IIX, Shujog and KKR Partner with Banyan Nation to Increase the Sustainability of Indian Recycling

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Enables fundraise of $800,000 to accelerate positive systemic impact on waste recycling industry

HYDERABAD, India & SINGAPORE--(BUSINESS WIRE)-- Impact Investment Exchange (IIX), Shujog, and global investment firm KKR assisted Banyan Nation ("Banyan") in raising US$800,000 in their first fund raise. This will enable Banyan to scale a business solution which mitigates inefficiencies in India's waste recycling value chain through the use of technology and sustainable business practices to formalize recycling processes.

This Smart News Release features multimedia. View the full release here: http://www.businesswire.com/news/home/20160301007214/en/

India has relatively high rates of plastic recycling, thanks to the informal sector that recovers and recycles the vast majority of this waste. However, the plastic this sector produces is often of low quality and can be detrimental to the environment as well as the workers who recycle these plastics.

"The informal nature of the recycling value chain makes it almost impossible for Indian brands to use recycled plastic for their product and packaging needs," said Mani Vajipey, Founder and CEO of Banyan. "Raj and I decided to give up our jobs in the US and return home to Hyderabad to create a business that changes the way India recycles plastics. Our goal is to become a trustworthy and responsible recycling partner which offers recycled plastic at consistent quality, volume and prices through technology innovations, scientific rigor and ethical business practices."

"Banyan's aim in addressing challenges facing India's recycling industry by offering an alternative for household customers, suppliers, workers, processors and buyers is consistent with Prime Minister Modi's 'Smart Cities' effort. KKR is proud to have supported Banyan to think through its business model and obtain the funding needed to grow and scale," said Sanjay Nayar, CEO of KKR India.

Banyan's sustainable plastics recycling business closes the value chain loop by giving brands a viable alternative to virgin plastic for their product and packaging needs. Banyan manages a recycling operation that sources waste materials from aggregators, sorts and grades the plastic waste, and manages a treatment and recycling process that produces higher-quality plastic pellets with a longer life span than pellets produced by the majority of recycling companies in the country.

Banyan systematically sorts and grades the plastic waste by its resin composition and treats the material using performance polymers to increase the durability and recyclability of the plastic. This mitigates supply variability and helps the company deliver consistent quality at affordable prices. Banyan does all this while offering its employees a safe work environment and fair wages. As a registered recycling company, Banyan adheres to high environmental protection and employment standards.

"We want to enable brands to design and manufacture sustainable products through Banyan's responsibly recycled plastic granules that rival virgin plastic in quality and price. Given our robust supply chain and scientific rigor in recycling we are an ideal partner for brands that truly value our social and environmental commitment in addition to our superior-quality product," said Raj Madangopal, Co-Founder and COO of Banyan.

Banyan partnered with IIX, Shujog and KKR to receive the necessary financial, analytical and operational expertise to best position the business for third party investment. Members of IIX, Shujog and KKR conducted site visits and assessed Banyan's business model and social impact. IIX and KKR supported the development and vetting of a business plan and financial model, and brainstormed economics and scalability. Concurrently, Shujog conducted an impact assessment to help Banyan measure and monitor their social and environmental returns, and communicate these to investors.

Jaideep Khanna, Co-Founder, President and Managing Partner of Artha Capital, who committed the US$800,000 in capital, said, "The consequences of our collective inaction seem negligible now, but over time will be devastating to the environment. We must each do our bit to stem the tide. Banyan, by laying the foundation for a formal recycling system, is doing just that."

Robert Kraybill, Managing Director of IIX and Director of Shujog, said, "Shujog's Social Impact Assessment estimates that every dollar spent on Banyan's activities between 2014 and 2015 yielded 137% of social returns. This is a tremendous result, and with further capital-raising and corporate innovation, Banyan's social and environmental impact is poised to increase significantly in the coming years."

Steven R. Okun, Director of Public Affairs at KKR Asia Pacific, said, "This is KKR's third successful project with IIX. Our partnership highlights how social impact entrepreneurs can raise the capital they need from investors with the right business and financial models."

"IIX, Shujog and KKR were instrumental in helping us realize the true economic and social impact Banyan can have on the recycling industry. Their involvement went beyond advice and raising capital – they truly helped build a sustainable business that can solve India's plastic recycling woes. We could not have gotten as far as we have and as fast as we did without them," said Vajipey.

A video case study on Banyan and the IIX and KKR technical assistance project can be viewed on Youtube here.

About Banyan
Banyan Nation wants to change the way people and businesses look at plastics. Brands and consumers today perceive plastics as an inexpensive resource that can be used and disposed, not reckoning the many costs plastics impose on the environment and society. We want them to recognize that the true costs of plastics – to our cities, to our planet and to the vast number of urban wastepickers – is high and growing, and that plastics are a dear resource that must be reused and recycled. Our mission is to enable brands to design and manufacture sustainable products and packaging through Banyan's ethically sourced, responsibly recycled granules that rival virgin plastic in quality and price. Our goal is to empower citizens to make sustainable choices each time they purchase a product involving plastic.

About Impact Investment Exchange Asia (IIX)
IIX enables greater access to investment capital for mission-driven enterprises, allowing them to rapidly expand the positive impact of their activities. IIX now offers three investment platforms – Impact Accelerator™, Impact Partners™ and Impact Exchange™. Impact Accelerator™ provides seed-stage SEs with mentorship and private capital through a structured and customized process. Impact Partners™ connects accredited impact investors to selected growth-stage impact enterprises who are looking to raise investment capital. Impact Exchange™, the world's first social stock exchange operated by the Stock Exchange of Mauritius in collaboration with IIX, is a regulated stock exchange dedicated to listing and trading securities issued by mature impact enterprises and other mission-driven organizations. To date, IIX has facilitated nearly $12 million of investment impacting more than 8.5 million people across Asia with $19.5 million in social value created. IIX is based in Singapore.

For more information, visit asiaiix.com and follow us on Twitter @asiaiix and Facebook at facebook.com/asiaiix.

About Impact Investment Shujog (Shujog)
Shujog is a non-profit based in Singapore, whose mission is to empower marginalized communities and protect the planet's resources, by magnifying the positive impact of social innovators. To date, more than 1.6 million underserved people have benefited from increased efficiency and effectiveness of Shujog's social value creation; over 28,476 impact investing professionals have been introduced to the social finance space through education and training; and more than 320,000 people have been engaged and exposed to the field of social enterprises and impact investing. As Shujog diversifies its impact-driven activities across countries and sectors, its footprint in Asia Pacific has become both broad and deep, allowing it to effectively play the intermediary role, be a thought leader, and build bridges among stakeholders.

For more information, visit shujog.org and follow us on Twitter @shujog and Facebook at www.facebook.com/Shujog.

About KKR
KKR is a leading global investment firm that manages investments across multiple asset classes including private equity, energy, infrastructure, real estate, credit and hedge funds. KKR aims to generate attractive investment returns by following a patient and disciplined investment approach, employing world?class people, and driving growth and value creation at the asset level. KKR invests its own capital alongside its partners' capital and brings opportunities to others through its capital markets business. References to KKR's investments may include the activities of its sponsored funds. For additional information about KKR & Co. L.P. (NYSE:KKR), please visit KKR's website at http://www.kkr.com/ and on Twitter @KKR_Co.

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