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Circulate Capital Announces Inaugural Investments That Will Help South and Southeast Asian SMEs to Combat Ocean Plastic and Weather the COVID-19 Crisis

Invests US\$6 million in two companies in India and Indonesia that recycle local plastic waste into useful products
Investments in waste management value chains as essential services are critical to protecting local communities' health and livelihoods

SINGAPORE, April 28, 2020 - [Circulate Capital](#), the Singapore-based investment management company focused on advancing the circular economy, today announced that the Circulate Capital Ocean Fund (CCOF), the world's first investment fund dedicated to the ocean plastic crisis in South and Southeast Asia, has made its inaugural investments in two plastic recycling companies located in India and Indonesia for a total investment of US\$6 million.

The US\$106 million CCOF is backed by several of the world's leading companies, including PepsiCo (NASDAQ: PEP), the first investor; Procter & Gamble (NYSE: PG); Dow (NYSE: DOW); Danone (EPA: BN); CHANEL; Unilever (NYSE: UN); The Coca-Cola Company (NYSE: KO); and Chevron Phillips Chemical (CP Chem). Not only do each of these investors commit capital to the solutions, they also contribute technical and procurement expertise to help the portfolio scale and drive maximum impact.

CCOF's first investments include companies at the forefront of their industries, specializing in building markets to collect and recycle local plastic waste into raw materials that can become tradable commodities:

- Lucro Plastecycle Private Limited (Lucro) in Mumbai, India: a homegrown Indian manufacturer that developed an integrated process to collect, sort and recycle difficult-to-manage flexible plastic for its own production of flexible products (such as shrink wrap and films) and to sell as high-quality recycled plastic granules to manufacturers across the country; and
- PT Tridi Oasis Group (Tridi Oasis) in Jakarta, Indonesia: a female-led, Indonesian company specializing in recycling PET bottles into rPET flakes, which are used to manufacture circular packaging and textiles.

As part of the fight to beat COVID-19, the [UN Environment Program](#) has urged governments to treat waste management as an urgent and essential public service to minimize health risks as well as environmental impacts and help millions of informal waste collectors as they face devastating outcomes. The investments made by CCOF will help to build markets and circular plastic value chains that prevent plastic leakage and support local communities. In addition, Circulate Capital is supporting these companies to manage the direct consequences of the crisis on their businesses while also providing access to short-term lines of credit when possible. The loan made to Tridi Oasis is 50% guaranteed by the U.S. International Development Finance Corporation in collaboration with the U.S. Agency for International Development to incentivize investment in the recycling value chain to combat ocean plastic pollution, further de-risking the investment and demonstrating blended finance in action.

"If the current health and economic crisis has taught us anything, it's that we need to future proof our local supply chains and economies. The resilience of critical infrastructure like waste and recycling goes hand-in-hand with protecting the health and livelihoods of our communities. By investing in small and medium-sized businesses that reduce plastic pollution and advance the circular economy, we can build sustainable businesses that can endure through a crisis," explains **Rob Kaplan, CEO, Circulate Capital**.



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“India and Indonesia have a great opportunity to reduce the amount of plastic waste that leaks into our oceans, by investing in their highly fragmented waste and recycling industries. We are pleased to announce our first investments in Lucro and Tridi Oasis today – two businesses at the forefront of plastic recycling, turning local plastic waste into an opportunity for the benefit of the environment and the communities they work in. On behalf of our partners and investors – including many of the world’s leading corporations – we all look forward to supporting them as they grow and scale their businesses for the long term,” added Kaplan.

Circulate Capital invests in and supports start-ups, organizations and small and medium-sized enterprises across the entire plastic value chain, from innovations in material to advanced recycling technologies. It seeks to mobilize catalytic capital into the waste management and recycling industry to prove that investing in this sector is scalable in these countries and can generate competitive returns, while moving to solve the ocean plastic crisis.

Ujwal Desai, Co-Founder and Managing Director, Lucro, said, “We focus on films and flexible plastic that many others avoid because we believe there is inherent, untapped value that can be realized by turning plastic waste into valuable products. With Circulate Capital’s support we will further grow and scale our business, with new collection centers planned to increase post-consumer sourcing and better support the informal waste sector community, as well as expand the range of our recycling processes to achieve our vision of becoming a global leader in recycled products. Our trademark Plast-E-Cycle™ process sets new standards for the industry, as we buy back and recycle flexible plastic from manufacturers, retailers, distributors, scrap aggregators and waste pickers, thereby closing the loop in plastic usage. The opportunity in this space is significant; with over 200 customers today, our business has grown 100 times in eight years.”

Dian Kurniawati, CEO, Tridi Oasis, said, “In the current context, we are even more convinced that we can create a meaningful contribution by providing sustainable jobs and preventing pollution by turning the plastic waste on our streets and beaches into valuable products. We are pleased to work with Circulate Capital to scale our capacity to recycle local plastic waste, to grow our customer base by partnering with international and local manufacturers (including Circulate Capital’s investors), and to diversify our products to increase our impact and prevent more plastic from ending up in the environment.”

In addition, Circulate Capital recognizes that companies helping to prevent ocean plastic require more than financing. Lucro and Tridi Oasis will receive support from Circulate Capital’s network of partners to help them scale and connect with the supply chains of global manufacturers.

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About [Circulate Capital](#)

Circulate Capital is an investment management firm dedicated to incubating and financing companies that prevent ocean plastic. We focus on the prevention of mismanaged plastic waste in countries located in South Asia and Southeast Asia, regions that contribute disproportionately to ocean plastic pollution primarily because they often lack investment in critical waste and recycling infrastructure to manage the problem. We were created in collaboration with Ocean Conservancy, and our founding investors include PepsiCo, Procter & Gamble, Dow, Danone, CHANEL, Unilever, The Coca-Cola Company and Chevron Phillips Chemical Company LLC.

About [Lucro Plastecycle Private Limited](#)

Lucro Plastecycle Private Limited (Lucro) is a homegrown Indian recycling company that harnesses the possibilities of plastic to produce high quality and innovative recycled-content products. Established in 2012, the company is an expert in recycling locally-sourced flexible plastic waste to manufacture flexible packaging products, such as shrink wrap and films, and supplies recycled plastic granules to manufacturers for their own production. By developing a unique integrated process that covers the collection, sorting and upcycling of used flexible plastic, Lucro is committed to closing the loop in plastic usage by transforming it from a linear to a circular economy and stopping it from reaching landfill. Today, the company is the largest supplier of recycled packaging and protective covers to leading national and international manufacturers in India across a range of industries such as automotive, home and retail, to help them achieve their sustainability goals.

About [PT Tridi Oasis Group](#)

Tridi Oasis is an Indonesian, female-led recycling company aiming to turn problems in waste management into opportunities through recycling local plastic waste into usable raw materials. Established in 2016, Tridi Oasis produces recycled PET (Polyethylene terephthalate) flakes which can be transformed into sustainable packaging and textiles. Tridi Oasis is working closely with local and international partners as well as local communities to advance the circular economy, create more sustainable jobs for Indonesians along the waste management value chain and create a positive impact on the environment.