**Closed Loop Partners**

We Invest in Businesses and Technologies that Optimize Product Supply Chains and Build the Circular Economy

**PROJECT FINANCE**

**Closed Loop fund**

Invest in large scale recycling and circular economy infrastructure with below market rate term loans.

Investors Include

- Coca-Cola
- Pepsico
- Procter & Gamble
- Keurig Green Mountain
- 3M
- Dr Pepper Snapple Group
- Johnson & Johnson
- Colgate-Palmolive

**GROWTH EQUITY**

**Closed Loop Ventures**

Invest in growth of leading companies with equity that can catalyze circular supply chain solutions in apparel, food, electronics, and materials.

Investors Include

- Family offices, institutions, individuals interested in strong financial returns and measurable social impact.

**RESEARCH & DEVELOPMENT**

**Closed Loop Foundation**

Identify and incubate early stage solutions with no-return grants, builds the investment field through funded research.

Partners Include

- Goldman Sachs
- Walmart Foundation
- Heineken
- Johnson & Johnson A Family Company

- First Impact Investments
- Tonic
- New Belgium Foundation
Since 2015, CLP has deployed ~$35 million across 28 investments unlocking $90+ million in co-investment.

Relative proportion of CLP investments to date (%):
- Fund loans, with co-investment
- Ventures investments
- Foundation grants

Impact to date:
- 2.4 million households represented
- 330,000 tons diverted
- 700,000 MTs of CO2E reduced
- $5.3 million in direct economic benefit to municipalities
- $95 million in co-investment
CLF’s First Investments: From Collections to Manufacturing

Also refer to interactive map: https://tinyurl.com/CLFsystemsmap
Investments are driving positive economics across the system

**Collection**

- 105,000 new recycling carts;
- 165,000 tons / 10 yrs;
- 463,000 GHG MTs / 10 yrs

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~$33 per ton in landfill savings and revenue share

**Sortation**

- First advanced recycling facility for City of Chicago
- 1.1m tons / 10 yrs;
- 3.3m GHG MTs / 10 yrs

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~$50 per ton of mixed plastics

**Processing / End Markets**

- Uses mixed, waste plastics to produce railroad ties;
- 184,000 tons / 7 years;
- 209,000 GHG MTs / 7 yrs

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~$70+ per tie, 300K per year
Closed Loop Fund Structure

FUND STRUCTURE

• Below market rate loans to municipalities and companies to build infrastructure for recycling and waste reduction.

• Loans are repaid via landfill diversion savings and or commodity revenue from the increase in recycling.

• Fund co-invests with local state agencies, economic development corporations (EDC’s), local banks, foundations and other relevant institutions, thereby expanding the amount of capital invested.

REPAYMENT STRUCTURE

• Investment period is 5 years.

• Loans are on an average of 7 years.

FINANCIAL PARTNERS
(CPG companies and Retailers)

LOANS TO MUNICIPALITIES AND RECYCLERS

- SAMPLE LOAN #1
  Recycling Carts

- SAMPLE LOAN #2
  MRF

- SAMPLE LOAN #3
  Improved Processing

- SAMPLE LOAN #4
  End Market

Landfill cost savings and commodity revenue

Capital returned and unlock funding for similar projects across the country
Opportunity: CT Department of Environment and Energy Protection (DEEP) and CLF have established a formal partnership to support recycling infrastructure

- **History**: CT DEEP co-invested with CLF in Waterbury
- **CLF’s Role**: CLF will commit $5M from core fund to deploy in the state of Connecticut during calendar year 2018
- **State** will be responsible for:
  - Marketing opportunity and soliciting projects
  - Vetting/first phase of DD and recommending projects to CLF
- **CLF** will:
  - Complete full due diligence on any potential investment
  - Following CLF investment criteria and approval process, make the final decision on whether/how much is invested

If we are successful:

- Efficient and coordinated deployment of capital for comprehensive regional infrastructure
- Replicable model for other states/regions
- Ability to strengthen local markets through follow-on investments across the system

- # of CT Households: 1.35 million
- Landfill tip fee (state avg.): ~$70/ton
- DEEP grants to recycling: $95,000 (2016)
APPENDIX: Recent Research
Capital Landscape: $800 Million/yr
In public & private concessionary capital is available

Grants and other concessionary capital, by region
Total amount shown is most recent year data available from each source

$132M
$96M
$213M
$99M
$27M
$19M
$119M
$77M

Closed Loop Fund project
Capital Landscape: $10 Billion/yr
In investment capital is supporting linear models

Relevant Deals by Type of Capital
2014-2017

Private Equity
Other
Self-financed
Venture
Debt

$150 million private acquisition of two landfill gas-to-energy operations
Institutional capital is waiting on the sidelines

- Private capital lacks sightlines across the system
- Supply side controlled by few players
- Volatility in commodities markets
- Lack of offtake agreements
- Innovative, but unproven, technologies

Investment Capital

$10 billion/yr
More catalytic capital is needed to unlock mainstream investment in end-market development

Catalytic capital would:
✓ De-risk
✓ Prove business models
✓ Stimulate investment

Other supports needed:
+ Subsidized R&D
+ Long-term offtake agreements, price floors
+ Loan guarantees
+ Green procurement & code