

6 August 2020

Major companies and retailers join BASF's reciChain pilot to improve circular economy and traceability of recycled plastics in Canada

- BASF, CSSA, Layfield, London Drugs, Merlin Plastics, NOVA Chemicals, Recycle BC, Return-It, Save on Foods and V.I.P. Soap become part of the stakeholder consortium that enables better sorting, traceability and transparency throughout the value chain
- For the pilot project in British Columbia, Canada, BASF is also partnering with Deloitte as a strategic advisor
- **SMX's** technology to be used in reciChain and includes a marker embedded into both rigid and flexible plastic that allows users to access and verify information associated with the material

Security Matters Limited (ASX: SMX) (Security Matters or the Company), a company focused on digitising physical objects on the blockchain to enable a circular and closed loop economy, is pleased to announce that BASF, CSSA, Layfield, London Drugs, Merlin Plastics, NOVA Chemicals, Recycle BC, Return-It, Save on Foods and V.I.P. Soap have joined forces to commence a pilot project to respond to one of the most pressing environmental challenges – plastic waste. Supported by reciChain, these companies aim to strengthen the circular supply chain, extend the lifecycle of plastics, incentivise recycling, reduce waste and enhance resource efficiency in Canada.

reciChain combines the power of **SMX's** blockchain solution, with its physical marker that enables the secured sharing of transactional data while improving the sorting, tracing and monitoring of plastics throughout the value chain.

Implementing these technologies, value chain actors would conceivably be able to generate tokens or 'plastics credits', which would in turn increase in value as plastics go through additional loops. These credits could then be used to incentivise producers to design for recyclability, thus enhancing circular economy.

For the pilot project, taking place in Vancouver, British Columbia, BASF is also partnering with Deloitte as a strategic advisor.

The reciChain plastic value chain actors, on their part, are offering in-kind contributions to enable the feasibility of the pilot such as plastic material, testing, and technical expertise.

reciChain's innovative digital twin technology

The **SMX** marker technology allows the tracking of plastics materials across the value chain using innovative digital twin technology. This track and trace technology used in reciChain marks plastic products with a unique "chemical barcode" and connects them to a digital twin.

Both rigid and flexible plastic products will be used during the pilot to test the feasibility of the marker technology in the reverse logistics process. The pilot will allow users to access and verify information associated with the production of the material, supporting producers' recycled content targets and retailers' plastic waste diversion targets and further closing the plastic loop

The project is being validated in British Columbia's local supply chain and BASF's vision is to expand reciChain to a nation-wide solution in order to position Canada as a leading country in recycling and recovery of plastics. The project will run until Q4 CY2020 and upon successful completion of the pilot the next steps of commercial terms will be determined by the partners.

To learn more about reciChain, click [here](#).

Marcelo Lu, President, BASF Canada:

"We are grateful to count on broad stakeholder representation throughout the whole lifecycle of plastics including polymerization and recycling. With their support, along with the disruptive technology from Security Matters, our pilot will allow us to move from concepts and policy dialogue to tangible solutions in making advances in plastic circularity possible in Canada,"

Amit Gosh, Head of Asia Pacific for R3:

"R3 is proud to collaborate with Security Matters, and proud that its Corda platform was chosen to underpin the blockchain component of reciChain. The capabilities of blockchain to address real-world challenges is huge and we're pleased to play a role in this pilot project."

Haggai Alon, Founder and CEO SMX:

"The launch of this pilot project clearly demonstrates the strong commitment by innovative corporations to become early adopters and active members of the new plastic circular economy."

"The SMX Circular Value Chain Approach (CVCA) creates and facilitates cross-industry dialogue enabling these early corporate adopters to transition from the current linear approach towards a circular closed looped economy."

"The adoption of SMX's technology by reciChain is a tangible application of SMX's digital twin technology with its blockchain platform to create a full closed loop economy for the plastics industry."

"SMX's digital platform has been built in collaboration with our two major partners, R3 and Quantum Crowd led by CEO Darren McVean. More information of Quantum Crowd can be found [here](#)."

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By order of the Chief Executive Officer.

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About Security Matters Limited

Security Matters has commenced the commercialisation of its unique, patented technology that uses a hidden chemical-based 'barcode' to permanently and irrevocably 'mark' any object, be it solid, liquid or gas. The barcode is read using the company's unique 'reader' to access the corresponding stored data, recorded and protected using blockchain technology.

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