

# Sustainability and Impact Report 2022: **Sustainable Solutions Fund III**

Q2 | 2023



## Contents

<b>Introduction and Overview</b>	<b>03</b>
1.1 Foreword	03
1.2 Growth Equity Overview	04
1.3 Investment Strategy and Approach	05
1.4 Investment Process	06
1.5 System Positive Approach	07
1.6 Our Sustainability Impact Over the Years	08
<b>Portfolio Review</b>	<b>09</b>
2.1 Portfolio Results	09
2.2 In Focus: Equity, Diversity and Inclusion	10
2.3 In Focus: Environmental Impact	11
2.4 In Focus: Engagement	12
2.5 Company Results	13–27
<b>Appendix</b>	<b>28</b>
3.1 Portfolio Mapped to the SDGs	28–29
3.2 Data Partners for this Report	30
3.3 Carbon Footprinting Method	31
3.4 References	32–33
3.5 Our Values	34
3.6 Endnotes	35–36



## Foreword

### Dear Clients,

This Sustainability and Impact report covers our [third Sustainable Solutions Fund \(SSF III\)](#), which closed with just over USD 1 billion of committed capital in 2019 and is now fully invested across 15 companies. In May, we announced the final close of Sustainable Solutions Fund IV, bringing us to a total of USD 3.9 billion raised across four funds.

For the Growth Equity team, 2022 was a year of inward focus on the portfolio, strategic reflection and operational improvement. We also continued to push forward on roadmaps, roundtables and events:

- Throughout 2022, we authored 13 roadmaps and assessed 52 qualified companies, across roadmap topics such as food systems, machine learning platforms, identity and anti-fraud, healthcare staffing, mental health and ESG & sustainability tools.
- We supported portfolio growth by convening six external events across five companies, including a fireside chat with Stella McCartney and Al Gore, across topics such as circular fashion and health care.
- We hosted our second System Positive Summit for portfolio company senior teams, offering them the chance to learn from over 15 practitioners and sharing our knowledge on topics including how to grow mission-driven, high-growth companies at scale by shifting to system-positive people and culture, governance and impact, and how to inspire impact through a downturn.

In parallel to deal activity, we made intentional investments in our operating platform scalability and efficiency to drive future growth. We started the year with process updates in response to the European Sustainable Finance Disclosure Regulation (“SFDR”), putting us on solid footing for reporting in 2023. In tandem, we kicked off a significant program of investment in our portfolio management approach. These include a refresh of our cross-portfolio ESG monitoring framework, the selection of a new technology platform to drive efficiency in financial and sustainability monitoring, the hiring of a Director with a focus on impact measurement, management and communication, and the expansion of our research team with a new hire to help scale our deal sourcing efforts and value-add with our portfolio.

In terms of results, it is important to note that not all our companies performed as expected this year. While some continued to scale impact, others saw declines in beneficiary survey results. Some of these trends are still due to data integrity and ability to benchmark consistently against past data received from our portfolio, some of whom are early in their measurement journey. Nonetheless, we believe this places a new onus on us to analyse the differences in output versus impact, and work with our companies on each separately to ensure we are improving both.

Alongside Generation’s firm-wide advocacy and impact initiatives,<sup>1</sup> we continued to monitor the sustainability disclosure standards and regulation landscape. In 2022, Generation submitted responses to the US Securities and Exchange Commission (SEC)’s consultation on its draft climate disclosure rule, the ISSB’s consultation on its two standards (IFRS S1 and S2), and the European Financial Reporting Advisory Group (EFRAG)’s consultation on its draft European Sustainability Reporting Standards (ESRS) in which we urged stringent disclosure standards on climate, and increasing effort on interoperability to monitor the sustainability disclosure standards and regulation landscape. As a firm, we continue to believe that comparable data sets on impact and measurement and reporting norms should be the highest priority for sustainable investors. We as an industry and our clients must hold ourselves to account and compare our performance, not just on risk-adjusted returns, but also impacts. We always enjoy sharing learnings, in particular, with our clients, and we encourage you to reach out to us.

