

APPLICATION GUIDELINES

"OPEN INNOVATION CHALLENGE: THE PLASTIC EVOLUTION"

1. Background

The Chilean Plastics Pact (CPP) is the Chilean branch of the international network of Plastics Pacts, a unique initiative that unites and aligns the efforts of the different organisations involved in the different stages of the life cycle and ecosystem of plastic packaging. The aim is to **shift from the current linear model to a circular one**, reducing the extraction of natural resources on the one hand and plastic waste on the other, while simultaneously preserving its market value with the highest possible quality and durability, focusing on plastic packaging.

The CPP is made up of actors from the entire plastics value chain, i.e. plastic suppliers, packaging suppliers, producers, retailers, brands, local authorities, consumer associations, municipalities, waste management companies and recovery companies, among others. In this way, the aim is to create a platform for active collaboration to generate actions that will have a systematic impact on the problem.

In response to the current global urgency, the CPP has set four ambitious goals for the year 2025. All CPP members commit to align their efforts to achieve the following goals:

N°1. Take action to eliminate problematic and unnecessary plastic packaging and products through redesign, innovation or alternative delivery models.

N°2. 100% of plastic packaging must be designed to be reusable, recyclable or compostable.

N°3. 1/3 of household and non-household plastic packaging must be effectively reused, recycled or composted.

N°4. Plastic packaging must have an average of 25% recycled material in their different formats.

In this context, in order to achieve the proposed goals, The Plastic Evolution open innovation challenge was born, where together with ChileGlobal Ventures, a space was created where innovative solutions could be found to increase the circularity of plastic for Chile.

2. Objective

2.1 The purpose of Fundación Chile and CPP is to convene national or international early stage technology ventures and partners (hereinafter "Startups") that can in the short term develop, adapt or apply high-impact innovative solutions linked to the challenges proposed by CPP.

2.2 It is expected to call any Startup that meets the requirements described in point 4 of these Bases and that has at least one previously validated prototype.

2.3 The purpose of the application is to select a group of Startups that - in the sole opinion of CPP and Fundación Chile - are the most suitable to work in a collaboration model with representatives of CPP. For this purpose, the following challenges have been proposed, which represent the focus of the work to be developed:

I - How do we increase the circularity of plastic in Chile?

The recycling rate of plastic in Chile is low; by 2018 only 7% of the 731mil tonnes put on the market was recycled, which, among other reasons, is due to the fact that there is a low demand for this recycled material. CPP commitment is based on changing this reality and has identified an opportunity through the circular design of packaging that incorporates recycled material. In addition, it is key to reduce the generation of single-use plastics that negatively impact the environment and move to new designs that are recyclable, reusable or compostable. In this sense, we seek circular and disruptive packaging solutions that consider a circular design perspective, in order to make available a greater number of designs that facilitate the recycling, reuse or composting of these packaging. We seek innovative, disruptive and sustainable alternatives for:

- 1. Solutions in the incorporation of recycled material in packaging for the whole value chain** (plastics producers / plastic packaging, packaged products and recyclers). These solutions are expected to keep new packaging in circularity, increase the demand for recycled material, which would consequently increase the recycling rate to avoid plastics ending up in landfills or leaching into ecosystems.
- 2. Innovative alternative materials, packaging to replace problematic items:** Currently there are regulations limiting the use of problematic plastics or single-use plastics. Alternatives should replace the plastics mentioned in the draft law, i.e. cups, mugs, bowls, cutlery (fork, spoon, knife), mixers, light bulbs, plates, ready meals containers or trays and their accessory containers, lids, among others. The proposed solutions must systematically comply with the definition of circular economy, where they do not negatively impact the environment.
- 3. New materialities, other designs and innovative uses of plastic, it is expected that these designs will have an alternative of circular valorisation.** Consideration will be given to the components, materialities and formats required to provide the necessary functionality of the packaging and its recyclability. Although the main focus is on reusability and recyclability, it is expected to see compostable or other innovative packaging solutions.

II - How to enable infrastructure to increase recyclability of plastic packaging?

