

The Marketplace for PRNs Q4 2024

Market Status Report By Tom Rickerby, Head of Trading



Q4 2024 was the final trading period of the 2007 Packaging Regulations before the transition to Extended Producer Responsibility (EPR) in 2025. Whilst the Plastic and Glass Markets provided some talking points, it was largely a drama free, predictable end to one of the most comfortable and oversupplied compliance years in recent memory. EPR sees the PRN market take a step into the unknown. Uncertainty around the new

reporting methodology, revised recycling targets and the impact of highly punitive base fees has resulted in an extremely cautious approach to the 2025 market, despite low opening prices and an increasingly unpredictable macro-economic outlook.

A total of 383,110 tonnes traded on t2e during Q4, up 29% on the previous quarter but down 22% on the same period last year, reflecting limited engagement in the 2025 Forward Markets. 256,312 tonnes were traded in the 2024 Spot Market and 37,145 in the 2025 Spot Market. 4,539 tonnes were traded in the 28 Day Rolling Market. 55,614 tonnes were traded in the 2024 Forward Markets and only 29,500 tonnes traded in the 2025 Forward Markets.

Steel

Tata's exit from the Steel PRN market in June has provided an element of supply uncertainty to the 2024 market. However, despite an 8.6% decline in PRN generation in the second half of the year, Steel has comfortably met its obligation again. Spot prices fell to a 3 year low of £2.50. The 2025 market initially rebounded strongly, opening in good volume at £17.50 in the January and April Forward Markets but faded in the 2025 Spot on weak buying support and distressed transitional selling in the run up to the compliance year deadline. Q4 saw the highest Steel volume trade on t2e for the year, up 163% on the previous quarter. Overall, Steel traded volume on t2e was at its highest level since 2018, reflecting a market that is shifting from off-market, bi-lateral contracts to more on-market Spot trading.

Aluminium

The Aluminium market saw a similar fate to Steel in the final quarter as cumulative surplus and waning demand saw Spot prices collapse 88% to a year low of £5.00 per tonne. Aluminium prices have now capitulated to low single digit prices in 4 of the past 5 compliance years, despite a strong 5-yr rolling average of £92.58. 2025 may bring fresh challenges though for Aluminium. Early obligation forecasting extrapolated from the H1 data suggests Aluminium is the only material to have already surpassed its 2024 obligation with further growth anticipated.

Paper

Paper hit rock bottom price levels of £0.15 on t2e in Q4. Despite being a market accustomed to weak values, this represents new lows for the Paper market, surpassing the previous low of £0.20 following the collapse of the 2021 market. A record Q4 supply saw enough Paper PRNs generated in 2024 (including Carry-in) to theoretically satisfy the Paper and General obligations combined with over 200,000 tonnes surplus. Paper did see a late rally to a quarter high of £0.95 in the final month of the compliance year as late buyers matched higher offer prices to prioritise convenience and speed of settlement over price. In a rare occurrence, a weak outlook for 2025 markets saw no trading in the Forwards Markets, whilst the 2025 Spot closed at £1.50. Worrying signs for the coming year's Paper market.

