



Closed Loop Partners Disclosure Statement

Operating Principles for Impact Management

June 2025



Operating Principles for
Impact Management

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CLOSED LOOP PARTNERS

About Closed Loop Partners

Closed Loop Partners, LLC (“Closed Loop Partners” or “the Firm”) is an investment firm headquartered in New York. Founded in 2014, the Firm manages three distinct investment strategies—lower middle market buyout private equity, venture capital, and catalytic capital and private credit—all of which pursue investments that advance the transition to a circular economy, driving resource efficiency and supply chain optimization at scale. Over the past decade, the Firm has made over 90 investments in circular solutions across focus areas that include plastics & packaging, food & agriculture, electronics, the built environment, and textiles & apparel.

The Firm is part of the broader Closed Loop Partners platform, which also includes the Center for the Circular Economy and Closed Loop Builders. The Center for the Circular Economy unites competitors and partners to tackle complex material challenges and implement systemic change to advance circularity. Closed Loop Builders incubates, builds and scales circular economy infrastructure and solutions across the U.S., including one of the largest privately held recycling companies in the U.S., Circular Services.

The Closed Loop Partners ecosystem connects entrepreneurs, industry experts, global consumer goods companies, technology companies, material science companies, retailers, financial institutions and municipalities. While Closed Loop Partners is focused on building the circular economy in the U.S. and broader North American end markets, our global portfolio of companies has driven impact across four continents, nine countries and 27 U.S. states.

Closed Loop Partners is a registered B Corp.

About Closed Loop Ventures

Closed Loop Ventures is the Firm’s venture capital strategy focused on investing early-stage capital into companies developing breakthrough circular solutions for foundational materials that underpin and significantly influence a wide array of vital sectors of the economy. These materials include organics, minerals, polymers and water. Closed Loop Ventures partners with founders and companies who rethink how products are designed, manufactured, consumed and recovered, with the shared vision of reimagining supply chains and eliminating waste.

About Closed Loop Private Equity

Closed Loop Private Equity (“CLPE”) is the Firm’s lower middle market buyout private equity strategy focused on acquiring controlling stakes in cash-flowing businesses that are integral to scaling the circular economy. CLPE’s strategy is anchored by the Firm’s core investment thesis, which focuses on the substantial financial opportunity presented by global industry’s shift from a linear, take-make-waste economic model to a circular economic model that is not dependent on the extraction of natural resources and disposal into landfill, incineration or the natural environment.

About Closed Loop Catalytic Capital & Private Credit

Closed Loop Catalytic Capital & Private Credit invests across four key strategies that complement and operate alongside each other to bridge existing financing gaps and scale circular economy infrastructure across North America: infrastructure, beverage, circular plastics and local recycling. Across these strategies, Closed Loop Catalytic Capital & Private Credit provides flexible and risk-tolerant capital to support private companies, organizations and municipalities to launch or develop projects, ultimately aiming to attract further investment and meet the criteria of driving net positive environmental and social outcomes.

About the Disclosure Statement

Closed Loop Partners (the “Signatory”) hereby affirms its status as a Signatory to the Operating Principles for Impact Management (the “Impact Principles”). The total value of the Covered Assets in alignment with the Impact Principles is over \$550 million in total commitments as of December 31, 2024, across Closed Loop Partners’ venture capital, private equity and catalytic capital and private credit strategies.

As a Signatory to the Impact Principles, Closed Loop Partners shares in the collective commitment to ensure that impact management practices are purposefully integrated throughout the life cycle of each investment in its funds’ portfolios. This Disclosure Statement describes practices common to all Closed Loop Partners investment funds, with a particular focus on the impact measurement and management (“IMM”) process and policies adhered to by the Closed Loop Private Equity team.

IMPACT FRAMEWORK

Closed Loop Partners has developed and implemented IMM policy and procedures to evaluate its investments and has identified and managed investments for impact contribution since the Firm's inception. The IMM policy and procedures are continually updated and enhanced as globally recognized impact standards and frameworks advance.

The foundation of our impact approach includes standardization, transparency and accountability (or verification).

- **Standardization of frameworks** – the Firm advocates for comparability and accountability across impact investing. We actively partner with organizations that help advance standardization of the measurement, management and reporting of impact outputs. Our processes are aligned with leading industry frameworks including the Global Impact Investing Network (GIIN) IRIS+, the Five Dimensions of Impact and EU Taxonomy.
- **Transparency of procedures and execution** – our investment thesis is integrated with the view that IMM increases transparency into the operations of a company, producing greater visibility and data to assess the viability, execution, and value of a business. We are also dedicated to providing transparency into our own IMM procedures and execution.
- **Accountability (or verification)** – the Firm has been through numerous external verifications and audits on ESG practices, carbon accounting, and alignment to the Impact Principles. The Firm is committed to regular, independent verification of its IMM practices.

We measure and manage our impact using the Four Universal Steps, which have been defined through a collaboration between United Nations Development Programme (UNDP) SDG Impact and the award-winning team at CASE at Duke University.

The Four Universal Steps were first introduced to the public through a Coursera class entitled, “Impact Measurement & Management for the SDGs.” The UNDP is a steward of the United Nations Sustainable Development Goals (UN SDGs) that were launched in 2015, to which 193 countries have signed up to achieve by 2030. The SDGs are a shared plan to end extreme poverty, reduce inequality and protect the planet; they have become the world’s blueprint to achieve a better and more sustainable future for all.



Four universal steps developed by UN Development Programme (UNDP) and Duke University.

Figure 1: Closed Loop Partners' IMM Process, Following the Four Universal Steps

Closed Loop Partners' IMM process follows the Four Universal Steps, and also integrates all nine Impact Principles, as outlined in this Disclosure Statement.



