

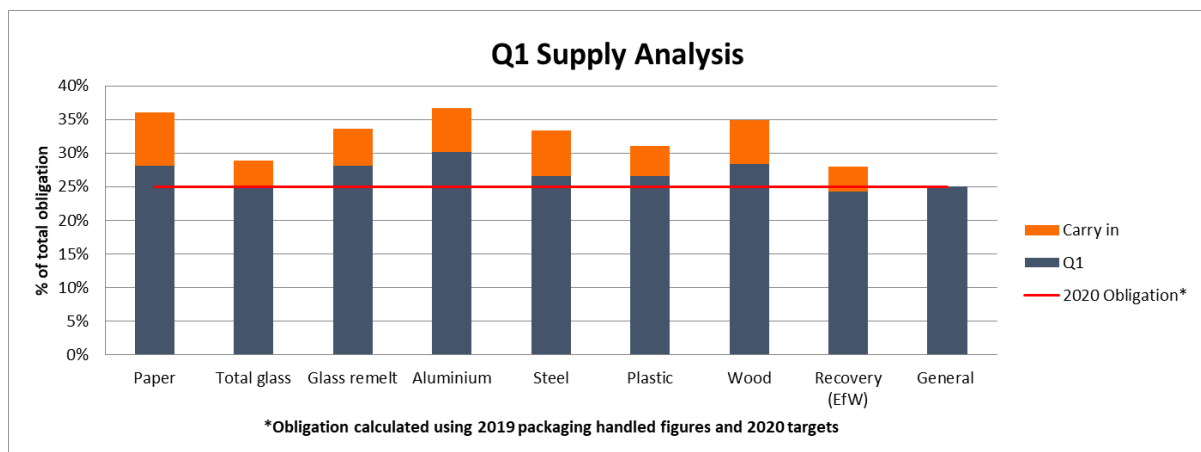
PRN Market Press Release

2020 Q1 Interim Recovery and Recycling Summary

A comment from Head of Trading, Tom Rickerby

“The release of interim Quarter 1 data has provided good insight into the health of recycling markets prior to the escalation of the Covid-19 crisis. In more ‘normal’ conditions the strong results in Plastic, Aluminium and Steel, combined with good carry-in figures would have resulted in downward price pressure in these markets. However, the market response is likely to be tempered by the uncertainty of the Covid-19 situation and an anticipated contraction in PRN supply in Quarter 2. The Q1 returns in Paper, Recovery and Glass are less positive, indicating potentially tight markets and justifying the recent upward price trend across all 3 materials. The downturn in Paper generation looks likely to place pressure on the General recycling market. Despite a strong quarter, Wood PRN prices have also seen positive price movement, buoyed by a rising Paper/General price and fears of an acute downturn in PRN generation – Wood recycling markets have seen some of the biggest disruption to supply chains following lock-down measures. Spot prices in Plastic and Steel remain relatively stable for now, whilst Aluminium has seen the biggest correction, down 16% to £105 per tonne.

Trading activity is understandably cautious across all markets as the longer term impact of Covid-19 on recycling markets and the PRN system remains unclear, however traders should take some comfort that a generally strong supply picture for Quarter 1 should provide some buffer to a potential downturn in Quarter 2.”



About t2e: The Environment Exchange (t2e) provides a transparent trading platform where members can trade PRNs. t2e’s unique position lets members use the power of the marketplace to gain access to the best available prices, which are displayed live on the trading boards. Trading is made easy with our dedicated account management service and swift settlement process. Members are kept informed with daily, weekly, monthly, and quarterly market reports. To find out more about t2e’s smart, simple, and safe trading, visit the website (www.t2e.co.uk) or call the trading line on 0844 800 9943.

Background Information: Under the Producer Responsibility Obligations (Packaging Waste) Regulations 2007, UK companies that produce packaging have a legal obligation to contribute to the cost of recycling this packaging. They do this by purchasing Packaging Recovery Notes (PRNs), which are produced by UK firms that recycle packaging or export it for recycling elsewhere. The legislation applies to companies who handle (manufacture, convert, pack/fill, or retail) over 50 tonnes of packaging per year and have an annual turnover of over £2 million.

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