

UN GLOBAL COMPACT

COMMUNICATION ON PROGRESS

2021



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.

PLASTIX

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**“Green Plastics,
a post-consumer/
post-use recyclate
coined for its
inherent
sustainability”**

STATEMENT ON CONTINUED SUPPORT



The world is undergoing an apparent transformation. While recovering from the aftermaths of the COVID-19 pandemic, we are simultaneously observing a shift in mentality world wide.

Seldom before has humanity felt this vulnerable- a vulnerability

that has given rise to the call for action and accountability in legislators, economies, the financial sector, and the consumer.

Sustainability, Circular Economy, and Climate Action are now key in the future development of all sectors. PLASTIX is proud to be contributing to the transition into the New Circular Plastics economy, by offering a solution to complex post-consumer waste streams and a *Green Plastics* product with significant climate change benefits to the plastics industry.

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.

This third Communication on Progress is centred on the six most relevant Sustainable Development Goals (SDGs) identified for PLASTIX' activities, and reflects our company strategy, culture, and operations, when integrating the principles at the heart of the United Nations Global Compact.

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 Zero pollution.
Zero emissions. Just recycling.”**

**“Our mission is transforming plastic
fibre waste to Green Plastics.”**



DECENT WORK AND ECONOMIC GROWTH

In 2021 PLASTIX provided decent work for 33.40 full-time equivalent employees, representing an increase of over 11% in employment provided, when compared to the previous reporting period.

To meet the increasing demand for sustainable *Green Plastics*, PLASTIX' growth strategy has included the purchase of additional 15,027 m² land for development, located to the south of PLASTIX' current Logistics Center and Warehouse.

The building project to construct a new Fractionation Zone including a 1,600 m² cold building will increase PLASTIX' feedstock storage capacity to 10,000 tonnes at any given time, and is expected to

begin in Q1 2022 and be completed by the beginning of Q4 2022.

In parallel to this development, PLASTIX is planning to significantly scale up its recycling efforts from a continuous production over three days to a continuous production over six days.

This is estimated to create decent work for at least a further ten full time employees to support the production process of PLASTIX' *Green Plastics*, as well as the input and fractionation activities of PLASTIX feedstock of fibre waste, with continuous focus on maritime nets and ropes.

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

The implementation of the Code of Conduct for our suppliers as well as our customers mentioned in the previous Communication on Progress is still pending.

**“Sustainable
Growth for a
Sustainable
World”**

“Driving transition through research, innovation and digitalisation”

9 INDUSTRY, INNOVATION
AND INFRASTRUCTURE



INDUSTRY, INNOVATION AND INFRASTRUCTURE

PLASTIX has for many years strived to been on the forefront of mechanical recycling, by developing innovative clean-tech technology for the high-quality recycling of waste fibres, such as maritime fishing nets and ropes.

The plastic industry's increasing uptake of *Green Plastics* is accelerating the discussion on the characterisation and classification of the quality, with regard to post-consumer recyclates (PCR).

Unlike virgin plastics, or post-industrial recyclates (PIR), PCR will, due to its heterogeneous and diverse input streams, inevitably show a higher variability in technical properties.

In order to facilitate the dialogue along the value chain and to help the plastic industry secure acceptance in their use of recycled polyolefins, PLASTIX in collaboration with the Polyolefin Circular Economy Platform (PCEP), have created a novel Enhanced Technical Data Sheet for Polyolefin Recyclates.

Specifying factors such as origin of end-of-use, recycling steps, testing frequency and sampling procedure, and eco footprint, will create a higher confidence in the quality and consistency of the recycled material, and in parallel reduce the reputational risk recyclers face when placing their product on the market.

These advances meant to align expectations between plastic converters and brand-owners, in addition to the high-quality mechanical recycling process employed, has allowed PLASTIX the success of integrating its *Green Plastics* into the toy industry in 2021, with the Greenline playground by Kompan and the Blue Marine Toys set by Dantoy.

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 aim to have a whistle blower system in place latest by December 2023.



RESPONSIBLE CONSUMPTION AND PRODUCTION

In 2021 PLASTIX manufactured over 1,900 tons of *Green Plastics*, thereby increasing production by over 46% in comparison to the previous reporting period.

In addition to the doubling in production capacity planned for 2022, PLASTIX is planning to expand the circular solutions offered for other fibre industries beyond the maritime industry. These industries include the agricultural and flower industry, the construction, logistics, and packaging industry.

Through this, we hope to have an even higher impact on the responsible circular production and consumption of plastic products in a variety of industries.

Not only is responsible consumption and production rooted within the DNA of PLASTIX business activities, it also impacts everyday procurement decisions.

Two of these procurements included the switched to Cannon printers made from 80% recyclates to show our support in the integration of recyclates in all products, and the sustainable concrete building blocks for our silos which consist of concrete that would have otherwise gone to waste.

PLASTIX' *Green Plastics* reached over 163 different customers in 2021, located in 25 countries around the world and have successfully been integrated in a

variety of new sustainable products.

