



CIRCULATE CAPITAL
REQUEST FOR PROPOSALS (RFP)



Overview

Circulate Capital is an impact investment management firm dedicated to financing companies, projects, and infrastructure that prevent the flow of plastic waste to the world's ocean and advance the circular economy. We are interested in three principal segments of the waste management supply chain:

Collection

The initial collection of waste materials from point of disposal, including subsequent aggregation and transportation, through to sorting.

Sorting / Processing

The process of separating mixed solid waste into its component commodity streams (e.g., paper/cardboard, metals, glass, and PET, HDPE, and other mixed plastics).

Recycling / End Markets

The transformation of 'waste' plastics into new products (e.g., post-consumer recycled resins, chemicals, and other high-value products).

Research has shown that the bulk of mismanaged plastics that leak into the world's ocean come from countries located in Asia. Consequently, we are principally interested in opportunities in five countries: India, Indonesia, the Philippines, Thailand and Vietnam (the "Core Countries"). But we also have the ability to selectively support opportunities in other Asian countries.

Request for Investments

We invite investment proposals from entities operating in the collection, sorting and processing, or recycling and end market segments of the waste management supply chain in the Core Countries.

We are particularly interested in projects that offer:

- Opportunities to implement more efficient collection and aggregation, new infrastructure, and/or to apply more professional management, within the existing infrastructure, including the informal sector (e.g., 'waste or rag pickers'), for plastics and other commodities within the waste stream;
- Opportunities to galvanize underutilized assets (e.g. equipment, real estate, etc.) that may contribute to more efficient collection, sorting, and recycling or end use of plastics and other commodities within the waste stream; and
- Technologies/materials/applications/projects that can contribute to either of the foregoing.



Investment Criteria

Form: Opportunities seeking investments in the form of equity, quasi-equity, and debt (loans).

Size: Opportunities seeking investments of US\$2 million or more OR smaller amounts in special circumstances, where a prospective applicant is not currently capable of absorbing such investment sums, but believes that it could do so within 12-18 months subject to initially accessing a smaller investment and/or technical assistance, as needed.

Financial: In addition to a modest return on investment, we seek to ensure that each investment is scaleable or replicable in other locations. We prefer to co-invest with other sources of capital and in opportunities that are able to capture key metrics.

Environmental and Social: Investments that divert waste streams, particularly plastics, from the environment and into recycling supply chains. We seek opportunities that benefit holistic waste and recycling systems.

Our environmental and social impact metrics include, but are not limited to:

- Tons of waste (by material type) diverted from landfill or the environment
- GHG reduction
- Tons of additional post-consumer resin (PCR) used in end markets
- Job creation and/or advances in social inclusion (e.g., enhancing waste-pickers' livelihoods)
- Benefits to an integrated waste management system, including organics and/or textiles.
- Environmental, social, and governance issues, including climate change and human rights, addressed by the [UN Principles for Responsible Investment](#) (PRI)

Proposals

Proposals should include the following preliminary information:

1. Business Overview

- a. Description of the business (including business form, what segments of the waste supply chain you operate in, key suppliers and markets)
- b. Management structure, and names and CVs of key personnel
- c. Description of any third-party service providers or technical assistance arrangements
- d. Description of any technical assistance sought



- e. Description of other partnerships (NGO, commercial) that are relevant to this project/proposal.
- f. Description of any government/regulatory requirements or barriers critical to the project's success.

2. Investment Requirements and Returns

- a. Proposed financial structure of company (equity and debt)
- b. Type, amount and indicative terms of financing sought
- c. Description of how financing will be applied, including timetable for the application of those monies
- d. Indication of other sources of financing
- e. Identification of critical factors affecting future profitability and strategy to mitigate those risks (including any legal/regulatory risks)

3. Market & Sales

- a. Summary of the market in which you operate, pricing environment, existing infrastructure and competitors
- b. Breakdown of feedstock components (including seasonal variability) and sources, and off-take agreements

4. Financials

- a. Past financial statements (2-3 years if available)
- b. Summary financial model with 5-10 year projections (including breakdown of major operating costs by category or expenditure and sensitivity analysis)

5. Environmental & Social Impact

- a. Identification of key environmental and social impact metrics to be measured (including a breakdown of applicable waste stream, particularly plastics)
- b. Amount of impact anticipated as result of the requested investment (e.g., tonnage of ocean bound plastic diverted to best use) for each year within financial projections