

## Compliance Assessment Report CAR\_NRW0050685

**Permit being assessed:** KP3235SS.

**For:** IQE (Europe) Ltd, **held by:** IQE (Europe) Ltd

**At:** St. Mellons Semiconductor Plant, Pascal Close, St. Mellons, Cardiff, South Wales, CF3 0LW.

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

**Reason:** Routine.

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

**Parts of permit assessed:** IR4B, IR3A(2), AR1A.

**NRW Lead Officer:** Brigid Armstead.

**Report sent to:** HSE Manager, HSE Manager, on 17/02/2026.

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

Part of permitted activity assessed (compliance criteria)	Assessment result	Permit condition
IR4B - Installations - Information - Reporting	Assessed (A)	
IR3A(2) - Installations - Emissions and monitoring - Emissions to air	C3 Minor	3.1.2
IR1A - Installations - Management - General Management	C3 Minor	1.1.1

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

Total non-compliances recorded	Total non-compliance score
2	8

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
IR3A(2)	Provide a copy of EMS documents updated to ensure that the clearing of a scrubber line does not cause an emissions limit breach.	30/04/2026
IR1A	Provide a copy of EMS documents updated to ensure that the clearing of a scrubber line does not cause an emissions limit	30/04/2026

Criteria	Action needed	Complete by
	breach.	

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.

**You are non-compliant with your permit.**

**We are currently considering taking enforcement action against you for the non-compliance recorded above. We will contact you in due course.**

### 4. Details of our assessment

The purpose of this Compliance Assessment Report (CAR) is to record NRW assessment against IQE (Europe) monitoring returns and annual reports for 2025.

#### **Emission Monitoring**

##### **Air Emissions**

July to December 2025

Emission Point	Parameter	Emission Limit Value	July to December Results
A1	Ammonia	10 mg/m <sup>3</sup>	0.07 mg/m <sup>3</sup>
A1	Hydrogen Chloride	10 mg/m <sup>3</sup>	0.04 mg/m <sup>3</sup>
A3	Arsine	0.42 mg/m <sup>3</sup>	1.04 mg/m <sup>3</sup>
A3	Phosphine	0.42 mg/m <sup>3</sup>	0.03 mg/m <sup>3</sup>
A3	Ammonia	9 mg/m <sup>3</sup>	0.03 mg/m <sup>3</sup>

Ammonia, hydrogen chloride and phosphine were well within permitted limits when measured in 2025 for IQE Europe.

The arsine monitoring result of 1.04 mg/m<sup>3</sup> has been assigned a **category 3 minor non compliance with permit condition 3.1.2.**

IQE submitted a schedule 5 notification to NRW on the 15<sup>th</sup> of January 2026. The notice advised that IQE believe that the exceedance is due to a scrubber line blockage being cleared using bottled nitrogen connected to the scrubber.

An immediate stop to any similar activities has been put in place pending an investigation. An

internal action was raised to change the process so that the scrubber system is fully activated during this task.

IQE provided a follow up email on 28<sup>th</sup> January 2026 advising that the scrubber line clearance procedure has been changed and follow up monitoring campaigns have been arranged to ensure that emission limits are met both during the clearing of the lines and whilst this process is not taking place.

The root cause of the above mentioned emissions breach is therefore determined to be general management and a **category 3 minor non-compliance with permit condition 1.1.1** is assigned.

**Action 1:** Provide a copy of EMS documents updated to ensure that the clearing of a scrubber line does not cause an emissions limit breach.

### **Energy**

The sites primary energy usage in 2025 and CO2 per unit output have increased from previous years.

IQE have commented that wafer production in 2025 increased by approximately 50% which is reflected in the drop of CO2 per unit output. This figure is still only 72% of the wafers produced in 2023 leaving it higher than 2020-2023 averages. Production in 2026 is expected to be more than most recent years so expectations are CO2 per unit output will fall to pre-2024 levels.

### **Water**

The site used 2298 m<sup>3</sup> of water in 2025. This is an increase of 18% from the previous year.

IQE have attributed the increase in water usage to a particularly dry winter. In December there was an increased of water usage by 200% from the year before. As the result of a dry atmosphere, the humidifiers are required to make up the difference. As IQE have seen values like this in the past, they have now identified this as a cause for concern, however, 2026 data is being collected with temperature and humidity data to ensure this is factual. IQE have already seen a significant drop in water usage in January 2026 so have ruled out a constant leak.

To further verify if this figure is showing a negative trend an average from 2020-2026 was taken which gave the figure 2180m<sup>3</sup>.

### **Waste Disposal & Recovery**

Total amount of waste produced in 2025 was 143.64 tonnes. Of this 137.01 tonnes was hazardous waste and 6.63 tonnes was non-hazardous waste. The total waste per unit output in 2025 was 0.0010 g per in<sup>2</sup> wafer. These figures represent a reduction in waste generated to production units.

**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.