

2019

2020

2021

2022

2023

2024

Circulate Capital's Year in Review



CIRCULATE CAPITAL

Contents

Founder & CEO Reflection	03
Performance and Progress	07
Regional Spotlights	17
Portfolio Impact Deep Dive	24
Looking Ahead	36
Assurances and Transparency	39





Founder & CEO Reflection

Welcome to Circulate Capital's 2023 Annual Report.

Since I founded Circulate Capital five years ago, climate investing gained significant momentum worldwide, driven by stakeholders who also increasingly recognize the financial and environmental benefits of a circular plastics economy.

As the leading circular economy investment management firm in high-growth markets, we are more sophisticated than ever, having learned from five years of reviewing thousands of investment opportunities, committing US\$ 96m to 16 companies, supporting their operations, and deepening their impact.

Together, our network of industry-leading corporate investors and partners possesses unparalleled expertise in cutting-edge, upstream and downstream circular economy technologies. Our portfolio companies are blazing trails in their respective industries and markets. This combination – a network of visionary partners and a portfolio of pioneering companies – uniquely positions us to be a driving force for progress and results.

Thanks to the incredible work of our teams and portfolio companies, in 2023 alone, we are proud to have collectively kept over 100,000 tonnes of plastic waste in circulation, and reduced or avoided close to 160,000 tonnes of GHG emissions.

We did not achieve the lift we had aspired to, however, and our impact remains flat from 2022. The recycling industry is changing fast, and we are adapting to new challenges -- from feedstock availability and volatile pricing dynamics to interruptions in machinery supply and market fluctuations.

We believe 2024 will generate significantly more impact on track with our ambitions. Our experience has made us smarter, sharpened our focus, and will shape our strategy moving forward.



CIRCULATE CAPITAL

We've increased our scrutiny of feedstock considerations in our all our transactions, and our portfolio companies have strengthened their supply chains, boosting their long-term resilience.

This year, we are especially proud to announce our inclusion on the [BlueMark Practice Leaderboard](#), recognizing our best-in-class impact management practices and placing us shoulder-to-shoulder with some of the world's foremost impact investors. We achieved the [highest possible rating](#) on all eight principles measured, underscoring our dedication to excellence in our field.

We also launched our Responsible Supply Chain Management Program, in recognition of the crucial role that informal waste workers play in our sector and our role as investors to support human rights throughout the recycling supply chain. In 2023, we put into practice the first responsible sourcing framework for investors and supported our portfolio companies with technical assistance.

Our expanding base of investors demonstrates the catalytic nature and credibility of our work. In 2023, we welcomed new institutional investors – including [British International Investment \(BII\)](#) – and several family offices and funds.

Following our [first investment in Thailand](#) last year, we are now poised to broaden our footprint in Southeast Asia and explore new opportunities in Latin America and the Caribbean.

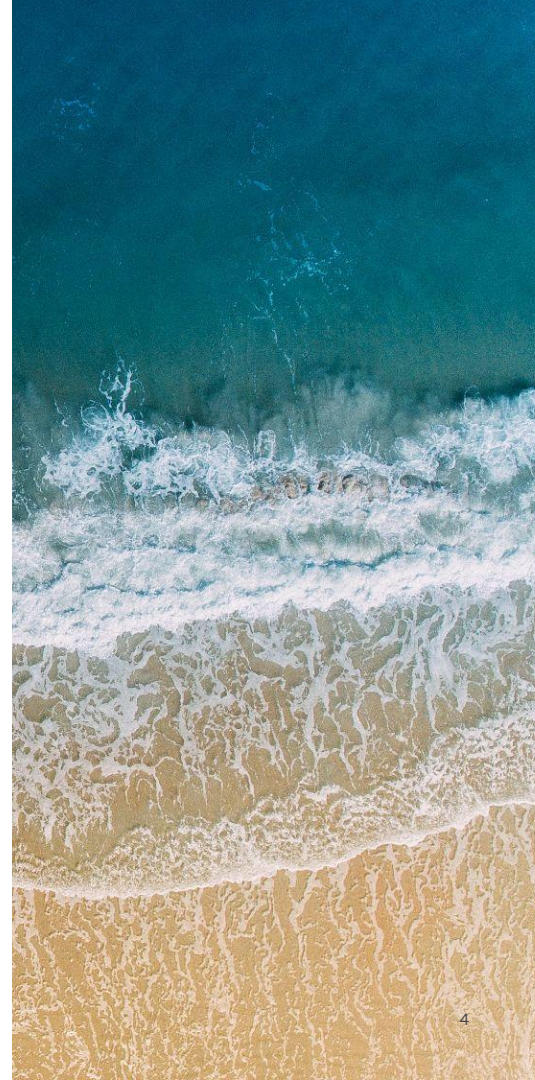
Reaching a quarter of a billion USD in Assets Under Management in 2023 and improving the management of close to 1.7 million tonnes of waste, we are on track to unlock US\$ 1 billion in capital and prevent 150 million tonnes of plastic pollution by 2030.

Our journey has been action-packed, and it's rewarding to see the progress towards the ambitious goals we set when we began. As we move forward, we continue to aim high because, together, as a community of investors and entrepreneurs, we create circularity, value, and impact at scale.

Thank you for joining us.



Rob Kaplan
Founder & CEO



Our Investors

Thank you to our network of global partners for their ongoing support and collaboration.



Our Team

Our team represents 12 nationalities situated across 13 markets, with over 70% of our Asia-based team hailing from South and Southeast Asian countries. Together, they bring 135 years of cumulative experience in private equity.

