

21st August 2026

Marc Davies
M D Recycling Ltd
Unit 1, Crugmore Farm
Cardigan
SA43 1QY

Dear Marc,

Re: NRW Compliance Actions – Commissioning of Work

Further to our discussions regarding the recent NRW compliance reports and the action requiring M D Recycling Limited (MDR) to provide evidence of when the company contracted us to undertake the relevant work, we confirm below the circumstances surrounding the commissioning and progress of the Environmental Management System/Fire Prevention and Mitigation Plan updates.

There is no standing retainer arrangement in place under which we reserve consultancy capacity specifically for MDR's environmental or compliance requirements. Our relationship with MDR has historically operated, and continues to operate, on an ad hoc commissioning basis. When environmental or compliance work is required, the relevant documentation or request is forwarded to us, the scope of work and anticipated timescale are discussed, and we undertake the work on a time and expenses basis. This is the basis on which we were commissioned to carry out the EMS/FPMP update work for MDR.

The original requirement to update the management system arose from CAR_NRW0051608 and CAR_NRW0051609, which were sent to us by email on 27th April 2026 and required updates relating to clarifications around WM3 waste classification and storage and contingency plans, which were due by 26th July 2026, and changes to the Bioaerosol monitoring frequency, which were due by 28th April 2026, and changes to the bioaerosol monitoring frequency, which were made immediately.

Subsequently, CAR_NRW0052062 emailed to us on 9th June 2026 introduced the requirement to update the FPMP, which itself, would lead to the need for updates to drawings, procedures and management plans both relating to the FPMP, and for consistency, within the wider EMS. At that time, the WM3 waste classification and storage and contingency plans requirements were to be considered as part of the wider FPMP/EMS update as they would naturally be included.

The work arising from these reports was discussed and commissioned through the established informal working relationship between MDR and TEPL, including telephone calls between MDR and myself. Consistent with the way in which work has historically been commissioned and undertaken between MDR and TEPL, there was no separate formal contract, purchase order or other written commissioning document put in place for this work.

At the time, our company was experiencing a particularly high level of demand, with new work being scheduled approximately 16–20 weeks ahead. As a priority task for an existing customer, the work

schedule was reviewed and the work fitted into the workflow. As a result of our agreeing to carry out this work, it was our expectation that we would take the matter forward and work towards the deadlines specified in the relevant CARs, as we have done with similar work previously.

Our internal working time logs confirm that work on the EMS/FPMP updates commenced on 15th June 2026, with a focus on the FPMP due to the complexity and duration of work required.

Also at the time, we were undertaking a range of tasks for MDR which had been commissioned prior to, or alongside, this work and endeavouring to respond to the priorities set for us by MDR. These included support with the additional CAR actions and work associated with MDR's planning applications, together with responding to requests for design information to enable quotes to be secured for the extension of the composting area, and discussions regarding the implementation of Digital Waste Tracking. The EMS/FPMP update work was nevertheless progressed, and there remained an expectation that it could be completed by the required deadline.

As the preparation continued, it became apparent that further detailed work was required, particularly as a result of MDR's changes to the operational site layout and the need to address FPMP compliance and to check levels/routing for surface water management.

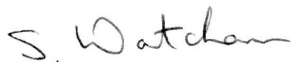
The circumstances were explained in the email sent to Mr Dines on 28th July 2026, on behalf of MDR, requesting additional time for the completion of the FPMP/EMS update. The email explained that, notwithstanding the delayed start and workload pressures, good progress had been made, but that further discussions with MDR were required regarding proposed site-layout changes, final points arising from the latest FPMP guidance, and surface-water management arrangements.

A site visit with MDR was subsequently arranged to confirm the changes and to enable the remaining drawings, management plans and procedures to be progressed.

We acknowledge that the request for additional time made on 28th July 2026, and after the original 26th July 2026 deadline for the EMS updates (and the day of the FPMP deadline) was later than would have been preferable, and regret that it was not possible to provide earlier notice that additional time was likely to be required due to the lateness of the changes being addressed.

This letter should, I hope, provide a sufficiently comprehensive summary to meet the requirements of the action arising from CAR_NRW0052677 (Ref. W1A) surrounding the commissioning of the EMS/FPMP updates. Should this not be the case, I will be happy to provide additional information.

Yours sincerely,



Stuart Watcham
Director