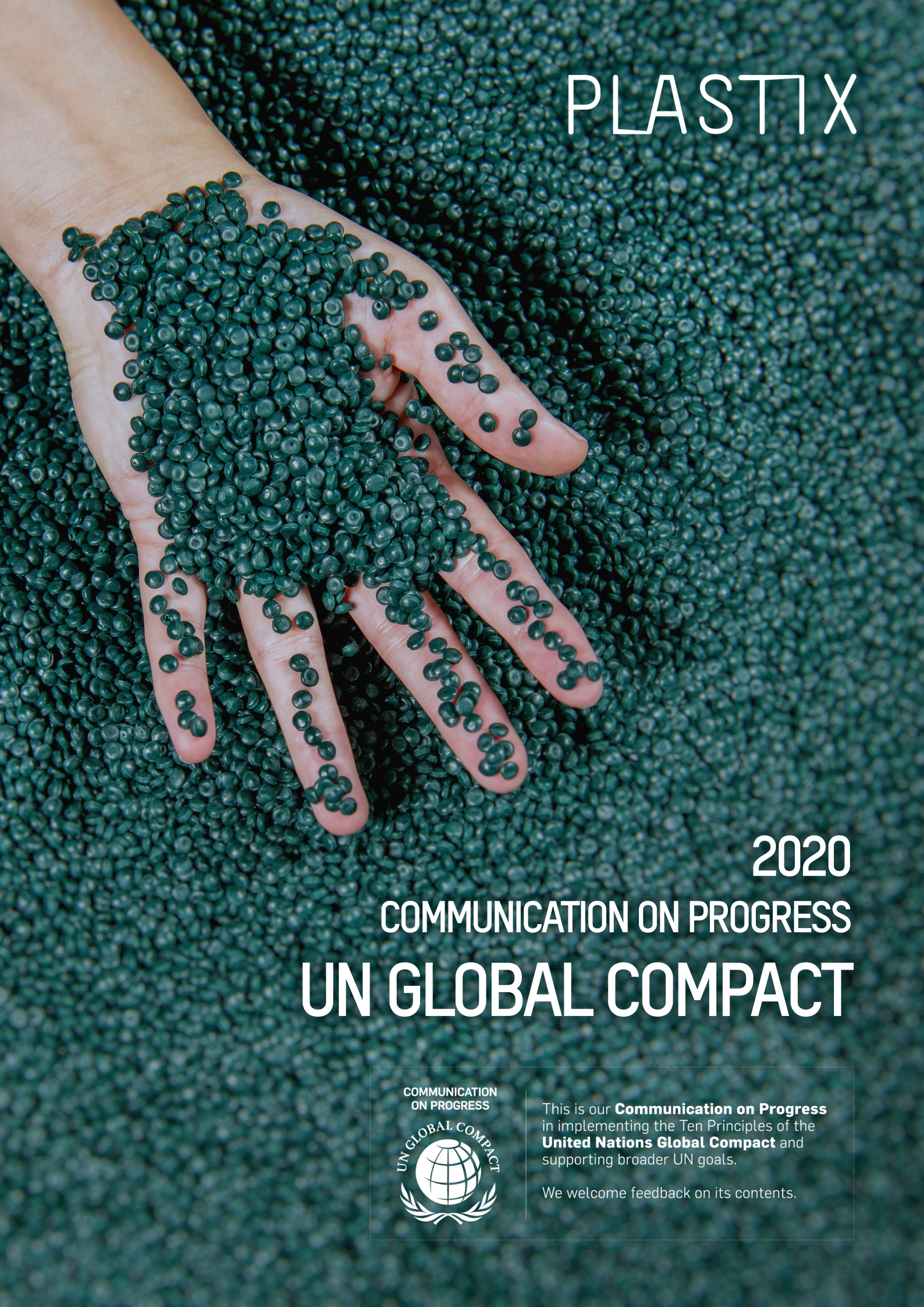

PLASTIX

2020
COMMUNICATION ON PROGRESS
UN GLOBAL COMPACT

COMMUNICATION ON PROGRESS

UN GLOBAL COMPACT

This is our **Communication on Progress** in implementing the Ten Principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

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STATEMENT ON CONTINUED SUPPORT

The year 2020 has been a year of turbulence globally, marked by the effects of COVID-19. While the pandemic may have brought uncertainty upon the development of some economic sectors, PLASTIX has continued to stand adamantly in it's quest for sustainability and the New Circular Plastics economy.