Figure 2: Closed Loop Partners' Integration of 9 Impact Principles

PRINCIPLE 1

Define strategic impact objective(s), consistent with the investment strategy

The Manager shall define strategic impact objectives for the portfolio or fund to achieve positive and measurable social or environmental effects, which are aligned with the Sustainable Development Goals (SDGs), or other widely accepted goals. The impact intent does not need to be shared by the investee. The Manager shall seek to ensure that the impact objectives and investment strategy are consistent; that there is a credible basis for achieving the impact objectives through the investment strategy; and that the scale and/or intensity of the intended portfolio impact is proportionate to the size of the investment portfolio.

The Firm's impact strategy is established by the Firm's Impact Steering Committee ("Impact SteerCo"). The Impact SteerCo is mandated to:

- Define, inform, and assess the Firm's impact thesis;
- Determine and maintain the Firm's impact thesis and IMM methodology which includes selecting and updating industry standard frameworks that are relevant to the Firm's (i) impact assessment, management and monitoring of portfolio companies' impact outputs, (ii) assessing investments' contribution to impact outcomes, and (iii) reporting to stakeholders;
- Identify and ensure impact standards relevant to the Firm's investment strategies and operations; and
- Ensure adherence to the Firm's IMM methodology and procedures, including providing appropriate training and resources across the Firm.

Each of the funds managed by the Firm has a specific mandate that integrates the Firm's impact thesis, and each investment team integrates the guidance issued by the Impact SteerCo into its specific investment strategy.

For example, the Closed Loop Private Equity strategy seeks to make control investments in cash flowing businesses and enabling technologies to scale platforms that are fundamental to the circular economy. CLPE's strategy is anchored by the Firm's core investment thesis, which focuses on the substantial financial opportunity presented by global industry's shift from a linear, take-make-waste economic model to a circular economic model that is not dependent on the extraction of natural resources and disposal into landfill, incineration or the natural environment. Specifically, CLPE is focused on investments in private companies that mitigate waste,

increase supply chain efficiency, and improve materials management within circular value chains across industries including plastics & packaging, circular technology, food & agriculture, the built environment, energy efficiency, textiles, healthcare, and related subsectors.

CLPE's theory of change, which is based on the Firm's theory of change illustrated below, demonstrates how its investments can drive the following outcomes: (1) material diversion from landfill, (2) greenhouse gas emissions avoidance, (3) end market support for recycled materials, and (4) extension of the useful lifespan of valuable materials. These outcomes can then lead to the mainstream adoption of circular manufacturing and production systems and an increase in price-competitive alternatives to costly raw material extraction and landfill disposal. CLPE's mission is to scale resilient, circular supply chains, contributing to the global transition to a circular economic model, one that promotes the sustainable use of natural resources and endeavors to decouple economic growth from environmental degradation, preserving biodiversity and mitigating climate change risk.

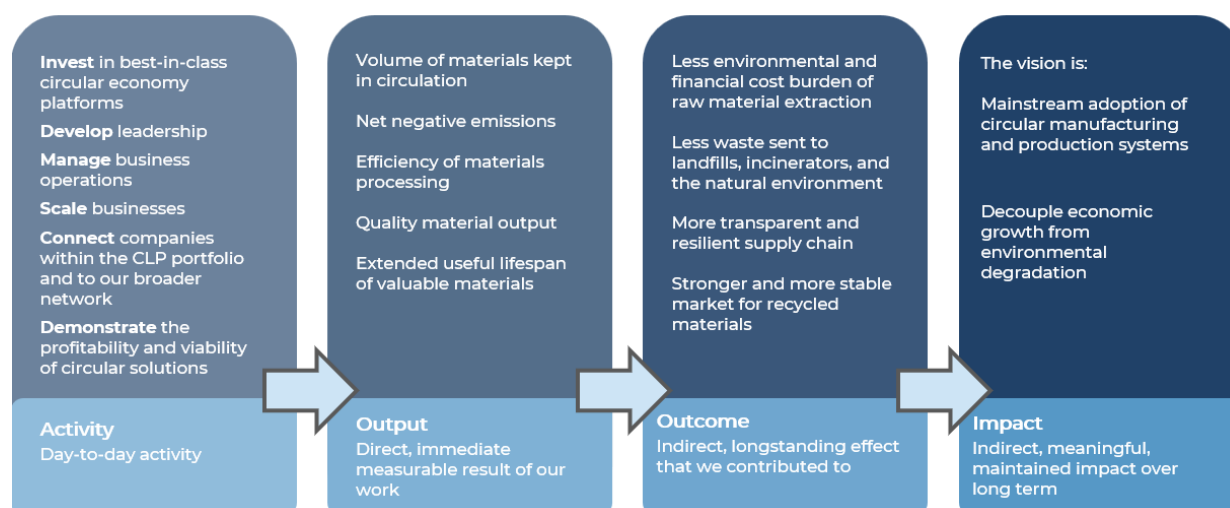


Figure 3: Closed Loop Partners' Theory of Change

Closed Loop Partners aligns our impact thesis with the UN SDGs. Closed Loop Partners links the impact objectives of each of its funds to the SDGs using “A, B, C classification,” the classification system established by the Impact Management Project (IMP) to specify each objective’s intentions with respect to each SDG. The Firm’s investment strategies contribute directly to two of these SDGs: 8, Decent Work and Economic Growth and 12, Responsible Consumption and Production, below in *Figure 4*.



