



The information communicated within this announcement is deemed to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014. Upon the publication of this announcement, this information is considered to be in the public domain

21 December 2020

SYMPHONY ENVIRONMENTAL TECHNOLOGIES PLC

("Symphony", the "Company" or the "Group")

Legal challenge to EU on plastics

Symphony Environmental Technologies Plc (AIM: SYM), global specialists in supplying and developing technologies that make plastic "smarter, safer and sustainable", announces that it is today commencing a legal action against the Commission, Parliament, and Council of the European Union ("EU") in relation to their decision to adopt Article 5 of the Single Use Plastics Directive 2019/904 ("the Directive"). Symphony has been advised by three Barristers, all experts in EU law, that this part of the Directive is confusing and illegal, and substantial damages are being claimed.

CONFUSION

As reported in the Group's half year results on 14 September 2020 "The ... Directive adds to the confusion as it requires EU members to ban oxo-degradable products that do not properly biodegrade and are not recyclable with ordinary plastics. We continue to explain the difference between oxo-degradable and oxo-BIOdegradable plastic" but the Directive has not made this clear. Symphony's d2w plastic is oxo-BIOdegradable not oxo-degradable. "We believe that Symphony's d2w technology would achieve considerably better traction both within the EU and outside Europe if we could resolve this confusion." It should be noted that due to Brexit, the UK need not implement the Directive at all unless it wishes to do so.

Symphony's d2w technology causes ordinary plastic to degrade if it gets into the open environment and to biodegrade in the same way as nature's wastes. It can be recycled if collected during its useful life. It has been validated for degradability, biodegradability, non-toxicity, and recyclability by 40 years of research, most recently by scientists at Queen Mary University, London and at LOMIC (Laboratory of Microbial Oceanography) in France, in February and October 2020 respectively.

The main purpose of the Directive is to ban single-use plastics most often found on the beaches, but there is no evidence that oxo-biodegradable plastics have been found on the beaches or anywhere else.

ILLEGALITY

Symphony is advised that the ban is illegal because there has been a failure to accord due process, and because it is disproportionate and discriminatory.

The EU has a well-established procedure, set out in the REACH Regulation 2006/1907, for determining whether substances should be banned. This procedure was designed to avoid the kind of arbitrary action which has occurred in this case.

In December 2017, in compliance with the procedure, the EU Commission requested the European Chemicals Agency (“ECHA”) under Article 69 of REACH to investigate its concerns regarding microplastics. Symphony submitted scientific evidence to ECHA on oxo-BIOdegradable plastic and on 30 October 2018 ECHA said that they were not convinced that it created microplastics.

The Commission then made the extraordinary decision on 8 May 2019 to terminate ECHA’s investigation and the EU proceeded to impose a ban effective from 3 July 2021, citing microplastics as a reason. In doing so, they ignored the advice of ECHA, their own scientific experts - never before has an ECHA investigation been circumvented by legislation.

Only if ECHA had recommended a restriction, supported by the detailed dossier prescribed by Annex XV of REACH, the recommendation would have had to be considered by two committees under Articles 70 and 71 of REACH, and also by a stakeholder consultation under Article 71(1), before any restriction could be proposed under Article 73. None of these procedures prescribed by EU law have been complied with.

THE COURT CASE

Symphony’s CEO, Michael Laurier said: “The Board has not taken this action lightly, but the way the EU has behaved and the resultant confusion and damage to our business is unacceptable. We will not accept restraint of trade without due process, non-discrimination, proportionality, and scientific justification.

The EU fails to acknowledge that the billions of persistent microplastics in the open environment, including the oceans, are actually coming from the fragmentation of ordinary and bio-based plastics which have not been upgraded with oxo-BIOdegradable technology.”

Symphony’s Deputy Chairman, Michael Stephen, a former Barrister and MP, said “Symphony has decided to commence an action in the General Court of the EU for compensation pursuant to Article 340 of the Treaty on the Functioning of the EU by reason of the adverse effect on its business caused by the reference to “oxodegradable” in Article 5 of the Directive. Although we cannot dictate the timetable, the facts of the legislative process are clear and we do not expect the case to be protracted, as it will essentially be a point of law for the court to decide. Most of the costs of preparing the case have already been paid.”

ANTIMICROBIAL TECHNOLOGY

It is important to note that Symphony’s d2p business is not directly affected by the Directive. d2p is a wide range of products, which include technologies that give plastic, rubber, and silicon anti-bacterial and anti-viral properties, and is an increasingly important part of Symphony’s overall business. These are among the few materials commonly used which can themselves (as distinct from painting and spraying) be made to destroy viruses on contact within one hour - before they can enter the human body. The demand for antiviral plastic is growing at a rapid rate all around the world, and making it biodegradable with d2w will help to protect the environment as well.

NOTES:

Symphony is represented in this case by Josh Holmes QC and Jack Williams, Barristers of Monckton Chambers, Grays Inn, London - the UK's leading experts in EU law, and by Keystone Law, Solicitors of Chancery Lane, London. Symphony has also been advised by Professor Sir Alan Dashwood QC, the author of "Wyatt & Dashwood's European Union Law."

Symphony Environmental Technologies is a UK technology company listed on the AIM market of the London Stock Exchange, and celebrates its 25th anniversary this year. The Company is based in Hertfordshire and operates worldwide through 67 distributors.

The Company has focussed on two problems of the modern age – protecting people from attack by COVID and other dangerous microbes, and protecting the environment from plastic litter.

Symphony's d2p technology www.d2p.net gives antimicrobial properties to plastic, rubber, and silicon items. Symphony's d2w oxo-biodegradable technology www.d2w.net and www.biodeg.org causes ordinary plastic to biodegrade if it gets into the open environment.

Enquiries

Symphony Environmental Technologies Plc

Michael Laurier, CEO

Ian Bristow, CFO

www.symphonyenvironmental.com

Tel: +44 (0) 20 8207 5900

Zeus Capital Limited (Nominated Adviser and Joint Broker)

David Foreman / Nick Cowles / Kieran Russell (Corporate Finance)

Dominic King / Victoria Ayton (Sales)

Tel: +44 (0) 161 831 1512

Tel: +44 (0) 203 829 5000

Hybridan LLP (Joint Broker)

Claire Louise Noyce

Tel: +44 (0) 203 764 2341

The person responsible for arranging the release of this information is Michael Laurier, CEO of the Company.