is not currently covered by the sites permitted operation and its use will result in a change to the site's emission profile.

In respect of the emissions profile, modelled concentrations at sensitive receptor locations are not expected to materially change compared to those permitted under the 2019 variation of the site's permit. NB the 2019 variation permitted the operation of 20 reactors and only 10 of those have been brought into use, to date.

The use of the oxidation furnace represents a change in the nature or functioning of the activities which may have consequences for the environment and the change is not otherwise the subject of an application for approval under the Regulations or this permit.

This CAR approves the use of the oxidation furnace under condition 4.3.5 of the environmental permit given that Natural Resources Wales have been notified of the change at least 14 days before making the change and the notification contains a description of the proposed change in operation.

The description of the proposed change comprises the following documents:

- *Minor Operational Change Submission EPR/AB3983FZ Operation of the Oxidation Furnace IQE Silicon Compounds (Newport) Ltd CRM.443.007.PE.R.001*
- *Technical Note 5223588.820/1.0/18/09/2023*

The operation of the oxidation furnace is approved on the basis of the below conditions:

1. The operation of the unpermitted oxidation furnace is time limited to 9 months from the date of this CAR.
2. An environmental permit variation application covering the operation of the oxidation furnace is submitted as soon as possible (deadline for application to be agreed in writing by Natural Resources Wales).
3. The operation of the oxidation furnace is in line with the above referenced documents.
4. All relevant operating techniques documents are updated to reflect the operation of the oxidation furnace.
5. Natural Resources Wales reserve the right to cease the operation of the oxidation furnace if revised operating techniques are not followed or following any adverse

environmental impacts.

6. IQE undertake emission monitoring of the operation of the oxidation furnace to prove assumptions made within the risk assessment and modelling.
7. The approval of the operation of the oxidation furnace does not preclude IQE from having to at a future date gather and supply further information on the operation of the oxidation furnace at the request of Natural Resources Wales.
8. It is IQE's responsibility to ensure compliance with all other legal requirements including obtaining any other required authorisations and making relevant notifications.

Suspension of permit breaches

Suspended permit breaches have been scored against permit conditions 4.3.5 and 3.1.2 as is standard procedure changes in the nature or functioning of the activities which may have consequences for the environment.

The scores are suspended for the duration of the unpermitted operation of the oxidation furnace. The score is based on the foreseeable risk most likely to occur from the activity.

If the agreed conditions of the trial are breached, the suspended score is then enforced via a CAR and we will consider whether any further enforcement response is needed.

If no breach is recorded a future CAR will state the suspended score is withdrawn.

END

If you have any queries about this report, or to discuss completion of any actions, please contact the NRW Officer named above.

Important information

Legal status of this report

Your permit is issued to you under the Environmental Permitting Regulations. You have a responsibility to comply with the conditions of your permit and prevent pollution/harm of the environment. You must also ensure that you comply with any other relevant legislation that may apply to your site's operations.

This report explains the findings of our assessment and any action you are required to take. We categorise non-compliance using our guidance for assessing non-compliance at regulated sites.

When we find potential non-compliance/s we will normally give you advice on how to maintain compliance.

To correct non-compliance, we may:

- require you to take specific actions
- issue a notice
- review the conditions of your permit.

Any advice and guidance we give will be without prejudice to any other enforcement response that we consider may be required.

Assessment results and non-compliance categories (used in section 1):

Assessment result	Description
Assessed (A)	Assessed or assessed in part, no evidence of non-compliance found
Action only (X)	Action only relating to the activity assessment
Ongoing (O)	Ongoing non-compliance, not scored

Non-compliance category	Description	Score
C1 Major	Potential to have a major, serious, persistent and/or extensive impact or effect on the environment, people and/or property	60
C2 Significant	Potential to have a significant impact or effect on the environment, people and/or property	31
C3 Minor	Potential to have a minor or minimal impact or effect on the environment, people and/or property	4
C4 No environmental impact	Non-compliance at a regulated site that cannot foreseeably have any impact on the environment, people and/or property	0.1

How we use assessment scores

The number and severity of non-compliances recorded in a year will affect your annual subsistence fee the following year. A non-compliance factor is added to your site's Operator

Performance Risk Appraisal (OPRA) score when we calculate your fee to reflect the additional resource we use to assess permit compliance.

If your assessment result in Section 1 is suspended, what does this mean?

In line with our guidance, we may suspend scores for up to six months to allow time for remedial action to be taken. Suspended scores will be re-instated if the action is not completed.

Full list of Industry compliance criteria (used in section 1 and 2):

1. Management

- IR1A – General management
- IR1B – Finance (only applicable to Landfill)
- IR1C – Energy efficiency
- IR1D - Efficient use of raw materials
- IR1E - Avoidance, recovery and disposal of wastes produced by the activities
- IR1F - Multiple operator installations

2. Operations

- IR2A – Permitted activities
- IR2B – The site
- IR2C – Operating techniques
- IR2D – Technical requirements
- IR2E – Improvement programme
- IR2F – Pre-operational conditions
- IR2G – Landfill engineering (only applicable to Landfill)
- IR2H – Waste acceptance (only applicable to Landfill)
- IR2I – Leachate levels (only applicable to Landfill)
- IR2J – Closure and aftercare (only applicable to Landfill)
- IR2K – Landfill gas management (only applicable to Landfill)

3. Emission and Monitoring

- IR3A – Emissions to water, air or land
- IR3B – Emissions of substances not controlled by emission limits
- IR3C – Odour
- IR3D – Noise and vibration
- IR3E – Monitoring
- IR3F – Pests
- IR3G – Air quality management plans
- IR3H – Monitoring for the purposes of the Industrial Emissions Directive (this heading includes Large Combustion Plants)
- IR3I – Fire

4. Information

- IR4A – Records
- IR4B – Reporting
- IR4C – Notification

Enforcement response

Any non-compliance with a permit condition is an offence and we may take legal action against you. Action we take can include prosecution, serving a notice on you and/or

suspension or revocation of your permit. See our Enforcement and Sanctions Guidance for further information.

Data protection notice

You should make sure that anyone named in this report knows that the information it contains will be processed by Natural Resources Wales to fulfil its regulatory and monitoring functions and to maintain the relevant public register(s).

We may also use and/or disclose the report in connection with:

- offering or providing you with our literature or 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
- assessing customer service satisfaction and improving our service
- Freedom of Information Act or Environmental Information Regulations requests.

We may also pass it on to our agents or representatives to do these things on our behalf.

Disclosure of information – this report will be available to view on-line

If you think this report contains commercially confidential information that should not be placed on our public register, you must contact your local Natural Resources Wales office within **fifteen working days** of receiving this report, using the contact details in the accompanying email or letter. You must give a full explanation of why it should not be added to our public register, including specifying which information is commercially confidential. We will assess your request and respond to you within twenty working days to let you know if we agree to your request.

What do I do if I disagree with the report or have a complaint?

If you disagree with this compliance assessment report, you should contact the lead officer without delay to discuss your concerns.

If you are unable to resolve the issue with the lead officer or their line manager you should contact our Customer Contact team on 0300 065 3000 (Monday to Friday 08:00 to 18:00), or email enquiries@naturalresourceswales.gov.uk for details of how to raise your dispute further through our Complaints and Commendations procedure.

If you are dissatisfied with our response, you can contact the Public Services Ombudsman for Wales by phone on 0300 7900203 or by email at ask@ombudsman.wales

Welsh Language Standards

We are committed to establishing Natural Resources Wales as a naturally bilingual organisation. We will provide compliance reports in your preferred language.