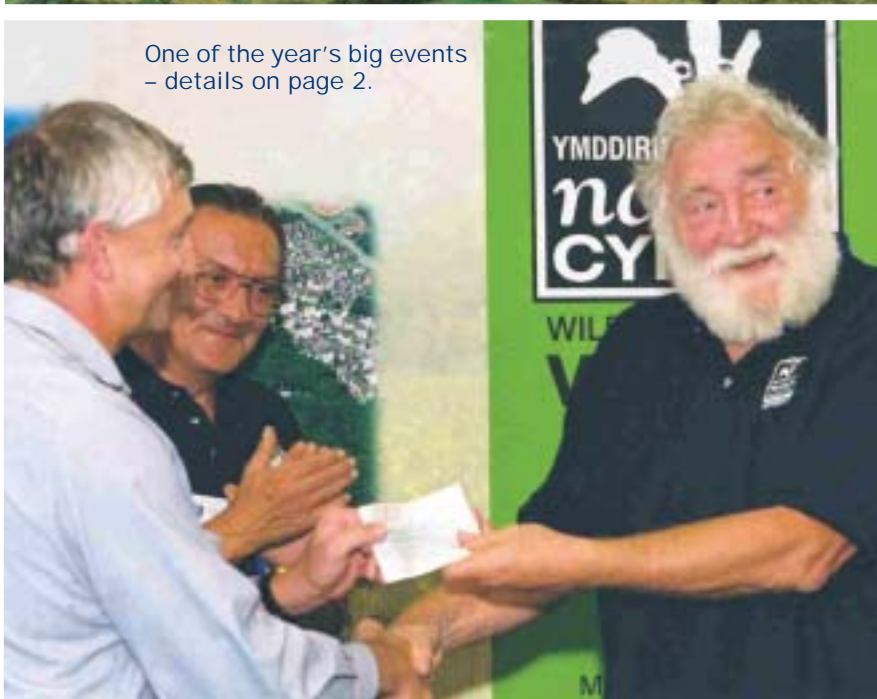


ANNUAL REVIEW 2003 & Environmental Statement

(published 2004)



One of the year's big events
– details on page 2.



POLICY

Environment, Safety and Health Statement

SOLUTIA'S Environment, Safety and Health Commitments are based on strong convictions that continuous improvement in these areas is critical to creating value for all stakeholders.

- To ensure that our operations are safe for our employees, site contractors, communities and the environment.
- To make and distribute products that do not pose undue risk to the environment or human safety or health when used responsibly.
- To keep our operations open to our communities and foster open communications with all of our stakeholders.
- To continuously improve our raw material and energy utilisation efficiencies to reduce our impact on the environment and improve the sustainability of our businesses.
- To encourage active participation in and positive contributions to environmental stewardship, safety and health by our employees.
- To search worldwide for new technologies that bring environmental, safety and health value to all of our stakeholders.

In addition, Solutia has made a public commitment to pursue a course of environmental, safety and health stewardship through Responsible Care® to prevent harm to employees and stakeholders and to prevent pollution of the environment. To meet these commitments we will pay particular attention to:

- The compliance with all relevant legislation and company environmental, safety and health requirements.
- The implementation of all measures necessary to prevent major accidents and limit their consequences.
- The setting and review of objectives and targets to address environmental safety and health effects identified from the risk assessment of activities, products and services.
- The provision and maintenance of a management system that is consistent with the principles and requirements of Responsible Care®.
- The provision of information, instruction, training and support for all employees and others working on site.

These commitments and the progress against the objectives and targets in the site improvement programme are published in the annual Environment, Safety and Health report which is communicated to employees, local communities and other interested parties.

M.W. Lynham

Chairman, Solutia UK Ltd.



Cover photograph: Professor David Bellamy receiving a cheque on behalf of Gwent Wildlife Trust (GWT) from Mike Lynham, Solutia Site Manager, with Roger James Chairman of the Wildlife in Newport Group and Vice-President GWT, at the 40th anniversary of GWT.

Abbreviations, acronyms and technical terms appearing in this report are explained in the glossary on page 15.

INTRODUCTION

By Mike Lynham, Chairman, Solutia UK Ltd.

2003 was another year of achievement in many ways for Solutia Newport, but three employees and three non-resident contractors suffered recordable injuries.

Two employees required sutures for cuts to fingers and the third had caustic burns on his feet; two contractors involved in plant dismantling required sutures to their legs and the third was hit by a metal fragment falling from the piling rig during the construction of the new boiler.

We retained our EMAS, ISO14001 and OSHAS 18000 accreditations and demonstrated significant reductions in red list discharges and energy usage, and removed from site over 70 tonnes of sediment from our surface water drains.



We invested in future site infrastructure by upgrading the effluent lagoons and obtaining approval for the #16 boiler and a new cooling tower.

We received no neighbour complaints and the highlight of the year was the opening, in September, of 'Great Traston Meadows' on Solutia property by Professor David Bellamy, whom I was proud to meet.

All this was achieved while the plant operated near capacity with several units breaking production records.

