



CIRCULATE CAPITAL

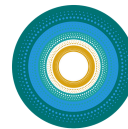
Disclosure Statement Operating Principles for Impact Management

Circulate Capital Management Pte Ltd

Circulate Capital Management Pte Ltd hereby affirms its status as a Signatory to the Operating Principles for Impact Management (the Impact Principles). This Disclosure Statement applies to Circulate Capital's Funds I and I-B, LAC Fund, and Asia Fund II with combined commitments of USD 450mn as of 31 December 2025.

Robert I. Kaplan
Founder and CEO
Circulate Capital Management Pte Ltd

March 2026



Principle 1: Define strategic impact objective(s), consistent with the investment strategy.

The Manager shall define strategic impact objectives for the portfolio or fund to achieve positive and measurable social or environmental effects, which are aligned with the Sustainable Development Goals (SDGs), or other widely accepted goals. The impact intent does not need to be shared by the investee. The Manager shall seek to ensure that the impact objectives and investment strategy are consistent; that there is a credible basis for achieving the impact objectives through the investment strategy; and that the scale and/or intensity of the intended portfolio impact is proportionate to the size of the investment portfolio.

Generating returns on investment and creating positive impacts on sustainable development, climate, and livelihoods, are at the core of Circulate Capital’s founding ethos. Across Circulate Capital’s investment strategies - from investing in recycling infrastructure in Asia and Latin America and the Caribbean to innovative climate technologies - Circulate Capital achieves positive financial, environmental, and social impact with each investment, and demonstrates the opportunity in order to catalyze further capital into the circular economy.

By investing in the full value chain of solutions, Circulate Capital can set a course for a more inclusive, circular economy and can demonstrate the commercial opportunity in preventing mismanaged waste, including plastic, from entering the environment.



A core tenant of why Circulate Capital is catalyzing capital is to develop a visible pipeline of investable high-potential opportunities that showcase to institutional investors how to achieve positive financial, environmental and social impact through the following elements:





Circulate Capital has identified three main solutions with potential for significant impact and returns that address the current gaps across the circular value chain:

1. Innovating disruptive technologies at the nexus of climate tech and circular plastics, including innovative materials, new circular business models, and advanced recycling technologies
2. Improving **waste** collection and recovery to prevent it from **entering** the environment and ensure plastic and other waste materials are cleanly sorted and processed to enable recycling and remanufacturing
3. Scaling upcycling and adding value to recycled plastics



Circulate Capital's impact objectives directly and/or indirectly support the UN's Sustainable Development Goals, and in particular the following seven goals:





Principle 2: Manage strategic impact on a portfolio basis.

The Manager shall have a process to manage impact achievement on a portfolio basis. The objective of the process is to establish and monitor impact performance for the whole portfolio, while recognizing that impact may vary across individual investments in the portfolio. As part of the process, the Manager shall consider aligning staff incentive systems with the achievement of impact, as well as with financial performance.

Circulate Capital's [Impact Management System](#) (IMS) systematically collects, analyzes, and reports data at the portfolio level. Circulate Capital's approach to evaluating impact focuses on the promotion of transparency to support the creation of a common measurement language in a practical and accessible manner to investors.

Circulate Capital's portfolio management approach includes:

- Impact Reporting - Collecting and reviewing monthly, quarterly, and annual impact data reports from portfolio companies.
- Monitoring - Managing portfolio relationships, tracking ongoing impact and value creation initiatives, and monitoring their business activities, corporate governance and environmental and social performance, in alignment with our Environmental and Social Policy and Corporate Governance and Business Integrity Policy.
- Portfolio Performance Reviews - Conducting semi-annual internal reviews with portfolio companies and the investment team and identifying opportunities for value creation.
- Reporting - Quarterly reporting to LPs on Fund-level and portfolio company financial and impact performance and annual impact reporting for LPs and external stakeholders, aggregated across portfolios, and supported with independent data verification.