I am pleased to re-confirm PLASTIX' support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

Our second Communication on Progress reflects the efforts throughout our company strategy, culture, and operations, in integrating the principles at the heart of the United Nations Global Compact.

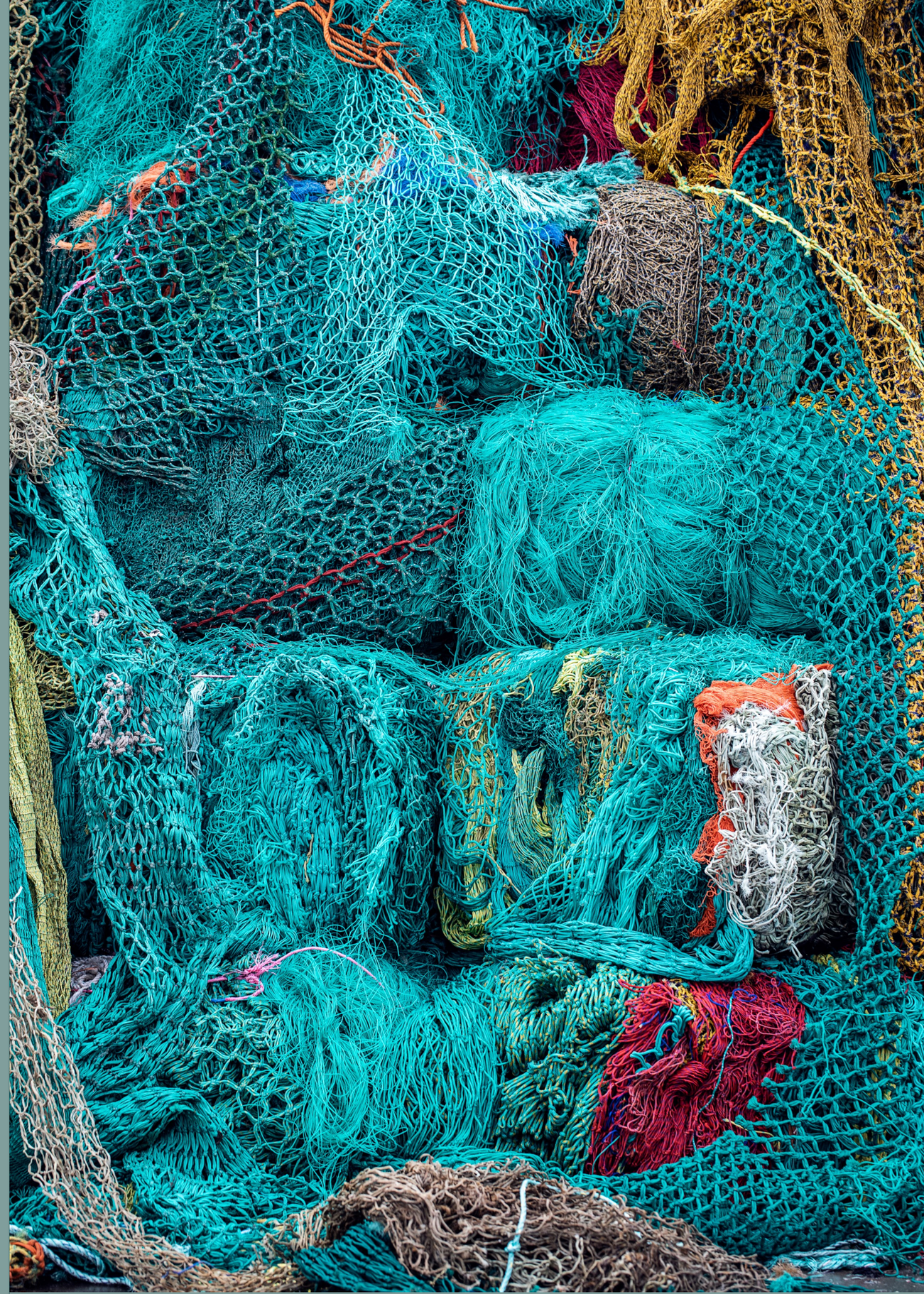
Our report is centred on the 6 most relevant Sustainable Development Goals (SDGs) identified for PLASTIX.