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We look forward to working with you on this journey,  
**The Growth Equity Team**



# Growth Equity Overview

Years of Operating<sup>2</sup>

16 years

Since inception

Team<sup>3</sup>

22 employees

In 2022

Total Committed Capital

\$3.9 billion

31 December 2022

## Address

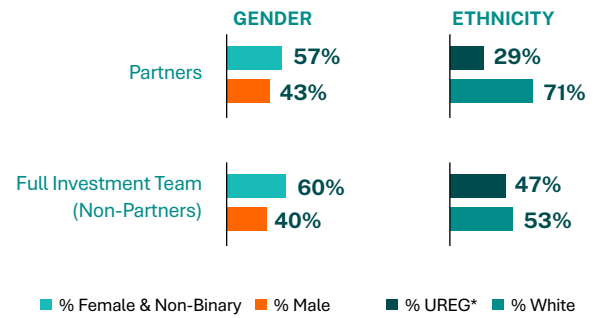
### LONDON

20 Air Street  
London W1B 5AN  
United Kingdom

### SAN FRANCISCO

555 Mission Street  
San Francisco, CA 94105  
United States of America

## Team Diversity<sup>4</sup>



## Geographic Reach of Our Companies<sup>5</sup>

### Planetary Health

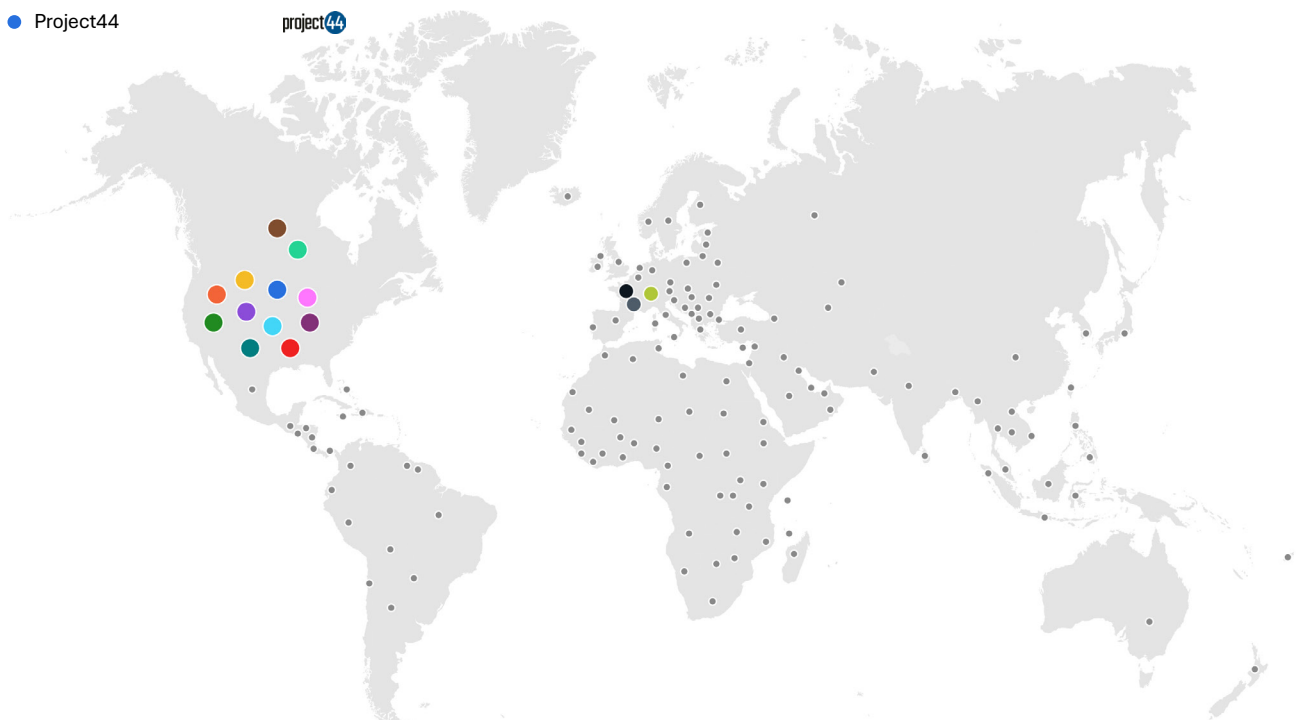
- Convoy
- Nature's Fynd
- Back Market
- Pivot Bio
- Vestiaire Collective
- o9
- Project44