Circulate Capital has integrated a Gender-Smart Investment (GSI) Framework into all its funds and portfolio companies. This framework serves as a model for other funds and investors in waste management and recycling. Circulate Capital assesses and monitors portfolio companies to ensure that policies and programs are in place to address barriers to women's quality employment across recruitment, retention, and career progression. Circulate Capital shares tools, learnings, and results publicly. In 2025, Circulate Capital maintained its 2x alignment as a fund manager, contributing to the USD 33 Billion+ in 2x Challenge commitments made by development finance institutions toward gender finance since 2018.

Circulate Capital also implements a Responsible Supply Chain Management Framework to integrate supply chain risk management at both fund and portfolio levels. Circulate Capital's framework is aligned with the industry's first [Harmonized Responsible Sourcing Framework](#) for Recycled Materials and relevant standards and principles, such as IFC Performance Standards, the Fair Circularity Principles, Ethical Trade Initiative Base Code, ILO Standards, United Nations standards on human rights and labor practices, and the EU Guidance addressing forced labor. The framework aims to provide steps to improve portfolio companies' traceability, business operations, and human rights standards. As of December 2025, Circulate Capital has conducted supply chain mapping and risk assessment on pipeline deals and existing portfolio companies as part of E&S due diligence and monitoring. In addition, Circulate Capital has conducted trainings for portfolio companies on the responsible sourcing framework, developed action plans in partnership with consultants/experts, and supported companies with implementing operational improvements (e.g., by obtaining technical assistance funding to build capacity).



Ellen Martin (Chief Impact Officer), is responsible for driving impact and insights for Circulate Capital and managing ESG through the investment process, including overseeing the application and monitoring of the IMS and the Environmental and Social Management System (ESMS). As a member of the Executive Committee and Investment Team, Ellen is focused on ensuring Circulate Capital's collective strategies, assets, and relationships deliver impact as the Firm grows.

Ellen is supported by the Impact & ESG Team, which includes three Impact & ESG Managers, an Impact Strategy Manager, and an Investment & Impact Data Analyst. Working in close collaboration with the Investment team, the Impact & ESG Managers are responsible for overseeing investment-level E&S matters regionally (Southeast Asia, South Asia and Latin America & the Caribbean), including review of pipeline companies and monitoring of portfolio company ESG performance. The Impact & ESG Team guides, and where necessary, provides training to Circulate Capital's team and external service providers and consultants on the ESG Policy and the ESMS processes.

Incentive systems relating to impact and ESG performance are considered at both the portfolio company level as well as the staff level:

- At portfolio companies: Incentives are defined as conditions and obligations in investment agreements, as appropriate and relative to the nature of the companies' operations. Portfolio companies and/or promoters are also incentivized to make environmental and social management system improvements through technical assistance, as well as conditions precedent and conditions subsequent in investment agreements. Investment agreements also include terms to incentivize the planned positive impact to be achieved through execution of the business/growth plan.
- At Circulate Capital: At a firm level, performance on annual impact and ESG objectives contribute to Circulate Capital's bonus allocation for all staff, including the investment team. Circulate Capital has a firm-wide competency matrix, which integrates impact performance for investment and impact team members and is a core rubric for individual performance reviews. Circulate Capital continues to review and update the matrix as required.

Principle 3: Establish the Manager's contribution to the achievement of impact.

The Manager shall seek to establish and document a credible narrative on its contribution to the achievement of impact for each investment. Contributions can be made through one or more financial and/or non-financial channels. The narrative should be stated in clear terms and supported, as much as possible, by evidence.

As part of each investment due diligence, Circulate Capital articulates the planned positive impact to be achieved with the investment, as described by OPIM Principle 3 and 5 Dimensions of Impact ("Contribution" dimension). To do so, Circulate Capital establishes its planned positive impact with reference to its Additionality Framework prior to investment. During due diligence, the team establishes a baseline measurement on performance on key impact indicators, and alongside the financial model, estimates the expected growth of key impact indicators annually at scale and cumulative over the life of the Fund.

