



Key Findings from the Global Edition of the **Plastics Circularity Investment Tracker**

Introduction

An estimated US\$1.2 trillion is needed between 2021 and 2040 (approximately US\$60 billion per year) to reduce plastic leakage to the ocean by around 80% by 2040.¹ However, there is limited transparency around the financing of plastics circularity solutions, and there is a need for data and resources on investment activity to assess the available investment opportunities. Governments, investors, multilateral organizations, and other stakeholders committed to solving the global plastic pollution crisis need to have a clear view of the capital being deployed to ensure barriers to financing circularity can be addressed.

The second edition of The Circulate Initiative's [Plastics Circularity Investment Tracker](#) will enable key decision-makers to view the current investment landscape of plastics circularity investment and understand the extent of the financing gap globally. Building on the first edition in which coverage was focused on emerging markets, the refreshed Plastics Circularity Investment Tracker provides global data, including a new feature for comparing investments across countries, archetypes, and investment categories. The latest edition also profiles 24 global investors in plastics circularity (see [Supplementary Material](#) to see the list of investors).

3,700+
**PRIVATE INVESTMENT DEALS
IN THE PLASTICS CIRCULARITY SPACE**

Background and Approach

DEFINITIONS

Plastics circularity is defined as a system that drives a circular economy for plastics. This includes technologies, business models or other solutions that tackle the plastic pollution challenge by eliminating, reducing or reusing plastic, or by keeping plastic materials in circulation without them leaking into the environment.

“Investment” is defined as private financing in the form of grants, equity/quasi-equity, debt, and blended finance structures, including credit guarantees and other similar financial instruments. Through this analysis, we seek to capture the allocation of capital flows to companies, and technical assistance accompanying other forms of investment rather than the provision of in-kind “investments,” such as non-monetary technical assistance. Funding via bilateral or multilateral donor agencies, or from national, state or local governments is not included, though we are exploring ways to include this in the future.

SCOPE

The Circulate Initiative consulted various databases covering private market transactions and filtered data for third-party investments made in plastics circularity solutions globally for the period of January 1, 2018 to June 30, 2023 (hereinafter referred to as “the review period”).

Assessing over 3,700 deals, the analysis presents an overall view of private investments in plastics circularity globally, by regions and countries, and across various plastics circularity solutions. From the over 3,700 deals tracked, 56% have a disclosed deal value and investment value presented through this key findings document and the Plastics Circularity Investment Tracker is based on this disclosed data. Sensitivities associated with confidentiality make it challenging to capture deal values of all transactions.


¹ The Pew Charitable Trusts and SYSTEMIQ. (2020). Breaking the Plastic Wave [online]. Available from: https://www.systemiq.earth/wp-content/uploads/2020/07/BreakingThePlasticWave_MainReport.pdf

Users can leverage the Plastics Circularity Investment Tracker to analyze investment data across several parameters.²








Regions

-  Africa
-  Asia
-  Europe
-  Latin America and the Caribbean
-  North America
-  Oceania

Archetypes

-  Materials
-  Redesign
-  Refill/Reuse
-  Services (driving plastics circularity or plastic waste management)
-  Operational Platforms enabling plastics circularity
-  Digital Mapping
-  Recovery
-  Recycling

Investment Categories

-  Accelerator/Incubator Investments
-  Corporate Investments
-  Financing by Banks
-  Individual/ Crowdfunding / Philanthropic Investments
-  Private Equity
-  Public Investment/IPO
-  Venture Capital

91
COUNTRIES COVERED
IN THE ANALYSIS

² For definitions of key terms and the research methodology, please refer to the [Supplementary Material](#) document.