We fully participate in the Chemical Industries Responsible Care® programme of continuous improvement of our Safety, Health & Environment processes, and we support development of the CIA Sustainable Development targets.

AT the 2003 Chemical Industries (CIA) Association awards the 'Responsible Care' first prize was awarded to Solutia, Newport in recognition of our efforts to continually improve Environmental, Safety and Health performance. In the picture at the award ceremony in July, left to right, are Rodney Townsend of the Royal Society of Chemistry and George Alagiah of the BBC with Solutia's Jane Peters (holding the award aloft), Mike Lynham, Rich Chandler and Nick Gilbert.



THE following guiding principles are a condition of membership of the Chemical Industries Association (CIA), of which Solutia is a member.

Policy: We will have a health, safety and environmental (HS&E) policy which will reflect our commitment and be an integral part of our overall business policy.

Employee involvement: We recognise that the involvement and commitment of our employees and associates will be essential to the achievement of our objectives. We will adopt communication and training programmes aimed at achieving that involvement and commitment.

Experience sharing: In addition to ensuring our activities meet the relevant statutory obligations, we will share experience with our industry colleagues and seek to learn from and incorporate best practice into our own activities.

Legislators and regulators: We will seek to work in co-operation with legislators and regulators.

Process safety: We will assess and manage the risks associated with our processes.

Product stewardship: We will assess the risks associated with our products, and seek to ensure



these risks are properly managed throughout the supply chain through stewardship programmes involving our customers, suppliers and distributors.

Resource conservation: We will work to conserve resources, and reduce waste in all our activities.

Stakeholder engagement: We will monitor our HS&E performance and report progress to stakeholders; we will listen to the appropriate communities and engage them in dialogue about our activities, and our products.

Management systems: We will maintain documented management systems which are consistent with the principles of Responsible Care® and which will be subject to a formal verification procedure.

Past, present and future: Our Responsible Care® management system will address the impact of both current and past activities.

PRODUCTS

A world of applications

NONE of the plant's products are sold directly to the public, however they are used in the manufacture of many items destined for everyday use, for example, in washing powders, floor coverings, tyres, safety windows and windscreens.

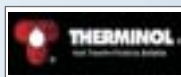


Dequest® is a range of organic phosphonates used mainly as scale inhibitors in water treatment and as sequesterants (preventing metals in solution causing discolouration) in the detergent industry.

Santoflex® IPPD is used mainly as an antioxidant and flexcracking preventer in natural and synthetic rubbers, especially in tyres.

Santicizer® phosphate esters are flame retardant plasticizers. These are manufactured by Solutia for Ferro. They are particularly used in PVC and its co-polymers to give low temperature flexibility.

Biphenyl is produced by the pyrolysis of benzene. It is sold as an intermediate for the production of optical brighteners and is also a constituent of heat transfer fluids.



The **Therminol®** range of products are made from polyphenyls and are used mainly as high temperature heat transfer fluids.



Dequest® provides ingredients for household laundry detergents.



Saflex® plasticizer S2075 is used as the plasticiser for the safety interlayer in car windscreens and side windows to prevent shattering and allows absorption of head impact in the event of an accident. Saflex® is also used in bomb-proof and security windows.

Hydrochloric acid is used within the company and is also sold through a major distributor. It is a common inorganic chemical used in a variety of chemical processes.

Associated companies

There are three manufacturing companies with a presence on site:

Advanced Elastomer Systems Ltd (AES) is owned by ExxonMobil Chemical Company and has two plants on site which manufacture a range of thermoplastic elastomers. These combine the elastomeric performance of vulcanised rubber with the processing performance of thermoplastic polymers and are used in a wide range of industrial parts including gaskets, bellows, electric cables, medical goods, vehicle parts and in household appliances.



Ferro is a multinational producer of performance materials including coatings, colours, ceramics, plastics and chemicals. It owns the Santicizer plant which Solutia operates on its behalf.



Flexsys is a company owned jointly by Solutia and Akzo Nobel. It owns the Santoflex plant which Solutia operates on its behalf.



INFORMATION

Where we are – what we do

SOLUTIA'S 316 acre site (128 hectares) in Newport, South Wales is a chemical manufacturing operation which currently makes use of 101 acres (41 hectares) of the site total. Six production plants using organic and/or inorganic processes are operated.

Techniques used include pyrolysis, aqueous or anhydrous reactions, esterification, hydrogenation, drying, pastillation, distillation and filtering. The production units incorporate modern technology.

About 40% of our employees are involved in continuous 24-hour shift operations.

A range of services support production activity – from maintenance teams and engineering specialists through to analytical laboratory staff. Administration support – in finance, human resources and information systems – is fully

integrated in the site organisation. Other service departments include: Boilerhouse, generating steam from burning gas or oil; Effluent, neutralising excess acidity or alkalinity; Distribution, buying raw materials and handling the packaged products.

The registered office of Solutia UK Ltd is also on our Newport site, requiring financial and managerial staff.

108,000 tonnes of materials, excluding fuel and packaging, were purchased in 2003 for manufacture of 154,000 tonnes of product (the amount of product exceeds the amount of materials because some products are aqueous, and purchased water is not included in the materials total).