As part of defining and assessing the impact case and additional contribution for each deal, Circulate Capital identifies opportunities for an investment to help a company introduce world-class policies and processes that strengthen a company's operations, e.g., by improving responsible sourcing, corporate governance and talent management with a gender lens. Circulate Capital's approach also helps companies reduce risks, e.g., by enhancing safety protocols and grievance mechanisms. Therefore, the "total" planned positive impact of the



investment includes the baseline on quantitative metrics to better reflect qualitative impacts. For transparency, Circulate Capital also reports on the metric “excluding the baseline” to its investors, should they prefer to utilize a wholly quantitative measure of additionality in their own reporting.

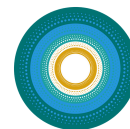
The “baseline” period refers to the 12 months prior to the start of Circulate Capital's investment into a company. Circulate Capital uses this historic performance to establish the impact already present in a company prior to Circulate Capital's involvement, and thereafter measures additional impact generated following investment.

Circulate Capital's Additionality Framework has six criteria: material quantity, material quality, business viability, climate-related benefits and reduced risks, achieving world-class operations and governance, and diversity and inclusion. However, the significance of each criteria differs between investments, and an investment does not have to fulfil all six criteria to be considered additional.

Circulate Capital defines a value-added plan with portfolio companies as part of the pre-investment process and business strategy engagement, and performance to this plan is reviewed on a semi-annual basis as part of the portfolio review process. Circulate Capital leverages a toolbox of diverse levers to drive partnership and optimize financial and impact returns, engaging with portfolio companies in areas such as strategic growth, operational performance, sales & marketing, responsible supply chain, fundraising, talent & gender, communications & stakeholder management, environmental health & safety, corporate governance, and climate.

Circulate Capital proactively shares its contributions and market insights through strategic dialogues and technical meetings with portfolio companies and ecosystem partners. We translate our on-the-ground operational experience into actionable intelligence, sharing these findings at key global and regional conferences to promote the compelling opportunity of investing at the intersection of impact and financial return within the circular economy.

These efforts are further amplified through our leadership team's thought leadership channels, covering a wide array of systemic challenges and solutions. Our commitment is evidenced by regular engagement with mission-aligned non-profit partners and documented through a robust trail of presentation decks, formal meeting minutes, and strategic external communications that demonstrate our role in advancing the broader circularity landscape.



Principle 4: Assess the expected impact of each investment, based on a systematic approach.

For each investment, the Manager shall assess in advance and, where possible, quantify the concrete, positive impact potential deriving from the investment. The assessment should use a suitable results measurement framework that aims to answer these fundamental questions: (1) What is the intended impact? (2) Who experiences the intended impact? (3) How significant is the intended impact? The Manager shall also seek to assess the likelihood of achieving the investment's expected impact. In assessing the likelihood, the Manager shall identify the significant risk factors that could result in the impact varying from ex-ante expectations. In assessing the impact potential, the Manager shall seek evidence to assess the relative size of the challenge addressed within the targeted geographical context. The Manager shall also consider opportunities to increase the impact of the investment. Where possible and relevant for the Manager's strategic intent, the Manager may also consider indirect and systemic impacts. Indicators shall, to the extent possible, be aligned with industry standards and follow best practice.

At Circulate Capital, impact is integrated throughout the investment process from pre-investment through to deal structuring, monitoring and post-exit, with reference to the 5 Dimensions of Impact (What, Who, How Much, Risk, Contribution). Impact criteria are followed through the investment process and considered during pipeline development, screening, due diligence, and deal structuring. Circulate Capital establishes a baseline measurement for impact indicators and sets annual impact projections, as well as portfolio-level targets, with the investment team and portfolio companies.