Figure 4: Sustainable Development Goals organized by IMP Classifications

PRINCIPLE 2

Manage strategic impact on a portfolio basis

The Manager shall have a process to manage impact achievement on a portfolio basis. The objective of the process is to establish and monitor impact performance for the whole portfolio, while recognizing that impact may vary across individual investments in the portfolio. As part of the process, the Manager shall consider aligning staff incentive systems with the achievement of impact, as well as with financial performance.

The Firm has established processes and tools for its funds to integrate impact considerations at each stage of the investment process across the portfolio, grounded in a standardized set of impact indicators.

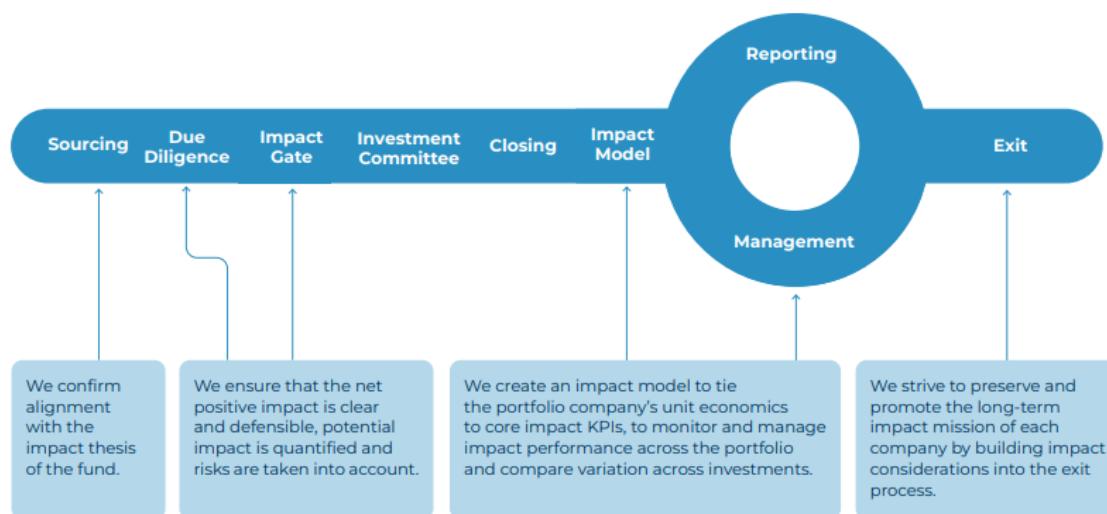


Figure 5: Closed Loop Partners' Integration of Impact Considerations Across Investment Process

The investment team of each fund sources opportunities in accordance with the specific fund's investment and impact thesis. For example, CLPE sources opportunities that meet financial criteria for the lower middle market private equity strategy and show the potential to deliver circular solutions at scale across key focus areas within the transition to the circular economy, namely plastics & packaging, food & agriculture, circular technology, built environment, energy efficiency, textiles & apparel, and healthcare.

Pre-investment, the investment team establishes a baseline impact for each investment, projecting total and incremental impact through the due diligence process. Projected impact is considered in the investment decision-making process. The investment team conducts thorough due diligence and an ESG risk assessment of each of its prospective investments. This includes analyzing the physical risk of climate change to the company's operations, the diversity, equity, and inclusion practices of the company, the direct and indirect impacts of the company operations on surrounding communities, the health impacts of the company operations, grievance mechanisms for affected communities, and number of injuries or fatalities at the operation. The Firm's ESG due diligence questionnaire is based on international regulations and frameworks, specifically the SFDR and the EDCI performance standards. Completion of the ESG risk assessment is a standard part of the deal checklist and a core tenet of evaluation. Its completion is owned by the investment team.

As a fund makes investments with a strategic advantage to scale circularity, the investment teams analyze the ESG risks of each of its investments. ESG risks and opportunities are included in a detailed assessment to the investment committee. Before going through investment committee (IC), there is an "impact gate" step where the investment team meets to discuss the investment's impact vis-a-vis the UN SDGs, contribution to key impact KPIs ((1) materials kept in circulation (MKIC) and (2) CO2e emissions mitigated or avoided), and potential ESG risks. If the IC and impact data management representatives do not deem the investment to meet the applicable fund's criteria, it does not pass the impact gate and does not go forward.

Post-investment, the investment teams conduct ongoing monitoring and review of impact indicators, aligned with the IRIS+ metrics outlined by Global Impact Investing Network (GIIN). The investment teams build an impact model in partnership with each portfolio company. Constructing the impact model together with the Closed Loop Partners team supports the portfolio company in understanding the alignment to the Firm's impact thesis. The impact model links the investee's operations with the data required to measure and monitor impact and assess impact outputs in

contribution to a fund's impact objectives and assess progress towards impact targets.¹

The Firm aligns employee incentives with firmwide impact objectives and with specific firmwide impact targets, namely cumulative tons of materials kept in circulation. The Firm also directly links investment team carried interest incentives to impact targets for certain of our impact-first catalytic capital & private credit funds, whereby carried interest to the team is unlocked when a specified number of tons of target plastics per dollar invested are kept in circulation (out of landfill and the natural environment) and a specified number of metric tonnes of CO₂e emissions are avoided per dollar invested.

PRINCIPLE 3

Establish the Manager's contribution to the achievement of impact

The Manager shall seek to establish and document a credible narrative on its contribution to the achievement of impact for each investment. Contributions can be made through one or more financial and/or non-financial channels. The narrative should be stated in clear terms and supported, as much as possible, by evidence.

