

Case Study | May 2021

## VALUE CHAIN PARTNERSHIPS

Lucro and Dow's partnership embodies Circulate Capital's vision to be a value-added investor that brings the power of relationships to support product development and market access



**Lucro Plastecycle's (Lucro) founding belief is that there is opportunity to create economic value out of the parts of the plastic waste stream that have been traditionally neglected – specifically, flexible film, which accounts for 40% of plastic waste generated.**

With its in-house product development expertise and technology, the company uses its trademark Plast-E-Cycle process to collect, sort, and process flexible film into higher-value end-uses.

Lucro produces recycled plastic granules which are used by the company itself and other buyers to produce a variety of products for consumer, institutional and manufacturing uses, including plastic carrier bags, protective plastic sheeting, and covers for automobile parts.

**Dow, a founding investor of the Circulate Capital Ocean Fund, is a leading supplier of flexible film products for packaging to hundreds of companies, including national and multinational companies operating in India.**

It made its foray into circularity over five years ago, demonstrating proof of concept for recyclable barrier films. The company's goal is for 100% of products sold globally for packaging to be recyclable or from recycled post-consumer waste by 2035.



**DOW WILL UTILIZE ITS INDUSTRY LEADING TEAM OF PACKAGING AND MATERIAL SCIENCE EXPERTS, AND EQUIPMENT AND TESTING FACILITIES TO HELP LUCRO DEVELOP RECYCLED FILM PRODUCTS, WHICH LUCRO WILL PRODUCE IN ITS OWN FACILITIES.**

Circulate Capital is proud to contribute to this exciting partnership by supporting the business' growth, advancing its use of technology, expanding capacity, and increasing collection of post-consumer flexible films - all in service of the value chain demand delivered via partnership with Dow and consumer brands.



"This partnership between Dow and Lucro is an example of how technical expertise, feedstock, and capital all need to come together to meet the exploding demand for recycled products. We look forward to enabling many more partnerships like this."

**Rob Kaplan**  
Founder & CEO  
Circulate Capital



# DRIVING SUPPLY CHAIN PARTICIPATION IN CIRCULARITY

## The Partnership

Circulate Capital's investment underpins a partnership between Dow and Lucro, in which the two companies will co-develop a post-consumer recycled (PCR) polyethylene film solution. The product can be used as primary and secondary packaging for uses in the food and beverage, non-food, and e-commerce sectors.

Having a consistent product – both in quality and volume – to meet brand owner specifications is critical to ensuring successful participation in the value chain for recycled products, and Dow can provide both, demonstrating how actors at all points of the supply chain have a role to play in driving widespread adoption of PCR products.

Furthermore, in long and diversified supply chains there is a need for intermediaries who can bridge information and access gaps that may exist between different players.



“Scrap packaging is one of the country’s highest contributors of plastic waste and we look forward to this collaboration helping to promote the adoption of sustainable solutions among brand owners and manufacturers, and contributing to a reduction in plastics entering the environment as waste.”

### Bambang Candra

Asia Pacific Commercial Vice President  
Dow Packaging & Specialty Plastics



## ILLUSTRATING THE VALUE OF FLEXIBLE PLASTICS

At the same time, Lucro has invested in overcoming the misconception that flexible film has no value in the recycling marketplace. The company has educated and trained waste collectors to segregate flexible film at the point of collection, and rewarded this practice by paying a premium, as a step toward building a reliable source of feedstock and improving livelihoods for its growing group of suppliers.

The company will use Circulate Capital's investment to scale up its business, including building its capacity to have a reliable stream of post-consumer flexible plastic by building new collection centers.



“With intent, effort and collaboration across the entire value chain, we can define and build a new plastic value chain that ensures the material is reused and does not end up in the environment.”

### Ujwal Desai

Co-founder & Managing Director  
Lucro Plastecycle

