



3M Foundation & Closed Loop Fund

As more and more companies work to reduce their environmental footprints, demand for recycled materials as inputs into manufactured products has increased. Unfortunately, in recent years, the supply of recycled materials has not kept pace with this growing demand, and major companies report not being able to source enough of the materials they need. A big part of the problem is a lack of recycling infrastructure caused by a shortage of capital at the municipal level.¹⁵

Enter the Closed Loop Fund, a \$100M investment fund established in 2015 to provide low-cost debt capital to recycling infrastructure projects around the country. Investors in the fund include major corporations such as Walmart, Coca-Cola, PepsiCo, Procter & Gamble, Johnson & Johnson, and Unilever. Minnesota-based 3M also participated with a commitment of \$5 million over five years using PRIs through the 3M Foundation. By the end of 2016, 3M Foundation had invested a total of \$3 million in Closed Loop Fund with PRIs, making 3M Foundation the clear leader in PRI use among Minnesota's corporate foundations.

Just two years from its launch, Closed Loop Fund is already making a meaningful impact. Through 2016, the fund reports having diverted 98,500 tons of material from landfills; reduced 232,000 tons of greenhouse gas emissions; and conveyed ~\$533,000 worth of economic benefit to municipalities. Minneapolis-based Eureka Recycling is one of the fund's early investees.¹⁶

With regard to financial return, 3M Foundation and its co-investors have modest expectations; they aspire only to get their original investment principal back in 5-10 years so that they can reuse it...proof that recycling isn't just good for product materials, but for charitable dollars too.