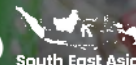
Our teams operating in key markets bring an intimate understanding of the local context, working closely with our portfolio companies on the ground to support their growth.

[LEARN MORE ABOUT OUR TEAM](#)



PERFORMANCE AND PROGRESS

- Snapshot of our performance to date
- 2023 highlights
- Strategies and portfolio overview



South East Asia

OUR FINANCIAL IMPACT

(as of December 2023)

US\$ 255 MILLION

assets under management

1,300 +
deals reviewed

Invested in

16 COMPANIES

with robust

33% CAGR (FY23)

overall portfolio revenue growth

US\$ 250 MILLION

co-investment unlocked

OUR ENVIRONMENTAL IMPACT

(as of December 2023)

[VIEW OUR IMPACT MEASUREMENT METHODOLOGY](#)

WASTE MANAGED
1.7 MILLION
TONNES

GHG EMISSIONS REDUCED
OR AVOIDED
400,000
TONNES OF CO2

PLASTIC WASTE KEPT IN
CIRCULATION OR REDUCED
270,000
ADDITIONAL TONNES

NEW RECYCLING
INFRASTRUCTURE CAPACITY
CREATED
265,000
TONNES ANNUALLY

RECYCLED PLASTICS SOLD
260,000
TOTAL TONNES

Enough to fill nearly
110,000 garbage trucks



Equivalent to taking
85,000 cars off the road
for one year



As much as recycling
26 billion plastic bottles



Enough to handle the municipal
solid waste generated by a city
of **1 million people**



OUR SOCIAL IMPACT

(as of December 2023)



1,900

new jobs created
since 2020



FIRST INVESTOR

to launch and implement a **Responsible Supply Chain Management Program** to support human rights throughout the recycling supply chain

The policies and practices put into place in 2023 alone are anticipated to **benefit more than 12,000 informal waste workers** in India

[LEARN MORE](#)

50%

of portfolio companies

- ▶ are **women-owned** or founded
- ▶ have at least **30% women in senior management** or board positions
- ▶ have at least **30% women in the workforce** and policies that address barriers to employment

[LEARN MORE](#)

2XChallenge

2023 HIGHLIGHTS

In 2023, we broadened our reach to have a greater impact on plastic pollution globally.

Expanded our portfolio

UNION J. PLUS

First investment in Thailand, scaling up recycler Union J. Plus (UJP)

A female-owned and -led recycling business, UJP is headed by industry veterans who bring 20 years of experience, deep local relationships, and strong technical expertise. Supported by Circulate Capital's investment, UJP will strengthen its supply chain and significantly increase its recycling capacity to exceed 30,000 tonnes per annum (TPA), including 20,000 TPA of premium/food-contact grade post-consumer recycled polyolefins – vital materials used in packaging and consumer goods. By accelerating the collection and recycling of large volumes of domestic plastic waste, this new development is a major milestone for advancing the circular economy in Thailand.



Invested in Algenesis Materials, pioneering bio-based and biodegradable alternatives to petroleum-based polyurethane

Algenesis is a pioneer in developing bio-based plastics that are competitive with petroleum-based products in both cost and functionality, and superior in terms of environmental performance. The company is producing a renewable, high-performance, fully biodegradable and backyard compostable bio-polyurethane (bioPU) made from plants and algae. Circulate Capital's funds will be used to expand its product lines into breathable waterproof textiles and injection molded products, such as phone cases. The company also plans to significantly expand its operations, bringing more of its processes in-house and scaling production and commercialization to meet increasing demand by a variety of consumer-facing brands.

2023 HIGHLIGHTS

Expanded our investor base



Secured a US\$ 7 million commitment from BII, the UK's development finance institution (DFI) and impact investor

This marked our fourth investment from a DFI, including the International Finance Corporation (IFC), the European Investment Bank (EIB), and Proparco, a subsidiary of the French AFD Group, with total commitments from DFIs now reaching US\$ 32.6 million.

With backing from a growing number of institutional investors, alongside global corporations, family offices, and foundations, we are proud of our role to catalyze more capital into the circular economy in high-growth markets. Such commitments demonstrate increased investor interest in the sector as an opportunity to drive environmental and social impacts while simultaneously unlocking value.

Expanded our geographic footprint

Launched a groundbreaking US\$ 66 million initiative aimed at addressing plastic waste across Latin America and the Caribbean



Strategically increased our on-the-ground presence in South and Southeast Asia, hiring new team members for investment management and impact-related roles in Vietnam, India, Indonesia and Singapore

Circulate Capital invests through two complementary strategies

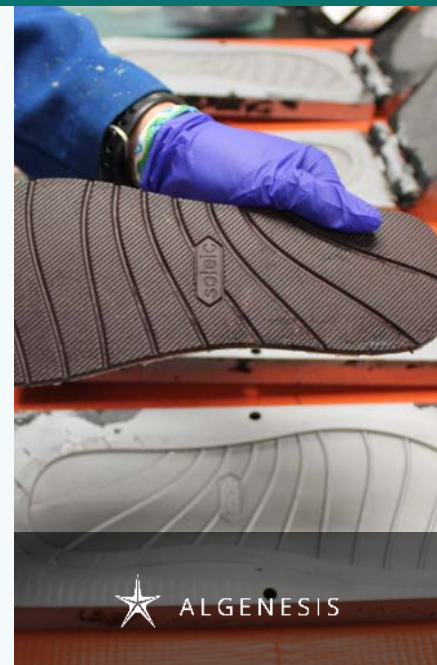
Our strategies



Solutions that transform recycling and waste management supply chains, scaling the highest-potential models and replicating their success.