Solutia's Newport site, seen from the air.

OUR site turnover was £91 million which represented about 6% of Solutia's sales in 2003. Our 200 employees are about 3% of the company's 6,700 staff worldwide. Environment, Safety and Health employed six people at Newport in 2003.

We spent £1.6 million in 2003 on the environment which was split:

- £242,000 for environmental projects; 15% of site capital.
- £ 1.3 million on environmental monitoring and management, waste disposal, and effluent handling and treatment, which was 1.4 % of site turnover.

LEGACY ISSUES

In the past PCB, PCP and chlorine (made in a mercury cellhouse) were manufactured on-site. These activities left a legacy of soil contamination.

Consultants completed a comprehensive risk assessment in 1992, to determine if these activities had resulted in any unacceptable risks.

This assessment concluded that the site was stable and did not pose a threat to human health or the environment. A risk management strategy was developed to ensure this stability was maintained and some voluntary remediation work was completed in 1996. This comprised:

- Encapsulation of a disused landfill at the west perimeter using a cut-off wall of flexible membrane liner set in bentonite clay, with an impermeable cap consisting of a polypropylene membrane overlain with clay & topsoil.

- Installation of an interceptor trench around the Therminols plant, where PCB used to be manufactured.

- Installation of sediment traps in re-en systems. The effectiveness of these actions is checked during an annual monitoring programme. Any significant changes will trigger contingency actions to prevent migration.

Residual soil contamination also contributes to wastewater discharges from site drains as some of them are of loose-jointed construction to capture high groundwater levels and prevent flooding. The IPC authorisation allows discharges of PCB, TCB, PCP and mercury to continue at low levels with a condition that requires reduction to levels agreed with the Environment Agency by April 2005. These reduction actions have been, and are, a major feature of improvement programmes discussed in the following section.

Performance versus the 2003 improvement plan

Reduce losses from the S2075 process.

Done, new equipment installed and operated since July.

Evaluate a process to reduce formaldehyde losses.

Done, further work required.

Perform an evaluation with consultants of site wastewater to determine where future reduction should be focussed.

Done. Study indicated formaldehyde is the main contributor to effluent toxicity, followed by phenol.

Complete impact assessments of residual releases from all processes as part of the PPC permit application.

Done for submission of site PPC application in March.

Provide bund for Santicizer FP storage tanks.

Not done because Ferro capital plan revised. Rescheduled for 2004.

Replace surface water drains along 5th street east.

Done.

Improve lab drains.

Done.

Evaluate and recommend Cooling Water System replacement site options for project starting Q4 03.

Done. Project defined for replacement of cooling water station #2.

Evaluate options to secure 2 wind turbines on site.

Evaluation showed this could be viable and potential partners identified.

Identify opportunities for enhanced energy performance through better process control.

Identification and implementation of variable speed drives appears best opportunity.

Further identification and implementation of variable speed drives under 'pay-as-you-save' scheme.

12 energy saving variable speed drives fitted, of which one was 'pay-as-you-save' and three further identified for fitting.

Upgrade east wastewater retention lagoon.

Done. South lagoon re-lined also.

IMPACT

The effect of our operations

THE most significant impact of our site is the process effluent discharge on water quality of the Severn estuary. A report published by the Environment Agency summarised the results of their estuary study performed in 1998.

This study followed a previous study around our effluent outfall done in 1993 and concluded that impact has been reduced – both acute toxicity close to the outfall and chronic toxicity further away, were improved.

Species close to the outfall are no longer

impoverished and further away a greater diversity of species is now present, typical of similar Severn Estuary sites.

The maximum levels of metals recorded in the survey area were mostly higher than those recorded previously, however average levels of metals are similar to those elsewhere in the estuary.

Levels of PCBs in the discharge have reduced but the highest maximum levels in sediments were recorded in this survey. There were large reductions in the levels of PCP and benzene recorded in the sediments.

Environmental improvement plan for 2004

AREA	ACTION
Air and energy	<ul style="list-style-type: none">• Replace boiler #12 with new boiler #16.
Spill containment	<ul style="list-style-type: none">• Provide bund for Santicizer product storage tanks.
Drainage and wastewater	<ul style="list-style-type: none">• Reduce 'red list' discharges by replacing underground surface water drains in avenue B.• Establish continuous sampling and analysis of surface water.• Continually discharge surface water separately from process effluent and sewage.
Waste	<ul style="list-style-type: none">• Segregate skip contents prior to compaction to allow non-hazardous landfill.• Start to consign all Santotar for inclusion in Cemfuel®.
Energy use	<ul style="list-style-type: none">• Replace Cooling Water Station #2 towers.• Evaluate options to secure wind turbines on site by a full feasibility study.• Perform detailed feasibility study for wind power generation on-site.• Further implementation of variable speed drives.
Water use	<ul style="list-style-type: none">• Evaluate potential for groundwater use on site.

MANAGEMENT SYSTEM

EMAS and ISO14001

EMAS (Eco-Management and Audit Scheme) is an European Union programme to encourage business to take the initiative in protecting the environment and promote greater public disclosure of environmental performance.