We further commit to share this information with our stakeholders using our primary channels of communication.

Hans Axel Kristensen
PLASTIX CEO
& co-founder

"Our VISION is to eradicate plastic pollution by enabling CIRCULAR SOLUTIONS for cleaner environments and oceans"

"Our MISSION is being a manufacturer of GREEN PLASTICS, mechanically recycling post-use maritime fibres, fishing nets and ropes, into high-quality raw plastics materials"



8 DECENT WORK AND ECONOMIC GROWTH

DECENT WORK AND ECONOMIC GROWTH

The COVID-19 pandemic undoubtably continues to impact human life, economies, and the environment world wide. During the pandemics' first peak, in the spring of 2020, the Danish government issued aid packages to support businesses affected directly and indirectly.

With international trade limited, an increased potential threat to employee health, and government appeal to protect the national health system capacity, PLASTIX made the difficult decision to temporarily close production.

Despite the manifold impacts of the pandemic, PLASTIX provided decent work for 30.09 full-time equivalent employees from 8 different nationalities during 2020, representing an increase of over 41% in employment provided, when compared to the previous reporting period.

In confirmation of PLASTIX' growth strategy, we acquired the neighbouring building as dedicated Logistic Center and Warehouse. This added a 2,921 m^2 warehouse space on 9,422 m^2 land to PLASTIX' operations, with the additional first right to purchase further adjacent 15,027 m^2 land for a future planned expansion.

PLASTIX conducts its business in compliance with national and international laws, which includes the right to collective bargaining and unionisation, and laws on heath and safety.

We support and respect the protection of the internationally proclaimed Human Rights, and acknowledge their importance in view of an ever increasing global community.

A Code of Conduct for our suppliers as well as our customers is currently pending implementation.

“Continuous improvement as a principle for a more sustainable future”

INDUSTRY, INNOVATION AND INFRASTRUCTURE

PLASTIX continues to pioneer the mechanical recycling of post-use maritime fibre waste, such as fishing nets and ropes, having developed an advanced and innovative clean-tech technology to process these critical waste streams.

We continuously strive to improve and optimize our processes, to use less energy and water, as well as to reduce the amount of waste lost during the recycling process.

In the reporting year 2020, PLASTIX successfully decreased the average total electricity consumption per Kg Green Plastic produced, by over 20% in comparison to the reporting year 2019, by improving our technology and processes.

PLASTIX works against corruption in all forms, including extortion and bribery, and actively seeks transparency within the organization, as well as from our suppliers and our customers.

We advocate transparency and traceability within the plastic and recycling industry, and work against Green Washing with it’s detrimental effect on the transition towards the Circular New Plastics Economy.

Educating stakeholders, such as customers, input suppliers, consumers, partners, and students on best-practice technology and transparent business communication and marketing regarding sustainability and Green Plastics remains a constant value and commitment.

We are immensely proud to have achieved our goal, stated in our previous Communication on Progress 2019, to have been awarded ISO 9001:2015 and ISO 14001:2015 certifications. It assures PLASTIX’ stakeholders of the continuous improvement of our processes in regard to quality and environmental management, and will distinguish PLASTIX from regular recyclers as a manufacturer of Green Plastics.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

RESPONSIBLE CONSUMPTION AND PRODUCTION

Rooted deeply within the fibres of PLASTIX' DNA is the goal for Responsible Consumption and Production, as it represents our sustainable business model and daily operations: turning a polluting waste stream into Green Plastics, the valuable resource it actually represents to be used again and again.