Q4 Nov 2024 - Jan 2025	High	Low	Traded this quarter	Quarterly Average Price	YTD Average Price	Total Volume
Paper						
Spot 2024	£0.95	£0.15	121,939	£0.40	£3.17	382,511
Spot 2025	£1.80	£1.50	4,577	£1.54	£1.54	4,577
DEC Forward 2024	£0.40	£0.40	500	£0.40	£3.45	5,500
Transitional JAN Forward 2025	£3.00	£2.00	13,000	£2.46	£3.26	35,050
Plastic						
Spot 2024	£120.00	£34.50	37,208	£52.95	£117.06	216,982
Spot 2025	£90.00	£56.00	16,523	£69.22	£69.22	16,523
28 Day Rolling 2025	£70.00	£56.00	4,539	£66.13	£66.13	4,539
DEC Forward 2024	£40.00	£40.00	1,400	£40.00	£109.35	14,455
Transitional JAN Forward 2025	£120.00	£58.00	11,049	£80.25	£72.42	16,799
APR Forward 2025	£100.00	£65.00	3,100	£77.27	£77.27	3,100
JUL Forward 2025	£85.00	£81.00	1,000	£83.00	£83.00	1,000
OCT Forward 2025	£81.00	£81.00	500	£81.00	£81.00	500
Glass Other						
Spot 2024	£80.00	£7.00	24,889	£44.25	£49.56	69,785
Spot 2025	£45.00	£40.00	1,244	£44.00	£44.00	1,244
DEC Forward 2024	£50.00	£50.00	500	£50.00	£83.67	2,297
APR Forward 2025	£65.00	£30.00	3,750	£58.67	£58.67	3,750
JUL Forward 2025	£30.00	£30.00	500	£30.00	£30.00	500
Glass Remelt						
Spot 2024	£95.00	£59.00	28,939	£77.81	£95.14	94,556
Spot 2025	£65.00	£50.00	1,812	£61.35	£61.35	1,812
DEC Forward 2024	£78.50	£65.00	3,000	£69.50	£95.28	9,000
Transitional JAN Forward 2025	£85.00	£70.00	3,623	£79.31	£79.31	3,623
APR Forward 2025	£78.00	£78.00	10,150	£78.00	£78.00	10,150
JUL Forward 2025	£78.00	£78.00	1,500	£78.00	£78.00	1,500
OCT Forward 2025	£78.00	£78.00	7,000	£78.00	£78.00	7,000
Steel						
Spot 2024	£17.00	£2.20	23,194	£5.98	£20.14	66,118
Spot 2025	£10.00	£4.50	9,190	£6.68	£6.68	9,190
DEC Forward 2024	£10.00	£10.00	788	£10.00	£30.03	8,588
Transitional JAN Forward 2025	£17.50	£17.50	14,750	£17.50	£17.50	16,250
APR Forward 2025	£17.50	£17.50	2,000	£17.50	£17.50	2,000
Wood						
Spot 2024	£1.50	£0.20	16,092	£0.62	£4.50	100,046
Spot 2025	£1.75	£1.50	3,520	£1.70	£1.70	3,520
DEC Forward 2024	£0.80	£0.80	200	£0.80	£8.02	3,200
Transitional JAN Forward 2025	£3.50	£2.00	5,500	£2.59	£2.59	5,500
Aluminium						
Spot 2024	£50.00	£5.00	4,051	£10.08	£65.36	18,930
Spot 2025	£35.00	£30.00	279	£30.82	£30.82	279
DEC Forward 2024	£28.50	£22.00	354	£26.54	£101.71	1,529
Transitional JAN Forward 2025	£40.00	£40.00	950	£40.00	£40.00	950

Plastic

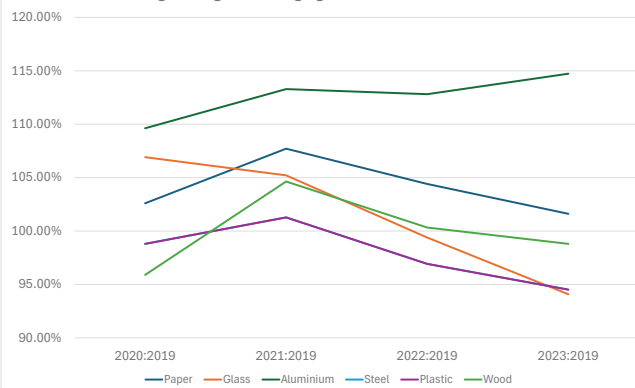
Q4 price volatility across 2024 and 2025 Plastic PRN markets highlights the dangers of false PRN price signals resulting from unreliable and inaccurate published data. November initially saw a period of price stability in 2024 markets with prices held between £38.00 and **[Continued on page 4]**

Managing Director's Comments April 2025



The final quarter of 2024 has been one of confusion. On a macro scale the arrival of Donald Trump as President of the United States has stimulated a fundamental shift in global trade and foreign policy. More locally the first budget by Rachel Reeves has stimulated a fundamental rethink on financial policy. Meanwhile the transition from Producer Responsibility to Extended Producer Responsibility (EPR) has been tricky to say the least. With so much uncertainty it might have been anticipated that producers would seek the certainty of forward trading. However, that did not transpire with a preference for acquiring transitional tonnage instead. A case of 'the bird in hand'!

