

Circulate Capital Launches New Venture to Invest in Solutions to Ocean Plastic

Co-Founder of Closed Loop Partners Creates New Investment Firm to Incubate and Finance Solutions That Prevent Ocean Plastic, Announces RFP with Focus on South, Southeast Asia

New York, July 18, 2018 – Circulate Capital (“Company”), a new impact-focused investment management company, launched today in partnership with Closed Loop Partners, a firm that invests in companies, technology and recycling infrastructure to advance the circular economy, and Ocean Conservancy, a leading nonprofit environmental advocacy organization working to protect the world’s ocean. Led by Rob Kaplan, co-founder of Closed Loop Partners, Circulate Capital will invest in companies, innovation, and projects that prevent plastic from leaking into the ocean, with a focus on South and Southeast Asia. Scientists estimate that more than half of the 8 million metric tons of plastic that flow into the ocean every year come from developing countries in the region where waste management has lagged behind rapid economic growth.

The new Company evolved out of the “Closed Loop Ocean” project, following commitments made by Closed Loop Partners, Ocean Conservancy, and a number of corporate partners at the Our Ocean Summit in Malta in October 2017 to create financing vehicles focused on preventing plastic from flowing into the ocean.

Circulate Capital will operate as a separate and independent firm with a dedicated team and the resources required to turn this commitment into reality. Circulate Capital was also created in collaboration with members of the Closed Loop Partners Ocean steering committee, which is composed of leading intergovernmental organizations, associations and many of the world’s largest companies, including 3M, The Coca-Cola Company (NYSE:KO), Kimberly- Clark (NYSE: KMB), Dow (NYSE: DWDP), PepsiCo (NASDAQ: PEP), Partnerships in Environmental Management for the Seas of East Asia (PEMSEA), Procter & Gamble (NYSE: PG), American Chemistry Council, and the World Plastics Council. Members of the steering committee also provided seed capital alongside the founding partners.

Building on Closed Loop Partners’ successful investment model, Circulate Capital aims to finance companies and projects that focus on waste management and recycling in emerging markets in South and Southeast Asia. The fund will also support incubation of eco-systems of companies, NGOs and municipalities that will, among other things, increase the pipeline of investable opportunities for all investors. First investments are expected in Q1 2019.

“Circulate Capital seeks to fill capital gaps and prove the investment market by financing opportunities that collect, sort, process, and manufacture using waste in areas known to contribute to the ocean plastic crisis,” said Kaplan, founder and CEO of Circulate Capital. “Ocean plastic presents one of the most urgent and fast-growing ecological challenges of our time. Our objective is nothing less than to become a leading force behind solving the capital gaps of companies and infrastructure that prevent ocean plastic. Our firm isn’t the only solution to ocean plastic, and we depend on enabling policies, regulatory environments, supply chains, and strong partnerships in the ecosystem. Our goal is to remove capital as a barrier. We are grateful to the commitment of Closed Loop Partners and Ocean Conservancy as well as to the members of our steering committee for their support.”

“From Buckingham Palace to Starbucks’ board room, we are truly seeing a paradigm shift on the ocean plastic issue, with consumers, governments, and industry all recognizing the problem and searching for solutions,” said Susan Ruffo, managing director of international initiatives for Ocean Conservancy. “While a suite of solutions across sectors will be necessary to truly stem the tide of ocean plastic, science shows that investing in waste management and collection in Southeast Asia is one of the single most impactful ways companies can step up to help solve the ocean plastic crisis, so we are thrilled to support Circulate Capital in realizing this next step.”

“Circulate Capital is the realization of many months of research and planning on the part of Closed Loop Partners and Ocean Conservancy to design a structure that can dedicate the time and resources necessary to tackle the complexity of the ocean plastic problem at scale,” said Ron Gonen, co-founder and CEO of Closed Loop Partners. “Rob has tremendous subject matter expertise on the topic, having run Closed Loop Ocean, and thanks to his successful tenure at Closed Loop, he brings a track record as a proven leader and investment manager. We’re excited to continue our collaboration.”

“P&G is proud to be part of Circulate Capital. Just like the Closed Loop Fund, this will address the root cause and help develop the right infrastructure to drive positive change. Working together, we believe we can halt the flow of plastic into the world’s oceans,” said Steve Sikra, P&G Associate Director, Corporate R&D, Global Product Stewardship.

“We are excited to support Circulate Capital and their aim to prevent the flow of ocean plastic,” says Ben Jordan, Senior Director, Global Environmental Policy, The Coca-Cola Company. “We aim to be a driver of the circular economy as we continue toward our vision of a World Without Waste.”

“Circulate Capital is the type of active engagement we need to accelerate the implementation of waste management systems with effective recycling processes that keep plastic waste out of the ocean,” said Diego Donoso, President of Dow Packaging & Specialty Plastics. “With the growing economies across Southeast Asia comes increased demand for more consumer packaged goods, but unfortunately the development of waste management infrastructure has not kept pace with the increased amount of waste that is being generated. This initiative can serve as a model for how we can bring solutions to bear on this problem with the goal of keeping ALL waste out of the ocean.”

Additional quotes from PEMSEA, American Chemistry Council, World Plastics Council, Kimberly-Clark and 3M are available upon request.

RFP Process for Investment

Circulate Capital has also announced a Request for Proposals (RFP) [process](#) to solicit applications for financing for companies and projects from qualifying entrepreneurs from South and Southeast Asia, with the goal of selecting the first recipients by early 2019.

Said Kaplan: “South and Southeast Asian countries produce the most plastic waste, but largely because they lack the necessary waste infrastructure to manage the problem. Financing innovative, local companies that are working to address the challenge is a critical step to reducing the flow of ocean plastics and also key to improving economic development and public health outcomes.”

About Closed Loop Partners

Closed Loop Partners invests in sustainable consumer goods, advanced recycling technologies and the development of the circular economy. www.closedlooppartners.com

About Ocean Conservancy

Ocean Conservancy is working to protect the ocean from today's greatest global challenges. Together with our partners, we create science-based solutions for a healthy ocean and the wildlife and communities that depend on it. www.oceanconservancy.org

About Circulate Capital

Circulate Capital is an impact-focused investment management firm dedicated to financing companies, projects, and infrastructure that prevent ocean plastic. We identify, incubate, and invest in opportunities designed to intercept ocean plastic at the source by collecting, sorting, processing, and manufacturing using waste in countries known to contribute to ocean plastic. We were created in partnership with Closed Loop Partners and Ocean Conservancy, and are supported by leading intergovernmental organizations, associations and many of the world's largest consumer product goods and chemical companies, including 3M, American Chemistry Council, The Coca-Cola Company, Kimberly-Clark, Dow, PepsiCo, Partnerships in Environmental Management for the Seas of East Asia (PEMSEA), Procter & Gamble, and the World Plastics Council.

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