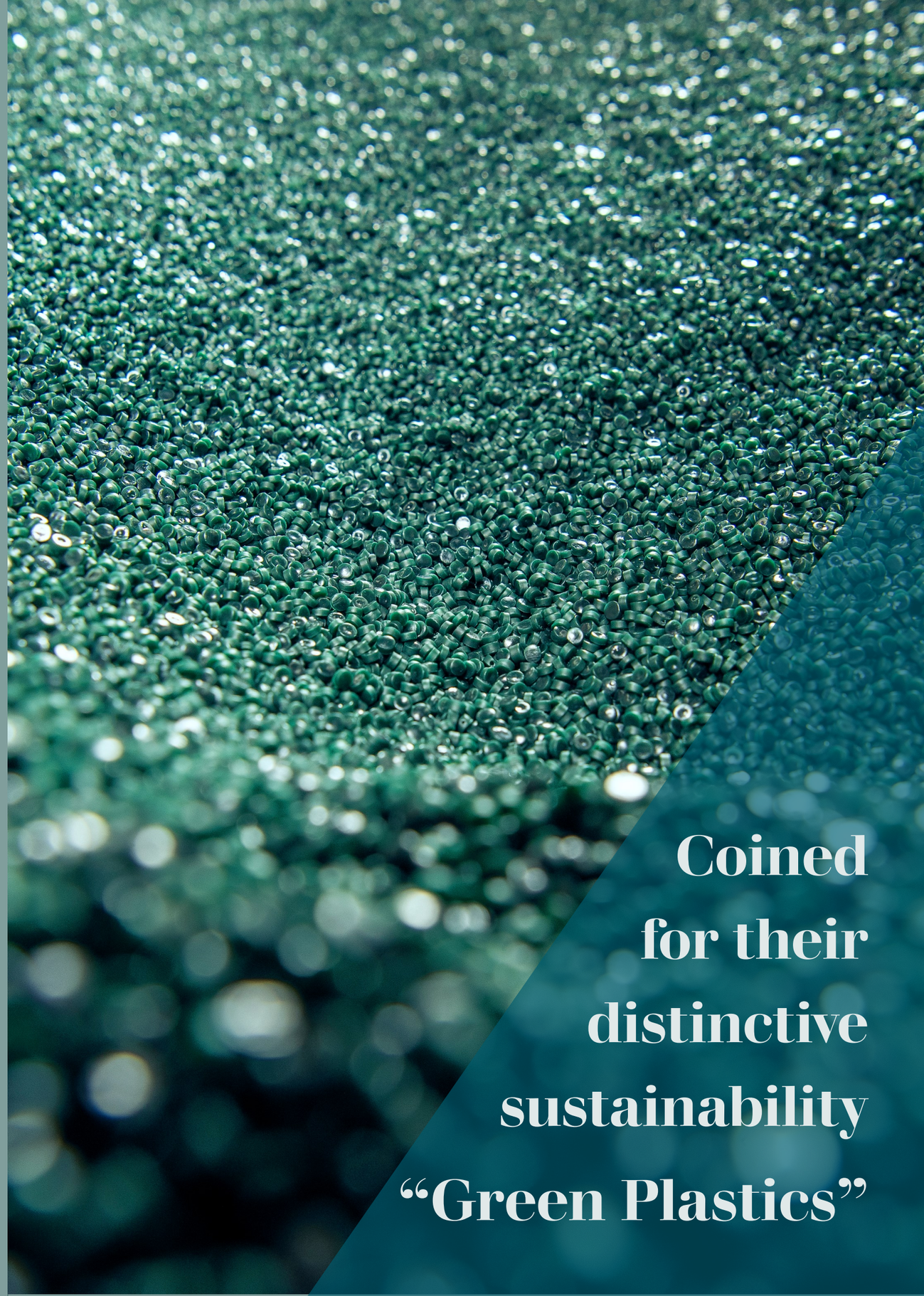
By offering a solution for circularity we close the material loop and combat plastic pollution preventively, ensuring the sustainable and efficient use of natural resources otherwise lost to landfill or the environment.

We have identified the environmental and economic value in producing high-quality post-consumer recyclates, and emphasize the importance of material quality throughout our sorting and recycling processes to ensure the highest applicability of our Green Plastics.

In 2020, even despite the COVID-19 pandemic and resulting temporary factory closure, PLASTIX manufactured over 1,300 tons of Green Plastics out of a total line capacity of 6,000 tons per year, thereby increasing production by over 40% in comparison to the previous year.

PLASTIX' Green Plastics reached over 130 different customers in 2020, located in 27 countries around the world, and have been integrated in a variety of innovative and Green products, confirming the global shift towards sustainability.

While the pandemic largely limited our ability to invite students and other stakeholders to PLASTIX for informative visits, we continue to educate and explain how and why we recycle maritime fibres, our fight for climate action, and the SDGs through the use of online platforms.