The scheme is voluntary and applies across Europe. Individual sites can participate in the scheme if they comply with existing pollution control legislation and have established the following:

- *An environmental policy.*
- *An environmental review, covering all aspects of the site.*
- *An environmental programme, which sets quantified objectives.*
- *An environmental management system, to give effect to the policy and programme (Solutia, Newport is accredited to ISO 14001 management system standard)*



EMS34690

- *An environment audit cycle, to provide regular information on the progress of the programme.*
- *An environmental statement, a concise and comprehensible statement (which you are currently reading).*
- *Validation, by an independent verifier (BSi in our case).*

We were the 24th company to be registered in Britain and the first in Wales.

THE International Standard ISO14001 has been developed to cover Environmental Management Systems.

Solutia, through its Responsible Care® commitments and documented Environmental, Safety and Health policy, views its performance in this area to be critical to its long-term success.

Our management system provides for the documentation of all regulatory and corporate requirements that need action for compliance. All of the above elements are in place and serve as a template for improvement actions.

Internal auditing is a key to continuous improvement. There are four main elements to the site audit programme:

1. *Department inspections.*
2. *Management system audit (52 of these were done in 2003, by 42 employees).*
3. *Site inspections; involving as many people as possible in the identification of hazards.*
4. *Permit audits.*

In 2003 we were subjected to a week-long ESH audit by a corporate team of four people. The audit concluded that the site was generally well managed and found only minor items for improvement.

Other auditing activities include:

- *Major engineering projects*
- *In-depth safety audits*
- *Specialist audits and checks of portable electrical equipment, radioactive sources and emergency response.*

Actions arising from these various audits are recorded in a computer database with sitewide access, which enables us to track progress and so improve our performance.

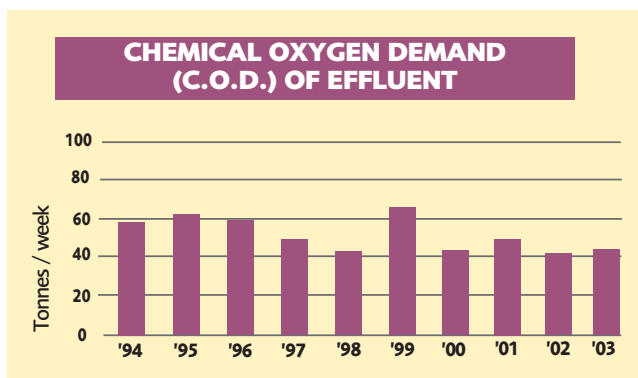
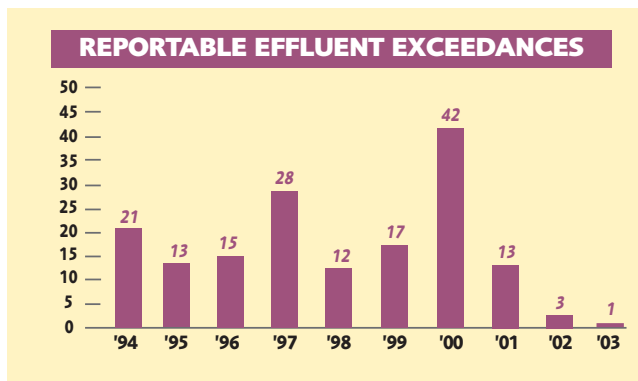
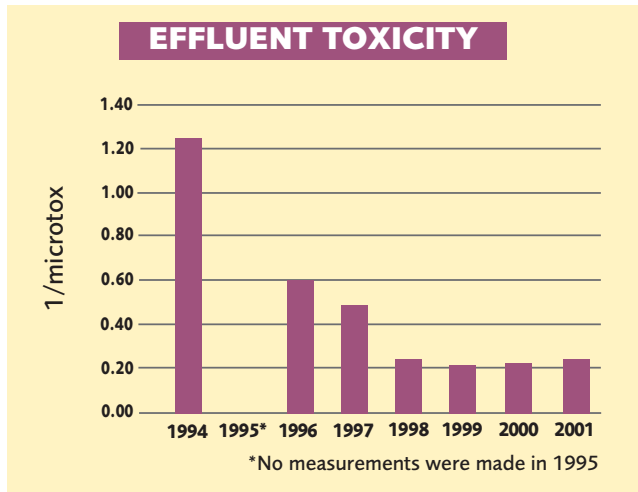
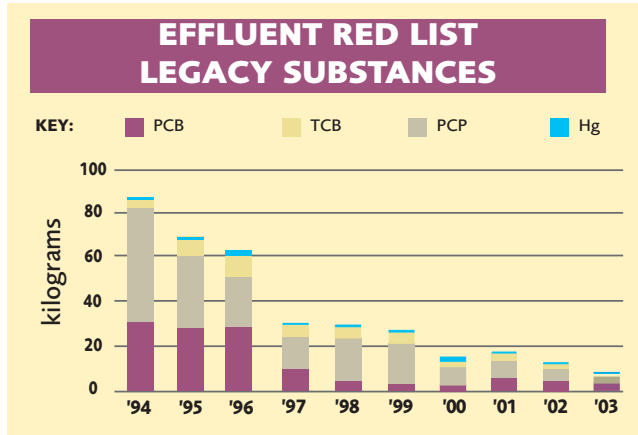
External audits include:

- *Insurance inspections*
- *British Standards Institute*
- *Environment Agency inspections*
- *Health and Safety Executive inspections.*

WATER

Environmental indicators

THE 'Red List' is a British list of priority water pollutants chosen because of their toxicity, persistence and tendency to bio-accumulate.