Key Findings

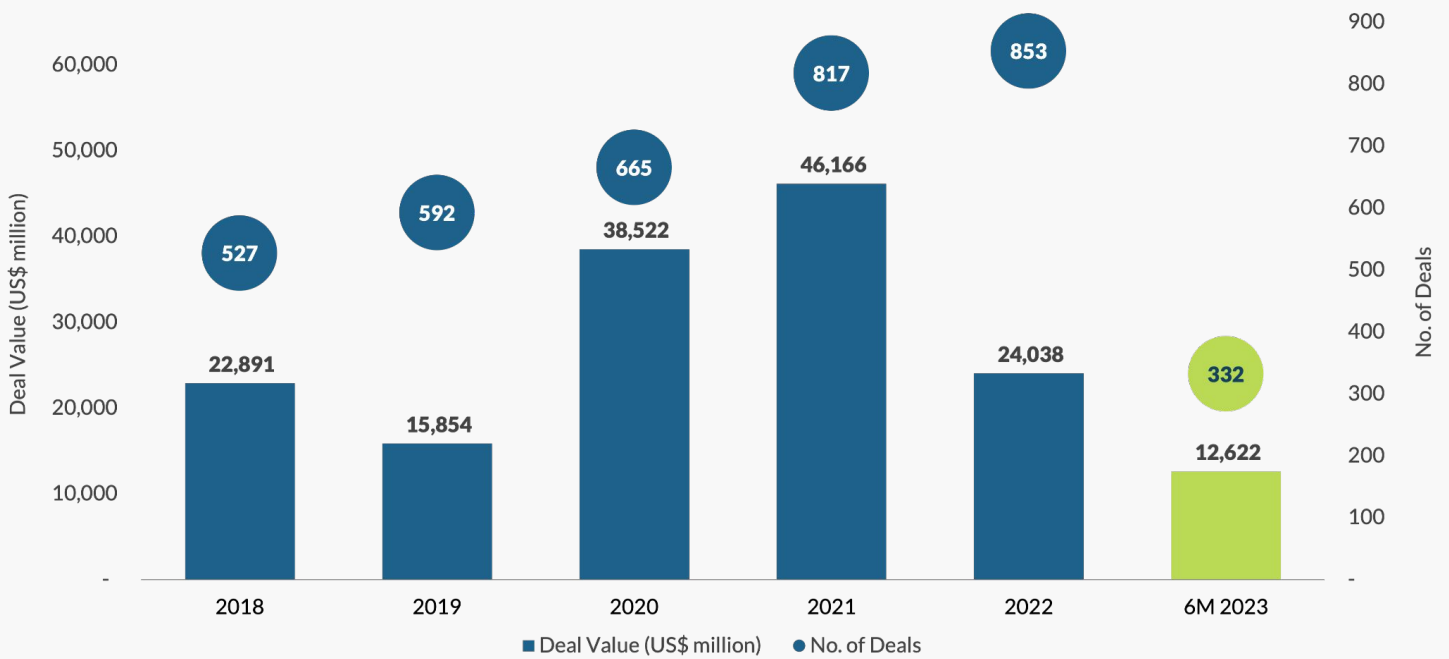
1 US\$160 billion of private investment went to plastics circularity between January 2018 and June 2023

This represents approximately US\$29 billion per year, which is significantly lower than what is needed: experts say roughly US\$60 billion of investment per year is required between 2021 and 2040 to reduce plastic leakage to the ocean by around 80% by 2040.³

During the review period, investment value dipped from a high of US\$46 billion in 2021 to US\$24 billion in 2022; yet, investment levels in 2022 were higher than 2018. As engagement and discussion around the international legally binding instrument on plastic pollution, including in the marine environment, grows and more national and local policies come into effect, we expect increased investment in plastics circularity.



Figure 1 : Global Plastics Circularity Investments 2018-6M 2023



US\$160B
GLOBAL PRIVATE INVESTMENTS
IN PLASTICS CIRCULARITY

³ The Pew Charitable Trusts and SYSTEMIQ. (2020). Breaking the Plastic Wave [online]. Available from: https://www.systemiq.earth/wp-content/uploads/2020/07/BreakingThePlasticWave_MainReport.pdf

2 While plastic pollution is most pressing in emerging markets, the vast majority of investment (89%) went to North America and Europe

Although Asia is regarded as the hotspot for plastic pollution, it only accounted for 8% (US\$12 billion) of plastics circularity investments. Nearly 90% (US\$142 billion) of all investment in plastics circularity went to North America and Europe, particularly in developed economies that offer a stable investment and supportive policy environment. Africa and Latin America and the Caribbean received the least investments, at US\$150 million and US\$2 billion respectively.

