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Quarterly Report 108
Winter 2025
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The Marketplace for PRNs **Q3 2025**

Market Status Report

By Tom Rickerby, Head of Trading

Quarter 3 data can often be a pivotal moment in the compliance calendar, either building on existing PRN surpluses and providing buyers with a comfortable ride to the end of the compliance year or confirming genuine tightness in a market, thereby ramping up the urgency and pressure at the business end of the compliance year. The infrequent and changeable nature of the Report Packaging Data (RPD) demand data has provided some additional jeopardy in the 2025 market. However, the Q3 datasets will again provide buyers with both relief (Paper, Steel and Aluminium) and discomfort (Glass and Plastic).

A total of 264,901 tonnes traded on t2e during Q3, up 2% on the previous quarter but down 10.5% on the same period last year. 180,540 tonnes were traded in the 2025 Spot Market. 48,296 tonnes were traded in the 28 Day Rolling Market and 36,065 tonnes were traded in the 2025 Forward Markets.

Paper

The Paper market plumbed new depths in Q3, sinking to its lowest Q3 close in its 27 year history. Spot prices capitulated in the period, falling 58% to a year low of £0.40 per tonne, surpassing the previous Q3 low price set in 2021. The total collapse in the Paper price did bring additional buying demand to t2e, Q3 traded volume was up 142% on the Q1 and Q2 average. However, whilst 2025 is turning into a year to forget for Paper sellers, opening trades in the January Transitional Forward Market suggest there may be some renewed hope for 2026. Opening Transitional prices started at £4.00 per tonne, a rebound price that reflects an escalated risk outlook for next year. A 2% target increase, more stringent accreditation conditions, mounting accreditation costs and a delay in the point of issue for Exporters is all likely to erode some of the current supply and demand imbalance. The challenge to sellers will be making this price stick as the Transitional Market becomes increasingly saturated with 2025 surplus.

Plastic

Bonfire season bought fireworks to the Plastic market, in a year where H1 prices have fizzled without ever really taking off despite mounting concerns around the supply and demand fundamentals. The first half of Quarter 3 traded in much the same vein with Spot prices fluctuating between lows of £148.50 and never breaking above previously set year highs of £160.00. The release of the updated obligation data on 15th September changed everything. The data showed a 2% or 22,000 tonne increase, pushing 2025 Plastic demand to record levels and in-year supply further into the red. Spot prices surged on the news, rising 150% in 11 days to £400.00 – the highest Plastic PRN price since December 2022. However meteoric Plastic price rises are often followed by equally steep corrections. And so it was, a dip to £375.00 initiated an equally panicked sell off that saw October open with the price in reverse. The market fell 44% to £225.00 where it found renewed support. The remainder of the quarter saw price climb steadily again, closing at £335.00.

Aluminium

Q3 Aluminium trading saw an extension of the buyers' market established in the previous quarter as the supply picture continued to improve. Spot prices softened (down 22%) in the run up to the release of the Q3 supply data. Publication of the data indicated a 15% increase on the previous quarter and the 3rd best quarter on record causing a more pronounced sell off as prices tumbled a further 43% on the pre-data price to £40.00 per tonne at the quarter close.

