

PRN Market Press Release

Overview of the 2020 Compliance Year

The 2020 Compliance period has seen a record number of tonnes traded in the Packaging Recovery Notes (PRNs) markets on the t2e platform.

For the first time ever over 2 million tonnes (t) of PRNs were traded through The Environment Exchange, this milestone marks an increase of 14% on the previous compliance year.

A total of 2,002,973t were traded in the Compliance period with 974,715t traded in the 2020 Spot market, 148,130t traded in the 28 Day Rolling Market and 880,128t traded across the Forward markets.

A record 3,985 contracts were traded on the t2e platform in the 2020 markets, up by 6% on the previous year.

2020 Markets	Average Price	Highest Price	Lowest Price	Volume Traded (tonnes)
Aluminium	£132.04	£350.00	£0.75	28,477
Glass Other	£16.91	£30.00	£4.00	169,108
Glass Remelt	£20.36	£32.00	£7.50	177,683
Paper	£9.75	£21.50	£0.45	912,303
Plastic	£157.65	£352.50	£4.95	355,929
Recovery	£1.34	£3.15	£0.40	47,354
Steel	£17.36	£42.00	£0.75	116,565
Wood	£10.36	£30.00	£0.90	195,554
Total				2,002,973

In 2020 overall recycling rates remained strong despite the challenges caused by the Covid-19 pandemic. The table below compares the average prices traded on t2e in 2020 vs the previous Compliance Year:

Material	2019 Average Price	2020 Average Price	% Change
Aluminium	£302.18	£132.04	-56%
Glass Other	£19.97	£16.91	-15%
Glass Remelt	£21.41	£20.36	-5%
Paper	£11.80	£9.75	-17%
Plastic	£279.82	£157.65	-44%
Recovery	£0.56	£1.34	139%
Steel	£24.27	£17.36	-28%
Wood	£27.27	£10.36	-62%

In a year which saw a record volume of PRNs traded through The Environment Exchange, the table below shows a comparison of 2019 vs 2020 traded volumes by PRN material:

Material	2019 Volume (tonnes)	2020 Volume (tonnes)	% Change
Aluminium	16,551	28,477	72%
Glass Other	106,675	169,108	59%
Glass Remelt	209,695	177,683	-15%
Paper	752,001	912,303	21%
Plastic	364,810	355,929	-2%
Recovery	56,752	47,354	-17%
Steel	102,110	116,565	14%
Wood	150,591	195,554	30%
Total	1,759,185	2,002,973	14%

2020 saw a 39% decrease in total contract value as outlined in the table below:

	2019 Compliance Year	2020 Compliance Year	% Change
Number of Contracts	3,757	3,985	6%
Average Contract Volume (tonnes)	468	503	7%
Total Contract Volume (tonnes)	1,759,185	2,002,973	14%
Average Contract Value (£)	£34,387.44	£19,913.86	-42%
Total Contract Value (£)	£129,193,594.85	£79,356,747.20	-39%

A comment from Managing Director, Angus Macpherson:

“Thank you to all our participants for their support throughout the 2020 compliance year. This has been another challenging year with the emergence of Covid-19 as well as a national lockdown. In spite of this, recycling rates remained very strong in 2020 with the increased targets met at a lower cost to industry than in 2019, showing the adaptability of the PRN system and its capability to cope with the unexpected.

There will be challenges to come in the 2021 compliance year: the effect of Brexit on exports; the Basel convention amendments on Plastic exports; the continued impact of Covid-19 as well as further increases to recycling targets and a consultation on Extended Producer Responsibility (EPR). We were delighted at the positive response to the launch of the 28 Day Rolling market which re-opened on 1 February 2021. t2e looks forward to being of service in 2021 and beyond.”

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 0131 526 3040.

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, covert, pack/fulfill, or retail) over 50 tonnes of packaging per year and have an annual turnover of over £2 million.

For more information, please contact Katharine Sealy at ks@t2e.co.uk or 0131 526 3045

“The Environment Exchange” and the acronym “t2e” are the trading names for:
The Environment Exchange Ltd, Hudson House, 8 Albany Street, Edinburgh, EH1 3QB
Tel: 0131 526 3023 Fax: 0131 473 2326
Company Number SC 225230 VAT Registration No. 804 1331 78