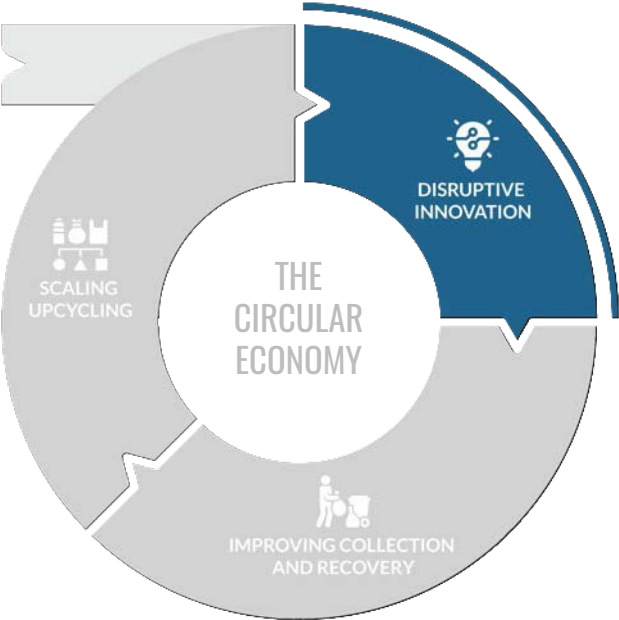


Disruptive innovations that are driving “leaps of progress” toward circularity, including novel re-usable materials and alternative delivery models, with great potential for technology transfer.



STRATEGIES AND PORTFOLIO OVERVIEW

Our portfolio



Innovating disruptive technologies at the nexus of climate tech and circular plastics



Creating sustainable end-of-life recycling solutions for batteries and related plastic



Innovating the world's first fully biodegradable bio-based plastic made from algae



Revolutionizing protein design for more sustainable alternative materials and ingredients



Pioneering technology to separate and recover blended textiles for remanufacturing into new fabrics

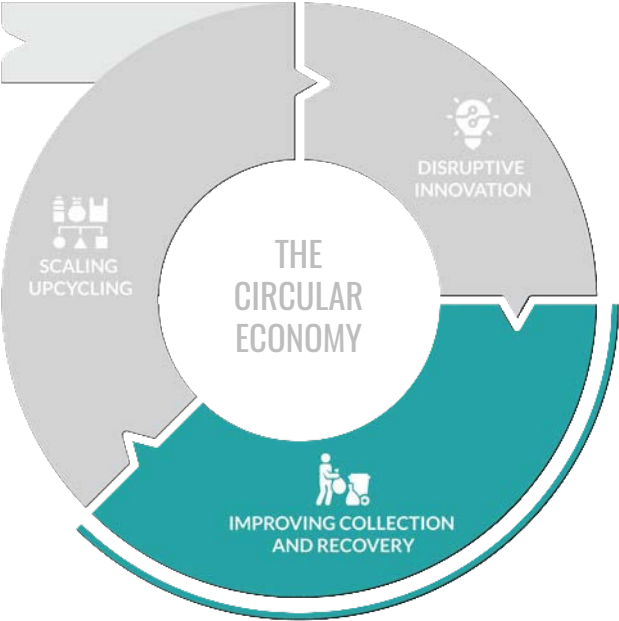


Developing energy-efficient insulation solutions with bio-based phase change materials



STRATEGIES AND PORTFOLIO OVERVIEW

Our portfolio



Improving waste collection and recovery



Offering an integrated approach to dry waste management and recycling



Scaling an innovative supply chain model across Indonesia's



Pursuing zero-waste-to-landfill through material recovery facilities in partnership with municipal governments

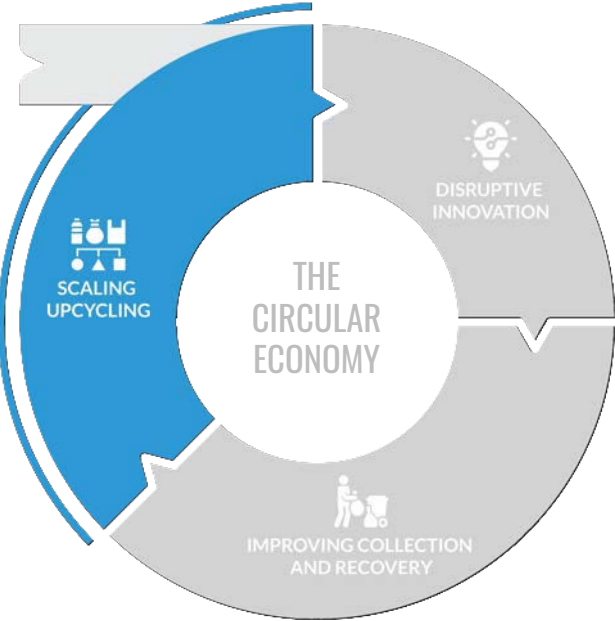


Facilitating recovery and enhancing recycling rates through digitization solutions



STRATEGIES AND PORTFOLIO OVERVIEW

Our portfolio



Scaling upcycling and adding value to recycled plastics

	Scaling recycling of post-consumer plastics for food-contact grade applications in India
	Transforming hard-to-recycle multi-layered plastics into valuable products
	Fully integrated recycling of difficult-to-manage flexible plastic packaging
	Converting low-value plastic waste to quality durable materials
	Trailblazing bottle-to-bottle recycling in India with best-in-class technology
	Recycling PET bottles into rPET flakes in Indonesia
	Paving the way for high-quality polyolefin recycling in Thailand



REGIONAL SPOTLIGHTS

- India: Approaching market-level systems change
- Latin America: The circular economy is ripe for investment





1. India: Approaching market-level systems change

Background

When Circulate Capital began investing in India in 2019, the country was grappling with a significant plastic waste crisis. Generating a substantial amount of plastic waste annually, India lacked the necessary recycling capacity to manage this volume effectively. Particularly challenging was the collection and recycling of flexible plastics—a major component of ocean plastic — considered too difficult to process. This gap in recycling infrastructure, coupled with limited regulation, resulted in considerable leakage of plastic waste into oceans and landfills.