Q3 Aug - Oct 2025	High	Low	Traded this quarter	Quarterly Average Price	YTD Average Price	Total Volume
Paper						
Spot 2025	£0.95	£0.40	57,023	£0.51	£0.93	89,708
28 Day Rolling 2025	£0.50	£0.50	10,000	£0.50	£1.16	19,200
OCT Forward 2025	£0.60	£0.50	11,500	£0.54	£0.70	18,500
Transitional JAN Forward 2026	£4.00	£4.00	4,000	£4.00	£4.00	4,000
Plastic						
Spot 2025	£400.00	£148.50	62,834	£230.83	£153.06	194,846
28 Day Rolling 2025	£400.00	£149.00	25,277	£263.64	£173.88	67,150
OCT Forward 2025	£350.00	£149.50	3,415	£223.51	£162.76	12,315
DEC Forward 2025	£335.00	£160.00	5,450	£247.80	£220.44	7,400
Glass Other						
Spot 2025	£95.00	£73.50	14,077	£83.32	£71.42	57,168
28 Day Rolling 2025	£90.00	£74.00	5,407	£82.79	£76.13	15,249
OCT Forward 2025	£74.00	£74.00	2,000	£74.00	£83.25	4,000
DEC Forward 2025	£90.00	£90.00	1,300	£90.00	£92.33	4,300
Glass Remelt						
Spot 2025	£100.00	£82.00	15,408	£89.05	£85.15	87,110
28 Day Rolling 2025	£96.00	£95.00	4,000	£95.88	£86.01	29,131
OCT Forward 2025	£87.50	£87.50	3,500	£87.50	£84.55	14,000
DEC Forward 2025	£96.00	£96.00	3,500	£96.00	£95.78	4,500
Steel						
Spot 2025	£7.00	£3.00	10,973	£3.88	£8.93	37,932
Wood						
Spot 2025	£7.50	£2.50	17,342	£3.35	£3.52	50,364
28 Day Rolling 2025	£3.00	£3.00	1,993	£3.00	£3.98	5,993
OCT Forward 2025	£3.00	£3.00	1,000	£3.00	£4.30	3,000
Aluminium						
Spot 2025	£90.00	£40.00	2,883	£74.13	£87.23	11,191
28 Day Rolling 2025	£87.50	£40.00	1,619	£77.41	£90.05	3,034
OCT Forward 2025	£75.00	£75.00	250	£75.00	£87.27	1,650
DEC Forward 2025	£67.00	£67.00	150	£67.00	£90.44	1,800

Steel

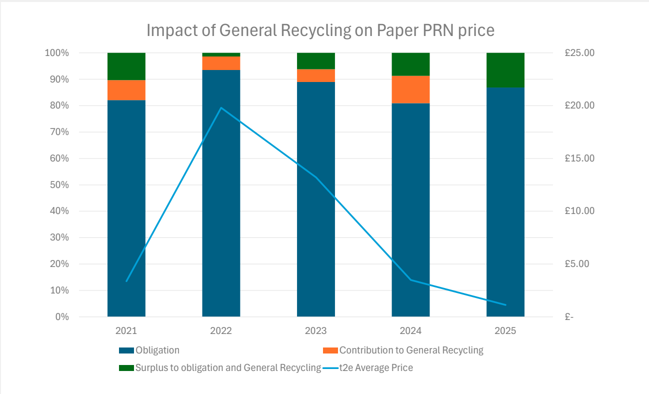
Steel PRN prices have now fallen for 5 consecutive months as Q3 supply data confirmed Steel generation is on course for another comfortable compliance year. Prices reflect this falling 57% to a 10 month low price of £3.00 per tonne and lowest quarterly average price since Q4 2021.

Glass Remelt

The Glass market narrative continues to be fiercely contested between buyers and sellers. On the one hand, Glass obligations have fallen for 4 consecutive years as evidence of packaging material switching mounts. 2025 demand is currently the lowest it has been since 2017 and down 4.5% year on year. However, Glass PRN generation has been hit hard too by the shifting packaging landscape and confidence in the sector remains low. Remelt PRN generation is down 7% on the previous year and at is lowest Q3 run rate since 2017. An upturn in the Remelt ***[Continued on page 4]***

Managing Director's Comments November 2025

What a difference a year makes! Last year Extended Producer Responsibility (EPR) was a plan and the functions of the Report Packaging Data (RPD), a mystery; this year both have been implemented and for some a costly year has ensued. This time last year PRN markets were depressed as perceived obligation shortfall pushed prices downward. In the end that shortfall was not as great as anticipated and for Glass and Plastic there was an upward bounce. This year Wood has joined the materials enjoying an upward bounce. Meanwhile in the absence of a General Recycling Obligation Paper, in particular; Steel and Aluminium sink to administrative values.



Concurrently the Government is introducing changes to EPR through revised legislation, technical adjustments(!), and a consultation is due in the spring on PRN reform, much of which is anticipated to be focused on fraud prevention. While desirable, the more complex the legislation becomes the more difficult it becomes to regulate and it is the actions of the regulators that control the abuse. They have powers and access to information far beyond any individual participant.

