

## Compliance Assessment Report CAR\_NRW0050633

**Permit being assessed:** BV0759IC.

**For:** Cardiff Rod & Bar Mill EPR/BV0759IC, **held by:** 7 Steel Manufacturing (UK) Limited

**At:** PO Box 83 Cardiff Rod & Bar Mill Castle Works , East Moors Road, Tremorfa, Cardiff, Cardiff, South Wales, CF24 5NN.

**Type of assessment:** Report/Data Review,

**Reason:** Routine.

**On:** 31/12/2025.

**Parts of permit assessed:** 2.4, 2.3.5, 2.2.4, 2.2.2.4, 2.2.1.3, 4..

**NRW Lead Officer:** Dale Padfield.

**Report sent to:** -, Environmental Manager, on 10/02/2026.

### 1. Summary of our findings (full details in section 4)

Part of permitted activity assessed (compliance criteria)	Assessment result	Permit condition
IR3A(2) - Installations - Emissions and monitoring - Emissions to air	Assessed (A)	
IR3A(1) - Installations - Emissions and monitoring - Emissions to water	Assessed (A)	
IR1C - Installations - Management - Energy Efficiency	Assessed (A)	
IR1D - Installations - Management - Efficient use of raw materials	Action only (X)	
IR1A - Installations - Management - General Management	C3 Minor	2.3.5

Result types are explained in more detail in the 'Important Information' section below.

Total non-compliances recorded	Total non-compliance score
1	4

How we use the non-compliance score to calculate your annual fee is explained in the 'Important Information' section below.

## 2. What action is required?

Criteria	Action needed	Complete by
IR1D	<p>7Steel is required to investigate the cause of the reduced water efficiency observed in 2025 and provide NRW with a detailed report of its findings. In addition, Permit Condition 2.4.1.2 requires the company to undertake internal audits aimed at improving water-use efficiency. The permit stipulates that these audits must be completed at least once every four years.</p> <p>Accordingly, 7Steel should verify the date of the most recent audit. If more than four years have passed since the last audit, a new audit must be carried out within the current year (2026). The results of the investigation into the 2025 decline in water efficiency should be incorporated into this audit.</p>	30/04/2026
IR1A	<p>Identify the root cause of why 'A-system' is particularly problematic and determine what measures could be implemented to reduce system failures. Review findings and assess against the other systems where findings may be benefit the other oil systems.</p> <p>The root cause of the engineers failing to perform the required checks should also be investigated. An assessment should be made on what factors influenced this. It is appreciated 'tool box talks' have been rolled out as a means to increase awareness however, other areas such as training and availability of sufficient time and resources should also be assessed.</p> <p>The frequency of preventative maintenance and checks should be reviewed, areas of high risk, due to frequent failure or aging equipment should have their preventive maintenance schedules updated to reflect the increased risk.</p> <p>Following completion of the root cause investigation, 7Steel should determine and implement improvements based on the findings. Provide NRW with a report on the root cause investigation and the measures proposed to increase oil efficiency.</p>	30/04/2026

Compliance criteria codes are listed in the 'Important information' section below.

## 3. What will happen next?

Any non-compliance we have identified and recorded on this form is an offence. It can result in criminal prosecution and/or suspension or revocation of your permit.

### **At this time, we do not intend to take any further action.**

This statement does not stop us from taking additional enforcement action if further relevant information comes to light or offences continue.

## 4. Details of our assessment

### 7Steel ~ Road and Bar Mill

#### EPR/ BV0759IC

This compliance assessment report details the following:

- Annual reporting returns for 2025
- Quarter 2 (April - June) 2025 reporting returns
- Quarter 3 (July -September) 2025 reporting returns
- Quarter 4 (October – December) 2025 reporting returns

#### Quarter two (April - June) 2025

**Emission point A1** – Report received within reporting window. NO<sub>x</sub> emissions within permitted ELV (215.95 mg/m<sup>3</sup> against an ELV of 400 mg/m<sup>3</sup>). Report accepted.