At Newport we have four legacy red list substances in our effluent: PCB (polychlorinated biphenyl), TCB (trichlorobenzene), PCP (pentachlorophenol), and mercury which are not used in processes on site, but are discharged from residues of past manufacturing activities dating back to the 1950s. We refer to these as 'legacy' substances. These four legacy red list substances are measured in our own laboratory.

The chart (left) shows the discharges since 1994. The amount discharged in 2003 was 7kg, which was an tenth of the amount discharged in 1994 (91kg). This substantial decrease is due to several improvements made in recent years. These included replacement of some underground drains with overhead pipelines or new surface water channels, repair of underground drains, removal of redundant drains, capping a contaminated area with an impermeable cover to prevent rain percolating through, and removal of sediment from our drains.

Reportable exceedances are notified to Environment Agency Wales, investigated, and then a copy of our investigation report sent to them. There was only one reportable effluent exceedance in 2003, which was due to mercury residues in our soil. The quantity of mercury discharged in 2003 was half that discharged in 2002 (0.3 kg compared to 0.6 kg).

Chemical Oxygen Demand (C.O.D.) is a measure of the oxygen depleting potential of the organic chemicals in water. In 2003, the discharge averaged 42.5 t/week, which was well below the authorised limit of 75 tonnes per week. The chart shows our annual effluent average COD, which since July 2003 has been the lowest we have measured.

We ceased measuring effluent toxicity using Microtox® in 2001, and in 2002 tested effluent using 4 Direct Toxicity Assessment (DTA) tests which are new tests developed for the Environment Agency.

These tests showed Tisbe and Algae to be more sensitive species than the other two, so monthly samples of effluent were assessed through 2003 using these two tests. This was done to establish a 'baseline' against which future reductions in effluent toxicity can be compared. Because we only started these monthly tests in 2003 no graph is shown.

The one reportable effluent exceedance was out of over 500 measurements made which is better than 99% compliance. The chart shows exceedances from 1994, when limits were set, and have since been tightened by the Environment Agency.

In 2003, we discharged 214 kg of zinc and 22 kg of copper. These figures represent an average of 4.1kg zinc/week, an eighth of the limit (35kg), and an average of 0.4 kg copper/week, a sixth of the limit (2.5kg). Our effluent flow into the Severn Estuary averaged about 3,200 m³/day, same as the previous two years, and a similar volume to the amount of mains water used each day.

WASTE

Dealing with it responsibly

In 2003 we despatched 1,522t of Solutia-derived process and related waste from our Newport site.

Of the total amount for disposal, 939t was 'hazardous' as defined in the European Waste Catalogue. Less than half (432t) of this 'hazardous waste' was landfilled, mostly being Santotar®

distillation residues which are a solid tar set in drums. These were not classed as hazardous under the previous 1996 Special Waste Regulations.