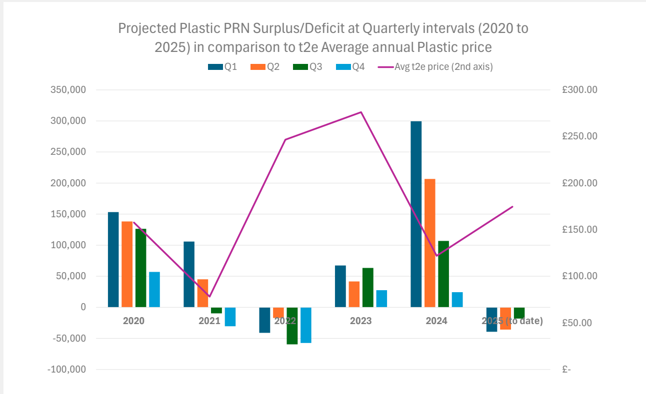
General Recycling

Of the two largest contributors to the General Recycling Obligation, Wood has been a surprise. Without the General Recycling obligation, it was anticipated to struggle to hold value. Instead it has lost some 15% of its reprocessing capacity. While this has introduced an unexpected tension in the Wood PRN market which has kept Wood PRN prices away from administrative values, it is not a positive message from a sustainability perspective. Wood still faces a challenge of how to demonstrate how frequently pallets are reused.

In contrast Paper, despite supply contracting by some 200,000 tonnes, is still some 15% more than the projected obligation as a result from an early stage its PRN price has dwindled to administrative values. Looking forward despite storm clouds gathering with import restrictions in traditional overseas markets imposing both price reductions and the exploration of new markets constricting PRN supply, this surplus looks unlikely to be absorbed.

Plastic

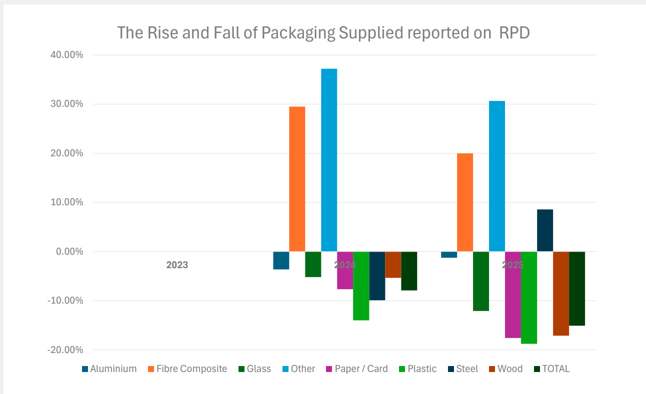
After nine months of stability in mid-September Plastic prices rose rapidly as it became clear that both the obligation was greater than many had hoped and PRN supply needed to increase to meet that



obligation. Subsequently it has struggled to find a new price level as the obligation has both increased and unexpectedly decreased. Even so indicators suggest that there could be a shortfall in Plastic PRN supply. As can be seen in the graph there is a clear correlation between perceived shortfall/surplus of supply and the average PRN price. The more volatile the data, the more volatile the price.

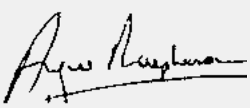
Next year

H1 data provides an early estimate for the 2026 obligation. Historically it increases over time as producers either fail to submit their data on time or initially err on the side of under-estimation. At this stage reported packaging supplied is down some 15% on 2024 data which in turn is down some 8% on that reported/estimated in 2023. Increases in Steel, Fibre Composite and Other Packaging Material seem to have bucked this trend.



With this reduction in packaging supplied, it is unsurprising that in tonnage terms packaging waste collected is reducing. The question remains whether the PRN market will keep in balance. Forward markets provide certainty in uncertain times.

I wish those travelling to Ukraine the best of fortune. Sadly in modern war non-combatants increasingly become victims. May the additional supplies give them something with which to celebrate over the festive period. A Happy Christmas and New Year to all. We look forward to being of service to you in 2026.



