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Permit Number:	EPR/EP3830GH
Company:	Liberty Steel Newport Limited
Permit Condition:	4.2.2 (a) A report or reports on the performance of the activities over the previous year shall be submitted to Natural Resources Wales.  The report shall include as a minimum: - A review of the results of the monitoring and assessment carried out in accordance with the permit including an interpretive view on data.

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### Overview

Of the activities provided for within the Company's Environmental Permit, only the Hot Strip Mill (Activity Ref A1) and its associated Reheating Furnace (Activity Ref A2) were operated during the reporting period of 2023. Whilst capacity remained unchanged, activity levels were significantly reduced due to the continued high UK energy costs disadvantaging UK Steel producers, particularly of commoditised products, being unable to compete internationally against imports produced with lower energy costs and lower environmental standards.

This resulted in the business idling the activity with effect from 1<sup>st</sup> February 2023 and in turn reducing the workforce by means of redundancy. A skilled 'skeleton crew' of maintenance personnel and other key positions have remained in position with a view to securing the site and maintaining the activity in a state of readiness for future operation.

As a consequence, this initiative has provided for a significant downturn in tonnes produced, from the 29,104mt's achieved for the year 2022 to only 1931mt's produced in 2023.

Whilst in operation the main activity was utilised on a continuous production run of 96 hours for the week, as is the standard, with a view to reducing energy consumption per tonne of finished product. It's extremely difficult to compare this short period with historical data because of the 'cold start' with additional fuel being consumed to heat the furnace to operational readiness. With production being confined to only 1 week of the available 48 planned weeks any operational improvement was not reflected in annual KPI's.

Employee headcount was reduced from 121 persons (January 22) to 17 persons (March 2023) this in the main being associated with significantly different tasks required following the 'idling' of the mill.

RDF stocks on site remain unchanged with no shipments taking place during the reporting year. It should be noted that business continued to engage with third parties throughout the reporting period with a view to restarting disposal. We are pleased to advise that at the time of reporting some 300mts has been appropriately despatched. It is now planned that all RDF will be removed from site in a 25-week period.

The business continues to accept absolute responsibility for fulfilling the role as 'fire watchers' via our security team and co-opted persons. To facilitate the requirement additional CCTV cameras have been procured including thermal imaging cameras which provide continuous temperature indications of stored materials. A typical still image of camera footage is provided in Fig 1 below.

Additionally, the status of the material and temperatures continues to be recorded on a two hourly basis, this is also viewed during foot patrols of the area.

Fig 1



Activities relating to the importing/storage of other wastes and the recycling and reclamation of metals and metal compounds (Activity Ref AR15) have not operated during the reporting year and there are no plans to restart these in the short to medium term.

Of the aspects identified above, those likely to have an adverse impact on the environment remain;

i. The Process

The purpose of the process is to convert steel slabs into Hot Rolled Coils via a 300mt/hr natural gas fired reheat furnace and six stand finishing mill. A review of slab procurement has resulted in small parcels being sourced within the UK, these being delivered to site via the network rail infrastructure and so the need to import via sea from locations such as Russia, Turkey, Brazil etc has reduced significantly and in turn this has contributed in the reduction of the businesses carbon footprint.

Of the 48 production weeks available the activity was operated for only 1 week of the reporting period prior to being 'idled' for reasons of high energy costs, disadvantaging UK Steel producers, and the inability to compete internationally against imports produced with lower energy costs and lower environmental standards.

It remains the intention of the operator to return to production as soon as conditions allow.

Given this significant 'non-operational' period the potential for any adverse impact on the environment, particularly through the release of fugitive emissions, has been greatly reduced.

Liberty Steel Newport Ltd (LSN) remains committed to monitoring environmental performance where practicable by recording several Key Performance Indicators and comparing these with previous years. (See Appendix 1) Additionally LSN has, as part of its Environmental Management System, identified certain parameters with a view to targeting reductions of 10% on the previous year (See Appendix 2)

Where appropriate the business will continue this comparison as a useful method of benchmarking going forward.

ii. Raw Materials Handling

Raw materials are limited in the main to steel slabs which are transported via rail directly to the plant. Whilst the opportunity to import directly across LSN's private berth on the R Usk remains, it is envisaged that this will be a fallback requirement which will significantly reduce the requirement to operate diesel fuelled mobile plant. The Port Facility remains in a state of readiness to operate, having secured approval to operate under post BREXIT conditions and will do so in accordance with LSN's Port Facility Waste Management Plan. This plan is approved by the Maritime & Coastguard Agency and makes provision for each vessel visiting the berth to advise upon wastes likely to be disposed and in turn feedback on the suitability on facilities provided.