### People Health

- Sophia Genetics
- Elation Health
- AlayaCare
- Benevity

### Financial Inclusion

- Andela
- Remitly
- Gusto
- Guideline



<sup>5</sup>People self-identified as belonging to an under-represented group (i.e., belonging to an ethnic minority within a given country's context). Note, GIM has previously used "POC" in the position of UREG.

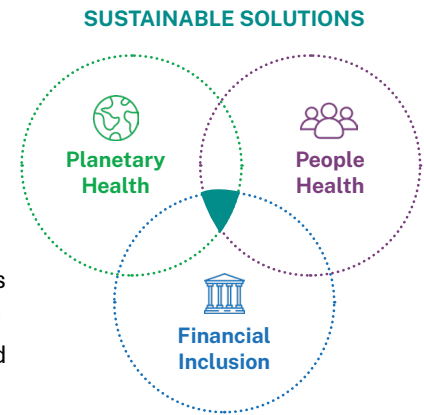


# Investment Strategy and Approach

## Strategy

We invest in companies whose products, services and operations contribute to the global outcomes of Planetary Health, People Health and Financial Inclusion.

We seek to back companies that drive clear impact across our three outcomes domains. Using our systems thinking lens, we also understand that these outcomes are often interrelated, and we take this into account in our investment research and evaluation – Planetary Health Influences People Health and Financial Inclusion, and the other way around.