As a CPP we must ensure that by 2025 1/3 of packaging in Chile is effectively reused, recycled or composted. This challenge seeks to address consumer behaviour, collection logistics, sorting and recovery infrastructure and demand for recycled material.

Why is it important for the CPP?

To fulfil commitment 3 of the pact, it is necessary to increase the recycling and reuse of packaging, and for this the system has to be economically sustainable and with the right incentives for all

actors. This implies innovating both in technological infrastructure (hardware and software) for traceability, segregation and recycling, as well as in stimulating the demand for recycled material, in order to give more value to the recycler, considering scalable solutions that address Chile's geographical challenges.

In this regard, we seek innovative and sustainable solutions that increase the collection of post-consumer material suitable for recycling through:

- 1. Solutions that allow traceability and logistics** that facilitate the operation of the collection system to reach all of Chile efficiently and effectively, we hope to find digital tools for traceability and management of information on the flow of materials that also connects with government information systems.
- 2. Technological solutions (software or hardware) that can be incorporated into processes of sorting, segregation and recovery of plastics**, considering that one of the main pains of the members of the pact is to circulate food contact packaging that is not being recycled because it is contaminated with organic waste that ends up becoming waste.
- 3. Solutions that enable and enhance a competitive market for post-consumer recycled material.**

3. Application timetable

The dates of the various stages of this call are as follows:

Stage	Date
Start of application period	07 January 2021
Closing date for applications	21 February 2021 (23:59 hrs)
Communication of pre-selected candidates	10 March 2021
On-line meetings	14 to 26 March 2021
Communication of successful candidates	29 March 2021
Pitch Day	April 2021

4. Application requirements

To apply, the Startup must meet at least the following requirements to be eligible for the selection process:

- i. It must be a technological venture (Startup), constituted as a legal entity, which at least has a prototype of its solution (MVP) and that this has some form of validation.

- ii. Foreign companies may apply, but must demonstrate and ensure that they have the capacity to implement their solution locally in CPP.
- iii. Your solution must be an innovation that addresses the published challenges, either currently addressing them or requiring minor adjustments to achieve them. In other words, it should not take more than one month to adapt your solution to meet the challenge.
- iv. To ensure the correct implementation of the solution in CPP's facilities, the team must demonstrate the necessary availability and dedication to the project, so at least one person in the team must be full-time.
- v. Applicant project teams should be composed of motivated, enthusiastic and agile individuals to ensure results in the short term.

5. Selection process

The selection of the companies will be carried out in six stages (specified in point 7 of this document), by a team made up of collaborators from Fundación Chile and CPP.

Fundación Chile and/or CPP reserve the right to reject any Startup applicant, without cause, and to declare this call void, also without cause and, in both cases, without the right to compensation or claim of any nature on the part of the Startup applicants. Furthermore, in the event of rejecting the application of all or some of them, Fundación Chile and/or CPP are released from any obligation to justify the measure and from any liability arising from the damages that any of the applicant Companies may suffer for that reason, as well as from reimbursing any expenses, commissions and costs that the applicant Startups may have incurred on the occasion of the call. The applicant Startups, by the sole fact of accepting these terms and conditions, irrevocably waive any claim or action in this regard.

6. Selection criteria

The evaluation team will analyse the applications according to four main evaluation criteria. These criteria and percentages are stated below:

1 Traction (15%): Progress or maturity of the proposed solution; previous pilot tests; evidence of previous successes.

2 Agility (25%): Clarity in the pilot proposal; simplicity in adoption by CPP.

3 Team (30%): Dedication of the team to implement the solution; experience of key partners; evidence of previous successes of the delivered solution.

4 Solution (30%): Impact of the implementation; sustainability of the value proposition over time; relevance to the challenges posed; clarity of the work plan; degree of novelty; strategic value proposition delivered and safeguards against imitation.

7. Selection stages

The selection process will consist of a series of six stages as detailed below. The results of each stage will be communicated to the applicant's email address entered in the application form, and it will be the applicant's responsibility to review the information and communicate it to the rest of the team members.

The Startup selection stages are:

First stage: Reception of applications.

