

31st January 2024

Mrs E A Parr
PPC Compliance Assistant
Natural Resources Wales
Rivers House
St Mellons Business Park
St Mellons
CARDIFF
CF3 0EY

Our Ref: W:\Environmental\NPPC\Environment Agency Reporting\Permit Reporting\Rod and Bar Mill\1. Returns\NRW\3. Annual\2023\RBM Returns

Dear Mrs Parr,

RE: Rod and Bar Mill EPR Permit BV0759IC 4.1.5 Annual Returns 2023

In accordance with CELSA Manufacturing UK Ltd Environmental Permitting Regulations (EPR) Rod and Bar Mill Permit BV0759IC, permit condition 4.1.5 requires the following:

4.1.5 Where the Operator has a formal environmental management system applying to the Permitted Installation which encompasses annual improvement targets the Operator shall, not later than 31 January in each year, provide a summary report of the previous year's progress against such targets.

The following information summarises the CELSA Manufacturing UK Ltd Environmental Management Systems (EMS) Objectives and Targets for 2023.

1.0 Consume no greater than 351.20 kWh/tonne of gas per month

The average monthly process gas consumption in 2023 totalled to 386.45 kWh/tonne.

Reducing CELSA's gas consumption faced several challenges this year. This included gas utilisation issues, frequent stoppages due to high stock levels, and the furnace showing signs of thermal shock. However, several improvements were made. This included the installation of a new recuperator in the January 2023 shutdown which replaced the previous deteriorated recuperator. In addition, the Rod and Bar Mill team implemented an oxygen enrichment project and made efforts to utilise hot charging.

Gas use is tracked on a daily basis, and optimising its use is a key KPI for all RBM employees.

2.0 Consume no greater than 100.24 kWh/t electricity per month

The RBM consumed on average 98.40 kWh/tonne of process electricity per month during 2023.

Despite achieving the EMS target, CELSA's energy consumption was met with some challenges during 2023 including frequent stops due to high stock levels and less demand for larger products. This reduced energy efficiency due to equipment running for shorter periods of time and being shut off during longer stops.

Electricity is tracked on a daily basis and optimising its use is a key KPI for all RBM employees.

3.0 Consume no more than 0.45 litres/tonne of oil per month

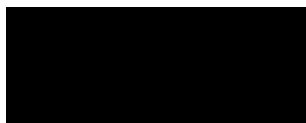
The RBM consumed on average 0.42 litres of oil per tonne of finished product and achieved the 2023 target.

The improvement in oil consumption is primarily a result of maintenance and improvements made on the A-System. This included maintenance work and a renewal of fixed pipe work in the intermediate mill to stainless steel as well as elevating the structures above floor level on stands 11-16 which reduced oil losses.

Oil consumption is tracked on a daily basis and optimising its use is a key KPI for all RBM employees.

Should you require any further information regarding permit condition 4.1.5 and the above please do not hesitate to contact me.

Yours sincerely,

A solid black rectangular box used to redact the signature of the Environmental Advisor.

Environmental Advisor