

Mr D Willey
PPC Compliance Team
Natural Resources Wales
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Ref: PPC Permit No.: BJ6968

Dear David

Please find below details of the Environmental improvements conducted by **IQE Silicon Compounds Ltd.** for the period of 2017:

EMO 17.1 – Transition to ISO14001:2015

Follow the completion of the readiness review for transition to the new standard in April 2017 by BSI, the transition audit took place in December 2017 with no Non-conformances raised. IQE Silicon has now successfully transitioned to IS14001:2015.

EMO 17.2 – Reduce amount of raw materials

Reduce paper trail by increasing the amount of electronic forms in use within the company and reducing the paper version.

Target: 5% by usage

Result: Form transition in progress although a 5% by use has not yet been achieved. The major contributor being the software, Infopath the chosen MS application has been ceased by the vendor and not supported with newer version of MS Office, MS Word was to be used, but form options were limited. It is planned that during 2018 the company will review and standardise software for form generation.

EMO 17.3 – Efficient Energy Usage

Reduce electricity usage by lighting improvements, introduction of low power LED lighting throughout the building.

Target: 50% by usage

Result: 25% has been converted to LED lighting, the remainder is on hold pending a new install and modifications to the structure of the interior. Once works are complete and lighting positions are known, progression will continue. Expected completion by Q2 2018

EMO 17.4 – Climate Change Levy Agreement

Through a Climate Change Levy Agreement monitor and review carbon emissions trading opportunities. The combined target with IQE Europe has been drastically reduced by a factor of 10 based on previous years, this is now making the agreement inefficient and incurring additional cost. This will be reviewed of the course of this year to review the system.

Target: Maintain a level of 5.55 MWh per m2 of wafer production

Result: 21.71MWh per m2



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Regards

A handwritten signature in black ink, appearing to be 'P. Carroll', written over a horizontal line.

Paul Carroll
Manufacturing Manager