Challenges

This environment created significant hurdles for the recycling industry. The scarcity of high-quality recycled materials and the lack of transparency and traceability in feedstock sourcing made it difficult for recyclers to establish offtake agreements with global brands, thereby stifling demand. Additionally, the unclear pipeline of investable businesses and a lack of proven track records deterred investor interest.

Nonetheless, the progress in PET to fiber recycling and the groundwork laid by the Swachh Bharat (Clean India) campaign and the introduction of Extended Producer Responsibility (EPR) in 2016, demonstrated that progress was not only possible but already underway, offering a glimpse of the potential for transformative change in India's recycling landscape.

Regulatory Catalysts

Over the last five years, India's waste management regulatory framework has gained momentum. PM Modi's 2018 announcement to ban Single Use Plastics (SUP) by 2022 led to the Waste Management Amendment Rules in 2021, banning 19 Single Use Plastics (SUP) materials. These efforts have driven players to expand recycling capacities. The upcoming, more stringent rules for mandatory recycling and the use of recycled content for packaging, set to take effect in 2025, are expected to further boost secondary plastic markets, creating a more robust and sustainable recycling industry in India.



India generates

4.1 MILLION TONNES

of plastic waste annually

Fostering the Growth of the Ecosystem

As local recyclers have scaled, they have played a critical role in demonstrating the importance of policies in incentivizing greater circularity. Circulate Capital's investment into **SriChakra** supported the company to develop the first bottle-to-bottle recycling facility in India to receive approval from the European Food Safety Authority and the Food Safety and Standards Authority of India, paving the way for the introduction of rPET in food-contact grade packaging in India.

New standards are helping to guide the Indian recycling and packaging industries on technologies and operational requirements for food-grade rPET materials that meet the necessary food safety standards to secure global offtake agreements.

Circulate Capital, alongside our corporate partners, has also created greater awareness for responsible supply chain management, which recognizes the role of the informal sector in the local recycling industry and better aligns standards and inclusive practices among actors throughout the value chain.

Current Status and Future Outlook

Today, Circulate Capital's portfolio in India boasts the capacity to annually collect and sort over 188,000 tonnes of waste from 12 states across the country and upcycle approximately 67,000 tonnes of plastic annually into valuable end-products. Since our investment, **Lucro** and **Deluxe** have both expanded capacity to recycle post consumer flexible plastics.

The **Recykal** platform alone has facilitated transactions of hundreds of thousands tonnes of plastic waste, enhancing the reliability and standardization of waste management data and supporting with traceability of recycled materials.

This progress strengthens the investment appeal of the sector. With ongoing policy enhancements, such as stipulations for minimum recycled content and reuse, India is poised to elevate the quality and availability of recycled plastics significantly, serving as a blueprint for other high-growth markets.

Continuing the Journey

Circulate Capital continues to work with our corporate partners and portfolio companies to manage materials responsibly, reinforce circular supply chains in India, and ensure we're poised to capture the demand on the horizon.

“Corporates see a massive opportunity to engage with players further up the supply chain in the recycling sector. Joint ventures with existing recyclers allow us to leverage their expertise in the field of waste collection while providing them the necessary support on technological knowhow and best practice sharing.”



Rajesh Ayapilla, Senior Director PACS Sustainability and CSR for India and South West Asia (INSWA), The Coca-Cola Company



REGULATIONS

Introduction of the **Plastic Waste Management Rules**, mandating producers, importers, and brand owners to undertake proper waste management practices.

2016

PM Modi announces that India would **phase out Single Use Plastics (SUP)** by 2022.

2018

Implementation of the **Plastic Waste Management Amendment Rules**, banning 19 SUPs

2021

FSSAI approves recycled plastic in food packaging materials.

2022

Implementation of **more stringent mandatory norms** as part of the Plastic Waste Management Amendment Rules

2025

CC'S INVESTMENT MILESTONES

Our first investments in Lucro, Nepra, Srichakra, Recykal, Ricron Panels, and Dalmia

2020

Srichakra commissions **India's first food-grade plastic recycling facility**

2021

Our investment in Deluxe Recycling to scale recycling of **multilayer plastics** (MLP)

2022

Srichakra partners with Coca-Cola India and PepsiCo India to introduce **India's first 100% rPET bottles** for F&B applications

2023



Circulate Capital's Impact

In the past five years, Circulate Capital has invested over US\$ 40 million in India in six companies in the plastics recycling value chain, driving significant change by:

- **Enhancing collection and recovery:** Investments in companies like Nepra and Recykal have improved waste collection and recovery systems.
- **Advancing upcycling and new end markets creation:** Supporting companies such as Lucro, Dalmia, Srichakra, Deluxe, and Ricron has scaled upcycling capacities and processes and fostered new-end markets for recycled products.



Lucro: Strengthening capacity through vertical integration

When Circulate Capital first invested in homegrown Indian manufacturer Lucro in 2020, it was a successful recycling business with ambitious plans to increase its inbound collection and product manufacturing capacity. However, conversations with corporate partners made it clear that better access to high-quality feedstock and the recycling supply chain through vertical integration would be critical to achieving these goals.

