



CIRCULATE CAPITAL

## Circulate Capital Commits to the 2X Challenge, Setting a New Standard for Gender Smart Investment in the Circular Economy for Plastics

- The Circulate Capital Ocean Fund (CCOF) is the first fund focused on the plastic circular economy to qualify as a 2X Investment.
- Circulate Capital's Gender Smart Investment Strategy aims to create more opportunities for women across the waste management and recycling value chain.
- Methodology and insights will be shared in a sector guide to gender-smart investing developed with the U.S. Agency for International Development (USAID).

**Singapore, 3 March 2022:** Circulate Capital, the emerging market investment management firm that finances innovations, companies and infrastructure that scale solutions to the plastic pollution and climate change crises, announced today it has qualified for the 2X Challenge, in recognition of its significant commitment to women's economic empowerment. Circulate Capital's nomination was sponsored by US International Development Finance Corporation (DFC).

Founded by the development finance institutions (DFIs) of the G7 nations to shift more capital towards investments that empower women in developing countries, the 2X Challenge aims to deploy US\$15 billion for gender-lens investment by the end of 2022, an ambitious new target set in 2021 after securing more than double its initial goal of US\$3 billion.

Circulate Capital and CCOF qualified as a 2X Investment across three areas:

- *Leadership:* Women represent 60% of Circulate Capital's senior management, as well as 40% of the Investment Committee for CCOF.
- *Employment:* More than 50% of the company's workforce are women, and the company has implemented policies and programs to address barriers to women's quality employment across recruitment, retention and career progression.
- *Investments:* CCOF commits that, by the end of its investment period, at least 30% of its portfolio companies will be 2X Eligible Enterprises or 30% of its invested capital will be in 2X Eligible Enterprises. Qualification as a 2X Eligible Enterprise requires organizations to be either women-owned or founded; have a minimum of 30% representation of women in board or senior management positions; or comprise a minimum of 30% of the workforce and institute policies to address barriers to employment.

The 2X qualification is the first milestone in Circulate Capital's Gender Smart Investing Strategy, which has been developed with USAID via its INVEST mechanism – an initiative that mobilizes private capital for better, more sustainable development results. The Gender Smart Investing Strategy will drive performance of CCOF's portfolio and aims to set the standard for gender-smart climate investing in emerging markets.

Circulate Capital is working with global impact investment advisory firms Sagana and Catalyst at Large to support CCOF's portfolio companies in developing action plans to support gender awareness and inclusivity



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across their operations, including leadership and career progression, quality employment, and products and services that enhance women's economic participation.

In addition, Circulate Capital will develop a guide to gender-responsive investing for the waste management and recycling sector. The guide will build on insights from Circulate Capital's efforts to empower its portfolio companies to employ gender smart practices in their business operations and strategies, and will feature toolkits, case studies, and benchmarks for the wider sector.

**Ellen Martin, Chief Impact Officer, Circulate Capital**, said, "We know that inclusive investing is smart investing. Not only does having more women in decision-making positions result in better climate outcomes, but there is also a clear business case for making the waste management and recycling industry more inclusive. Circulate Capital is focused as much on improving livelihoods as it is on generating returns and solving the ocean plastic pollution issue."

"We're proud to be recognized by the 2X Challenge for our efforts to date and excited to launch our Gender Smart Investment Strategy, a natural evolution of our investment philosophy. With CCOF poised to deploy at least \$50 million in the next two years, the Gender Smart Investing Strategy aims to strengthen the performance of our portfolio while ensuring portfolio companies are attractive and safe places for all, including women, to work and thrive. Our goal is to shift gender smart investing practices to mainstream use among institutional and commercial investors."

There is an ever-growing body of evidence that identifies the benefits gender equality offers for economic development and addressing climate change. According to a [McKinsey study](#), closing the gender labor gap could add \$28 trillion, or 26%, to annual global GDP in 2025. In addition, [research by BIS](#) found that a 1 percentage point increase in the share of female managers has led to a 0.5 percent decrease in CO2 emissions across 2,000 listed companies in 24 industrialized economies over a 10-year period.

**Suzanne Biegel, founder of Catalyst at Large and global leader in gender-smart investing**, said, "Women have a critical role to play in climate change mitigation and adaptation. Women are innovators, leaders, entrepreneurs, workers and customers in climate-related fields, but they remain underrepresented in key decision-making positions and as users of capital. The 2X Challenge allows more capital to be directed to the organizations that are leading the charge in women's empowerment in developing countries, which encompass those most at-risk from the effects of climate change. I'm pleased that Circulate Capital has been recognized as one of these leading organizations and look forward to working together to demonstrate how gender diversity supports business performance in partnership with its portfolio companies."

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### About [Circulate Capital](#)

Circulate Capital is an investment management firm that finances innovations, companies and infrastructure to prevent the flow of plastic waste into the world's oceans and advance a carbon neutral circular economy in emerging markets. It mobilizes catalytic capital to invest across the entire plastic value chain, from innovative materials to advanced recycling technologies. It aims to prove that investing in the sector can generate competitive returns, while preventing plastic pollution, mitigating climate change, and improving livelihoods. Its ambition is to unlock one billion dollars to prevent 150 million tonnes of plastic pollution and advance the circular economy with the largest and most impactful portfolio globally. It was created in collaboration with Ocean Conservancy, and its founding investors include PepsiCo, Procter & Gamble, Dow, Danone, Chanel, Unilever, The Coca-Cola Company, Chevron Phillips Chemical Company LLC, and Mondelēz International.

### About [the 2X Challenge](#)

The 2X Challenge was founded by the Development Finance Institutions (DFIs) from the G7 as a call to action to shift more capital towards investments that empower women in developing countries to access entrepreneurship and leadership opportunities, quality jobs, and products and services that enhance their economic participation.