The disparity in investments was clearly emphasized when reviewed through the lens of country income groups. Comparing emerging and high-income economies,⁴ emerging markets accounted for only US\$8 billion or 5% of the total deal value, while the majority of the investments were in high-income economies (US\$153 billion). This investment does not match the geographic locations where the plastic pollution challenge is the most pronounced, with the top 20 countries where plastic emissions into the oceans occur identified as emerging economies.⁵

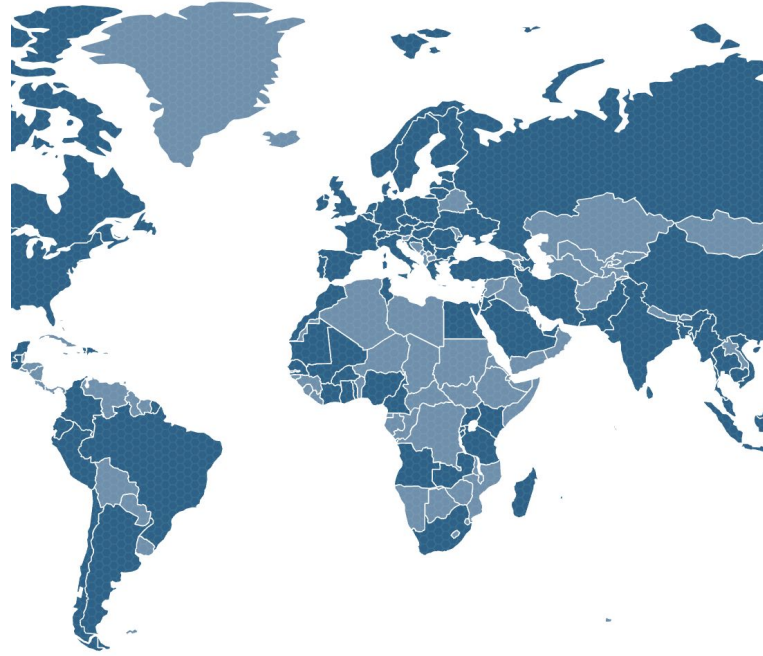
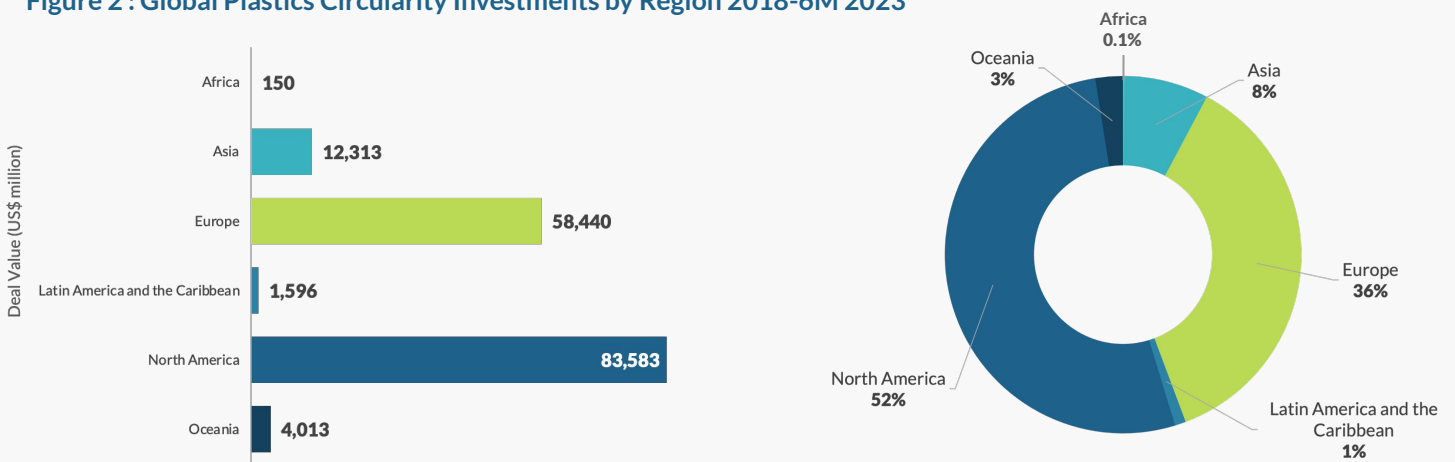