Percentage change in Packaging Material Use in the UK from 2019

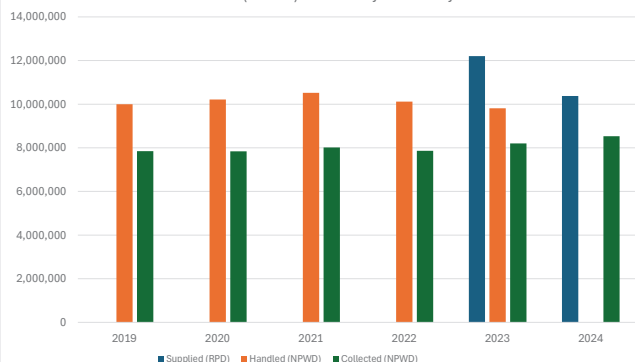


Packaging Data

While uncertainty has been a contributory factor in the weak demand, another has been the late submission of data giving a false perception of substantially reduced demand. Of equal concern, once the final obligation has been revealed, is the dropping use of reported packaging handled according to producers which conflicts with the ability of reproducers and exporters to make year on year increases of PRNs issued. This does not make sense. From where is all this packaging coming? Or vice versa who is using all this packaging if it is not obligated producers, whose use is dropping year on year? Could this reflect overly generous protocols or something more significant?

According to NPWD data the threat of EPR fees has been very effective at driving down packaging use in all materials other than Aluminium. Concurrently the RPD shows a substitution from the more traditional

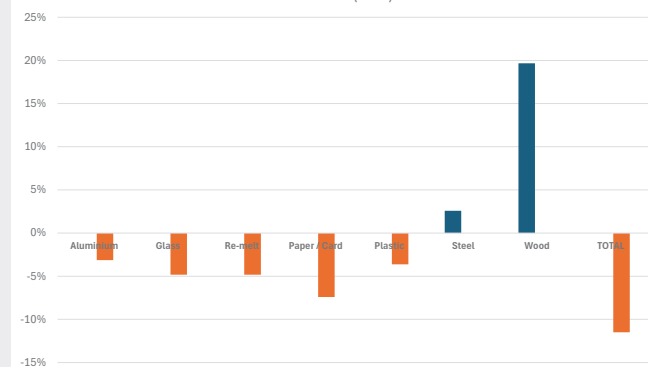
Comparison of Packaging Waste handled (NPWD), supplied (RPD) and collected (NPWD) as waste by calendar year



if heavier materials such as glass, wood and steel into fibre composite and aluminium. Plastic use, under pressure from the packaging plastic tax, has declined, while Paper use after a brief hiatus in 2020 and 2021 courtesy of Covid and the 'Amazon effect' is almost the same as in 2019.

Changing from reporting throughout the packaging chain to brand owners initially produced spectacular results and a comparison between the packaging supplied data on the RPD to packaging handled as historically recorded on the NPWD showed an increase in packaging reported in excess of 2 million tonnes (24.41%). This was all the more remarkable given the partial reporting of some companies and the exclusion of beverage containers supplied in Scotland. However, estimates based on H1 data reported on the RPD for 2024 show a much closer correlation (+5.80%) between packaging supplied and packaging handled as reported on the NPWD in 2023. At this stage it is difficult to judge whether the year on year drop on the RPD, 14.94%, to achieve this will erode as in previous years or be maintained. But given the consistent early under-reporting in previous years it can be anticipated that there is room for growth in the reported packaging supplied.