To apply to this process, Startups must complete the application form on the website www.theplasticrevolution.com. This platform will be available from Thursday 7 January 2021 until 23:59 hrs. on Sunday 21 February 2021.

Startups that submit the form after the deadline set out above will be automatically excluded from the process and will not be considered for review or further stages.

Second stage: Pre-selection

The pre-selection will be carried out by an evaluation team of CPP and Fundación Chile which, after having concluded the application stage, will review all the forms completed within the deadline set for this purpose and that comply with the rest of the aforementioned requirements and select the startups that will access the "On-line interviews" stage. This selection will be according to the selection criteria mentioned in point 6 of this document.

The result of this selection will be communicated on 10 March 2020, as set out in point 3 of this document. The reasons for this decision are exclusive and reserved to the evaluation team, and it is not their obligation to communicate it to the applicants, nor to communicate any feedback to the applicant company, without further responsibility of the evaluation team and the institutions they represent. The applicants, upon acceptance of these terms and conditions, irrevocably waive any claim or action in this respect.

Stage 3: On-line meetings.

From 14 to 26 March 2021, the candidates selected in the pre-selection stage will meet with an evaluation team made up of members of CPP and Fundación Chile for no more than 60 minutes. In this meeting the Startup will present its solution and its alignment to CPP's business challenge, showing also its validation in the market, the experience of its team and other aspects that are specially requested at the time of communicating those selected to participate in the meeting. The Startup will have to answer the questions and clarify the doubts formulated by the evaluation team after their presentation.

These meetings are mandatory and will be coordinated remotely. Participants must have the means to communicate virtually with the evaluation team.

After meeting with all the pre-selected Startups, the evaluation team will select an indefinite number of Startups that will access the "Verification" stage. The communication of these results will be transmitted via e-mail personally to the e-mail addresses of the representatives assigned in the application form of each Startup, and it is their responsibility to communicate them to the rest

of the members of their team. The reasons for this selection are exclusive and reserved to the evaluation team and it is not their obligation to communicate them to the applicants, therefore they will not generate any further responsibility for the evaluation team and the institutions they represent. The applicants, upon acceptance of these rules, irrevocably waive any claim or exercise of actions in this regard.

Stage 4: Verification.

From 10 March to 26 March, the Startup that has been selected after the "On-line meetings" stage must provide the evaluation team with relevant background information to corroborate the veracity of its proposal and company. For this purpose, the company may be asked to provide the following:

- i) Access to the solution offered by the Startup to the challenge posed by CPP.
- ii) Contact to corroborate and validate third party references on the Startup.
- iii) Request for additional background information on the Startup such as: summary of the trajectory of the company's partners, references from third parties regarding the company (clients, mentors, investors, etc.), general company data (ID number of the company, company name, start of activities indicated by the Local Tax Service, date of the first invoice and power of attorney of the legal representative, bylaws), articles of association and current powers of attorney, corporate composition, number of clients, number of users, financial report among others.

In case the Startup does not provide the above-mentioned background information if requested, it will be automatically excluded from the process, without the option to participate in subsequent stages.

Stage Five: Submission to CPP.

The finalist Startups will be invited to present their solution to the challenge before a jury composed of different CPP work units and, if Fundación Chile deems it necessary, experts from the Foundation and/or members of its own initiatives (such as ChileGlobal Angels and/or Mentor Network). This presentation will be a private event between the representatives of the applicant Startups and the jury, with the understanding that the Startups not selected at this stage will not be able to attend as spectators of the presentations, in order to protect the confidentiality of the sensitive information that will be exposed. The event will be held remotely and it is the responsibility of the participants to have the means to maintain virtual communication with the evaluation team.

The presentations will take place over one working day in April 2021. Details of the date and time will be announced when the results of the "On-line interviews" stage are communicated in person to the e-mail address of the representative of the applicant Startup assigned in its application form.

Applicant Startups must send the Fundación Chile team the file of their presentations in digital form 24 hours before their presentation. For its part, Fundación Chile reserves the right to exclude

participating Startups 24 hours before their presentation to the jury for not sending their presentation within the indicated deadline.