With Circulate Capital's investment and strategic guidance, **Lucro** has opened 16 new collection centers to date that guarantee high-quality, traceable feedstock while supporting the integration of the informal sector. The company was also able to tap into the materials science expertise of our corporate partners, **Dow** in particular, allowing it to transform towards producing higher-value products compared to their initial offerings. Today, Lucro has scaled to become the largest supplier of post-consumer recycled flexible plastic products in the market, with a production capacity that has increased by more than tenfold.

"Our leading market position, unique capabilities combined with favourable policy changes in plastic waste management in India will further unlock new growth opportunities & drive sustainable value for all stakeholders. There is clear momentum building across our business & we expect another year of strong results in the next financial year."



Ujwal Desai
Co-founder, Lucro

SINCE CIRCULATE
CAPITAL'S FIRST
CAPITAL INFUSION:

30x
recycling
capacity

5x
revenue

numerous offtake
agreements secured
with global brands



2. Latin America: The Circular Economy is Ripe for Investment

Our timely groundbreaking [US\\$ 66 million initiative](#) dedicated to addressing plastic waste across Latin America and the Caribbean (LAC) launched in 2023, developed in collaboration with key partners including IDB Lab, Builders Vision, Chevron Phillips Chemical, Danone, Dow, Luna Capital, Mondelez International, and Unilever.

Building on [groundwork](#) we laid in 2022, which revealed that the LAC region is primed for businesses and the private sector to transform the plastic waste value chain, this joint initiative between Circulate Capital and its partners builds on our impact goals to:

- › **Scale companies with systemic solutions that rethink recycling supply chains**, from collecting and sorting to processing and manufacturing;
- › **Mitigate climate change** and environmental risks;
- › **Advance the circular economy** for plastic; and
- › **Benefit local communities** and create jobs.



Fuelled by public policy tailwinds and surging investor interest, we have already identified promising opportunities across Latin America that, if scaled, could turn the tide on the plastic waste crisis in the region. Our team has already **identified more than 100 companies across thirteen countries in LATAM and nine islands in the Caribbean** in the circular plastics ecosystem, which would require an estimated US\$ 240m of capital.

Guided by the local expertise of our partners, the support of our global LPs, and the lessons learned from our investments in Asia, we aim to increase local capacity with targeted investments to avoid, recover, and recycle plastic waste by at least **1 million tonnes annually**.



Building the largest recycling supply chain portfolio in LAC

This map shows the number of companies being evaluated by our teams and partners (as of early 2024), along with the types of materials processed.

BRAZIL	
PET	
LDPE	
CHILE	
PET	
LDPE	
COLOMBIA	
PET	
PP	
LDPE	
MEXICO	
PET	30%
PP	12%
HDPE	23%
LDPE	27%
BOPP	8%
DOMINICAN REPUBLIC	
PET	100%



PORTFOLIO IMPACT DEEP DIVE

- Our integrated approach
- 2023 impact in numbers
- Generating circular and climate benefit
- Scaling investable business models
- Improving livelihoods and communities



Driving Value Through Impact: Our Integrated Approach

Our investment thesis centers on impact. Our financial success is linked to the impact we create in the plastics waste value chain and systemically. We invest in circular solutions to achieve positive environmental and social outcomes while driving business growth. This approach influences every stage of our investment process, from sourcing to portfolio management and exit.

In alignment with the Sustainable Development Goals, our [impact management system](#) centers on measuring progress across three key objectives, adopting standardized metrics and methodologies wherever feasible.

We're proud to share that Circulate Capital was included on the 2024 [BlueMark Practice Leaderboard](#), recognizing our best-in-class impact management practices, scoring highest possible ("advanced") rating [on all eight OPIM principles](#).

Our Impact Objectives and Key Indicators



Generate

Circular and climate benefit



1. Plastics circulated or reduced (additional)
2. GHG emissions reduced or avoided (additional)
3. New infrastructure capacity created



Scale

Investable business models



4. Improvements in ESG practices
5. Recycled plastics sold (additional)
6. Capital funded by other sources



Improve




Livelihoods and communities



7. Workers with improved livelihoods
8. % of companies meeting 2x Gender Smart investing targets at exit

Our 2023 impact in numbers

The following demonstrates our performance against key KPIs for the 16 companies in our portfolio in 2023.

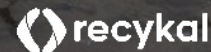
		In 2023	Cumulative (2020 to 2023)	By 2030
Generate circular and climate benefit 	Plastics circulated or reduced (additional)	101,000	268,000	4,900,000
	GHG emissions reduced or avoided (tonnes)	158,000	400,000	7,700,000
	New infrastructure capacity created (tonnes per year)	265,000		1,600,000
Scale investable business models 	Improvements in ESG practices	65% of portfolio companies are on track in completing their action plans to advance ESG best management practices.		100% of portfolio companies have improved their ESG best management practices
	Recycled plastics sold (additional)	88,000	258,000	4,600,000
	Capital funded by other sources	US\$ 158m	US\$ 250m	US\$ 2.4b
Improve livelihoods and communities 	New jobs created	1,900		7,200
	% of companies meeting 2X gender smart investing targets at exit	50% of portfolio companies		At least 30% of portfolio companies



Generating Circular and Climate Benefit

When it comes to assessing our impact on the global plastic waste challenge, Circulate Capital adopts a multifaceted approach that reflects the diverse solutions necessary to achieve a truly circular economy for plastics. We avoid narrow solutions like focusing solely on "ocean plastic" or isolated waste management efforts. Instead, our investments undergo rigorous evaluation to ensure they bring net climate benefits, promote sustainable production and consumption, and advance circular economies.