Circulate Capital's impact assessment methodology includes the following components, which are aimed at strengthening data management systems, portfolio modeling and validation approaches:

- Baseline assessments and planned positive impact across key indicators included in Investment Memos.
- Material flow analysis to aid in assessing impact of investments on quantity and quality of plastics and other waste materials recovered and recycled.
- Analysis of impact additionality of investment and value addition for each company.
- Use of company-level reporting template and evaluating impact performance through key performance indicators.
- Use of a Circulate Capital-commissioned [GHG calculator](#) to estimate the environmental impacts of waste management and recycling solutions.
- Measurement and management of impacts on worker and supplier livelihoods by evaluating unit economics, understanding data systems, implementation of beneficial and safeguarding policies, and establishing supplier initiatives, in alignment with Circulate Capital's Responsible Supply Chain Management program and the Harmonized Responsible Sourcing framework.
- Monitoring alignment with 2X commitments for relevant funds as qualified by certain DFI partners and LPs (i.e., CCOF I, CCOF I-B, CCOF LAC and Asia Fund II).

Circulate Capital's Impact Management System has been informed by Circulate Capital's participation in GIIN IRIS+ Navigating Impact Project (especially Waste Management and Circular Economy, Climate Change Mitigation, and Quality Jobs impact themes) and The Circulate Initiative. Through The Circulate Initiative's



programs and research, Circulate Capital works alongside and shares insights and perspectives with more than 40 representatives from leading NGOs, research organizations, civil society organizations, and subject matter experts within the circular economy ecosystem around the world.

Principle 5: Assess, address, monitor, and manage the potential negative effects of each investment.

For each investment, the Manager shall seek, as part of a systematic and documented process, to identify and avoid, and if avoidance is not possible, mitigate and manage Environmental, Social and Governance (ESG) risks. Where appropriate, the Manager shall engage with the investee to seek its commitment to take action to address potential gaps in current investee systems, processes, and standards, using an approach aligned with good international industry practice. As part of portfolio management, the Manager shall monitor investees' ESG risk and performance, and where appropriate, engage with the investee to address gaps and unexpected events.

The fundamental ESG principles that Circulate Capital applies are informed by internationally recognized standards, including IFC's Performance Standards for Environmental and Social (E&S) Sustainability, the World Bank Group General Environmental, Health and Safety (EHS) Guidelines, and applicable EHS Guidelines for Waste Management Facilities and applicable International Labour Organization's standards and conventions. Supply chain is assessed and monitored in alignment with the Harmonized Responsible Sourcing Framework. Circulate Capital also references the "Risk" component of the 5 Dimensions of Impact.

Circulate Capital's Environment and Social Management System (ESMS) includes the following ESG risk management processes:

- Completing the internal E&S Screening Checklist to determine the presence of activities included in Circulate Capital's Exclusion List.
- Assessing preliminary information on target companies and their supply chains and potential ESG risks, including those related to climate, life and fire safety, and gender-based violence and harassment, for purposes of scoping the external Environmental, Social and Governance Due Diligence (ESGDD) exercise.
- Conducting internal and independent ESGDD with focus on identifying the company's and its supply chains' ESG risks and developing mitigation measures subsequently documented in the Environmental and Social Action Plan (ESAP).
- Integrating the ESAP into legal documents during the deal execution stage.
- Monitoring ESAP implementation, including conducting periodic supervision visits.
- Ongoing engagement with portfolio companies to identify and assess potential environmental and social risks as a result of changes in the companies' management system, facilities' nature of operation and/or external environment.
- Co-developing capacity building and technical assistance opportunities to help portfolio companies improve their ESG management.
- Sharing learning and insights from across the portfolio and sector for the benefit of portfolio companies, investors and other stakeholders.



- Convening an E&S Advisory Committee to support E&S management by Circulate Capital's team.

Circulate Capital is committed to supporting portfolio companies to meet these requirements and, where relevant, advise on how to develop environmental and social management systems to demonstrate and strengthen compliance. In addition, Circulate Capital provides resources for technical assistance, capacity building and training, as needed and when possible.

In addition, Circulate Capital is committed to ensuring that business risks are identified and that assessment processes are in place to determine potential gaps in the investment's corporate governance. When required, Business Integrity Action Plans (BIAP) as well as Corporate Governance Action Plans (CGAP) are developed to monitor investments' performance and alignment with relevant corporate governance and business integrity policies.