**Emission point W1** - Some parameters exceeded their respective ELVs (suspended solids, Total Hydrocarbon Oil), however, no discharge was made to the dock during Q2 of 2025, therefore no non-compliance is issued.

#### Quarter 3 (July -September) 2025

**Emission point A1** – Report received within reporting window. NO<sub>x</sub> emissions within permitted ELV (218.85 mg/m<sup>3</sup> against an ELV of 400 mg/m<sup>3</sup>). Report accepted.

**Emission point W1** - Some parameters exceeded their respective ELVs (suspended solids, Total Hydrocarbon Oil, free chlorine, dissolved iron), however, no discharge was made to the dock during Q3 of 2025, therefore no non-compliance is issued.

#### Quarter 4 (October – December) 2025

**Emission point A1** – Report received within reporting window. NO<sub>x</sub> emissions within permitted ELV (86.04 mg/m<sup>3</sup> against an ELV of 400 mg/m<sup>3</sup>). Report accepted.

**Emission point W1** - Some parameters exceeded their respective ELVs (suspended solids, Total Hydrocarbon Oil, free chlorine), however, no discharge was made to the dock during Q4 of 2025, therefore no non-compliance is issued.

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#### Annual Reporting 2025

**Permit Condition 4.1.4:** In 2025, 7 Steel Manufacturing (UK) Ltd carried out its annual review of fugitive emissions in line with Permit Condition 4.1.4. The review confirms no fugitive emissions incidents, no complaints, and no changes to operations that would affect emission controls.

**Fugitive Emissions to Air:**

- No fugitive releases occurred during refractory works or furnace scale removal.
- Dust generation remained minimal due to negative pressure controls, extraction systems, and the nature of refractory and scale materials.
- Waste handling and specialist vacuum removal procedures continued effectively.

**Fugitive Emissions to Surface Water, Sewer & Groundwater:**

- All activities occurred on concrete hardstanding with no reported leaks or spills.
- Sub-surface structures remained fully contained and fit for purpose.
- Secondary containment for oils and chemicals met regulatory requirements, with compliance work focusing on this aspect undertaken by NRW during 2025
- No discharges to East Bute Dock occurred in 2025 due to the penstock valve remaining locked. All process water was recirculated, and monthly sampling was carried out as required by the permit.

**Overall:**

Current fugitive-emission controls remain effective, compliant, and unchanged, with no incidents or regulatory notifications required during 2025.

**Permit condition 4.1.5:****Overall Performance**

Across all three key environmental metrics, gas consumption, electricity consumption, and oil consumption, the mill did not meet its 2025 targets. Performance shortfalls were primarily driven by operational and equipment-related factors that increased resource use and reduced production efficiency. The business continues to monitor these indicators daily as part of its EMS and has initiated improvement actions where practicable.

**Gas Consumption**

Target: ≤373.00 kWh/tonne per month

2025 Performance: 413.61 kWh/tonne

**Key Drivers of Underperformance**

- Cold billet charging from the Melt Shop increased furnace heating demand.
- Operational delays caused by equipment failures, cobbles, and product changes required frequent furnace cooling and reheating, raising gas consumption.
- Smaller-sized product rolling increased energy intensity.
- Efforts included improved maintenance planning and daily KPI tracking communicated to all staff.

**Electricity Consumption**

Target: ≤104.44 kWh/tonne

2025 Performance: 115.05 kWh/tonne

**Key Drivers of Underperformance**

- Reduced mill utilisation led to lower tonnage output while fixed electricity demands (e.g., logistics and baseline equipment load) remained constant.
- Electricity consumption is monitored daily as a KPI and shared with employees to support continuous improvement.