CLIMATE ACTION

Global yearly virgin plastic production rates are expected to increase considerably from 367 Mt (2020)[1] to 1,124 Mt by 2050[2], to then represent 20% of the future global oil consumption and 15% of the global annual carbon budget[3] through the production, incineration, and landfilling of plastics world wide.

Never before has it been as relevant or urgent to reject a CO_2 and resource heavy Linear Plastics Economy, and instead accelerate actions for the transition to the New Circular Plastics Economy.

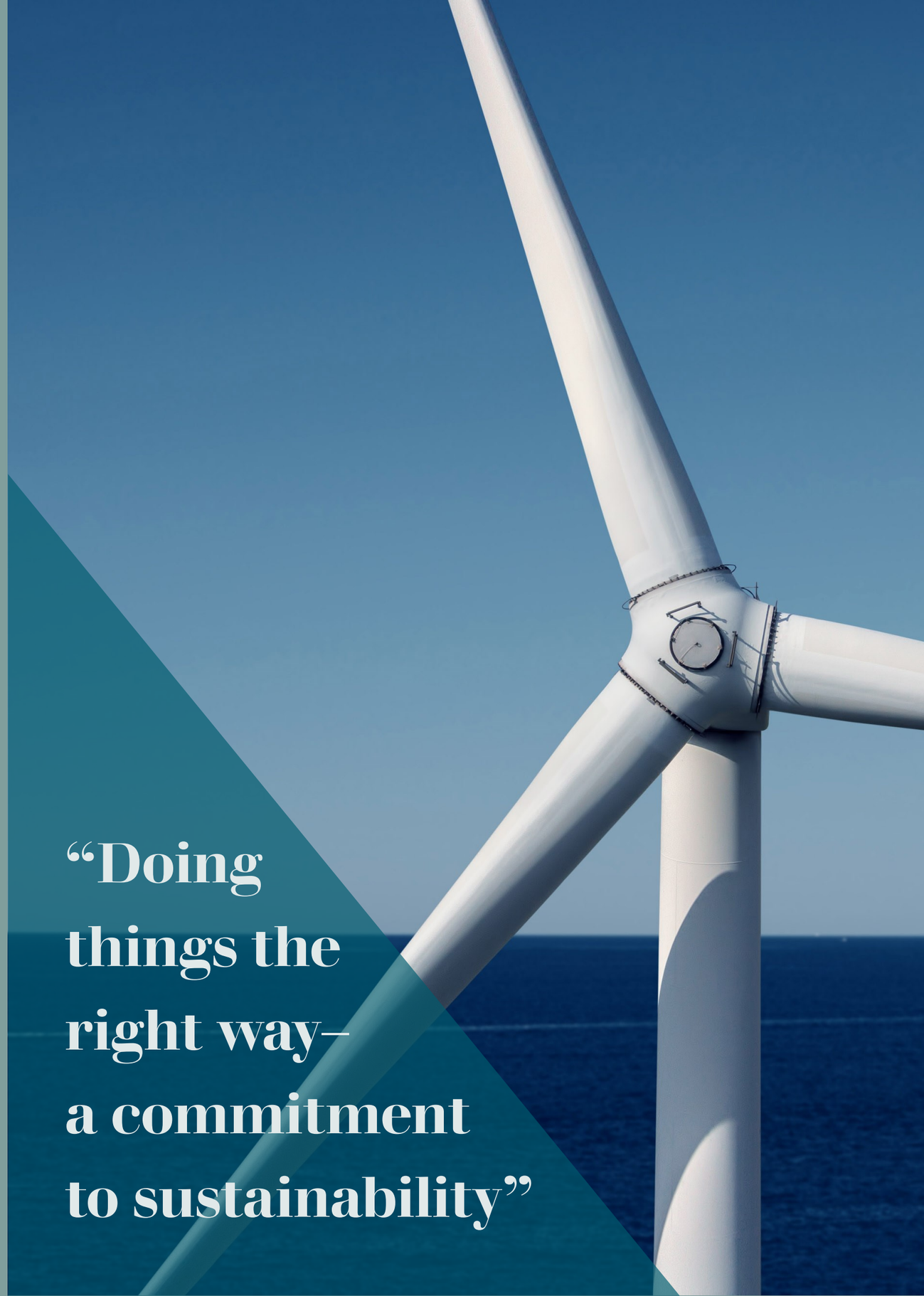
Supplementing or substituting the use of virgin plastic with PLASTIX' post-consumer recyclate OceanIX, can lower the CO_2 footprint of products by up to 82%, thus representing a promising solution for the Green Transition.