Additionally all dunnage used in the packaging of delivered product is appropriately debarked, heat treated, and marked prior to receipt in compliance with ISPM15 standards. All stored dunnage continues to be spot checked by Forestry Commission representatives on an ad hoc basis. There have been no issues arising during the reporting year.

Furthermore, the business is actively assisting the Forestry Commission in the identification of potential invasive species by positioning a series of bug traps at the seaward perimeter which in turn are retrieved and analysed by appropriately trained person.

The potential for fugitive emissions arising in this area is limited to activities where mobile plant is utilised. LSN has now rationalised mobile plant used on site which continues to be subject to a maintenance programme outsourced to a third party.

iii. Reheat Furnace

Stack monitoring continues to be undertaken at appropriate quarterly intervals (Permit Condition S4.1). Processes relating to emission points A1 and A2 have remained offline during the reporting year and hence no monitoring has been undertaken. Emissions to air relate to emission point A5 only. Permit requirements remain;

Parameter	Reporting Period	Limit
Oxides of Nitrogen	3 Monthly	400 mg/m3

Regrettably due to small amount of production and the time required to engage with 3<sup>rd</sup> Party emissions monitoring professionals it has not been possible to carry out monitoring of emissions to air. Instead, releases have been calculated using historical monitoring data and current utilisation hours.

In the case of greenhouse gas emissions, the data provided it that submitted following external verification.

For the purpose of benchmarking releases to air, monitoring has been extended to include metals deemed to be appropriate to the current process. These are identified as KPI's within the Company's EMS and are compared annually with those of the previous year (Appendix 1) with results against targeted reductions being favourable for the reporting period.

iv. Roughing Mill and Finishing Mills

VOC's may be generated as a result of transient hydraulic and lubricating oils lost to process water during scale removal (Activity Ref A11) The main area presenting a risk of oils entering the closed water system is at the 12 back up roll oil seals. Water systems have been depleted and a robust system of inspection is now in place to monitor plant condition during this period of idling'. Where oil is lost to these closed water systems, this is recovered and recycled for further use. The effectiveness of such a programme can be demonstrated in the oil usage levels recorded annually which again are targeted in the company's EMS (Appendix 2)

v. Cooling Section and Cooling System.

During normal operations cooling water is retained in two closed water systems each of 60,000m3 which can be operated in separation or in tandem. Losses from these systems are limited to evaporation and depending on seasonal variations can be as high as 5,000m3 per operational day

Recognising the need to use resources efficiently, LSN remains committed to establishing a reliable source of grey water. Arrangements with 'Dwr Cymru' to receive grey water directly from 'Nash' Water Treatment Complex remain in place.

LSN continues to operate a water treatment programme in full compliance with HSG 274 Parts 1 – 3 and can confirm that water systems have been appropriately decommissioned for the period of 'idling' and the Local Authority has been notified that cooling towers are non-operational and can be removed from the register, as is our obligation.

vi. Surface Water

Analysis of site run off water continues to be undertaken at monthly intervals by means of spot sampling at the appropriate discharge point (Permit Condition S3.2) and reported on a quarterly basis to the Regulator. A twelve-monthly review of results is provided in graphic form (Appendix 3) There have been seven incidents of minor breaches during the reporting period these relating to PH and Suspended Solids

27 March 2023	PH 10.7 -	Maximum 10
27 March 2023	Total Suspended Solids 45.0 mg/l	Maximum 20mg/l
17 April 2023	PH 11.1	Maximum 10
17 April 2023	Total Suspended Solids 26.0 mg/l	Maximum 20mg/l
11 September 2023	Total Suspended Solids 26.0 mg/l	Maximum 20mg/l
15 November 2023	PH 11.3	Maximum 10
6 December 2023	PH 11.7	Maximum 10

In all cases the 95% ile over a rolling 6-month period has remained within reporting thresholds.

Mass releases to water per kg of product are calculated at year end. These are identified as KPI's within the Company's EMS and are compared annually with those of the previous year (Appendix 1) targeted reductions being favourable for the reporting period.

vii Process Related Waste

The potential for fugitive emissions arising from the storage of wastes on site has reduced relative to the number of personnel on site and the level of activity. This is reflected in the report on annual KPI's (Appendix 1) Disposal streams are in place to manage waste in an appropriate manner. These are also reported annually via the Pollution Release and Transfer Register (PRTR) and National Atmospheric Emission Inventory (NAEI) reporting system.