Closed Loop Partners' investment thesis focuses on the financial opportunity presented by the ongoing transition from a linear, take-make-waste economic model to a circular economic model that is not dependent on the extraction of natural resources, nor on disposal into landfill, incineration, or the natural environment. In the Firm's view, the transition to a circular economy represents the largest economic shift since the industrial revolution with the opportunity to unlock \$1.5 trillion in new revenue and economic value for U.S. corporations, and an estimated \$25 trillion globally by 2050². The Firm believes that the market drivers for growing a circular economy include:

1. Cost savings and margin enhancement;
2. Revenue opportunities for both disruptive and incumbent businesses;
3. The desire for increased resilience and stability of supply chains;

¹ Please refer to the Firm's Annual Impact Report for additional information and examples of the Closed Loop Partners process: <https://www.closedlooppartners.com/impact-report-2023/>.

² Oliver Wyman & Ellen MacArthur Foundation, An Innovation Pathway to Decarbonization: Circular Economy Solutions for Policymakers and Industry in the U.S., 2024, and Lacy, Long, Spindler, The Circular Economy Handbook - Realizing Your Circular Advantage. Accenture Strategy, 2020.

4. Meeting consumer demand for transparency and for sustainable products or services;
5. Risk mitigation and avoidance of regulatory compliance costs (both current and anticipated);
6. Net-zero, climate change risk mitigation objectives of global corporations; and governments.

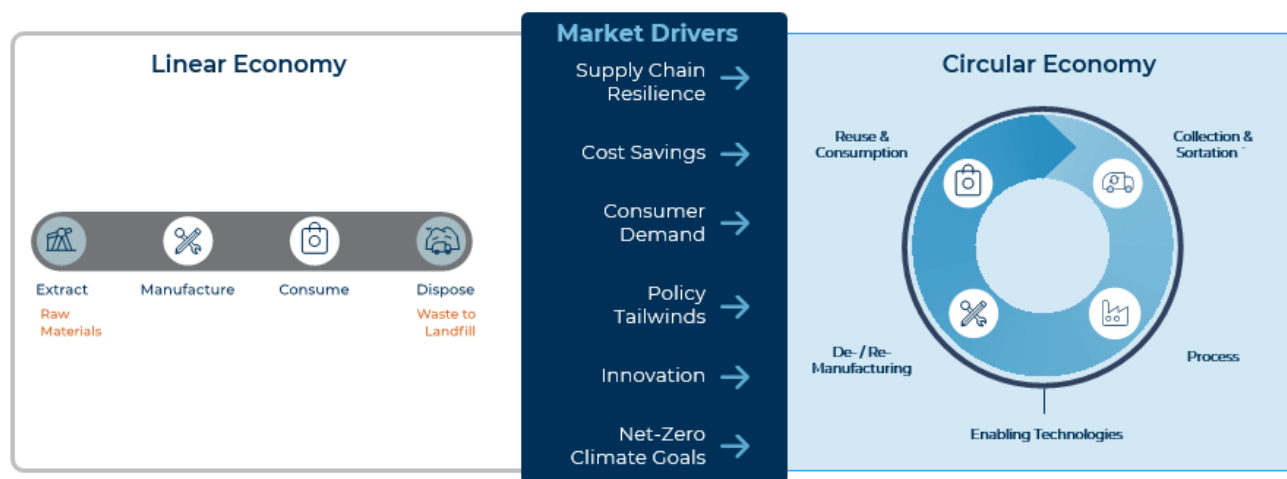


Figure 6: Drivers of the Transition to the Circular Economy, Outlined by Closed Loop Partners

Over the past decade, the Firm has made over 90 investments in circular solutions across focus areas that include plastics & packaging, food & agriculture, electronics, the built environment, and textiles & apparel. As of year-end 2024, the Firm's portfolio companies have kept 7.9 million tons of materials out of landfills, maintaining their circulation in regional supply chains, and mitigated 24.2 million metric tonnes of greenhouse gas emissions.³

Closed Loop Partners' funds align with six UN SDGs, contributing directly to two of these SDGs: 8, Decent Work and Economic Growth; and 12, Responsible Consumption and Production. The Firm linked its impact objectives to the SDGs using the Impact Management Project (IMP)'s "A, B, C classification" to specify each objective's intentions with respect to each SDG, outlined below in *Figure 7*.

³ Please refer to Closed Loop Partners' latest Annual Impact Report for additional information on the impact outputs and our IMM methodology: <https://www.closedlooppartners.com/impact-report-2023/>.



Figure 7: Sustainable Development Goals organized by IMP Classification

The Firm's investment teams strive to create net positive impact in all investments and have interpreted the Impact Management Project's contribution strategies using the Impact Classification System (now embedded in the Global Impact Investing Network (GIIN)):



Figure 8: Closed Loop Partners' Interpretation of Impact Classification System

As an example, CLPE owns a controlling interest in Sage Sustainable Electronics ("Sage"), and sits on the Board of Directors. The investment team is directly involved in ensuring that actions and impact outputs are continued, monitored and measured, and that the company is well-poised to expand its impact as it scales to the next stage of growth. In 2025, Sage, in partnership with Bloom ESG, announced ISO 14064 certified impact reporting and carbon registry service. Sage clients will have access to their Carbon Avoidance Dashboard within the Sage customer portal. This first-to-market offering is based upon a calculator customized to measure carbon avoidance for Sage business practices ensuring the most precise calculations available in the industry.⁴

⁴ Please refer to additional information available on Sage's website: <https://www.sagese.com/iso-14064-certified-impact-reporting-for-electronics>

PRINCIPLE 4

Assess the expected impact of each investment, based on a systematic approach

For each investment the Manager shall assess, in advance and, where possible, quantify the concrete, positive impact potential deriving from the investment. The assessment should use a suitable results measurement framework that aims to answer these fundamental questions: (1) What is the intended impact? (2) Who experiences the intended impact? (3) How significant is the intended impact? The Manager shall also seek to assess the likelihood of achieving the investment's expected impact. In assessing the likelihood, the Manager shall identify the significant risk factors that could result in the impact varying from ex-ante expectations. In assessing the impact potential, the Manager shall seek evidence to assess the relative size of the challenge addressed within the targeted geographical context. The Manager shall also consider opportunities to increase the impact of the investment. Where possible and relevant for the Manager's strategic intent, the Manager may also consider indirect and systemic impacts. Indicators shall, to the extent possible, be aligned with industry standards and follow best practice.