## Approach to Portfolio Impact and ESG Performance Measurement

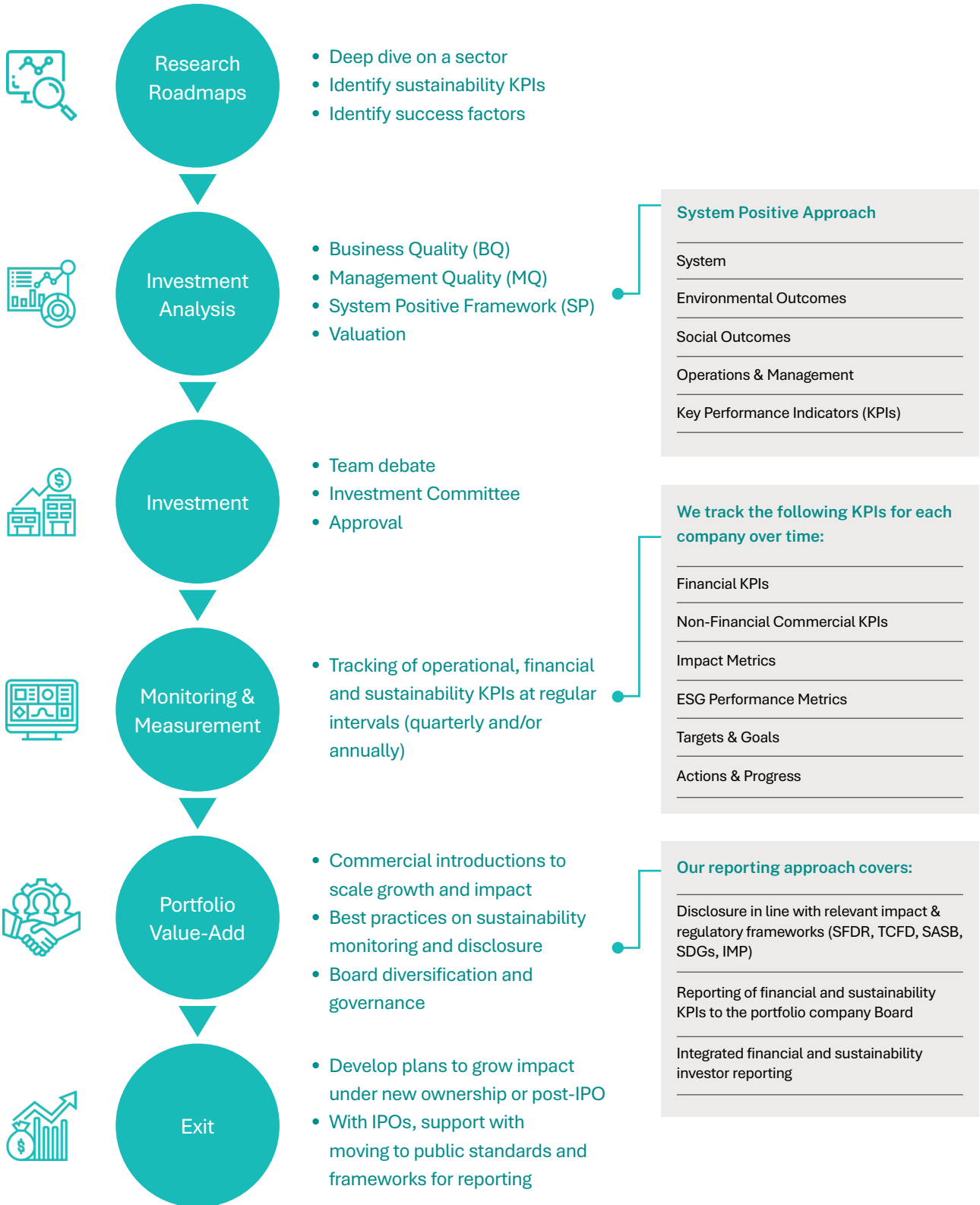
We select at least one ‘North Star’ impact metric to measure each business’ contribution to the above goals, and report on outcomes mapped to the UN Sustainable Development Goals (SDGs), alongside core ESG performance metrics. For companies contributing to Financial Inclusion and People Health, we measure social outcomes using beneficiary surveys or work with the companies to define and/or refine metrics they can track internally. For companies contributing to planetary health, we analyse their total environmental impact through Life Cycle Assessments (LCA). We also analyse our business’ overall contribution and risks to impact using the norms established by the Impact Management Project (IMP). Finally, using greenhouse gas (GHG) emissions measured as part of our core ESG performance metrics, we have begun to engage our portfolio in reporting aligned to the Task Force on Climate-related Financial Disclosure (TCFD) recommendations and in setting Science-Based Targets (SBT), in line with Generation’s commitment to align our portfolios to net zero by 2040 or sooner. Moving forward, we will place a larger focus on benchmarking our companies against the Growth portfolio to uncover opportunities and help highlight areas where progress has been made.

	Planetary Health	People Health	Financial Inclusion	REPORTING FRAMEWORKS
IMPACT OUTCOMES	GHG Mitigation	Access	Access	<ul style="list-style-type: none"> <li>Sustainable Development Goals (SDGs)</li> </ul>
	Pollution Avoidance	Health Outcomes	Individual Earnings Growth	
	Resource Efficiency	System Cost Efficiency	System Cost Efficiency	
IMPACT METRICS	<ul style="list-style-type: none"> <li>tCO<sub>2</sub>e avoided</li> <li>Tonnes of pollution/waste avoided to air/water/land</li> <li>Litres of fuel saved</li> <li>Cubic metres of water saved</li> <li># trees saved</li> <li>Square metres of land saved</li> </ul>	<ul style="list-style-type: none"> <li># new patients treated</li> <li># new people insured/ treated</li> <li># early interventions</li> <li>Increase in recovery rate/ life expectancy</li> <li>\$ cost reduction to customers</li> </ul>	<ul style="list-style-type: none"> <li>% beneficiaries in low income/unbanked/ underinsured group</li> <li>\$ increase in earnings</li> <li>\$ cost reduction to customers</li> </ul>	<ul style="list-style-type: none"> <li>Life Cycle Assessments (LCA) or beneficiary surveys</li> <li>Impact management norms established by the Impact Management Project (IMP), housed by Impact Frontiers</li> </ul>
	ESG PERFORMANCE METRICS	Environment, Social and Governance (ESG) information captured across the portfolio		
			<ul style="list-style-type: none"> <li>Carbon emissions target-setting and reporting initiatives</li> </ul>	