Figure 2 : Global Plastics Circularity Investments by Region 2018-6M 2023



89%

OF INVESTMENTS OCCURRED IN EUROPE AND NORTH AMERICA

⁴ Emerging economies (Gross National Income (GNI) per capita <US\$13,846), High-income economies (GNI per capita ≥US\$13,846)

⁵ Meijer, L. J. J. et al. (2021). More than 1000 rivers account for 80% of global riverine plastic emissions into the ocean. Science Advances [online], 7(18). Available from: <https://www.science.org/doi/10.1126/sciadv.aaz5803>

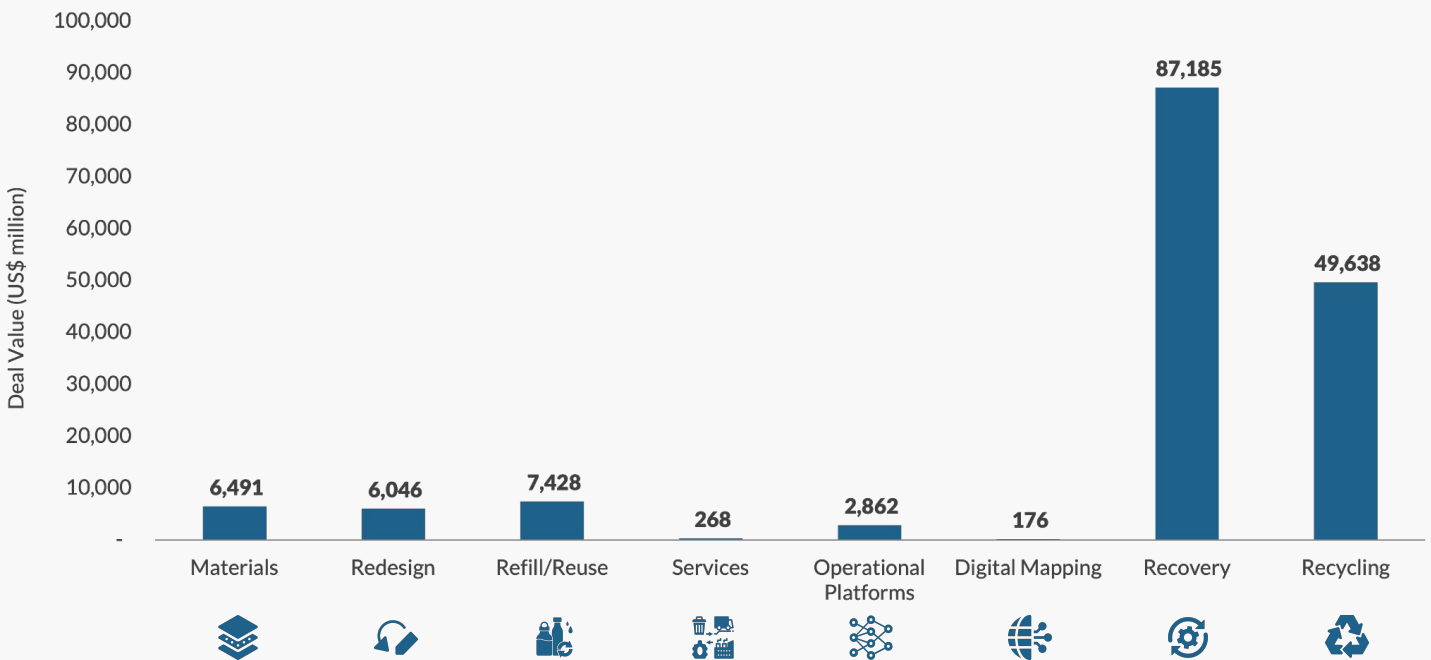
3 Recovery and recycling received 85% of all investment, whereas reuse and refill models received very little (5%)

Roughly 85% of investment (US\$137 billion) went to downstream solutions (i.e., recovery and recycling), and nine of the top 10 transactions were recovery or recycling.

Only 5% (US\$7 billion) went to refill/reuse, and nearly half of this was contributed by one deal - PepsiCo's US\$3 billion acquisition of SodaStream International Ltd, a carbonated refill system provider. Investments are currently focused on plastic waste management and there is a need to drive more capital to reduction and reuse, facilitated by supportive policies, infrastructure, and changes in consumer behavior.