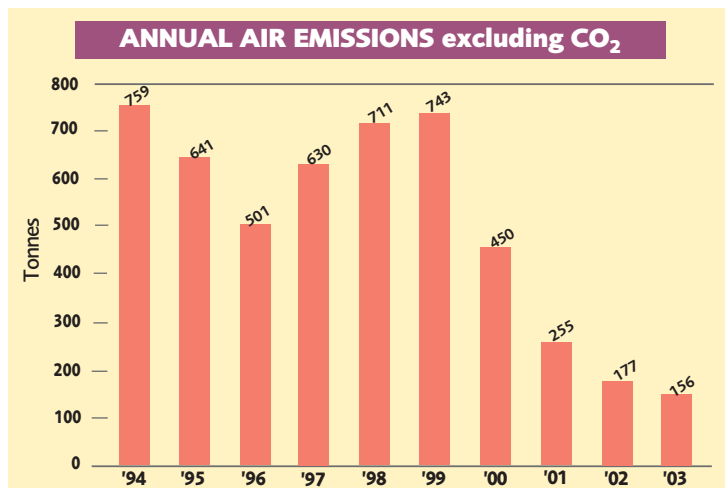
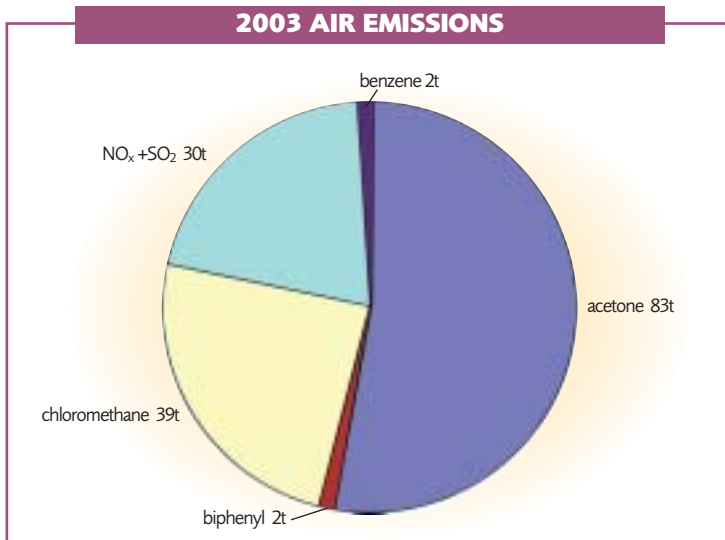
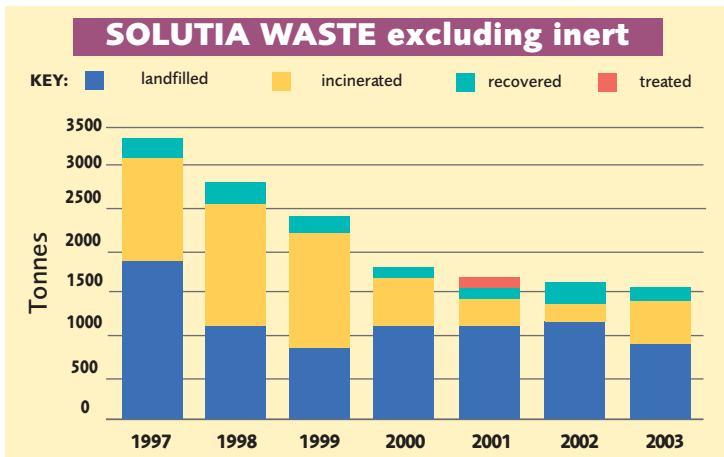
Waste totalling 407t was incinerated as a fuel in the manufacture of cement, which we consider to be environmentally preferable to incineration without heat recovery, or to landfill. Most (294t) of this was Santotar, which previously we used to send all to landfill.

Waste management company SRM, based in Lancashire, has been manufacturing Cemfuel® from solvents to a tight specification for Castle Cement. The burning of Cemfuel in the cement kilns at Castle's Ribblesdale Works is authorised by the Environment Agency.

We despatched 486t of non-special waste for disposal which was all landfilled in South Wales. This total excludes over 3,000 tonnes of soil and rubble from demolition and construction activities onsite which were disposed at neighbouring Alphasteel.

Materials weighing 137t were sent for recovery including 112t scrap metal collected on site. The rest were metal or plastic drums and oil sent for reconditioning or recycling. The scrap metal total excludes nearly 800t of metal recovered from demolition of the former 4NDPA plant

The Environmental Protection Act 1990 placed a statutory duty on waste producers called "duty of care". We have been auditing the waste disposal facilities we use since the early 1980s. Solutia is a member of the Waste Facilities Audit Association (WFAA), which comprises over 30 companies from various industries who commission independent audits of waste facilities. More information can be found on the internet site - www.wfaa.net



Air emissions

THESE were measured from vents as part of compliance with IPC Authorisation requirements. In 2003 emissions were measured from 33 vents, of which some emit more than one substance.

There were three reportable air exceedances in 2003:

- exceeding the authorised concentration of sulphur dioxide when burning heavy fuel oil. This was due to level of sulphur in heavy fuel oil being more than the permitted 1% sulphur. We changed our supplier as a result;
- dark smoke emitted briefly from a boiler when burning oil;
- exceedance of the annual 100kg limit for acetics from our Dequest 2010 process.

The major organic chemical emission acetone is calculated. Acetone evaporates easily because it is a volatile liquid, and is the main ingredient of nail-varnish remover. Using mass balance calculations for the Santoflex process we have calculated the difference between raw materials into the plants and output (product and waste).

The difference allows the acetone release to be derived.

ENERGY

Improving our efficiency

ENERGY generation and use is not considered as having significant impact from our site because carbon dioxide (CO₂) emissions have no local effect.

However the 'greenhouse' properties of CO₂ mean energy usage around the world is releasing so much that the weather is changing at an accelerating rate. There is increasing awareness this is the most significant environmental effect of human activity.

CO₂ is emitted as a result of energy usage in factories, homes and transport. In Britain all three of these sectors are substantial contributors. To encourage industry to reduce energy usage the Government has introduced a 'climate change levy' tax. The site now has 20% of its electricity from

renewable sources.

From 2002 to 2003 our energy consumption measured in Gigajoules (GJ) fell even though we increased production output. We have exceeded the performance targets under our Climate Change Agreement, securing the 80% Climate Change Levy rebate. Against a 1998 base year of 18.9 GJ/Tonne (i.e. energy per tonne of product) we achieved 8.4 GJ/Tonne average in 2003.

Energy Manager Keith Agnew has progressed our energy plan of 365 items with the support of many employees on site, 174 of whom have completed the Energy training package. He has also promoted these ideas to other companies, through partnership with Action Energy, to help spread good practice.