Impact metrics include plastic volume circulated away from default end-of-life, reduced virgin petroleum-based plastic production, and quantified CO2-equivalent emissions reductions. We also track new infrastructure creation to increase and sustain the environmental impact of investments.





In 2023, compared to 2022:

4x

additional capacity created

6x

plastics circulated or reduced



Prevented Ocean Plastic Southeast Asia's playbook for keeping Indonesia's plastic waste out of the ocean and in the economy

Since its launch three years ago, **Prevented Ocean Plastic Southeast Asia**, a unique partnership between Circulate Capital, PT Polindo Utama and Bantam Materials Ltd, has continued to roll out its innovative supply chain model nationwide by setting up best-in-class collection infrastructure in coastal communities across Indonesia that have limited or no collection today.

- ▶ Since its inception in 2021, the partnership has established five collection centers and two aggregation centers across three Indonesian islands.
- ▶ In 2023, POPSEA circulated an additional 6.1k TPA of plastic away from end-of-life, 7.2k since the start of the investment.
- ▶ As of December 2023, Prevented Ocean Plastic Southeast Asia has created an additional 9.8k tonnes per annum (TPA) of new capacity, with projections to increase to 90,000 TPA at scale.



Phase Change Solutions: Using bio-based alternatives for a lower carbon footprint

Phase Change Solutions is a global leader in temperature control and energy-efficient insulation solutions, using phase change materials that stabilize temperatures across a wide range of applications. These solutions utilize bio-based alternatives to petroleum-based chemicals, have a lower carbon footprint, and have more circular end-of-use fates, including possible deployment in re-use scenarios.

As they grow, PCS expects to **increase the amount of bio-PCM produced, thereby decarbonizing their cold-chain solutions**. PCS also intends to support the building materials industry in lowering its carbon footprint.



Within one year, Srichakra's processing capacity has grown

8x

to 32,000 metric tonnes



Srichakra: Growing infrastructure capacity, setting the stage for scale

Our strategic investment in **Srichakra Polyplast**, a leading PET, PP, and HDPE recycling company based in Hyderabad, India, has enabled the company to expand its operations significantly. Within one year, the company's processing capacity has grown eight fold to 32000 metric tons, and further expansion plans across various geographies within India are underway.

Operating India's first food-contact-grade rPET recycling facility, which has been certified by both the European Food Safety Authority and India's Food Safety Standards Authority.

- Supplying the resin used to launch the first 100% recycled PET (rPET) bottles on the Indian market:
- It partnered with **The Coca-Cola Company** to launch the country's first 100% recycled rPET bottles.
- It also partnered with **PepsiCo** to introduce India's first 100% rPET bottles in the carbonated beverage category.



PT. TRIDI OASIS GROUP

Tridi Oasis' success story continues

Following Circulate Capital's successful exit, Tridi Oasis entered into a joint venture with ALBA Group Asia to construct a new multi-million dollar recycling facility in Indonesia.

The new plant will be able to process 48,000 tonnes of PET bottles per year and produce 36,000 tonnes of food-contact grade recycled PET.



Scaling Investable Business Models

To advance a circular economy at scale, Circulate Capital set out to demonstrate that the business models we invest in are profitable. Alignment with competitive returns and internationally recognized ESG standards enables companies to:

- meet global supplier codes of conduct,
- use more recycled content in high-value applications, and
- attract more capital to scale these models.

Key metrics, specific to each deal, include meeting global operating and governance standards at exit; volumes of value-added recycled plastics sold; and additional capital invested by other sources, including co-investments.

“Catalytic investment and allocating capital where it can be most impactful is vital to circularity if we are to drive the level of resources required to address the size and complexity of the challenges, especially around the collection, sortation, and transformation of packaging materials. It’s what led PepsiCo to become a founding investor in Circulate Capital six years ago. Pooled capital enables pre-competitive solutions and magnifies our individual efforts, and, as a result, we can help scale the financial, environmental, and social action needed to reduce plastic pollution in South and Southeast Asia.”



Jim Andrew, Chief Sustainability Officer, PepsiCo





In 2023, Dalmia secured the approval for a loan of up to

US\$ 30 MILLION

from the **U.S. International Development Finance Corporation (DFC)**



Dalmia secures US\$ 30M in development financing to realize its food-grade ambitions

In 2023, **Dalmia** secured the approval for an up to US\$30 million loan from the **U.S. International Development Finance Corporation (DFC)** - an unprecedented amount for a recycling business in India, signaling that institutional capital are waking up to the investment opportunity offered by the sector.

A leading producer of high-quality recycled materials from PET and polyolefin waste, the company has significantly enhanced productivity and capacity, implemented traceability software, and piloted supplier development programs to support responsible supply chain practices since Circulate Capital's initial investment in 2020. DFC will support Dalmia in establishing what is set to be the largest and most advanced single-location rPET recycling facility in India.



Circ making strides in the global recycled textiles industry

Since Circulate Capital's investment, **Circ** has raised an **additional US\$ 55 million** and is poised for rapid scale. In 2023, the company entered into partnerships with renowned brands like Mara Hoffman and Zara, using its pioneering technology to create clothing collections using regenerated fibers from poly-cotton blended fabrics

Another key achievement in 2023 was Circ's selection [as one of 15 finalists](#) from over 1,100 nominations worldwide for the prestigious Earthshot Prize, highlighting the company's innovative approach to reducing textile waste and its potential to drive significant environmental impact

Circ plans to increase its capacity to recycle more than 60,000 tonnes of textile waste per year by 2026, and aims to quintuple capacity by 2030, positioning itself as a significant player in sustainable fashion.