The presentation to the jury will take place as follows:

- i) Presentation: The finalist shall present his/her solution to the jury in no more than 10 minutes according to the format and contents explained in the preparation workshops for this stage.
- ii) Question time: In the remaining time, the jury will ask questions to the representatives of the applicant Startup. The company will only answer these questions, thus avoiding making comments that are not related to the jury's doubts.
- iii) Deliberation: Once all presentations have been made, the jury will select the winning Startups. If the jury deems it appropriate, it reserves the right to request additional information within 2 days from the date of submission. If there are irregularities in this information, Fundación Chile and/or CPP may exclude the company from the process, discarding its option for subsequent stages.

The results of the presentations will be communicated directly to the representative of the finalist Startup via the telephone number declared in the application form. This communication will not be made in writing, and Fundación Chile or CPP are under no obligation to make public the final winners of this stage.

Stage Six: Next steps.

After the "Presentation to CPP" stage and having been selected as the winner of the proposed challenges, at the sole discretion of CPP, without any participation or interference of Fundación Chile, a stage of networking and connection generation will take place, depending on the interest raised by the different members and partners of CPP.

8. Awards

8.1 At the final Pitch Day, the finalist Startups will present in front of the different members and partners of the CPP, where each one will be free to choose the companies that in their exclusive opinion can build collaboration models, without any participation or interference from Fundación Chile.

8.2 In case of having selected the winning projects, the CPP members and partners reserve the right to proceed to the stage of building commercial agreements in order to proceed to an implementation in the location(s) to be defined.

8.3 On behalf of ChileGlobal Ventures, the finalist Startups will have the possibility to apply to the financing lines of its platform to accelerate the development of these Startups:

- Angel Investor Network
- Private Investment Fund (CLIN)

The mere fact of being winners or finalists in the call does not lead to access to the aforementioned funding, as this corresponds to a process that is independent of this call, with its

own requirements and bases. ChileGlobal Ventures of Fundación Chile is the one who decides, without expression of cause, which Startups advance in this process, without further responsibility. Applicants, upon acceptance of these rules, irrevocably waive any claim or exercise of actions in this regard.

9. Commitments of the applicant Startup

9.1 The applicant Startup shall undertake to carry out the following:

- i) To attend all activities described in this document and activities requested by CPP for the implementation of the pilot project, if successful and if a commercial agreement is pursued.
- ii) Lead the design, development, implementation and scaling up of the project if selected, involving CPP in all instances involved.
- iii) Accept all the conditions of this document, knowing that if you do not meet these criteria you may be disqualified, without further responsibility for CPP and Fundación Chile.

9.2 The Startup represents and warrants that the content it submits is its original creation and does not infringe any rights of any kind belonging to third parties, including copyrights, trademarks, patents, trade secrets, rights of privacy and publicity.

9.3 The applicant Startup acknowledges and accepts that it submits the background of its project under its sole and exclusive responsibility and at its own risk. Consequently, in the event of a dispute of any kind (including disputes over authorship and/or ownership of the rights to the works) or for any reason whatsoever between the applicant Startups or between any of them and a third party, CPP and Fundación Chile shall be exempt from any liability for claims, demands or damages of any kind and nature that are in any way related to said dispute, and the Startup shall hold them harmless, including legal and defence costs. Likewise, the applicant also agrees to hold CPP and Fundación Chile harmless against third party claims related to the project or innovation it provides.

10. Exclusions

10.1 From the finalist Startups in the process, CPP will freely select the Startup or Startups that in its sole judgment meet its business objectives and, in particular, the challenge posed, reserving the right not to select any of them, without further liability for CPP and Fundación Chile.

10.2 CPP and Fundación Chile reserve the right to disqualify any applicant Startup that has submitted untruthful or incomplete information or information of which the Startup is not the legitimate owner. Likewise, any Startup will be disqualified if its application affects the rights of third parties, especially in terms of industrial or intellectual property.

10.3 Furthermore, CPP and Fundación Chile reserve the right to eliminate from the process those Startups that are involved in a judicial investigation process or any other cause that does not conform to CPP's supplier compliance policies.