Figure 3 : Global Plastics Circularity by Archetypes 2018-6M 2023



85%
OF INVESTMENTS WENT TO
RECOVERY AND RECYCLING

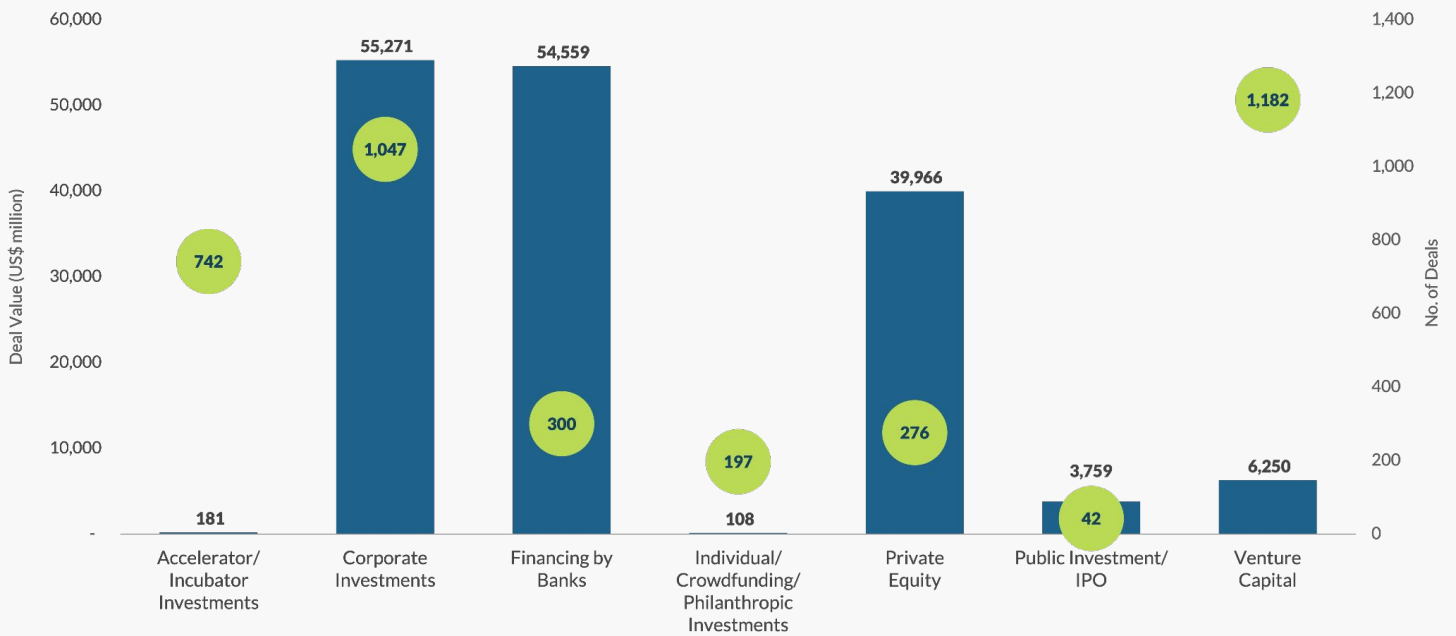
4 Corporations and banks were the top two sources of funding

Financing by banks and corporate investments were the top two sources of private capital, each contributing about 35% of total investments, followed by private equity with 25%. Deals involving financing by banks and corporate investments are generally greater than US\$10 million each, and recipients are typically businesses with well-established operations.

Venture capital had the highest number of deals, but represented only 4% of total deal value.



Figure 4: Global Plastics Circularity by Investment Categories 2018-6M 2023



69%
OF TOTAL DEAL VALUE WAS FROM
BANKS AND CORPORATE INVESTMENTS

5


The top 10 deals account for 30% of deal value

Of the more than 3,700 transactions recorded, the top 10 deals accounted for 30% of total deal value during the review period. With the exception of one deal, all the top 10 deals were in recovery and recycling.

Regardless of the state of development of plastics circularity solutions, investors are placing their money in downstream businesses, which have more established business models and are considered less risky.

