



Circulate Capital Invests in India's Deluxe to Scale Recycling of Sachets and Multilayer Plastic Waste

- › Deluxe has created a scalable process for recycling Multilayer Plastic (MLP) into high-quality products.
- › Working with local collectors, Deluxe's replicable ecosystem is transforming India's MLP scourge into valuable feedstock.
- › As Circulate Capital's seventh investment in India, the investment in Deluxe increases the investment company's commitment to supporting local innovators advancing the circular economy for plastics in the country.

Singapore, 5 April 2022 – Circulate Capital, the Singapore-based investment management firm that finances innovations, companies, and infrastructure to prevent ocean plastic and climate change by advancing the circular economy, today announced that the Circulate Capital Ocean Fund (CCOF I) is investing in Deluxe Recycling Private Limited (Deluxe). Deluxe is a leading Indian plastic recycling company that recycles challenging multilayer plastics (MLP), like sachets and Used-Beverage-Cartons (UBC) into new, valuable products, such as pallets and rickshaw seats. By creating a market for MLP waste, the company expects to divert 34,000 tons per annum of waste from incineration or landfills by 2025, helping pave the way to a circular economy in India.

Typically considered of no value and very difficult to recycle, MLP waste is one of the most polluting forms of plastic packaging and, if it is collected at all, is used for fuel, incineration, or co-processing at cement plants. Deluxe has developed a scalable ecosystem for the collection of MLP by working with and paying a network of aggregators and small material recovery facilities (MRF) to collect and sort MLP waste. The company then uses proprietary, in-house developed technology to manufacture a variety of heavy, rigid products. In 2020, the company recycled 7,100 tons of MLP, making it one of the largest organized MLP recyclers in India.

Investment from the Circulate Capital Ocean Fund will allow Deluxe to expand to three new facilities across western and southern India, increasing its capacity three-fold. The Circulate Capital Ocean Fund is the world's first investment fund focused on ocean plastics in South and Southeast Asia, created in partnership with leading global corporations, PepsiCo, Procter & Gamble, Dow, Danone, Chanel, Unilever, The Coca-Cola Company, Chevron Phillips Chemical Company LLC and Mondēlez International. As Deluxe expands, its infrastructure can be leveraged to build a circular multilayer plastics market and accelerate the development of the sector as new technology is deployed.

Rob Kaplan, Founder and CEO of Circulate Capital, said, *"Difficult-to-recycle plastics like sachets, food packing and plastic wrap have remained a global challenge in the waste management and recycling sector. Deluxe's game-changing technology and entrepreneurial know-how has enabled the company to transform these multilayer plastics into valuable products at a scale not seen before in India. Deluxe currently supplies 90% of the recycled seat board market, which means nearly every rickshaw driver sits on a Deluxe-recycled seat."*

The dynamism and size of the Indian market present a huge opportunity for investment in the transition to a circular economy for plastics. Deluxe is firmly positioned at the forefront of this transformation and we're proud to be supporting their growth."



The problem of plastic waste, especially MLP, is increasing in India, with the country generating [9.4 million tons of plastic waste annually](#). Only 60% of plastic waste is being collected, with 3.8 million tons leaking into the environment every year. [According to the Ellen MacArthur Foundation](#), the circular economy development path in India could create an annual value of ₹14 lakh crore (US\$218 billion) in 2030 and ₹40 lakh crore (US\$624 billion) in 2050 in comparison to the current development scenario. It could reduce greenhouse gas emissions by 44% along with significant reduction in air pollution, thus contributing to health and economic benefits for society.

Jignesh Shah, Co-founder of Deluxe said: *“Our ultimate mission is to create value from waste, diverting it from incineration and landfill. We are proud to partner with Circulate Capital to scale our operations and our impact. At Deluxe, we see the potential to transform India’s MLP waste into a valuable mainstream raw material, incentivizing its collection and replacing the need to use virgin plastics.”*

Since establishment, Deluxe has worked with external vendors and aggregators to provide training and development in effective waste segregation as well as offtake agreements, price premiums and better standard of living for formal and informal waste pickers. Deluxe currently employs 150 full-time employees and up to 140 contract laborers, ensuring appropriate employment arrangements and contributions to pension funds. Expansion is expected to provide employment opportunities for over 100 new recycling and waste management workers

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About [Circulate Capital](#)

Circulate Capital is an investment management firm that finances innovations, companies and infrastructure to prevent the flow of plastic waste into the world's oceans and advance a carbon neutral circular economy in emerging markets. It mobilizes catalytic capital to invest across the entire plastic value chain, from innovative materials to advanced recycling technologies. It aims to prove that investing in the sector can generate competitive returns, while preventing plastic pollution, mitigating climate change, and improving livelihoods. Its ambition is to unlock one billion dollars to prevent 150 million tonnes of plastic pollution and advance the circular economy with the largest and most impactful portfolio globally. It was created in collaboration with Ocean Conservancy, and its founding investors include PepsiCo, Procter & Gamble, Dow, Danone, Chanel, Unilever, The Coca-Cola Company and Chevron Phillips Chemical Company LLC, and Mondelēz International.

About [Deluxe](#)

Established in 1999, Deluxe is a leading Indian plastic recycling company focused on difficult to recycle multilayer plastics (MLP) such as Used-Beverage-Cartons (UBC) and sachets. Started as a family business by founder Jignesh Shah, Deluxe has grown tenfold in the past 20 years and works with government



institutions and leading multinational automotive manufacturers in India, having captured 90% of the recycled seat board market for rickshaws and established a standard for state governments to buy recycled pallets for warehousing needs. In 2020, the company recycled 7,100 tons of MLP, making it one of the largest organized MLP recyclers in India.