Each investment team within the Firm assesses and measures impact throughout the lifecycle of each investment using IRIS+, a generally accepted impact accounting system that leading impact investors use to measure, manage and optimize their impact. Outlined within Step 2 of the Four Universal Steps, the Firm develops the impact narrative of each investment by assessing alignment of the deal with the impact thesis of the applicable fund. The Theory of Change is then mapped to the UN SDGs and impact targets. The Firm also uses the Five Dimensions of Impact (formerly part of the Impact Management Project, now part of the GIIN IRIS+ metrics) to provide a deeper understanding of our impact, across the five dimensions of performance: **What, Who, How Much, Contribution, and Impact Risk:**

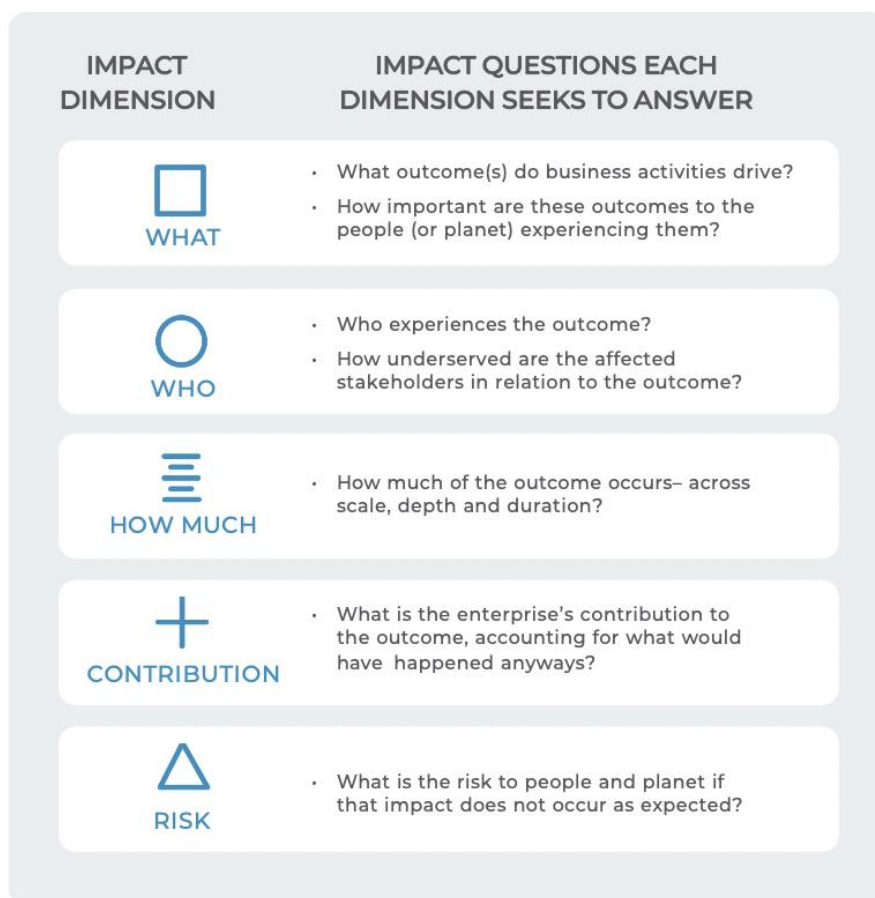


Figure 9: Five Dimensions Impact Logics Framework

Each investment team projects intended impact for each investment by measuring forecasted outcomes against impact objectives using key performance indicators that align with industry standards, as well as analyzing the additionality of each investment's impact. This includes classification of the level of contribution towards selected goals, targets and/or objectives.

With Closed Loop Partners' investment thesis firmly rooted in advancing circular solutions that maximize the value of resources already in play, the profitability and impact potential of our portfolio companies are intrinsically correlated. As portfolio companies grow in size, scale and profit, diverting more material from landfill and therefore avoiding the emission of more greenhouse gases, so does their environmental and social impact.

PRINCIPLE 5

Assess, address, monitor, and manage potential negative impacts of each investment

For each investment the Manager shall seek, as part of a systematic and documented process, to identify and avoid, and if avoidance is not possible, mitigate and manage negative impact risks. Where appropriate, the Manager shall engage with the investee to seek its commitment to take action to address potential gaps in current investee systems, processes, and standards, using an approach aligned with good international industry practice. As part of portfolio management, the Manager shall monitor investees' negative impact risk and performance, and where appropriate, engage with the investee to address gaps and unexpected events.