% Change of Obligation between 2024 Actual (NPWD) and 2025 Estimated (RPD)



Packaging Obligation

Against this background how might the obligation be panning out in 2025? Using the RPD Data it would appear that the obligation will be down in all materials except Steel and Wood. The former is based on a significant increase in year on year packaging reported. The same applies on Aluminium, Plastic and Glass, not unexpectedly given the inclusion of Glass supplied in Scotland! However, the drop in targets has resulted in lower obligations. Going by the Quarterly supply data on the NPWD, not the most reliable source, there is the potential for shortfalls in Aluminium, Glass, and Re-melt in particular, Steel and Wood. But in an ever-shifting world nothing is certain. Will tariffs have an impact on supply? How much might the obligation change? When will we know about either?

Thank you for your support. There is plenty of unknowns to hurdle before the end of the compliance year. We look forward to continuing to be of service to all. We are here to help you in your transition to EPR and beyond.

Angus Macpherson
Managing Director

The Marketplace for PRNs

Q4, 2024 Supply Analysis By Andrew Letham, Operations Manager



UK recycling experienced a challenging final quarter of 2024, with total recycling volumes declining by 19,271 tonnes (t) quarter-on-quarter (QoQ) and 50,274t year-on-year (YoY). This marked the weakest quarterly performance of the year, largely attributed to subdued PRN prices in the latter half of 2024, resulting in reduced incentive for recyclers. Despite this downturn, overall compliance for the year was comfortably met, supported by a substantial carry-in from 2023 and relatively static recycling obligations.

Producer registrations increased by 362 in Q4, bringing the total number of registered producers to 7,134. However, this remains 64 below the final count for 2023, continuing the trend of declining registrations. While 328,434t of new recycling obligation was introduced during the quarter, the overall annual obligation still fell by 37,557t despite changes in material targets. Notably, Wood and General Recycling obligations rose significantly by a combined 199,698t, whereas Glass saw the largest percentage reduction in obligation, declining by 5.3% (-96,591t) YoY. The ongoing issue of late producer registrations remains a point of concern, and while the implementation of Extended Producer Responsibility (EPR) regulations was expected to address this, early indicators suggest that challenges persist.

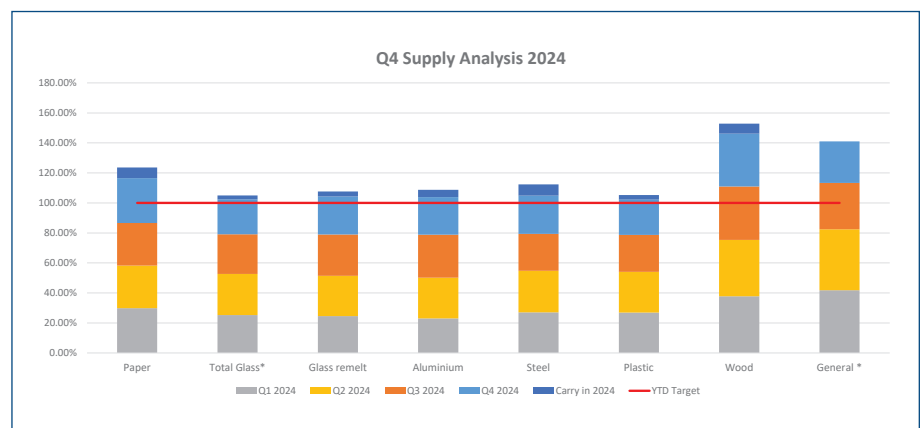
Plastic recycling volumes in Q4 were the lowest recorded since Q4 2020, with only 265,092t reported as recycled. This figure was 8% lower than the annual average of 288,596t. Despite this underperformance, compliance was never at risk, as 57% of the total obligation had already been met in the first half of the year. A notable 51,237t of additional obligation was introduced after December 1st, accounting for 4.5% of the total. By the end of the compliance year, an unprecedented 8,387t of Plastic PRNs remained unsold. The maximum potential carry-out into 2025 has risen to 50,205t, reflecting a 14,821t increase on the previous year. Early data from the EPR framework indicates that Plastic obligations could see an uplift in 2025, potentially altering market dynamics.