Building champions in the circular economy: Beyond capital

At Circulate Capital, we've learned that financial muscle alone isn't enough to build enduring success in the circular economy. The strength of leadership within our portfolio companies is critical to success, and we work with companies to strengthen teams and strategic direction – the cornerstones of a dominant player.

Our support extends beyond the boardroom. We help our investees navigate the intricacies of regulatory frameworks, encompassing commercial, reporting, and disclosure obligations, all while aligning with Extended Producer Responsibility (EPR) regulations. By equipping our companies to meet and exceed global standards, we empower them to become world-class operators, primed for competitiveness in the global marketplace.



Circulate Capital's 2023 Annual General Meeting, bringing together representatives from both investors and portfolio companies

Creating communities of practice

In 2023, Circulate Capital facilitated multiple learning sessions for portfolio companies' staff, focusing on best management practice on a range of topics, including:

- Environmental, Health and Safety (EHS) Risk Assessment
- Emergency Preparedness, and Fire Safety
- Environmental and Social Management System
- Responsible Supply Chain Management



Improving livelihoods and communities

At Circulate Capital, our commitment to scaling investable business models goes hand-in-hand with our dedication to improving livelihoods and supporting community well-being. Throughout our investment process, we work to ensure that all circular plastics value chain workers, including women, migrants, and informal waste collectors, benefit from our investments.

Enhancing livelihoods means more than just economic gains; it encompasses health, education, and social advantages for workers and their families, contributing to more equitable and inclusive outcomes.





Progressing our Responsible Supply Chain Investment Roadmap

In 2023, Circulate Capital made significant progress in implementing our Responsible Supply Chain Investment Roadmap, reinforcing our commitment to supply chain practices that respect human rights and mitigate environmental impacts.

We have integrated responsible supply chain principles into every stage of our investment process – in alignment with The Circulate Initiative's Responsible Sourcing harmonized framework and the Fair Circularity Principles, empowering our portfolio companies to adopt transparency and rigor in their supply chain engagement and management.

Achievements include:

- ▶ **Building the capacity of our team** to assess traceability and supply chain risks.
- ▶ **Assessing gaps and prioritizing actions** at the portfolio company level.
- ▶ **Supporting portfolio companies** in identifying risks in their supply chains, driving improvements, and enlisting external expertise and resources. The policies and practices put into place in 2023 alone are anticipated to benefit more than 12,000 workers in plastics recycling supply chains in India.



“The support from the Circulate Capital team and their partners has enabled us to design and develop a robust Responsible Sourcing Program that is practically implementable and calibrated with learnings from global parallels.”



Aditya Dalmia, Managing Director, Dalmia Polypro



Long My waste treatment area in Quy Nhon, Binh Dinh, Viet Nam (Photo courtesy of The Circulate Initiative)



At the forefront of Gender Smart Investing for the circular economy and climate in Asia

In 2022, Circulate Capital embarked on a transformative journey with the introduction of our Gender Smart Investing Strategy. This strategic initiative is designed to enhance the performance of our portfolio by ensuring that our portfolio companies are not only attractive but also safe and empowering environments for all employees, particularly women.

Circulate Capital qualifies as a 2X Investment for BII and DFC—an important benchmark requiring eligible investments:

Be women-owned or founded, or to feature at least 30% female representation in senior management or board positions

Maintain a workforce where women constitute at least 30% and implement policies that actively dismantle barriers to employment

Building on the foundational principles of the 2X Initiative, Circulate Capital is committed to fostering gender equity throughout our investment processes and at our firm. Our actions to date include:

- › **Creating more gender-equitable companies and value** through full gender integration through the investment process.
- › **Strengthening In-house capacity** to assess each investment, define gender action plans with portfolio companies, and support and monitor progress through the life of our Funds.
- › **Ensuring safeguarding policies, practices, and mechanisms** are in place at the firm and portfolio company levels to protect women.

2XChallenge



Lucra
PLASTIC CYCLE PRIVATE LIMITED

LOOKING AHEAD



LOOKING AHEAD

Five key drivers

At Circulate Capital, 2023 was a year of maturing and laying the groundwork, transitioning from financing one recycling facility at a time, to creating scalable platforms.

We continued to partner with investors and stakeholders to build a rock-solid foundation for our portfolio companies, making them not just stronger but also poised for expansion. Our sector is at a tipping point -- with significant, untapped opportunities still waiting to be seized. By repeating our successful formula across a broader scale, we are setting the stage for substantial growth and impact in the coming years. As always, our focus is on solutions that positively impact climate and communities while delivering robust returns for our investors. We remain convinced that circularity, impact, and value are not only possible, but interconnected.

The future of plastics is circular, and we thank our partners and supporters for helping Circulate Capital lead the charge.



SCALING UP TO MEET DEMAND

Our team, together with our portfolio companies, is unleashing the full potential of a circular economy. That means building the capacity to meet the demand for recycled plastics. By investing in solutions that can scale, we aim to create a more inclusive economy, stop plastic pollution, and tackle climate change all at once.

In 2024, our portfolio is expected to increase capacity by 50k TPA, a 20% increase over 2023.

1



THE POWER OF PARTNERSHIPS

Local know-how combined with global expertise – that's the magic formula for scaling disruptive solutions in emerging markets.

Connecting entrepreneurs with corporate partners' expertise and operational support fosters connections that can drive growth and innovation across the entire value chain.