Angus Macpherson
Managing Director

Q3 Supply & Demand Analysis 2025

By Andrew Letham, Operations Manager

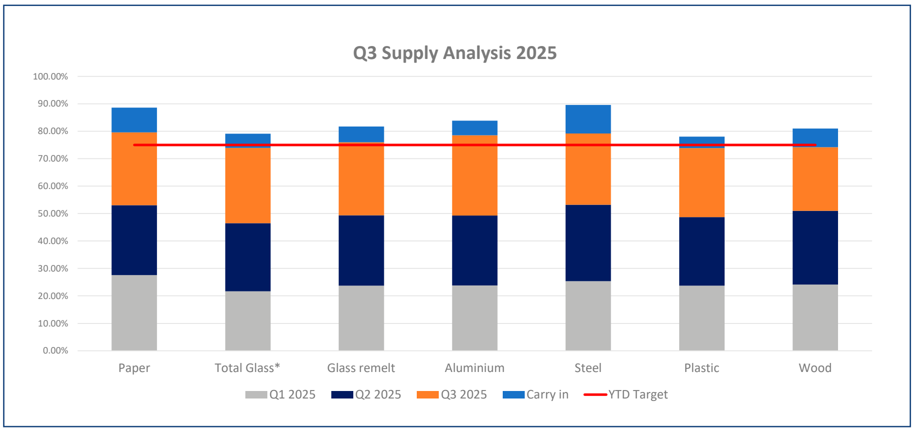
An intriguing quarter, as we saw the largest return of the year, with 1,982,936 tonnes (t) reported as recycled. Glass and Aluminium recycling rates both showed significant upturns, whilst wood struggled, missing the current target for the second time this year as the obligation continues to grow.

Demand data continues to be somewhat erratic, with the most recent release—pulled on 3rd November—showing overall obligations to have stagnated, up just 634t from September at 7,534,879t. All materials, with the exception of Plastic and Steel, which dropped 26,012t and 6,018t respectively, saw minor increases. No further update will be published until 15 January 2026, a timetable that surely needs to be reviewed given that the current format represents a substantial backwards step from live Packflow reporting. Without a preceding year for guidance, predicting final obligations is especially difficult; however, we currently sit 366,626t behind 2024's final total, so further growth would be expected.

2026 will see further reform with the migration of accredited sellers to RPD and a change to the point at which PERNs can be claimed, greatly affecting deep sea export. Both have the potential to restrict early issuing of documents, which may see increased demand for transitional tonnage as buyers look to hedge risk. The jury is still out on whether EPR reform has met its objectives; however, the PRN system (which is largely unchanged) appears to have provided a tried and tested method of achieving recycling targets.

Material	Carry In	Q1	Q2	Q3	2025 Obligation	YTD Supply + Carry In	Balance
Paper	327,090	1,002,796	925,897	965,448	3,636,440	3,221,231	-415,209
Total Glass*	84,521	357,077	408,179	452,261	1,646,614	1,302,038	-344,576
Glass Remelt	70,561	292,676	316,960	328,837	1,234,961	1,009,034	-225,927
Aluminium	7,630	34,121	36,571	42,073	143,542	120,395	-23,147
Steel	36,877	90,213	98,867	92,469	355,416	318,426	-36,990
Plastic	50,205	285,573	300,292	303,305	1,203,323	939,375	-263,948
Wood	37,196	132,537	147,899	127,380	549,545	445,012	-104,533
Total	*543,519*	*1,902,317*	*1,917,705*	*1,982,936*	*7,534,880*	*6,346,477*	*-1,188,403*

**Total Glass consists of the combined total supply of Glass Remelt and Glass Aggregate.*



Despite **Plastic** posting its highest return of the year in Q3 at 303,305t, prices continued to escalate to yearly highs with the obligation sitting at a record level. The target had been missed in three consecutive quarters, with fears of further growth in demand. Revised obligation data released on 14th November reversed this trend, with prices softening by almost 50%. A total of 26,012t were removed from the obligation, meaning that at present only 300,831t are required each quarter to meet target—a level all but achieved in the last two quarters. If recycling rates continue above 300,000t and obligations remain the same (which is by no means certain), then the target will be achievable. With current transitional prices above those of straight 2025 tonnage, there is a risk PRNs may be being held against 2026, which the market can ill afford. Expect changeable market conditions before year-end.

On the face of it, **Glass** recycling looks robust, with the lowest obligation since 2018 at 1,646,614t and much improved recycling in Q3—up 10.7% (44,082t) quarter on quarter (QoQ) and 18% (69,633t) on the year-to-date (YTD) average (382,628t). A further 429,097t are required to meet target in year (132,610t Aggregate & 296,488t Remelt) before 84,521t of carry-in (13,390t Aggregate & 70,561t Remelt) are considered. A repeat of Q3 in Q4 would see targets easily met with surplus; however, with a significant aggregate reprocessor currently suspended pending review, arisings down, and export markets subdued, it could prove a tighter finish to the year than the data suggests.