One of these products has been a pressure waste water pipe made with 30% of *Green Plastics* provided by PLASTIX. This product resulted from a project led by the Climatorium– Denmark's international climate centre, and Lemvig Vand (water supply) who will proceed with installing these pipes into new housing areas in the municipality of Lemvig in the spring of 2022, and exemplifies local collaboration.

Our environmental policy incorporates our dedication to Operation Clean Sweep and the prevention of plastic waste in the environment into all our business processes.

**“Responsibly
produced *Green
Plastics* for the
Green Transition”**



CLIMATE ACTION

As captured in a recent OECD report^[1], the carbon footprint of plastics is significant, with 90% of emission generation during their production and conversion from fossil fuels.

Currently contributing 3.4% of global greenhouse gas (GHG) emissions, plastics generated 1.8 billion tonnes of GHG globally, in 2019. By closing material loops—recycling waste and re-integrating it into new products, this footprint could be reduced substantially.

We are proud to have attained our goal in initiating the project to update our existing Life Cycle Assessment from 2016, to reflect

changes to our products and production technology. PLASTIX is proud to announce the great increase the CO₂e savings in its basic products from up to 82% (2016 LCA) to up to 94%^[2], which our customers are able to attain by using PLASTIX' OceanIX *Green Plastic* in their products instead of virgin plastics.

This implies that PLASTIX, through its production of *Green Plastics* from used maritime fibres, has enabled the reduction of over 3.6 million Kg CO₂e emissions in 2021. We aim to double this number in the reporting year of 2023 where we aim to have completed

the first step of our production scale up.

PLASTIX continues to source CO₂ neutral and sustainable wind energy to cover its business activities and contribute to the green transition.

Another achievement marking PLASTIX' commitment to climate change action is the project to connect the factory to the local district heating. Completed in Q1 2022, the usage of district heating will eliminate PLASTIX' current use of oil for the purpose of heating the building.

“Circularity as a prerequisite for Climate Neutrality”

[1] OECD (2022), Global Plastics Outlook: Economic Drivers, Environmental Impacts and Policy Options, OECD Publishing, Paris

[2] Preliminary results—Carbon footprint for OceanIX—Executive Summary, 16 March 2022



“Circular solutions as preventive action against Ocean Plastic Waste”

14 LIFE BELOW WATER



LIFE BELOW WATER

The entry of plastic waste into the aquatic environment remains a significant challenge around the globe, albeit diverging studies stating a range from between 19 million tons to 23 million tons per year^[1].

Maritime gear, including fishing nets, trawls, and ropes, represent between 10%^[2] and 46%^[3] of plastic waste found in the ocean, and as such these waste streams are in desperate need for a circular solution to prevent their entry into the environment.

PLASTIX' vision is to eradicate plastic pollution, preventively and

at its source, by enabling circular solutions for cleaner environments and oceans, as articulated in our vision statement

Working intensely with the maritime industry, harbours, larger fisheries, NGO's, governments, and waste managers globally, PLASTIX sourced over 2,400 tons of post-consumer maritime waste fibres from 26 input suppliers located in 11 different countries, in the reporting year 2021.

The continuation of the COVID-19 pandemic and its effect on geopolitics as well as global

transport and supply chains results in an increased effort needed to achieve our goal to increase the amount of maritime fibres sourced for our recycling efforts.

PLASTIX is greatly looking forward to continuing the collaboration with the maritime industry as well as the Ocean Cleanup in 2022 and their quest to collect plastic waste from the Great Pacific Garbage Patch and to transform it from waste to value.

[1] Borrelle, et al. (2020). Predicted growth in plastic waste exceeds efforts to mitigate plastic pollution. Science, [2] [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 Plastic



PARTNERSHIPS FOR THE GOALS

Cross-industry and stakeholder partnerships are one of the largest contributors to the transition into the Circular New Plastics Economy. Only when value chain actors are willing to face challenges together and adopt holistic views, can sustainable solutions be found.

One of PLASTIX' most significant partnerships in 2021 resulted in the world's first Circular "Green" Rope, consisting of mechanically recycled, used and discarded maritime ropes.

As a product of industry collaboration between PLASTIX and DFS, leading supplier to commercial shipping and the offshore sector based in Sweden, the first ever Circular Green Rope represents

significant CO₂ emission savings through the closed loop re-integration of recyclates. It gained industry recognition by winning the Plastics Recycling Awards Europe 2021 for best Building & Construction Product.

Futureproofing the maritime industry for upcoming legislative requirements on the design of maritime gear and extended producer responsibilities, the Circular Green Rope further comes as a validation to PLASTIX' advanced inhouse developed recycling technology.

It is due to the active drive and partnership of all value chain stakeholders, that the circular material loop even on products

as technically complex as maritime gear, can be fully and successfully closed, to be recycled again and again.

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



**“Holistic
cross-industry
solutions for the
Circular New
Plastics
Economy”**