

Section 4.1.3 of Kepak Group Limited's Merthyr Tydfil's Environmental Permit requires this summary report of the previous year's performance against the targets set in **EMS 9.0M Setting of Objectives and Targets** of the site's EMS.

1. Targets Overview

These targets are detailed in **EMS 9.0M Setting of Objectives and Targets**. To meet these objectives and targets, an Environmental Objectives and Target Plan (EMS 9.1M) has been developed to track progress.

Environmental Aspect	Objective	Method of Achievement	Timescale
Compliance			
Environmental Permit Banding	50% A/B 0% E	- Environmental audits - Continuous implementation of EMS - Environmental awareness training - WWTP Management and Control	2023
Environmental Complaints	Reduction in Environmental Complaints	- Continuous implementation of the Odour Management Plan - Continuous implementation of EMS	2023
Reportable Environmental Incidents	Reduce and Eliminate Environmental Incidents	- Environmental Awareness Training, including Spillage Response - Mock Spillages - Environmental audits	2023
External environmental non-compliances	Reduce and Eliminate Environmental Non-conformances	- Environmental Awareness Training for key personnel - Continuous implementation of EMS - Environmental audits	2023
Energy and Water			
Water use per tonne of production	Reduce water usage by 2% (m ³ /MT)	- Monitoring information from water monitoring system, identifying high usage areas and potential opportunities for improvement - Tool box talks with operators and training - Introduction of a number of water reduction projects	2023
Absolute Water Use (m ³)	Reduction in absolute water usage by 20%	- Monitoring information from water monitoring system, identifying high use areas and potential practical opportunities for improvement. - Implement and quantify improvements and methods of continuous improvement.	2030

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Energy use per tonne of production	Reduce energy usage by 2% (kWh/MT)	- Monitoring information from energy monitoring system, identifying high use areas and potential opportunities for improvement - Introduction of a number of projects and investigate large scale projects	2023
Absolute electricity use (kWh)	Reduction in absolute electricity usage by 20%	- Monitoring information from energy monitoring system, identifying high use areas, identify the use of cleaner technologies and potential practical opportunities for improvement. - Review cleaner processes and operations on site	2030
Waste			
Landfill	Zero to Landfill	Review with waste contactors possibility of removing for energy for waste	2024
Recycling	Increase recycling per tonne of production by 2% (kg/MT)	Continue to segregate waste and identify additional areas for improvement	2023

2. Target Progress Summary

To efficiently track Kepak Merthyr's progress towards achieving these targets, the site monitors KPIs weekly, monthly, and annually, as well as also tracking the progress and feasibility of continuous improvement projects.

Environmental Objective	2021	2022	2023
Compliance			
Environmental Permit Banding 50% A/B 0% E	D	E	B
Environmental Complaints Reduction in Complaints	18	4	0
Reportable Environmental Incidents Reduce and Eliminate	6	2	0
External Environmental Non-Compliances Reduce and Eliminate	26	17	9
Energy and Water			
Water use per tonne of production Reduce water usage by 2% (m³/MT) by 2023	2.16	2.21	2.46
Energy use per tonne of production Reduce energy usage by 2% (kWh/MT)	660.09	597.3	662.45
Waste			
Landfill Zero to Landfill	Not achieved	Not achieved	Not achieved
Recycling Increase recycling per tonne of production by 2% (kg/MT)	0.45kg/MT	1kg/MT	1.34kg/MT

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Compliance

- All compliance objectives were met in 2023 - most notable receiving a B permit banding and 0 environmental complaints. This has been helped by the automatic pH control system installed in the Effluent Treatment Plant, and internal noise and odour assessments.
- External non-compliances reduced by 47% and in 2023 compared to 2022.

Energy and Water

- Production reduced by 11% in 2023 compared to 2022, which meant that the site failed to meet energy and water reduction objectives.
- Energy and water reduction is a priority in 2024

Waste

- Kepak Merthyr continues to send contaminated plastics to landfill, due to contractor restrictions
- Alternative contractors for waste collection are being considered in Q1 of 2024, with zero to landfill being a stipulation of all potential contracts

3. Projects – completed and ongoing

- Weekly energy and Water Management meetings between the Environmental Team and Senior Management commenced in the 2nd half of 2023. Performance against objectives and opportunities for improvement are discussed to drive resource efficiency at site.
- Slaughter knife steriliser units are the most water and heat intensive assets on site, and as such was the first area of focus following the commencement of Energy Management meetings. Flow and pressure of the water input to the sterilisers were reduced, and Standard Operating Procedures (SOPs) developed to standardise turn-on, adjustment, and shutdown of each steriliser.
- We are in the infancy stage of a number of projects to reduce water consumption, including: (a) tripe room project; (b) gut room project; (c) tray wash project; and (d) steriliser replacement.
- The site, along with other sites in the group have undertaken a water mapping project which is designed to identify points of high water usage and opportunity for savings. The method places an energy and monetary value on water streams based on factors such as volume, heat input and chemical input. The result of this exercise so far has highlighted the need for more internal meters to gain a clearer picture of site water flow.

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- There are a number of on-going energy saving projects, including (a) roof-based solar panels; (b) toolbox talks on energy wastage; and (c) sub-metering.

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