# Investment Process

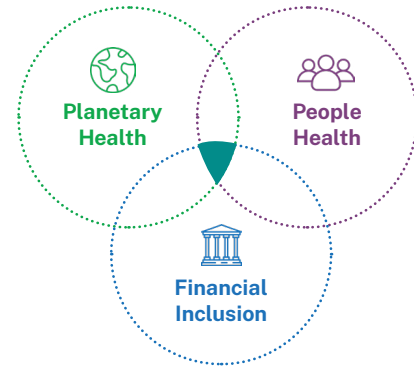
Our process and team-based approach are key to the success of our fund, both in terms of impact and financial returns. Our investment team comprises individuals with investing and sustainability backgrounds, who inform and challenge each other's thinking. We are all responsible for the alignment of our investments with a sustainable world view.





## System Positive Approach

Our System Positive Framework is a critical element of the way we integrate sustainability into our investment process. It helps us identify if a company is truly System Positive, meaning it has the potential to drive the transition to a net-zero, prosperous, healthy, fair and safe future.



### System Positive Framework

	Characteristics we want to see (and hypotheses we would look to test)	Metrics and data (vs. baseline)
System	Would success transform a system into a substantially more sustainable end state? (i.e., 'lock-step' with positive sustainability trends)	....
	No potential areas of misalignment or negative externalities?	....
Environmental outcomes	Emissions: Tonnes of CO <sub>2</sub> avoided?	....
	Pollution: Pollution avoided?	....
	Resources: Physical resource requirements vs. baseline?	....
Social (Jobs, Health, Education)	Business growth drives healthier customers or citizens?	....
	Does business growth create new jobs?	....
	Enables access to other opportunities (education, financial services, resources, etc.)?	....
	Are there mental health or well-being implications?	....
Operations & Management	Mission-driven organisation?	....
	Are the internal operations of this company efficient and sustainable?	....
	Does company offer a fair, safe, supportive workplace and culture?	....
KPIs	Proposed KPI #1	Proposed KPI #3
	Proposed KPI #2	Proposed KPI #4

Our System Positive Approach permits us to outline the areas of potential major positive impact for a proposed investment, as well as ensure other key areas do not present negative, unintended consequences. This process starts with the roadmaps we select, and how we assess sustainability as a driver of value in a market disruption or transition and continues through to company-specific diligence, and to inform areas for value creation.

This page is included in our internal presentations and is debated and agreed by the team, alongside our overall assessment of companies' Business Quality (BQ) and Management Quality (MQ), before anything advances to the Investment Committee.

Our System Positive Framework also includes Key Performance Indicators (KPIs) to be tracked over time. These KPIs capture the single 'North Star' social or environmental impact we expect the company to have through its product or service, as well as core ESG performance metrics, which also inform both BQ and MQ.