Paper remained one of the more resilient materials, delivering its second-highest quarterly performance of 2024, with 1,044,702t recycled. This was 27,487t above the annual average and reflected strong supply, despite weaker PRN prices. Paper obligations were comfortably met, as the material-specific requirement of 3,490,402t was already down 99,668t YoY. Excess Paper PRNs played a significant role in fulfilling General Recycling obligations, contributing 450,601t (73%). Projected carry-out into 2025 stands at a potentially record-setting 327,090t, highlighting the ongoing oversupply within this material category.

Glass obligations fell by 5.3% (-96,591t) YoY, with Q4 recycling volumes dropping to 400,053t, marking the weakest quarter of the year. The decline was particularly pronounced in Aggregate, where recycling volumes fell 29.5% compared to the annual average (75,382t vs. 106,971t). A late-year wave of Aggregate cancellations likely exacerbated the supply-side challenges, with a shortfall in year and compliance only being achieved using carry-in from 2023.

Material	Carry In	Q1	Q2	Q3	Q4	2024 Obligation	YTD Supply + Carry In	Balance
Paper	246,900	1,042,644	989,157	992,358	1,044,702	3,490,402	3,271,059	-219,343
Total Glass*	45,163	435,034	470,513	453,806	400,053	1,718,489	1,404,516	-313,973
Glass remelt	42,408	313,808	341,890	351,153	324,671	1,276,128	1,049,259	-226,869
Aluminium	7,510	34,821	40,960	43,479	37,789	151,281	126,770	-24,511
Steel	27,136	97,988	100,314	89,208	91,916	361,968	314,646	-47,322
Plastic	35,384	304,364	307,057	277,873	265,092	1,130,021	924,678	-205,343
Wood	29,018	164,283	163,172	154,549	152,450	434,279	511,022	76,743
General *	0	257,524	249,563	189,663	170,392	615,066		
Total	391,111	2,079,134	2,071,173	2,011,273		7,901,506	6,552,691	-733,749

*Total Glass consists of the combined total supply of Glass Remelt and Glass aggregate. *Please note the general supply figure has been generated from calculating the surplus material prns in each quarter and does not include carry in tonnage.



Remelt Glass performed slightly better, recording 324,671t, though this was still below the annual average of 332,880t. Looking ahead, the potential carry-out into 2025 has risen sharply by 87% to 84,521t, with the high Aggregate carry-out figure (13,960t) indicating a large amount of Remelt PRNs held against 2024 Aggregate obligations.

Steel compliance was comfortably achieved, with Q4 recycling volumes increasing marginally by 2,708t QoQ to 91,916t. However, this remained below the annual average of 94,856t. In total, 379,426t of Steel was recycled throughout 2024, exceeding the 361,968t obligation. Steel obligations saw a 14,382t reduction compared to 2023, but a notable shift in market trends was observed, with export reliance rising from 63% in Q4 2023 to 70% in Q4 2024—potentially linked to the Tata Steel shutdown. The projected carry-out into 2025 increased by 9,741t to 36,877t, reflecting stable market conditions despite the broader industry headwinds.

Despite no change to the **Aluminium** packaging target in 2024, total obligation increased by 2,224t to 151,281t. Overall, 157,049t of Aluminium was recycled throughout the year, with Q4 contributing 37,789t—representing a 13% (5,690t) QoQ decline. Although Q4 saw weaker returns, compliance was never in doubt, and the carry-out into 2025 saw a modest rise to 7,630t.

Wood recycling obligations grew significantly by 18% YoY (+65,934t) to 434,279t. This increase was primarily driven by a packaging target adjustment, which rose from 35% to 42%. However, supply continued to far exceed demand, with 634,454t of Wood reported as recycled in 2024. The excess supply meant that Wood contributed 170,503t to General Recycling, accounting for 27% of total General Recycling PRNs. At year-end, the anticipated carry-out into 2025 is projected to increase by 8,178t to 37,196t, reflecting the ongoing surplus in this material category.