Wood demand grew a further 13,283t in the latest obligation release and currently sits at 549,545t. The increase in obligation has coincided with a drop in recycling, as the panel board industry laments a slowdown in demand for finished product. At current levels of supply, we look set to see the worst recycling return since 2018, when prices hit a high of £71.00. Despite this, compliance still looks achievable, with a further 141,729t needed to meet target in year and a 37,196t carry-in from 2024.

With **Paper** demand closing in on its highest-ever level at 3,636,440t, one wouldn't have expected such a subdued market. Despite rock-bottom prices, recycling rates have remained strong, and Q3 was no exception at 965,448t. A record carry-in of 327,090t will ensure a high number of PRNs will fail to find a home, and carry-in into 2026 will be significant. Demand for transitional tonnage has been stop–start, which is surprising given the keen prices on offer and the fact that paper will be the most affected market by changes to the point of claim—likely resulting in a dearth of PRNs in the early part of the year.

Aluminium recycling increased 15% (5,502t) QoQ and 19% on the YTD average. With the obligation currently 7,876t lighter than in 2024, only 30,777t are required to meet target in year. The last time this wasn't achieved was Q2 2019, which would suggest the available carry-in of 7,630t will be carried out, with some additional volume.

Steel recycling dipped QoQ, with the 92,469t reported as recycled leaving a further 73,867t required to meet target after the obligation was revised down 6,018t to 355,416t. The 36,877t carried over from 2024 is about the maximum possible and could be repeated if Steel recyclers haven't already lost interest due to low prices.

Convoy4Ukraine

By Paul Parsons, Trustee and Expedition Organiser

CONVOY4UKRAINE

This year, t2e are supporting Convoy4Ukraine www.convoy4ukraine.com a charity which takes essential aid to Ukraine. The charity fundraises to buy 4x4s and ambulances, fills them with medical and humanitarian aid and drives them across Europe to deliver them to their Ukrainian partners. All travel expenses are paid by the volunteer drivers. In February 2026, the charity with forty drivers aims to drive twenty trucks and a minibus to Ukraine each loaded with medical and humanitarian aid together with specialist equipment for hospitals in Lviv.

A filling station where the team were staying and missed the drone attack

Please find below an excerpt from Paul Parsons' September convoy report which explains the achievements of the charity:

"All thirty-one of us have now safely returned home from Ukraine having delivered seventeen pickup trucks and over £100,000 of aid to our contacts in Lviv, Kyiv, Poltava and Izium. Thanks to your huge generosity we raised £235,000 for this trip bringing the total donated over our ten trips to date to Ukraine to £1,350,000. This has enabled us to deliver a total of 85 pickup trucks, an ambulance, a minibus (to assist with veteran rehabilitation) and an all-terrain vehicle together with specialist medical equipment to various hospitals and large volumes of medical and humanitarian aid. This, our tenth trip, is our last under the banner of MedivactruckstoUktaine but our work and aid trips will very much continue now as part of Convoy4Ukraine, a UK registered charity doing similar work. Thank you again for your generosity and support. Slava Ukraini!"

Paul Parsons, Trustee and Expedition Organiser

Handing over medical equipment to surgeons at Unbroken hospital in Lviv

If you would like to arrange a donation or would like to learn more about the charity, please contact Paul at paul@southfieldshouse.co.uk

[Continued from page 1] price at the end of Q2 after a bearish quarter signalled a return to a sellers' market in Q3. Q3 saw Remelt prices recover the losses of the previous quarter, rising steadily by 22% to retest the year high price of £100.00 per tonne.

Glass Other

Glass Other prices tracked the recovery in the Remelt Market in Q3, rising 28% to £95.00 per tonne, also reclaiming Q1's year high price in the process. Aggregate registered its best supply quarter of the year, 35% up on the previous quarter and 20% up on the same period last year, whilst this may provide some relief to the market, it remains behind target and barring a spectacular final quarter, will likely need a significant top up with surplus Remelt. Price action in the two markets remains closely aligned as a result with the possibility of further price convergence in the final quarter.

Wood

Quarter 3 developed into a renaissance period for the Wood market after a deflationary Q2 that had stoked fears that the Wood prices could be heading for a similar fate to Paper. Spot prices did continue to fall for the first half of Q3, hitting a 6 month low price of £2.50. However, this would be the turning point. Prices recovered in the second half of the period, rising 200% to close at a year high price of £7.50. Weaker supply has helped to fuel the price recovery with Q3 supply at its lowest level since 2018.