2



POLICY AS A TAILWIND

Global policy developments, including the negotiations for a global plastics treaty and national initiatives like Extended Producer Responsibility schemes, are creating a supportive environment for investment and paving the way for systemic change. Investors see a parallel between the rise of renewable energy investment following climate commitments and plastic waste management's current trajectory. This is a once-in-a-lifetime opportunity to be seized.

3



CREATING A MODEL FOR TRANSFORMATION

For five years, our portfolio companies have supported the growth of India's plastic recycling ecosystem. It's been incredible to see what can be achieved through partnerships, scaling the best solutions, and fueling the growth of local innovators. India's success is a model for transformation—a blueprint for driving systemic change in the plastic recycling industry across the region and beyond.

4

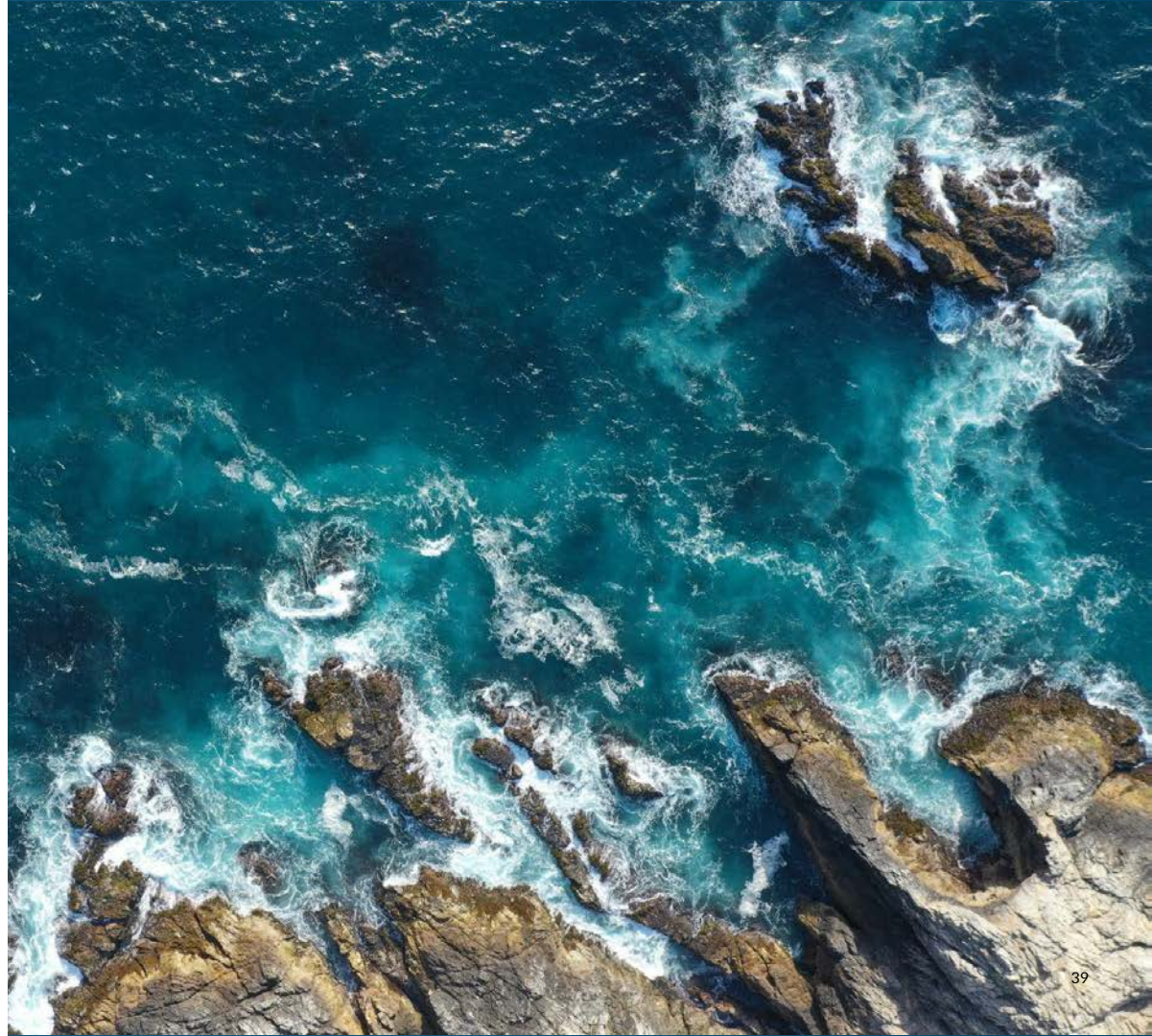


THE NEW FRONTIER

Our momentum doesn't stop in Asia. By working with key partners in Latin America and the Caribbean, our network will strengthen and scale up the recycling value chain across the region, leveraging private equity and corporate sustainability commitments to accelerate the adoption of scalable circular solutions.

5

ASSURANCES & TRANSPARENCY



Committed to Transparency

As signatories to the [Operating Principles for Impact Management](#) and the [United Nations Principles for Responsible Investment](#), we commit to adhering to global standards for the management of our impact investments, as shown in our [disclosure statement](#).

We further commit to transparency and continuous learning by reviewing our impact approach with an independent third party as shown in [BlueMark's verifier's statement](#).

As users of, and contributors to, the [Global Impact Investing Network's IRIS+ system](#), we align our impact metrics to standardized norms in the industry.



Operating Principles for
Impact Management

PRI | Principles for
Responsible
Investment

BLUE/MARK

2018
2019
2020
2021
2022
2023
2024
2025
2026

Circulate Capital's Year in Review

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