**Oil Consumption**

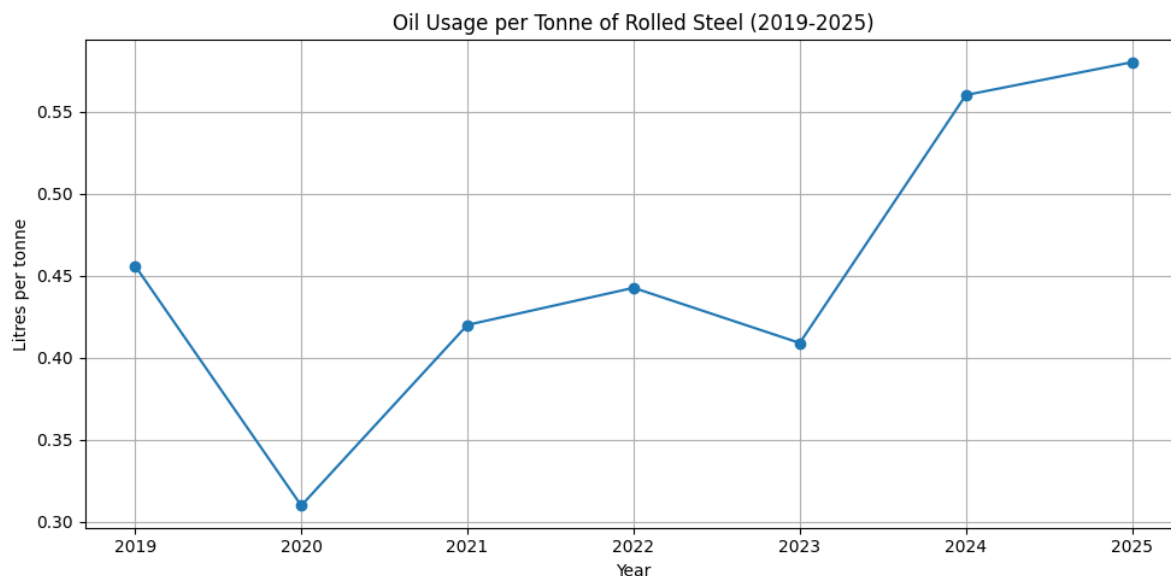
Target: ≤0.45 litres/tonne

2025 Performance: 0.58 litres/tonne

**Key drivers of underperformance:**

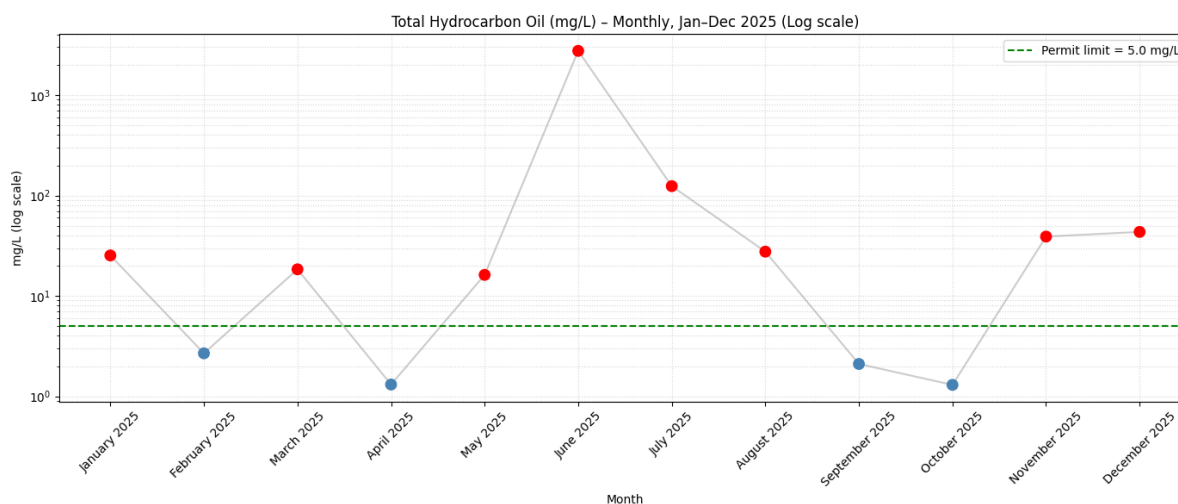
- Ageing mill equipment contributed to recurring oil leaks.
- A-System identified as the major source of oil losses, including issues with unsecured hoses detaching during operations.
- Shortfalls were identified, whereby engineer checks were reported to not be fully performed.
- Repairs could only be completed during scheduled maintenance stoppages, extending the duration of losses.
- A new oil-awareness Toolbox Talk was introduced, emphasising best practices and raising workforce awareness of environmental and cost impacts.
- Oil use remains a daily KPI with regular communication to staff.

