

Mr Andi Kemp
Natural Resources Wales,
Rivers House,
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St Mellons,
Cardiff,
CF3 0EY

31st January 2020

Permit BU2110IS – Permit Condition 4.1.5

Dear Mr Kemp,

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 have become 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. The objectives and targets are also tracked on an excel spreadsheet and updated on a regular basis.

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 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.

We continue to seek opportunities to improve our environmental performance through the application of ISO 14001. From 11th -16th June 2019, Cabot Barry was subject to a surveillance audit as part of the ISO 14001 Environmental Management System certification. The Barry site was successfully re-certified to the new 14001:2015 standard with zero major and only 1 minor non-conformance (external contractor cabin substandard housekeeping).

SGS Auditor Report Executive Summary

The 14001:2015 standard has been recommended as successful through this audit,

1 Minor non-conformance was raised at this audit, the company continue to invest in the EMS with new plant improvements making the plant more efficient at the last shutdown major investment approximately £5M was invested in the 6-week shut down environmental improvements were noted through improved reliability and efficiency that the improvements will bring.

The EMS is well documented and the SHEQ manager and the Leadership team have excellent knowledge of permit requirements and the controls required to meet the permit requirements.

I would like to thank all at Cabot for their cooperation to ensure that the audit objectives were achieved and a special thanks to Paula Lloyd for the preparation of documentation in line with the audit plan to ensure the audit runs smoothly.

Observations and Improvement Opportunities

There are no opportunities for improvement

Cabot continues to build on the success of previous landfill diversion initiatives. Following successful trials, a key customer can incorporate off spec (black spec count) product in their application. This accounts for 50MT (60%) of product which would otherwise be destined for landfill.

Off Quality % targets were exceeded in FY19 (ref Objectives p4). As a site we continue to look for opportunities to reduce waste and improve our production process to minimise off quality.

We are committed to the ongoing training of all employees, equipping them with essential knowledge to carry out their jobs in a way that protects the environment and helps ensure compliance. Environmental Toolbox Talks and online training is delivered as part of the site training program.

Several objectives are planned for 2020 including the return of wooden pallets to suppliers for re-use, laboratory fume cupboard controls and lighting replacement.

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,

A handwritten signature in blue ink, appearing to read 'P Lloyd'.

Paula Lloyd

SHEQ Manager

Tel: +44 1446 709606

Environmental Objectives & Targets and Improvement Plans FY19							CABOT 
Ref	Objective	Target/KPI	Action Plan	Responsibility	Timescales	Status	Environmental Objectives and Targets
FY19/1	Maintain compliance with our Environmental Permit.	100% compliance and no ENCs with our Environmental Permit.	Execute Compliance Calendar actions, Fulfil permit requirements (Quarterly/Annual Reporting, CAR response, IP actions). Base Data Provision -Steve Sims, Eyad Mouti, P Lloyd, Kate Case (Waste)	SHEQ Mgr	End of FY19	CAR reports issued on time to NRW. Zero ENCs/Permit Deviations: full compliance across all areas. 8 yrs 10 months ENC free (30.10.19)	
FY19/2	Control and reduce Off Quality (OQ) material produced.	<0.5% of hydrophilic silica, <1.0% treated silica produced in FY19. Establish quality KPIs (e.g. %OQ by Grade, Unit, Cause, Disposition).	Monitor via monthly/YTD %OQ and KPIs	Operations Manager	End of FY19	Target Met 0.23 v 0.5% hydrophilic and 0.65% treated silica OQ v 1% max OQ. Look to reduce targets in FY20	
FY19/3	Reduce environmental impact of single use plastics	Phase out single use plastic cups	110,000 Klix maxgine cups are disposed every year. Replace drinks machines with re-useable cups	SHEQ Mgr	Q3 FY19	Single use cups eradicated from Dec 2019	
FY19/4	To fulfil obligations under the Climate Change Agreement and initiate a number of site wide energy improvement activities	Maintain SEC ratio < 0.742 Electricity Demand Reduction	Monitor Monthly SEC Ratio and YTD performance	SHEQ Mgr	Q1CY19	Target met CCA submission Feb 2019, 15k surplus tonnes of CO2	
FY19/5	CO2 emission reduction; replace packaging machine in WPS	Electricity demand reduction, CO2 reduction changing from electricity to gas	Install through SD 2019	Operations Manager	Q3 FY19	Objective met 30% reduction in KWh use	

Review Log: Jan 15th 19
26th Mar 19
9th July 19