The comparative CO_2 footprint of PLASTIX' Green Plastic, in relation that that of virgin plastic, was assessed by a third party Life Cycle Assessment, performed in 2016.

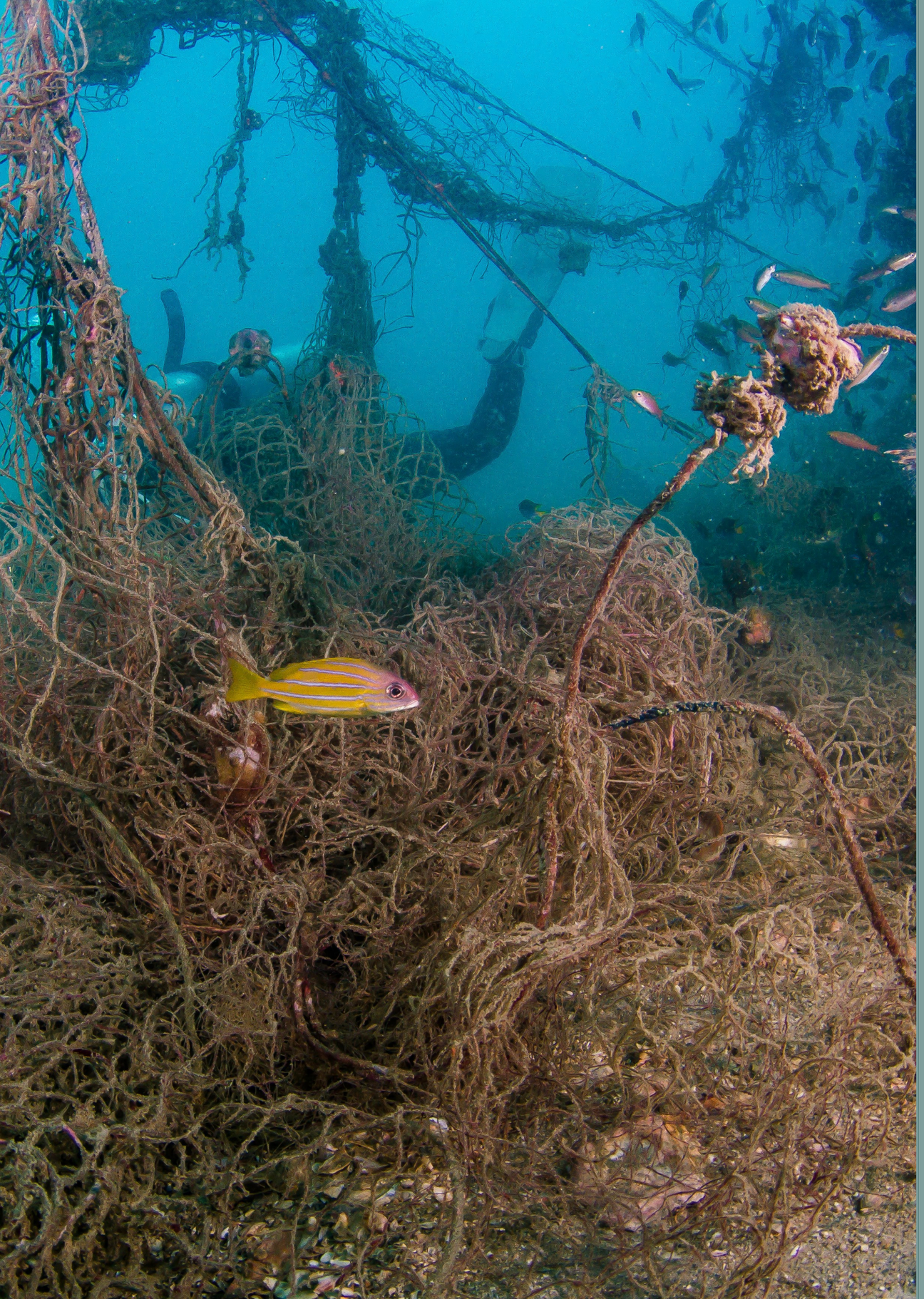
By assessing the Green Plastic produced in 2020 alone, PLASTIX spared the environment from over 4.5 million Kg CO_2 emissions, thus greatly exceeding the goal set during the last Communication on Progress. We aim to continuously increase this number, and in addition, plan to initiate a project to have our existing Life Cycle Assessment updated to reflect changes to products and production technology.