Circulate Capital ensures that investee companies operate in alignment with the Funds' intended impact and values. The Funds' investment agreement indicates, through its Mission Protection clause, the companies' strict adherence with all applicable laws relating to environmental protection, hazardous materials and pollutants management, waste disposal, endangered species protection, workers' rights, protection of women, children, minorities and other vulnerable groups and prevention of corruption, money laundering and terrorist financing.

The Investment Committee, Investment team and the Impact team are responsible for evaluating and monitoring the portfolio companies' ESG performance.

Principle 6: Monitor the progress of each investment in achieving impact against expectations and respond appropriately.

The Manager shall use the results framework (referenced in Principle 4) to monitor progress toward the achievement of positive impacts in comparison to the expected impact for each investment. Progress shall be monitored using a predefined process for sharing performance data with the investee. To the best extent possible, this shall outline how often data will be collected; the method for data collection; data sources; responsibilities for data collection; and how, framework to capture investment outcomes. and to whom, data will be reported. When monitoring indicates that the investment is no longer expected to achieve its intended impacts, the Manager shall seek to pursue appropriate action. The Manager shall also seek to use the results framework to capture investment outcomes.

Circulate Capital's IMS collects, evaluates, and reports impact data at both portfolio and company levels.

The internal processes and systems involve:

- Monthly and quarterly data reporting by portfolio companies, which forms the core of Circulate Capital's IMS, and regular review by both investment team and impact team.
- Quality assurance/ quality control checks to address any questions or concerns on the impact reports; issues are raised with the portfolio company and resolved.
- Data aggregation into a portfolio-level database.



- Use of portfolio data to generate portfolio company fact sheets, performance dashboards, and aggregated reports used both internally and, as appropriate, shared with portfolio companies, LPs and external audiences.
- In-depth impact analysis conducted on a regular basis, supplemented by environmental and social assessments and supply chain risk mapping, as well as the latest publicly available market data.

Circulate Capital has established clear Standard Operating Procedures for reporting and quality check workflows to ensure that accurate data is received in a timely manner from portfolio companies.

Principle 7: Conduct exits considering the effect on sustained impact.

When conducting an exit, the Manager shall, in good faith and consistent with its fiduciary concerns, consider the effect which the timing, structure, and process of its exit will have on the sustainability of the impact.

Circulate Capital implements impact management policies and procedures with the goal of creating sustained, positive impact through its investments, including after exit. Circulate Capital's Responsible Exit Policy guides the investment team to focus on the main considerations for responsible exits: timing of the exit, buyer's intention, commitment to the impact mission, expertise, and incentives to sustain the impact mission. The Policy encourages the use of one or more mechanisms to ensure both financial return to shareholders and the long-term success and impact continuity of the companies. The likelihood that the impact will continue and grow after exiting from the investment increases by using methods across all stages of the investment lifecycle, from pre-investment to exit.

When possible, Circulate Capital assesses the buyer's or new owner's business reason for the acquisition, vision for the company, intention to continue or expand both financial and impact goals, and resources available to help the company achieve them.

Upon exit, Circulate Capital conducts a review of achieved cumulative impact over the investment period. Following the termination of an investment, Circulate Capital undertakes an Environmental and Social (E&S) review, either internally or with the support of an external consultant, to assess the overall environmental and social impact, improvements to E&S risk management, and the use of funds throughout the investment period.

Following full exit, any exited portfolio company will be periodically invited to participate in Circulate Capital's semi-annual post-exit impact survey, which continues regularly over the remainder of the fund term. The survey requests the exited portfolio company to report performance against certain key impact indicators. When post-exit impact is captured, post-exit impact claims are categorized under indirect impact, and any public communication of such information is done in alignment with any exit or confidentiality agreements with such companies.

As part of Circulate Capital's continued value addition, portfolio companies can continue to access support from Circulate Capital teams, where applicable.



