

Dr Mostyn Wall
Natural Resources Wales,
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St Mellons,
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CF3 0EY

29th January 2024

Permit BU2110IS – Permit Condition 4.1.5

Dear Dr. Wall,

Please find below the formal response to Permit Condition 4.1.5 from on behalf of Cabot Carbon which states:

“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.”

Setting of Objectives and Targets

A procedure is in place which describes the process for the setting of environmental objectives and Targets which Cabot aims to meet in order to facilitate continuous improvement in fulfilment of its Environmental Policy and Management System.

Setting, Monitoring and Tracking Progress

In setting Environmental Objectives and Targets the following areas are taken into consideration:

- Cabot SHE Policy
- Legal and other requirements
- Significant environmental aspects
- Environmental Permit improvement actions and NRW recommendations
- Technological options and best practice
- Financial, operational and business requirements (Scorecard)
- Views of interested parties both internal and external, including clients
- Opportunities for continual improvement (short and long term)

Progress towards the objectives and targets are discussed at monthly Leadership Team (LT) meetings and/or monitored via the personal Performance Based Management process (i.e. personal objectives and targets). The meeting is chaired by the site Facility General Manager and attended by relevant functional heads. The site scorecard is reviewed on a regular basis and the meeting and minutes/actions recorded and tracked.

In lieu of an annual ISO Management Review meeting, monthly LT meetings are the main forum for detailed discussion of Environmental Management including progress of, or changes that may affect

the performance of the EMS and associated objectives and targets. A selection of environmental objectives and targets are set by the FGM and the LT in the form of an ORCI chart. Environmental objectives from the ORCI occasionally form part of the site scorecard or they feature as a personal goal via the Performance Based Management program. These initiatives raise environmental awareness and help to drive continual environmental improvement across the site.

Cabot Corporation has a global SH&E Audit Program the goal of which is to identify gaps in SH&E programs and performance to prevent injuries, process safety events and environmental nonconformances. Audits are a collaborative process where facilities openly share their challenges, best practices, and strategies for continual improvement. Audit teams are comprised of internal personnel and external consultants familiar with local SH&E requirements. Cabot's audit program helps to maintain our reputation as a company focused on safety and compliance with regulations, and as good stewards in our communities. In July 2023, the Barry facility underwent our five yearly corporate audit, with the outcome being overwhelmingly positive.

Based on the performance observed at the facility during the audit, the team determined that the SH&E programs and management systems are strong and well implemented. Overall, the audit team identified two minor non-conformances and five observations, which is an improvement over our 2018 audit. As a highlight the Environmental section of the audit received no non-conformances or observations again in 2023.

Table 1 – Summary of Non-Conformances (NCs)

Programs Audited	Total NCs		Regulatory NCs		Current NC Significance			Repeat NCs
	FY2018 Audit	Current Audit	FY2018 Audit	Current Audit	Major	Minor	Reg. & LCSS Observations	
Safety	4	0	1	0	0	0	5	0
Environment	0	0	0	0	0	0	0	0
Health	0	0	0	0	0	0	0	0
Process Safety	1	0	0	0	0	0	0	0
Other ¹	0	2	0	0	0	2	0	0
Total	5	2	1	0	0	2	5	0

Furthermore, In December 2023 we had a surveillance audit of our Environmental management system to check our continued compliance with the ISO14001:2015 standard. No non-conformances were reported.

Cabot maintains a focus on the reduction of Off Quality production, FY23 saw a very low volume of 20MT OQ produced, this equates to 0.23% of annual production volume. We also continue to utilise landfill diversion opportunities wherever possible, with this outlet resulting in a 50% reduction in waste to landfill in 2023.

In 2023 Cabot announced a global change to our SHE Policy to include Sustainability as a core component. The new SHES policy reinforces our dedication to our shared purpose and weaves sustainability commitments into the other SHE elements. It Incorporates our Net Zero Ambition, our three sustainability pillars (caring for our people and communities, acting responsibly for the planet, and building a better future together), and several other sustainability commitments while maintaining the same framework that connects to Cabot's Values.

We continue to work toward the Sustainability goals set in 2020: Energy efficiency, Community engagement and Diversity and Inclusion. Please see an update on our progress to date on these goals.

Energy Intensity – We continue to look for opportunities to reduce our energy intensity but limited progress was made in 2023

Community Engagement – We continued to support several charities and causes close to our employees throughout 2023. In addition, we initiated a strategic partnership with a local school and launched a joint after-school club aimed at engaging primary school children in STEM related topics. We also successfully applied to the Cabot Foundation for a grant in support of the school to transform their concrete yard into a green outdoor classroom area.

Diversity, Equity, and Inclusion- WIM-IN our Employee Resource Group (ERG) was submitted for consideration to the Cabot Award for Excellence programme in 2023 for their work on diversity, Equity, and Inclusion. The WIM-IN group took a lead role in delivering the after-school club in conjunction with our community engagement team.

We look forward to bringing you further updates on our sustainability initiatives over the coming years.

I hope that this report satisfies the annual Objectives and Targets reporting requirements of section 4.1.5 of our environmental permit BU2110IS. If you should have any further questions arising from the report, then please do not hesitate to contact me.

Yours sincerely,

STOP, THINK, ACT

Nothing we do is worth getting hurt for.

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[Redacted]
Quality & Environmental Manager

Cabot Corporation

[Redacted]

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