PLASTIX has further reach it's goal to transition to sustainable electricity having purchased 2,200,000 kWh carbon-neutral, renewable energy from wind power for the year 2020 to further positively affect the CO_2 savings when integrating our Green Plastic into new products.

[1] Plastics Europe—the Facts 2021: An analysis of European plastics production, demand and waste data.
[2] CIEL 2019—Plastic & Climate: The Hidden Costs of a Plastic Planet
[3] World Economic Forum, Ellen MacArthur Foundation and McKinsey & Company 2016—Rethinking the future of plastics



"Doing things the right way– a commitment to sustainability"



14 LIFE BELOW WATER

LIFE BELOW WATER

With between 5—13 Mt[1] of plastic waste seeping into our environment each year, the term Ocean Plastic has sparked a world wide action to remove and combat the loss of plastics to the environment.

Albeit hard to measure or model, it is estimated that maritime gear, including fishing nets and ropes, represent between 10%[2] and 46%[3] of plastic waste found in the ocean.

While we applaud the global initiatives and efforts to clean up our oceans and environments, the basis of PLASTIX' mission and vision is to prevent maritime gear from ever being lost to the environment, by creating a circular economy solution for these resource streams, to be used again and again.

In the reporting year 2020, PLASTIX sourced over 2,700 tons of post consumer maritime fibres from 28 input suppliers located in 15 different countries, thus achieving the goal of increasing the number of countries sourced from. Our goal is to continue to increase the amount of maritime fibres sourced for our recycling efforts, though we acknowledge the effect of the COVID-19 pandemic on global transport and supply chains.

In addition to the preventive action inherent to our daily operations, the year 2020 was marked by another extraordinary success: PLASTIX is proud to have been an integral part of The Ocean Cleanup's plastic journey– a project to turn plastic from the Great Pacific Garbage Patch into raw material. We have now, for the first time in global history, proven that even ghost nets retrieved from the ocean can be transformed into valuable and high -quality raw material, in a fully traceable externally audited process.

[1] European Commission 2018—A European Strategy for Plastics in a Circular Economy
[2] Greenpeace Germany 2019— Ghost Gear: The Abandoned Fishing Nets Haunting Our Oceans
[3] Lebreton, L., et al. Scientific Reports, vol. 8, no. 1 , 2018— Evidence That the Great Pacific Garbage Patch Is Rapidly Accumulating

PARTNERSHIPS FOR THE GOALS

The Circular Economy, at essence, consists of complex connections between industries and actors of the supply chain, and must thus be based on the creation of synergies and partnerships.

In January 2020, PLASTIX was host to the PCEP (Polyolefin Circular Economy Platform) for a hands-on recyclates workshop held at our factory in Lemvig. The PCEP is a platform that brings together all actors in the polyolefin value chain to increase the circularity of polyolefin products. PCEP members include global leading companies such as Braskem, Veolia, Ineos, Berry BPI, Alpla, and Borealis.

Another noteworthy success in the year 2020, consisted of the partnership between PLASTIX, Waste Free Oceans, Full Cycle and Green Wave Plastics, in the manufacture of Oceanic Face Shields: sustainable COVID-19 personal protective equipment using PLASTIX' Green Plastic.

Throughout all our stakeholder relations, we do not accept any form of forced and compulsory labour, or discrimination in respect of employment and occupation.

It is our strong believe that sustainable and long-term success in solving the worlds largest challenges such as Climate Change, environmental pollution, and sustainable use of resources must be done in cross-industry collaborations.

With this goal in mind, PLASTIX partnered with the Climatorium, an innovative climate centre located in Lemvig, on the west coast of Denmark. It acts as a meeting point for climate conferences and to bring together civil society, authorities, businesses and educational institutions to discuss the prevention and adaptation to the climate challenges faced globally.

”Inclusive partnerships built upon principles and values, a shared vision, and shared goals that place people and the planet at the center.”