 Refill / Reuse
  Recovery
  Recycling



Company	Archetype	Investor(s)	Investment Type	Deal Value (US\$ million)	Year	Country
Suez ⁶		Caisse des Dépôts Group, CNP Assurances, Meridiam, Global Infrastructure Partners	Private Equity	12,055	2021	France
Viridor Limited		Hermes GPE, Kohlberg Kravis Roberts & Co	Private Equity	5,243	2020	United Kingdom
Advanced Disposal		Waste Management Inc	Corporate Investments	4,600	2020	United States
Urbaser		Platinum Equity	Private Equity	4,200	2021	Spain
Suez ⁷		Veolia UK	Corporate Investments	4,001	2020	France
Waste Management Inc		-	Corporate Investments	4,000	2019	United States
GFL Environmental		BC Partners, GIC Private Limited, Ontario Teachers' Pension Plan	Private Equity	3,900	2018	Canada
Viridor Limited		-	Financing by Banks	3,728	2022	United Kingdom
SodaStream International Ltd		PepsiCo	Corporate Investments	3,200	2018	Israel
Waste Industries USA		GFL Environmental	Corporate Investments	2,825	2018	United States

⁶ The offer by Veolia for Suez SA in 2021 and the connected transaction with a consortium comprising Caisse des Dépôts Group, CNP Assurances, Meridiam, and Global Infrastructure Partners for New Suez has been recorded at a deal value of EUR 10.4 billion as a private equity transaction. The enterprise value offer by the consortium has been used as the deal value to avoid double counting of related transactions. Other transactions that involve the purchase or divestiture of businesses as required by various regulators have been treated as separate transactions.

⁷ Stake sale of Suez by Engie to Veolia.

30%
OF TOTAL DEAL VALUE WAS
FROM THE TOP 10 DEALS

The way forward

The analysis of the global investment landscape of plastics circularity reveals critical gaps in financing across geographies, archetypes, and investment types. These funding disparities underscore the need for more inclusive investments across the supply chain and a diversified financing approach in advancing plastics circularity.

High-income economies have received a significant proportion of investments. However, given that the plastic pollution crisis is greatest in emerging markets, we need to see greater investment in these countries. This requires a supportive national policy environment to encourage investments in plastics circularity in these countries. For example, bans, fees or taxes on avoidable single use plastics, minimum recycled content requirements, tax incentives for alternatives and refill/reuse, extended producer responsibility (EPR), and technical and capacity building programs provide a supportive environment for investment into plastics circularity along the value chain if widely adopted and uniformly enforced.

It is encouraging to see so much capital flowing to recovery and recycling. However, the plastic pollution crisis will not be solved by recycling alone. We need more investment in upstream solutions such as new materials and business models such as refill and reuse that encourage the reduction and reuse of plastic, and the prevention of waste. The nascency of some solutions can deter private investors from investing due to the lack of established business models. Introducing pro-circular economy investment incentives guided by best practices, and supporting the creation of more blended finance investment vehicles are some ways the government and private sector can work together.

The zero draft text of the upcoming international legally binding instrument on plastic pollution, including in the marine environment, recognizes the importance of different sources of capital, including private sector financing. The time is ripe for private investors to recognize the potential of supportive global agreements, as well as national and municipal-level policies, and to amplify their impact on tackling plastic pollution by accelerating investment.





DISCLAIMER

The Circulate Initiative's Key findings from the global edition of the Plastics Circularity Investment Tracker document (the "Key findings") and the Plastics Circularity Investment Tracker tool (the "Tool") are provided for general informational purposes only and should not be construed as professional, investment, financial or other advice. The Key findings and the Tool are intended to help users understand the types of investments that have been made for transitioning to a circular economy for plastics. The information shown in this document is based on data available at the time of our study (November 2023). The information is subject to change without notice. The Key findings and the Tool are for individual use only and no part of the Key findings or the Tool may be copied, shared, or used in any way other than for its intended purpose without The Circulate Initiative's prior written consent. All legal rights, including intellectual property rights of the Key findings and Tool are reserved by The Circulate Initiative. The Circulate Initiative disclaims all liability and damages arising from your use of the Key findings and Tool, or any information provided thereby. By using the Key findings and Tool, you accept these terms and agree not to hold The Circulate Initiative or its affiliates or any third party service provider liable for any possible claim for damages arising from any decision you make based on information or other content made available to you through the Key findings and the Tool.