As noted above under Principle 2, Closed Loop Partners conducts thorough due diligence, including an ESG risk assessment, on each of its prospective investments. The investment team will map investments to both the Five Dimensions detailed in Principle 4 above, including identifying and assessing negative externalities of an investment. For example, in alignment with the Sustainable Financial Disclosure Regulation (SFDR), the CLPE investment team maps every investment to the EU Taxonomy's criteria for circular economy investments including the demonstration of resource efficiency, waste reduction, product life extension, reuse and recycling. This mapping will include the requisite "do no significant harm" (DNSH) assessment across five environmental criteria for sustainable investments: (1) climate change mitigation; (2) climate change adaption; (3) sustainable use and protection of water and marine resources; (4) pollution prevention and control; and (5) protection and restoration of biodiversity and ecosystems. In accordance with the evolving SFDR Article 9, the CLPE team assesses, monitors and discloses Principal Adverse Impacts (PAIs), which includes assessing the negative effects that investment decisions on sustainability factors, such as environmental, social and governance (ESG) aspects.

The investment teams build an impact model in partnership with each portfolio company. Constructing the impact model together with the Closed Loop Partners team supports the portfolio company in understanding the alignment to the Firm's impact thesis. The impact model links the investee's operations with the data required to measure and monitor impact and assess impact outputs in contribution to a fund's impact objectives and assess progress towards impact targets.

Post-investment, the investment teams are an active partner with the portfolio company's management team, continuously gathering impact data, reviewing and

mitigating risks, and optimizing operations for both increased impact and financial performance. The investment team works directly with the company across strategy, governance, operations and finance to support the extension and continued integration of the Firm's best practices as the company grows.

PRINCIPLE 6

Monitor the progress of each investment in achieving impact against expectations and respond appropriately

The Manager shall use the results framework (referenced in Principle 4) to monitor progress toward the achievement of positive impacts in comparison to the expected impact for each investment. Progress shall be monitored using a predefined process for sharing performance data with the investee. To the best extent possible, this shall outline how often data will be collected; the method for data collection; data sources; responsibilities for data collection; and how, and to whom, data will be reported. When monitoring indicates that the investment is no longer expected to achieve its intended impacts, the Manager shall seek to pursue appropriate action. The Manager shall also seek to use the results framework to capture investment outcomes.

Closed Loop Partners has developed a thorough process to collect data, manage outcomes and optimize impact. Outlined within Step Three of the Four Universal Steps, the Firm collects and aggregates inbound reports from each investment, reviews and validates inbound information to track deviations in the data, and analyzes the impact data at an investment and portfolio level to determine where to optimize impacts.

A key component of an investment team's investment thesis is to help portfolio companies build their impact model and effectively articulate themselves as a circular company. The direct, measurable output of our portfolio companies' work can be expressed by quantifying the resources kept in circulation rather than wasted.

Each investment team captures each investment's progress towards expected positive impact on a monthly or quarterly basis through portfolio company reporting, grounded in impact indicators that capture investor outcomes. All impact indicators are aligned with the IRIS+ metrics outlined by GIIN, which allows for monitoring impact performance across the portfolio, as well as comparing variation across investments. Those indicators include, but are not limited to:

- **Tons of Materials Kept in Circulation:** the materials that are kept in circulation through portfolio company operations at different stages of the circular supply chain, including collection, sortation, processing, end manufacturing, composting, anaerobic digestion or enabling technologies. This is measured in short tons.
- **Metric Tonnes of Greenhouse Gas Emissions:** CO₂ estimated emissions reduced or avoided as a funded project or company, based on metric tonnes of material recovered, using data from the most recent version of the U.S. EPA Waste Reduction Model (WARM).

Each of the Firm's investment teams works with portfolio companies to monitor, manage and report on impact performance. Impact data collected through quarterly monitoring is reviewed by a dedicated staff member and compared with established impact projections to allow for the comparison of actual and expected impact performance over time.

PRINCIPLE 7

Conduct exits considering the effect on sustained impact

When conducting an exit, the Manager shall, in good faith and consistent with its fiduciary concerns, consider the effect which the timing, structure and process of its exit will have on the sustainability of the impact.

Closed Loop Partners' investment strategies aim to perpetuate sustainable and continual net-positive impact outcomes beyond the hold-period of an investment. The Closed Loop Partners investment team (1) gives intentional consideration to capital partners over the life of an investment, (2) deliberately structures terms where applicable, and (3) consciously evaluates exit scenarios upon initial underwriting (ex-ante), through the execution of an exit, and strives to evaluate the persistence of impact outcomes post facto.

Exit is part of the investment team's initial financial and impact underwriting. The ongoing systemic contribution to the circular economy is part of this assessment and the investment team's value creation strategy—through the fund's own management influence. For example, the CLPE strategy deliberately invests in business structures, human capital and systems that lead to long-term sustainability, including the persistence of impact outcomes post facto as a strategic driver for exit value. Evidence of this underwriting is recorded through the team's exchanges, models and investment memos.

After the fund monetizes its ownership position, the continuance of positive impact outcomes, positive contribution to the circular economy and ESG practices should be reviewed and compared versus expectations.

PRINCIPLE 8

Review, document and improve decisions and processes based on the achievement of impact and lessons learned

The Manager shall review and document the impact performance of each investment, compare the expected and actual impact, and other positive and negative impacts, and use these findings to improve operational and strategic investment decisions, as well as management processes.

At Closed Loop Partners, IMM is the responsibility of every member of the investment teams. At the top level, the Impact SteerCo meets no less than annually to review and enhance its IMM guidance. This guidance is flowed throughout the organization through a variety of communications, including formal and informal trainings and access to both internal and external resources to support all employees in understanding and identifying how to optimize impact across the Firm's investment strategies.

These training sessions are generally integrated into regular team meetings and presentations and will often feature notable case studies or project highlights and learnings from teams across the broader Closed Loop Partners platform. This enables the investment teams to learn directly from the deep bench of industry experts across the Firm. The Firm is an active member of multiple industry organizations, which provides employees from across the Firm—including those in investments, communications, finance and investor relations—with the ability to regularly participate in events, training sessions, panels and workshops hosted by these organizations. These opportunities provide staff with ongoing education, best practices and emerging insights into effective impact integration, further reinforcing the Firm's commitment to rigorous and informed impact management.