Oil use trend data for the previous 7 years shows an efficiency improvement from 2019 - 2020, oil intensity generally increased through 2021 - 2022, dipped in 2023, then rose sharply in 2024 -2025. 2025 is reported as the least efficient year within the previous 7 years. As demonstrated by the graph below.



Although there is no permit limit for oil efficiency, it is a requirement of the permit to use raw material efficiently and to ensure all plant and equipment, which could cause an adverse impact on the environment be maintained appropriately.

Oil losses during operations, although contained within on-site systems are still seen as inefficient use of raw materials and increase waste and the burden on the ETP to remove the waste oil. These aspects negatively impact the environment as these is an increased CO<sub>2</sub> burden associated with the removal and recovery, as well as the requirement to replace lost oils with new oil. The increase in oil within the effluent treatment plant system is evident from levels recorded within the monthly data, as detailed in the graph below, where some significant increased levels of oil within the effluent were reported.



With regards to the maintaining of plant, appropriate measures are those which are deemed BAT. 7Steel identified that engineering checks have not been fully performed on aspects of the oil system, such as the hoses on the stands, this present a foreseeable risk of environmental impact through uncontrolled oil losses. BAT is considered to have a schedule of preventative periodic checks and preventative maintenance of items such as seals, gaskets, hoses, pumps and pipelines etc. 7Steel reported that due to operations, some leaks can only be rectified during planned stoppages. This is accepted and is a sensible approach, in terms of environmentally and economically (stopping operations to fix a leak would likely result in increased environmental impacts elsewhere, such as increased gas use due to stoppages etc) and for health and safety reasons. However, the fixing of already broken equipment is a reactive response, and the emphasis should be on preventive maintenance. If frequent hose failure is being observed, the replacement frequency should be assessed or inspection frequency increased for high risk areas or equipment.

7Steel also highlighted aging equipment as a prominent factor in increasing oil leakage. This further reinforces the importance of assessing the frequency of preventative maintenance. As equipment ages and become more susceptible to failure the frequency of checks and maintenance should also increase to maintain an acceptable level of risk.

A minor **category 3 non-compliance** is issued against permit condition 2.3.5, for the maintenance failures resulting in the increased losses of oil and decreased oil usage efficiency.

7Steel have identified some improvements, such as identifying the problematic oil system ~ 'A- system' and undertaking tool box talks with staff to increase awareness. However, further focus should be given on preventative maintenance, in particular;

**Action 1: 7 Steel ~ 10<sup>th</sup> of February 2026:**

Identify the root cause of why 'A-system' is particularly problematic and determine what measures could be

