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31st January 2025

Mrs E A Parr
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Our Ref: *"W:\Environmental\IPPC\Environment Agency Reporting\Permit Reporting\2. Section Mill\1. Returns\2. Annual\2024\BV0767IT 4.1.5 Annual Returns 2024.docx"*

Dear Mrs Parr,

RE: Section Mill EPR Permit BV0767 4.1.5 Annual Returns 2024

In accordance with CELSA Manufacturing UK Ltd Environmental Permitting Regulations (EPR) Section Mill Permit BV0767, 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's Section Mill Environmental Management Systems (EMS) Objectives and Targets for 2024.

1.0 Reduce gas consumption to 429 kWh/tonne per month

The Sections Mill average monthly gas consumption totalled to 469.44 kWh per tonne of finished product in 2024. Throughout the year, the Sections Mill has faced challenging external factors that have resulted in this figure. Most notably production was stopped with the furnace shut down on 14 separate occasions due to high-energy costs and a lack of billets from the Melt Shop. For the furnace itself, more gas is then required to bring it back up to the required heat for production once it has cooled down during a stop.

This then has a direct effect on the degradation of the furnace structure with an increased amount of minor cracks and holes occurring. Sections Mill operators continue to remain vigilant when identifying and proactive when addressing this to promptly seal the openings and prevent additional gas consumption. A specific area of focus for maintaining the furnace has been the repairing of the furnace floor itself.

During furnace operations, the Sections Mill have an operational standardisation plan that they utilise. Through this, gas consumption is tracked and communicated daily as a Key Performance Indicator (KPI) to ensure that this plan is adhered to.

2.0 Consume no greater than 84.0 kWh/tonne of electricity per month

The Sections Mill furnace consumed a monthly average of 94.40 kWh per tonne of finished product in 2024. Similarly to gas consumption, the external factor of having to stop production due to high-energy costs has had a direct link to an increased electricity figure consumption. When the Sections Mill is stopped and no production is taking place, electricity is still consumed by logistics and equipment that is operated throughout the area. An example of this is that the crane in the warehouse would still be used to load products when products are not being produced. When this occurs the resulting figure for electricity consumption per tonne is higher.

As an area of improvement, the Sections Mill carries out continued maintenance throughout the mill with additional Lighting Emitting Diodes (LED's) and Variable Speed Drives (VSD's) being installed to improve electricity efficiency.

3.0 Reduce oil consumption to 0.6 l/tonne per month

The Sections Mill consumed on average 0.51 litres per tonne of finished product in 2024. There were several improvements implemented in 2024 to combat oil losses. A significant contributing factor being daily meetings to increase the profile and awareness of issues. Reporting any known issues on a daily basis has allowed repair works to be organised and performed in a more structured manner. Previously, repairs would just be performed on a maintenance 'down day' resulting in a longer duration of oil losses from specific faults. Now the Sections Mill operatives are able to utilise minor mill stops, such as a product change, to repair faults in a timelier manner.

A main area of focus to reduce oil losses has been around the cooling bed with the drop shelf pipework replaced. This aligns with overall maintenance improvements as pipework is continually replaced where possible and required throughout the mill. In addition to this, the Sections Mill continue to utilise live trending monitoring which allows real-time oil levels to be tracked and analysed daily. Oil losses are restricted through continued detection of tank levels, oil pressures and oil temperatures.

Should you require any further information regarding these objective and targets please do not hesitate to contact me.

Yours sincerely,

[redacted]

Environmental Advisor