Investment team members ensure accountability in execution in accordance with the Firm's IMM methodology in part by designating one member of each investment team as an "impact champion." These individuals work closely with the Firm's Impact Data Management and Partnerships/Investor Relations teams to drive consistent implementation of the Firm's impact approach throughout the deal cycle.

The investment team strives to evaluate the persistence of impact outcomes following exit of an investment. Exit is part of the investment team's initial financial and impact underwriting. The ongoing systemic contribution to the circular economy is part of this assessment and the investment team's value creation strategy. After the fund monetizes its ownership position, the continuance of positive impact outcomes, positive contribution to the circular economy and ESG practices should be reviewed and compared versus expectations.

In addition to impact governance, training, modeling and exit strategies, Closed Loop Partners aims to optimize impact outcomes through new impact decisions and processes. These are informed by a thorough impact data review that is integrated within the larger company-wide business review. Through partnerships with impact industry leaders, Closed Loop Partners continuously works towards integrated reporting, common language and measurable & transparent outcomes throughout the lifecycle of each investment. With every investment, the Firm continues to evolve and advance its impact management system.

PRINCIPLE 9

Publicly disclose alignment with the Impact Principles and provide regular independent verification of the alignment

The Manager shall publicly disclose, on an annual basis, the alignment of its impact management systems with the Impact Principles and, at regular intervals, arrange for an independent verification of this alignment. The conclusions of this verification report shall also be publicly disclosed. These disclosures are subject to fiduciary and regulatory concerns.

Closed Loop Partners reinforces our continued adherence to Impact Principles through periodic reporting to our stakeholders and third-party verification. The Firm reports regularly to its investors, sharing impact-related findings on a biannual basis as part of the investment team's biannual investor letters, and on an annual basis in the Firm's comprehensive annual impact report. While the details of our portfolio investments are confidential and therefore are only provided to our investors, we publicly share our annual impact report. That report, together with this annual Disclosure Statement, describes the alignment of our impact management systems with the Impact Principles.

The Firm completes a tri-annual impact verification review by BlueMark. In the Summer of 2024, following our most recent verification review, the Firm's IMM

methodology was recognized as part of BlueMark's Practice Leaderboard. Please refer to the attached verification letter which summarizes the findings from BlueMark's verification of Closed Loop Partners' alignment to the Impact Principles.

BlueMark is a leading provider of independent impact verification and intelligence services to the impact investment market. BlueMark was founded in 2020 with a mission to “strengthen trust in impact investing” and bring more accountability to the impact investment process. A Delaware-registered public benefit company and certified B Corp, the company has offices in London, UK; New York, NY; and Portland, OR. BlueMark, 1154 W 14th St, 2nd Floor; New York, NY 10011.



The information contained in this Disclosure Statement has not been verified or endorsed by the Global Impact Investing Network ("the GIIN") or the Secretariat or Advisory Board. All statements and/or opinions expressed in these materials are solely the responsibility of the person or entity providing such materials and do not reflect the opinion of the GIIN. The GIIN shall not be responsible for any loss, claim or liability that the person or entity publishing this Disclosure Statement or its investors, Affiliates (as defined below), advisers, employees or agents, or any other third party, may suffer or incur in relation to this Disclosure Statement or the impact investing principles to which it relates. For purposes hereof, "Affiliate" shall mean any individual, entity or other enterprise or organization controlling, controlled by, or under common control with the Signatory.

Verifier Statement

Independent Verification Report

Prepared for: Closed Loop Partners: July 23, 2024

Introduction

As a signatory of the Operating Principles for Impact Management (the Impact Principles)¹, Closed Loop Partners (CLP) engaged BlueMark to undertake an independent verification of the alignment of Closed Loop Partners' impact management (IM) system with the Impact Principles. Closed Loop Partners' assets under management covered by the Impact Principles (Covered Assets) totals \$580 million², for the period ending 07/2024.

Summary assessment conclusions

BlueMark has independently verified Closed Loop Partners' extent of alignment with the Impact Principles. Key takeaways from BlueMark's assessment are as follows:

Principle 1: Closed Loop Partners' firmwide impact objective is to build the circular economy by investing in keeping materials in circulation. Each of the firm's strategies—venture, buyout, and catalytic capital—has developed a unique, evidence-based theory of change aligned to this objective.

Principle 2: Closed Loop Partners manages portfolio-level impact achievement by tracking two universal impact KPIs and aggregating them to the fund, strategy, and firm levels. To further align, CLP should establish a clear framework and associated targets for linking staff compensation to their contributions to impact.

Principle 3: Closed Loop Partners has articulated a firmwide investor contribution strategy and outlines its intended contribution approach for each investment in the due diligence process. To further align, CLP should develop a process for tracking the status and results of its contribution activities against expectations established ex-ante.

Principle 4: Closed Loop Partners employs a standardized impact due diligence process focused on the IMP's 5 dimensions of impact. The firm's process includes concrete projections of expected impact and, in isolated cases, engagement with end stakeholders.

Principle 5: Closed Loop Partners' strategies follow unique processes for identifying ESG risks in due diligence, and each fund has identified the material risks they assess and their logic for selection. Similarly, the buyout and catalytic capital strategies have developed unique monitoring practices, while the ventures group does not yet monitor for ESG risks.

Principle 6: Closed Loop has developed a standardized process for monitoring impact performance for all investments. Quarterly memos include comparisons to ex-ante projections and previous periods to demonstrate progress. The firm follows a clear four-step process to address impact underperformance.