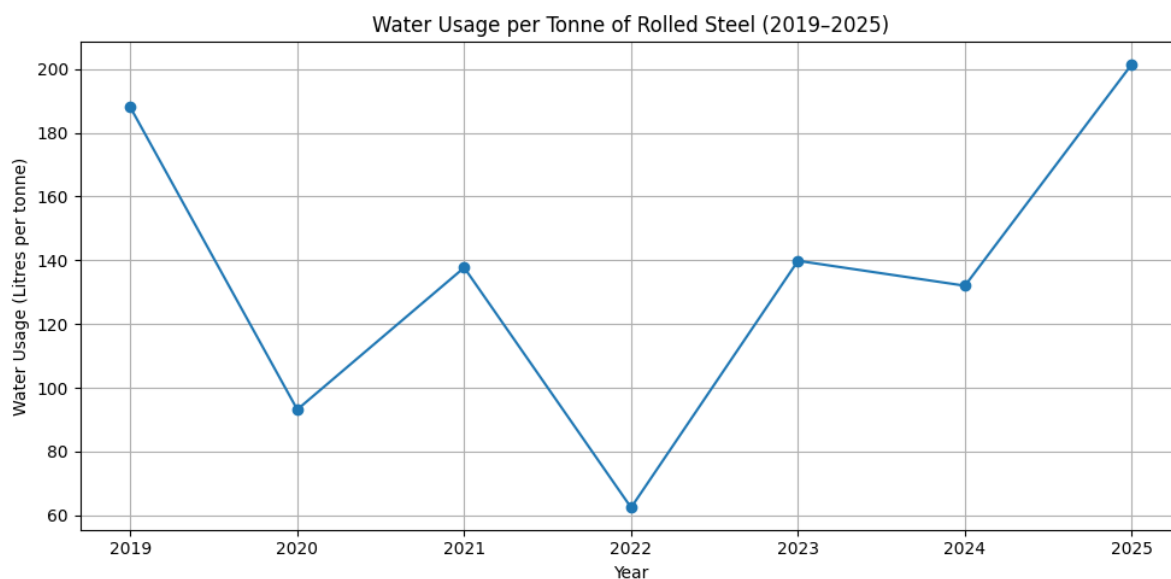
implemented to reduce system failures. Review findings and assess against the other systems where findings may be benefit the other oil systems.

The root cause of the engineers failing to perform the required checks should also be investigated. An assessment should be made on what factors influenced this. It is appreciated ‘tool box talks’ have been rolled out as a means to increase awareness however, other areas such as training and availability of sufficient time and resources should also be assessed.

The frequency of preventative maintenance and checks should be reviewed, areas of high risk, due to frequent failure or aging equipment should have their preventive maintenance schedules updated to reflect the increased risk.

Following completion of the root cause investigation, 7Steel should determine and implement improvements based on the findings. Provide NRW with a report on the root cause investigation and the measures proposed to increase oil efficiency. **Due 30/04/2026**

PI1 – Water usage per tonne of rolled steel has seen a significant increase compared to previous years, with 2025 having the poorest efficiency over the last 7 years, as shown in the graph below.



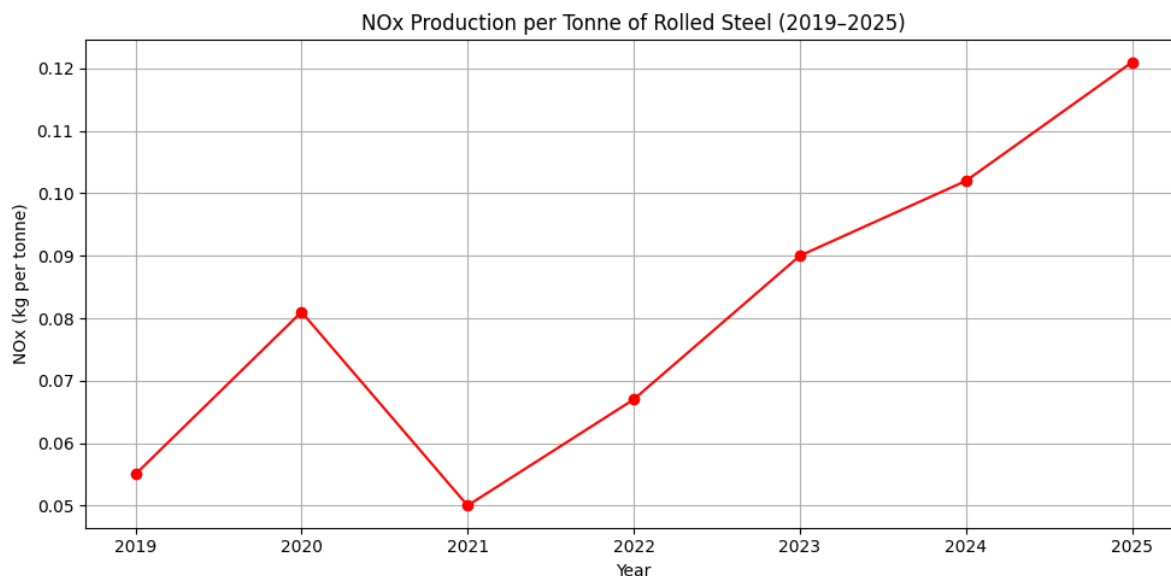
**Action 2: 7 Steel ~ 10<sup>th</sup> of February 2026:**

