



Press contact: Bridget Croke, 802.338.0368/bridget@closedloopfund.com

Closed Loop Fund's First \$20M of Investments in Recycling Infrastructure Demonstrates Recycling Makes Economic Sense For Cities And Industry
First Public Report Reveals Key Insights On How To Ensure a Robust Recycling System and Circular Economy

November 14, 2016 -- Closed Loop Fund, an investment fund that finances recycling infrastructure and sustainable manufacturing technologies to advance the circular economy, released its first public progress report [link]. Details reveal investment opportunities in the recycling industry that deliver environmental and financial returns for cities, companies, and private investors, despite the headwinds of low commodities prices.

According to Closed Loop Partners Managing Partner Ron Gonen, "The recycling industry is poised for a new phase of growth. Based on data from our first "live" investments, we are seeing municipalities and private companies – especially those with integrated models – generate savings, revenues, and profit as a result of improving recycling infrastructure. And so far, each investment is paying back as expected."

Lakeshore Recycling System's new Heartland single-stream facility launched in March 2016, is already generating a profit within its first 6 months, and is poised to divert more than 1 million tons of material from landfill by 2025. Lakeshore CEO Alan Handley says, "Recycling is core to our business. The success of the Heartland MRF illustrates our ability to increase both profitability and environmental impact as we scale."

Key Highlights and Statistics from the Report

- CLF has invested nearly \$20m in nine projects, unlocking over \$50m in co-investment from municipalities, banks and impact investors.
- Huge demand for investment capital: received 150+ inquiries for **more than \$350 million** in financing.
- 4 live projects have already **diverted nearly 50,000 tons** of material, avoiding the equivalent of 112,000 metric tons of GHG emissions
- **100% on-time loan repayments**
- Nearly **\$250,000 in economic benefit** to municipalities
- Activities reach or represent recycling generated by **nearly 900,000 households** around the country

The opportunities to generate environmental and economic return are real, but few traditional investors are getting on board at the moment. According to Jennifer Pryce, President & CEO, Calvert Social Investment Foundation, "Closed Loop Fund is helping impact investors like Calvert Foundation understand the investable opportunities within the circular economy."



Closed Loop Fund is just getting started and achieving scale is the biggest priority. “Closed Loop Fund investors have exhibited tremendous leadership in coming together to support a new model for systems change,” said Gonen. “We are building the case for more consumer product companies, impact investors and institutional investors to capture the value of optimal recycling and circular systems in the United States by demonstrating these investments make financial sense.”

Unstable commodity prices expose the challenges in the current system, as operators adapt to ever-evolving single-stream materials with outdated equipment, operational inefficiencies, and misaligned contracts. “We have focused our investments on municipalities and companies that are doing what works - writing smart contracts, showing commitment and leadership, and building forward thinking business models and operations,” said Gonen.

Key Insights from the Report on How Projects Are Ensuring Success in the Recycling System

- Commitment of public leadership
- Alignment of contracts and RFPs among parties
- Focus on performance and data
- Diversified resources from a variety of investors
- More market pull created by new end markets for post-consumer recycled materials

And ultimately, end market demand will ensure success moving forward. CLF is committing 20% of its capital to develop robust end markets to ensure the system economics work. According to Gonen, “You can expect to see several end market investment announcements from us in 2017. We have some great business models in our pipeline that will maintain value across a range of commodities. Stay tuned”.

About Closed Loop Fund

Founded in 2014, Closed Loop Fund is an investment fund that provides cities access to the capital required to build comprehensive recycling programs. Closed Loop Fund aims to invest \$100 million by 2020 with the goal to create economic value for cities by increasing recycling rates in communities across America. Closed Loop Fund brings together the world’s largest consumer product, retail, and financial companies committed to finding a national solution to divert waste from landfills into the recycling stream in order to be used in the manufacturing supply chain. Key supporters include 3M, Coca-Cola, Colgate-Palmolive, Goldman Sachs, Johnson & Johnson Family of Consumer Companies, Keurig Green Mountain, PepsiCo and the PepsiCo Foundation, Procter & Gamble, Unilever, Walmart and the Walmart Foundation. For more information, visit www.closedloopfund.com

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