Principle 7: Closed Loop Partners has specified a core set of factors it considers to ensure impact is sustained post-exit. The ventures and buyout strategies document their consideration of these factors in exit tracker tools.

Principle 8: Closed Loop Partners reviews impact performance using impact memos, impact statements, and annual reports. An Impact Steering Committee reflects on impact performance and management practices. To further align, CLP's review should systematically consider unintended impacts and reflect on the viability of its theories of change.

¹ Principle 9 states that signatories "shall publicly disclose, on an annual basis, the alignment of its impact management systems with the Impact Principles and, at regular intervals, arrange for independent verification of this alignment. The conclusions of this verification report shall also be publicly disclosed. These disclosures are subject to fiduciary and regulatory concerns."

² Assets under management figure as reflected in intake survey as of 07/22/2024. BlueMark's assessment did not include verification of the AUM figure.

Verifier Statement

Independent Verification Report

Prepared for: Closed Loop Partners: July 23, 2024

Detailed assessment conclusions

The chart below summarizes findings from BlueMark’s verification of Closed Loop Partners’ extent of alignment to the Impact Principles, using the following four ratings: ³

- Advanced (Limited need for enhancement);
- High (A few opportunities for enhancement);
- Moderate (Several opportunities for enhancement); and
- Low (Substantial enhancement required).⁴

Principle	Alignment
1. Define strategic impact objective(s), consistent with the investment strategy	ADVANCED
2. Manage strategic impact on a portfolio basis	HIGH
3. Establish the Manager's contribution to the achievement of impact	HIGH
4. Assess the expected impact of each investment, based on a systematic approach	ADVANCED
5. Assess, address, monitor, and manage potential negative impacts of each investment	ADVANCED
6. Monitor the progress of each investment in achieving impact against expectations and respond appropriately	ADVANCED
7. Conduct exits considering the effect on sustained impact	ADVANCED
8. Review, document, and improve decisions and processes based on the achievement of impact and lessons learned	HIGH

³ The scope of BlueMark’s assessment procedures does not include the verification of the resulting impacts achieved. BlueMark’s assessment is based on its analyses of publicly available information and information in reports and other material provided by Closed Loop Partners. BlueMark has relied on the accuracy and completeness of any such information provided by Closed Loop Partners. The assessment results represent BlueMark’s professional judgment based on the procedures performed and information obtained from Closed Loop Partners.

⁴ The decision to publicly disclose the results of BlueMark’s detailed assessment, and the specific ratings assigned to each Principle, is left to the sole discretion of Closed Loop Partners.

Verifier Statement

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Assessment methodology and scope

Closed Loop Partners provided BlueMark with the relevant supporting documentation for the policies, processes, and tools related to the IM system applicable to the Covered Assets. The scope of BlueMark's work was limited to processes in place related to the Covered Assets as of 07/23/24. BlueMark's assessment of the IM system included an evaluation of both the system itself and supporting documentation, as well as the consistency of the draft disclosure statement with the IM system. BlueMark believes that the evidence obtained in the scope of its assessment is sufficient and appropriate to provide a basis for our conclusions.⁵

BlueMark's full assessment methodology, based on its professional judgment, consisted of:

1. Assessment of the IM system in relation to the Impact Principles, using BlueMark's proprietary rubric, and examining processes and policies against the following criteria:
 - *Compliance* of the IM system with a threshold level of practice;
 - *Quality* of the IM system's design in terms of its consistency and robustness; and
 - *Depth* of sub-components of the system, focused on completeness
2. Interviews with Closed Loop Partners staff responsible for defining and implementing the IM system;
3. Testing of selected Closed Loop Partners transactions to check the application of the IM system; and
4. Delivery of detailed assessment findings to Closed Loop Partners, outlining areas of strong alignment and recommended improvement, as well as BlueMark's proprietary benchmark ratings on the extent of alignment to each of the Impact Principles.

Permissions

This statement, including our conclusions, has been prepared solely for Closed Loop Partners in accordance with the agreement between our firms, to assist Closed Loop Partners in fulfilling Principle 9 of the Operating Principles for Impact Management. We permit Closed Loop Partners to disclose this statement in its entirety online, or to furnish this statement to other interested parties to demonstrate Closed Loop Partners' alignment with the Operating Principles for Impact Management. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Closed Loop Partners for our work or this statement except where terms are expressly agreed between us in writing.

About BlueMark

BlueMark, a Delaware-registered public benefit company, is a leading provider of impact verification services in the impact investing market. BlueMark was founded with a mission to "strengthen trust in impact investing" and to help bring more accountability to the impact investment process. BlueMark has conducted this verification with an independent and unconflicted team experienced in relevant impact measurement and management issues. BlueMark has implemented a Standard of Conduct requiring our employees to adhere to the highest standards of professional integrity, ethics, and objectivity in their conduct of business activities.

BlueMark has office locations in London, UK; New York, NY; and Portland, OR; and is headquartered at 154 W 14th St, 2nd Floor, New York, NY 10011. Its outside investors include S&P Global, Temasek Trust Capital, Blue Haven Initiative, Gunung Capital, Tsao Family Office, Ford Foundation and Radicle Impact. For more information, please visit www.bluemark.co.

⁵ The scope of BlueMark's assessment procedures does not include the verification of the resulting impacts achieved. BlueMark's assessment is based on its analyses of publicly available information and information in reports and other material provided by Closed Loop Partners. BlueMark has relied on the accuracy and completeness of any such information provided by Closed Loop Partners. The assessment results represent BlueMark's professional judgment based on the procedures performed and information obtained from Closed Loop Partners.