11. Acceptance of the Rules

11.1 The submission of the required application documents shall be considered as full and irrevocable acceptance of these Application Guidelines.

11.2 The data provided by the applicant must be correct, truthful and complete, assuming all responsibility for the lack of truthfulness or accuracy of the same.

11.3 The applicant accepts that CPP and Fundación Chile have final authority with respect to the application and during the application selection process.

11.4 The contact details of the applicants will be added to the ChileGlobal Ventures database where newsletters, training sessions open to the general public and announcements of other calls for proposals will be sent.

12. Confidentiality

All technical and/or commercial information exchanged between Fundación Chile, CPP and the applicant Startups in relation to these terms and conditions will be considered and treated as confidential information.

13. Extension of participation

In the framework of this application process, Fundación Chile concentrates its commitment up to the moment of the selection of the winning projects, and, from the last instance of this stage onwards, the results will be the responsibility of CPP.

14. Consultations

Any questions regarding the call for entries may be sent by e-mail to convocatorias@fch.cl. Questions relating to feedback or justification of decisions taken by the organisers in accordance with the terms and conditions previously stipulated in the terms and conditions will not be answered. Applicants hereby irrevocably waive any claim or exercise of actions in this regard.

15. Basis

15.1 Fundación Chile and CPP may freely update or unilaterally modify these Terms and Conditions at any time, by publishing the new version on the website of the Call, without further responsibility for them.

15.2 Fundación Chile and CPP reserve the right to cancel, modify, or proceed to the suspension of the application process or to leave vacant the number of selected applicants in any of the selection stages it deems appropriate, without further liability for them.

15.3 The submission of the documentation required for the application shall be considered as irrevocable acceptance of these Application Guidelines.

15.4 The data provided by the Applicant must be correct, truthful and complete, assuming all responsibility for the lack of truthfulness or accuracy of the same. In the event that the data provided by an Applicant is false, inaccurate or misleading, Fundación Chile and CPP shall be entitled, without prejudice to other legal measures at their disposal, to withdraw, deny or suspend the rights granted to the Applicant by these Terms and Conditions.

15.5 The Applicant accepts that Fundación Chile and CPP have final authority with respect to the Application and during the selection process of the Applications.

16. Corporate Probity

With the entry into force of the Chilean Law No. 20.393, the criminal liability of legal persons has been established. In order to comply with the provisions of the Law, both Fundación Chile and CPP have implemented a Crime Prevention Model, through which they will promote the prevention of the commission of crimes punishable under the Law.

In this regard, the Applicant declares that to date it has strictly complied with the provisions of Law No. 20.393, that it is aware of such regulations and has not been previously convicted for such conduct and that its legal representatives have not been summoned in accordance with the provisions of Article 22 of the Law, and hereby undertakes to maintain and take all necessary measures to ensure such compliance throughout the term of this contract, and also undertakes not to engage in or develop, in any case, through any of its owners, directors, managers, representatives, agents or dependents in general, any type of activity or conduct that could affect compliance with such rules to Fundación Chile or CPP. The Applicant is obliged to report to the Crime Prevention Officer of the Foundation and CPP any fact that may constitute a breach of the Crime Prevention Model or a crime under Law No. 20.393, through the complaints channel available for this purpose on the website www.fch.cl.

Fundación Chile and CPP do not allow in any case, and expressly prohibit its Suppliers, Consultants, collaborators, associates or any counterpart to participate directly or indirectly in any conduct that may constitute crimes, nor to receive or deliver any kind of undue payment that may be used in the commission of crimes punishable by Law No. 20.393, even if the result of the crime would be beneficial to the Foundation or CPP.

Failure to comply with these provisions will be sanctioned by removal from the process and immediate termination of future agreements.

Likewise, the Applicant declares that in the development of the activities object of the present agreement, it will comply with the prevailing regulations in Chile on free competition, and therefore will not carry out any act, deed or agreement that prevents, restricts or hinders free competition in the sector in which Fundación Chile or CPP operates.