Principle 8: Review, document, and improve decisions and processes based on the achievement of impact and lessons learned.

The Manager shall review and document the impact performance of each investment, compare the expected and actual impact, and other positive and negative impacts, and use these findings to improve operational and strategic investment decisions, as well as management processes.

Circulate Capital has committed to principles of transparency, learning and continuous improvement in our approach to impact management because the firm believes doing so helps to accelerate the deployment of interventions backed by evidence, successfully manage investments, and deliver value and impact for investors over time. Circulate Capital's IMS is designed according to the following core principles:

- Investment effectiveness: Focus on going beyond the numbers, disclosure of performance and the role of the investment in the system.
- Credible metrics: Disclose what is being measured, how it is measured, and how it is evaluated. Impact is present in every decision taken while remaining firmly grounded in our fiduciary responsibilities.
- Comparable measurement: Integration of measurement and reporting with strategic priorities. Build towards a holistic approach to understanding intervention outcomes.
- Build market capabilities: Make tools used widely available to support methodology alignment and development of lean data feedback systems.
- Share Insights: Encourage deeper impact measurement and evaluation to share insights, and build towards shared language to understand the change that is happening.

These principles have been integrated into our impact reporting tools, portfolio performance reviews, internal and external reports, and all other impact management processes.

In practice, Circulate Capital carries out an integrated Impact and Investment team portfolio review on a semi-annual basis with discussions on how to improve operational, strategic and impact-related decisions. Additionally, Circulate Capital directly engages with portfolio companies on a regular basis to discuss performance, progress and learning to inform our investments and sector.

Circulate Capital carries out training for internal team members, portfolio companies and other external stakeholders through an ongoing blended learning program, which is based on knowledge management and insights across Circulate Capital's portfolio. The blended learning program aims to build capacity on key Impact/ESG topics of risk assessment, responsible sourcing, corporate governance, climate, and talent and gender, as well as commercial/impact value-add topics, such as procurement, collection and sourcing, and market and regulatory updates. Training is carried out on a regular basis in the form of virtual sessions, discussion forums and presentation of insight topics.



Principle 9: Publicly disclose alignment with the Impact Principles and provide regular independent verification of the alignment.

The Manager shall publicly disclose, on an annual basis, the alignment of its impact management systems with the Impact Principles and, at regular intervals, arrange for independent verification of this alignment. The conclusions of this verification report shall also be publicly disclosed. These disclosures are subject to fiduciary and regulatory concerns.

This Disclosure Statement affirms Circulate Capital’s alignment with the Impact Principles and will be updated annually and posted on the Circulate Capital website.

Independent verification of Circulate Capital’s impact management systems will be updated on a regular basis no later than at three-year intervals, or earlier if there is a significant change to our impact management systems. The conclusions of this verification report shall be publicly disclosed on our website at <https://www.circulatecapital.com/impact>.

[Independent verification](#) was most recently performed by BlueMark for the year 2025, which concluded in February 2026.

Information on the current independent verifier is as follows:

Name	BlueMark
Address	154 W 14th St, 2nd Floor, New York, NY 10011
Qualifications	<p><i>“BlueMark, a Delaware-registered public benefit company, is a leading provider of impact verification services in the impact investing market. BlueMark was founded with a mission to “strengthen trust in impact investing” and to help bring more accountability to the impact investment process. BlueMark has conducted this verification with an independent and unconflicted team experienced in relevant impact measurement and management issues. BlueMark has implemented a Standard of Conduct requiring our employees to adhere to the highest standards of professional integrity, ethics, and objectivity in their conduct of business activities.</i></p> <p><i>BlueMark has office locations in London, UK; New York, NY; and Portland, OR; and is headquartered at 154 W 14th St, 2nd Floor, New York, NY 10011. Its outside investors include S&P Global, Temasek Trust Capital, Blue Haven Initiative, Gunung Capital, Tsao Family Office, Ford Foundation and Radicle Impact. For more information, please visit www.bluemark.co.”</i></p>

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