7Steel is required to investigate the cause of the reduced water efficiency observed in 2025 and provide NRW with a detailed report of its findings. In addition, Permit Condition 2.4.1.2 requires the company to undertake internal audits aimed at improving water-use efficiency. The permit stipulates that these audits must be

completed at least once every four years.

Accordingly, 7Steel should verify the date of the most recent audit. If more than four years have passed since the last audit, a new audit must be carried out within the current year (2026). The results of the investigation into the 2025 decline in water efficiency should be incorporated into this audit. **Due 30/04/2026**

**PI1 NO<sub>x</sub> trend:** Quarterly monitoring results for NO<sub>x</sub> have shown consistent compliance with the permit ELV, however, annual trend data does reveal a consistent increase in overall NO<sub>x</sub> per Tonne of rolled steel since 2021, as demonstrated by the graph below.



7Steel should investigate the apparent increase and determine if there are any measures that could be taken to reverse the apparent trend. It is noted that the mass emissions are an estimation based on 4 spot samples taken throughout the year, however the year on year should be investigated.

No reports were received by NRW during 2025 concerning the Rod and Bar facility. The onsite interceptor was upgraded during 2025, with the old interceptor being replaced with a ‘Class A’ type, suitable to achieve the required HOI ELV.

End.

If you have any queries about this report, or to discuss completion of any actions, please contact the NRW Officer named above.

## Important information

### Legal status of this report

Your permit is issued to you under the Environmental Permitting Regulations. You have a responsibility to comply with the conditions of your permit and prevent pollution/harm of the environment. You must also ensure that you comply with any other relevant legislation that may apply to your site's operations.

This report explains the findings of our assessment and any action you are required to take. We categorise non-compliance using our guidance for assessing non-compliance at regulated sites.

When we find potential non-compliance/s we will normally give you advice on how to maintain compliance.

To correct non-compliance, we may:

- require you to take specific actions
- issue a notice
- review the conditions of your permit.

Any advice and guidance we give will be without prejudice to any other enforcement response that we consider may be required.

### Assessment results and non-compliance categories (used in section 1):

Assessment result	Description
Assessed (A)	Assessed or assessed in part, no evidence of non-compliance found
Action only (X)	Action required for the permit condition assessed to avoid non-compliance. No non-compliance scored at this time
Ongoing (O)	Ongoing non-compliance, not scored

Non-compliance category	Description	Score
C1 Major	Potential to have a major, serious, persistent and/or extensive impact or effect on the environment, people and/or property	60
C2 Significant	Potential to have a significant impact or effect on the environment, people and/or property	31
C3 Minor	Potential to have a minor or minimal impact or effect on the environment, people and/or property	4
C4 No environmental impact	Non-compliance at a regulated site that cannot foreseeably have any impact on the environment, people and/or property	0.1

**How we use assessment scores**

The number and severity of non-compliances recorded in a year will affect your annual subsistence fee the following year. A non-compliance factor is added to your site's Operator Performance Risk Appraisal (OPRA) score when we calculate your fee to reflect the additional resource we use to assess permit compliance.

**If your assessment result in Section 1 is suspended, what does this mean?**

In line with our guidance, we may suspend scores for up to six months to allow time for remedial action to be taken. Suspended scores will be re-instated if the action is not completed.