COMMUNITY LIAISON

This aerial photograph shows, edged in red, the fields leased to Gwent Wildlife Trust (GWT), now named 'Great Traston Meadows'. These were formally opened by Professor David Bellamy in September when he came to a GWT meeting held in the Solutia canteen. Prof Bellamy, President of the Wildlife Trusts, is pictured during his visit on the front cover of this report and on the next page.



Image from The Millennium Map ©getmapping.com plc

COMMUNITY LIAISON

WE believe it is important to maintain an open dialogue with the community around our site.

The Community Liaison panel has representatives from various organisations including wildlife and conservation groups, church, police, schools and colleges, regulatory authorities, Newport City Council, and local residents.

The meetings are an opportunity for discussion of changes at the site which may be of interest or concern to local people. The group met on three occasions, the meetings chaired by Julia James of Gwent Wildlife Trust, and discussions included the Control of Major Accident Hazards (COMAH) regulations, mercury discharges, the establishment of a nature reserve on Solutia land, and the cyclepath on Solutia property.

We have allowed Sustrans to build a safe, traffic-free part of the 'Celtic Trail' across our fields to Pye Corner on Nash Road. The 'Celtic Trail' is part of National Cycle Route 4, and is essentially off-road from the Transporter Bridge (which is free for cyclists) to our site.

On our property the cycletrack runs along a former railway siding beside our factory before reaching fields on the Caldicot level where it can be seen running east/west north of the area marked in red on the colour photograph.

Solutia is a corporate member of Gwent Wildlife Trust (GWT) to whom we have leased our southern fields which occupy 30 hectares (75 acres) to manage as a reserve.

These fields are considered desirable because of the wildlife present in them. These 30 hectares have not been cultivated for 53 years having only been used for grazing and hay production and, we believe, have never been sprayed. The aerial photo on the previous page shows edged in red the fields leased to GWT, now named 'Great Traston Meadows'. These were formally opened by Professor David Bellamy in September when he came to a GWT meeting held in the Solutia canteen. Prof Bellamy is the President of the Wildlife Trusts.

For more information refer to the website www.wildlifetrust.org.uk/gwent or send an email to gwentwildlife@cix.co.uk



At the opening of 'Great Traston Meadows' (see aerial picture on previous page), left to right: George Peterken OBE, President Gwent Wildlife Trust (GWT); Rich Chandler, Environmental Manager Solutia; Prof David Bellamy and Julian Branscombe, Manager GWT.

Public complaints

ALL public complaints are logged, investigated, and the complainant – or the regulator to whom they complained – informed of our findings.

Only those which can be confirmed as

attributable to Solutia operations are included in our complaints statistics. We are pleased to report there were no complaints from the public about our site operations in 2003.



CIA: Promoting our industry

SOLUTIA participates in the Chemical Industries Association 'Speak-out and listen' programme. In this programme speakers go to various clubs and organisations to promote knowledge of, and image of, the chemical industry. In 2003 a speaker from Solutia gave talks to two groups, one in Abergavenny, and one in Caerphilly. Anyone who is interested to know more about this scheme should contact Richard Chandler on 01633 754367.

COMMUNITY LIAISON

Schools: Our work with youngsters

IN 1992 we discussed with Somerton Primary School how to improve understanding of the chemical industry by children, and their families.

A 'teaching pack' was prepared based on the various jobs done by people in the manufacture and selling of Dequest®. The pack was designed to fit several parts of the curriculum as well as explain simple chemistry.

Over 100 schools and colleges have received copies and over 8400 pupils of all ages; primary (5-11), comprehensive (11-18), and 6th form colleges (16-18) have visited site.

Children are encouraged to look, listen and learn

assisted by a video featuring an introductory character 'Dai' (who was drawn by Ken Mitchell, our resident artist from the Dequest plant). Local education authorities in Gwent support the scheme and encourage their schools to visit our site.

Schools from other parts of Wales, and England also visit and have been complimentary.

All visiting children are given a safety training briefing, and are given personal protective equipment (overalls, helmets and safety glasses) to wear during their visit. The programme is an enjoyable learning experience for the children due to the enthusiasm and support of Solutia employees across the whole site.



Children from St. Josephs primary in November with teacher Jackie Allison and retired Solutia employee Roy Langfield.

Charities: Employees' help for good causes

THE Solutia Charity Committee donated £12,000 to various causes during the course of 2003. The committee consists of volunteer employees, and meets quarterly to discuss letters of appeal that have been received by the company from national and local charities. Employees are also helped with sponsorship for taking part in charity fund raising events such as the Three Peaks Challenge and BT Swimathon.