EPR Timeline

1st April 2025

- Deadline for submission of EPR data collected between 1st July and 31st December 2024

21st April 2025

- NPWD quarter 1 submission deadline for Accredited Exporters/Reprocessors

22nd April 2025

- NPWD quarter 1 recycling data publication date

1st July 2025

- EPR payments sums due issued by Scheme Administrator

21st July 2025

- NPWD quarter 2 submission deadline for Accredited Exporters/Reprocessors

22nd July 2025

- NPWD quarter 2 recycling data publication date

30th September 2025

- Final date for reapplying for accreditation on RPD (TBC)

1st October 2025

- Invoiced EPR Payments (payment due 30 days later and Direct Debit payment not to be collected until at least 45 days after)
- First payment to local authorities by Scheme Administrator (covering first and second quarters of financial year 2025/26)
- Deadline for submission of EPR data collected from 1st January to 30th June 2025

21st October 2025

- NPWD quarter 3 submission deadline for Accredited Exporters/Reprocessors

22nd October 2025

- NPWD quarter 3 recycling data publication date

From January 2026 (to March 2026)

- Second and third payments made to local authorities by Scheme Administrator (covering third and fourth quarters of financial year 2025/26)

10th January 2026

- Compulsory monthly recycling data reporting to begin

28th February 2026

- Deadline for Reprocessors and Exporters revenue submissions
- NPWD quarter 4 submission deadline for Accredited Exporters/Reprocessors

27th March 2026

- NPWD quarter 4 recycling data publication date

1st April 2026

- Deadline for submission of EPR data collected between 1st July and 31st December 2025
- Quarterly payments to local authorities will begin

[Continued from page 1] £40.00 after a bearish close to Q3. However, the publication of the trial 2023 EPR packaging data in late November provided a first opportunity to model hypothetical 2025 PRN demand based on the new reporting methodology and amended targets. For Plastic, the 2025 forecast was particularly bullish, resulting in a surge in demand for transitional tonnage. Prices more than doubled in the January Transitional Forward Market to £120.00 in the run up to Christmas resulting in rises across all Plastic markets including the 2024 Spot which mirrored the transitional move to £120.00 per tonne. The recovery would prove to be short lived though following a re-modelling of potential 2025 demand based on the H1 packaging data released on 23rd December. This new data saw forecasts revised down significantly resulting in an immediate downward correction in the PRN price. The 2024 Spot price fell 71% to close the year at £35.00, whilst the 2025 Spot was down 53% at £56.00.

Wood

An 18% increase in demand has done little to stimulate the 2024 Wood PRN price in a market that remains over 50% oversupplied. Spot prices have tracked the slow decline in the Paper / General price culminating in a collapse to £0.20 in the final quarter. The Wood quarter average of £0.62 represents the 3rd lowest average on record with only 2010 and 2021

registering a lower average Q4 price. The outlook looks equally tough for sellers in the 2025 market where demand uncertainty and the removal of the General Recycling Obligation has stifled early engagement despite low prices. Spot 2025 closed the period at £1.50 per tonne.

Glass

Glass markets staged a final quarter fight back following the selloff in Q3. For once, it was the Aggregate market that led the charge. Having collapsed to £6.50 in Q3 following a strong H1 supply performance, Q4's price recovery caught many buyers by surprise. A weakened PRN price predicated a 20% drop in generation in the second half of the year and as supply tightened, late buyers scrambled to take advantage of the narrowing discount to the Remelt price. The Aggregate Spot price rallied 1100% to an 8-month high of £80.00 in early December. A resurgent Aggregate price also reinvigorated a stagnating Remelt market with prices rising 56% to £95.00 per tonne to maintain its premium over the inflating Aggregate price. Both Glass markets failed to hold onto gains in the run up to the compliance year end, closing the year at £45.00 (Aggregate) and £60.00 (Remelt). Remelt opened in the 2025 Forward Markets at £78.00 in good volume.