**Full list of Industry compliance criteria (used in section 1 and 2):****1. Management**

- IR1A – General management
- IR1B – Finance (only applicable to Landfill)
- IR1C – Energy efficiency
- IR1D - Efficient use of raw materials
- IR1E - Avoidance, recovery and disposal of wastes produced by the activities
- IR1F - Multiple operator installations

**2. Operations**

- IR2A – Permitted activities
- IR2B – The site
- IR2C – Operating techniques
- IR2D – Technical requirements
- IR2E – Improvement programme
- IR2F – Pre-operational conditions
- IR2G – Landfill engineering (only applicable to Landfill)
- IR2H – Waste acceptance (only applicable to Landfill)
- IR2I – Leachate levels (only applicable to Landfill)
- IR2J – Closure and aftercare (only applicable to Landfill)
- IR2K – Landfill gas management (only applicable to Landfill)

**3. Emission and Monitoring**

- IR3A(1) – Emissions to water
- IR3A(2) – Emissions to air
- IR3A(3) – Emissions to land
- IR3B – Emissions of substances not controlled by emission limits
- IR3C – Odour
- IR3D – Noise and vibration
- IR3E – Monitoring
- IR3F – Pests
- IR3G – Air quality management plans
- IR3H – Monitoring for the purposes of the Industrial Emissions Directive (this heading includes Large Combustion Plants)
- IR3I – Fire

**4. Information**

- IR4A – Records
- IR4B – Reporting
- IR4C – Notification

### Enforcement response

Any non-compliance with a permit condition is an offence and we may take legal action against you. Action we take can include prosecution, serving a notice on you and/or suspension or revocation of your permit. See our Enforcement and Sanctions Guidance for further information.

### Data protection notice

You should make sure that anyone named in this report knows that the information it contains will be processed by Natural Resources Wales to fulfil its regulatory and monitoring functions and to maintain the relevant public register(s).

We may also use and/or disclose the report in connection with:

- offering or providing you with our literature or services relating to environmental matters
- consulting with the public, public bodies and other organisations (e.g. Health and Safety Executive, local authorities) on environmental issues
- carrying out statistical analysis, research and development on environmental issues
- providing public register information to enquirers
- investigating possible breaches of environmental law
- assessing customer service satisfaction and improving our service
- Freedom of Information Act or Environmental Information Regulations requests.

We may also pass it on to our agents or representatives to do these things on our behalf.

### Disclosure of information – this report will be available to view on-line

If you think this report contains commercially confidential information that should not be placed on our public register, you must contact your local Natural Resources Wales office within **fifteen working days** of receiving this report, using the contact details in the accompanying email or letter. You must give a full explanation of why it should not be added to our public register, including specifying which information is commercially confidential. We will assess your request and respond to you within twenty working days to let you know if we agree to your request.

### Disputing the Content of this Compliance Assessment Report Form

If you disagree with the content of this Compliance Assessment Report form, you should submit your concerns, in writing, to the regulating officer who issued it within **15 working days** of its issue. This will be treated as a **Stage 1 review**.

If you are not satisfied with the outcome of the stage 1 review, you may request a **Stage 2 appeal**. This request must be submitted **within 21 working days** of receiving the response from the stage 1 review.

Further details on our review and appeal process are available at: [Natural Resources Wales / Appeal a regulatory decision from Natural Resources Wales](#)

### Concerns Not Related to the Content of this Compliance Assessment Report Form

If your concerns do not relate to the content of the Compliance Assessment Report form, you should first attempt to resolve the issue with the regulating officer or their line manager.

If the issue remains unresolved, please contact our **Customer Contact Team**:

- **Telephone:** 0300 065 3000 (Monday to Friday, 09:00–17:00)
- **Email:** [enquiries@naturalresourceswales.gov.uk](mailto:enquiries@naturalresourceswales.gov.uk)

They will provide details on how to escalate your concerns through our **Complaints and Commendations procedure**.

If you are dissatisfied with our response, you may contact the **Public Services Ombudsman for Wales**:

- **Telephone:** 0300 790 0203
- **Email:** [ask@ombudsman.wales](mailto:ask@ombudsman.wales)

### **Welsh Language Standards**

We are committed to establishing Natural Resources Wales as a naturally bilingual organisation. We will provide compliance reports in your preferred language.