National charities to benefit during 2003 included:

- Cancer Research UK
- Childline
- Multiple Sclerosis Society
- Scope
- NSPCC
- Diabetes UK

Local charities to benefit during 2002 included:

- Barnardos Cymru
- Wales Council for the Deaf
- Royal Gwent Hospital Newport
- Ty Hafan Children's Hospice

SAFETY

Three ways we keep it a priority

TO HELP ensure our operations are safe as declared in our Environment, Safety and Health policy we have a small team of safety professionals. The main aim of the team is to provide advice and guidance to everyone on site to enable them to work safely. The work is split into three areas:

1. Personnel Safety:

The team develops and maintains the site safety management system which is certified to OHSAS18001. We have procedures in place for safety responsibilities, monitoring, hazard identification, risk assessment, plant operating instructions, permit-to-work systems, safety inspections, incident investigation and auditing. We also review our safety performance regularly with the site leadership team to highlight issues as they arise.

In 2003 the site had one reportable injury, and one Dangerous Occurrence. We reported no occupational illnesses. Routine behavioural observations help us identify further ways to make Solutia a safe place to work.

2. Process Safety:

Working with production personnel and engineers we ensure that our processes are designed, installed, operated and maintained in a way that minimises the risk of them causing an incident such as a fire, explosion or chemical release.

In 2002 a safety report was submitted to the Health & Safety Executive (HSE) and Environment Agency (EA) for all our processes handling dangerous substances as defined under the Control Of

Major Accident Hazard (COMAH) regulations.

This report described our Major Accident Prevention Policy and the measures we have in place to prevent, or mitigate and respond to major accidents. In 2003 this report was being assessed by the HSE & EA.

3. Property Protection and Emergency Response:

In the unlikely event that an incident should occur the site has comprehensive systems for fire detection and fire fighting. These range from automatic sprinklers and deluge systems in the process areas to manually operated fire hydrants, hoses and portable fire extinguishers in all areas. People on site, including contractors, receive regular training in the use of fire extinguishers.

Our emergency response plan is designed to deal with a range of incident scenarios and involves deployment of a trained emergency response team. Emergency Assembly Points throughout the site provide a safe haven for personnel in the event of an incident.

We test our emergency alarm every day at 8:00 am and test all three alarms on Tuesdays at 14:30 to 14:40.

Occupational health and hygiene

WORKING closely with Industrial Hygiene, the Occupational Health Department performs a preventative role, monitoring the health of the workforce through the use of routine health surveillance checks such as lung function, hearing, skin and musculo-skeletal assessments. Most testing is performed annually and is based on Industrial Hygiene monitoring data which identifies areas with the potential for high noise and dust exposures.

The Occupational Health Department is also involved in certain aspects of training including lifting techniques and the assessment of work practices to help prevent injury and illness.

The Occupational Health Department keeps up-to-date with changes in medical knowledge and legislation in order to provide the best possible advice and service to employees and

their families by advising on topics such as travel, immunisation and other health concerns.

The company provides a confidential employee assistance programme which is an external information and counselling support service for employees and their families.

In addition Occupational Health has a voluntary 'Well Person' programme which offers health risk screening and health promotion, together with exercise and fitness programmes. Apart from the gym and aerobic classes there is also a works cricket and football club.

The site Emergency Response Team is available 24 hours a day for any emergency including fire, chemical spill or rescue and the team members are fully qualified and equipped First Aiders and Firefighters.

GLOSSARY

4NDPA	A rubber chemical which was made at Solutia, Newport until 2000.
BSI	British Standards Institute (an independent organisation who verified this statement).
Cemfuel®	Trademark of Castle Cement.
COD	Chemical Oxygen Demand (in water).
Dequest®	A detergent chemical produced at Solutia, Newport.
Detection limit	The lowest level of a substance which can be detected by a test method.
EA	Environment Agency (regulatory authority in England and Wales).
EMAS	Eco-Management and Audit Scheme.
ESH	Environment, Safety and Health.
EU	European Union (formerly the EC, EEC, Common Market).
HSE	Health and Safety Executive.
IDSAs	In-depth Safety Audit.
IPC	Integrated Pollution Control (implemented by the Environmental Protection Act 1990 and enforced by the EA).
NOx	Nitrogen oxides; acidic gases emitted from combustion processes including car engines.
Pastillation	The process of making small round shapes from a molten liquid.
PCB	Polychlorinated biphenyl.
PCl ₃	Phosphorus trichloride; used to make Dequest.
PCP	Pentachlorophenol.
POCl ₃	Phosphoryl trichloride; used to make Santicizer.
PVC	Polyvinylchloride (a plastic).
Red list	Water pollutants, which are toxic, persistent and tend to bio-accumulate.
Reen	A drainage ditch.
Santicizer®	Plasticizer made at Solutia, Newport. Registered trademark of Ferro.
Santoflex®	Rubber chemical, made at Solutia, Newport. Registered trademark of Flexsys.
SO ₂	Sulphur dioxide; an acidic gas emitted when burning fuels containing sulphur.
TCB	Trichlorobenzene (used to be blended with PCB).
Therminol®	A range of heat transfer fluids produced at Solutia, Newport.
WFAA	Waste Facilities Audit Association.

Dequest, Saflex and Therminol are registered trademarks of Solutia.

This statement has been validated by J. Murphy of BSI who is accredited for EMAS verification with the registration reference UK-V-0002. The validation was completed in March, 2004.



If you would like to know more about Solutia, or would like to visit our site, please phone Mike Lynham on 01633 278221.

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