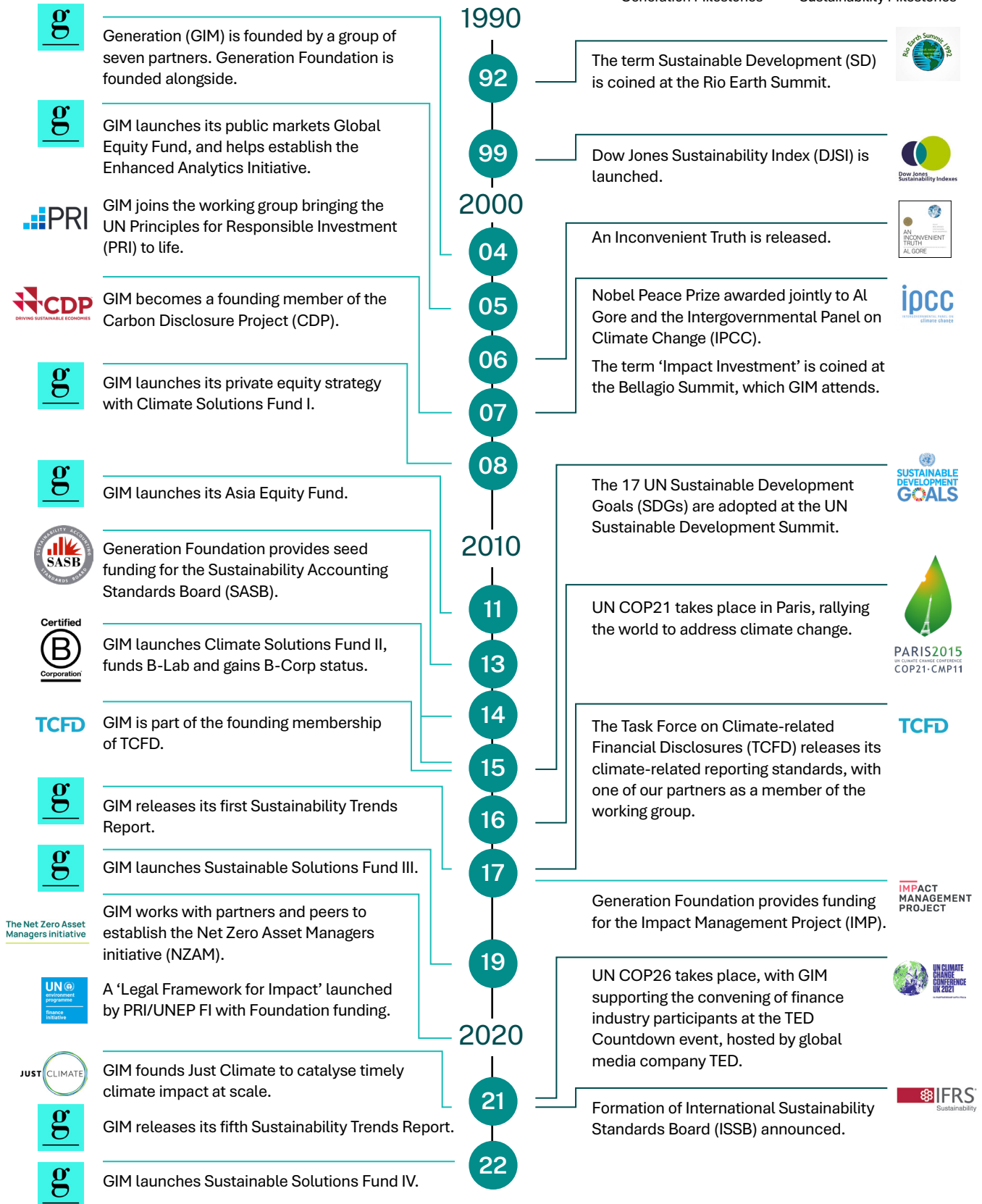
Each company is encouraged to report on its KPIs in annual reporting.



# Our Sustainability Impact Over the Years

We are proud to be part of a community committed to creating a net-zero, prosperous, equitable, healthy and safe world. We have worked in collaboration with partners, peers and leaders over the last 19 years to achieve this vision.

— Generation Milestones — Sustainability Milestones







# Portfolio Results

We added two new investments into our portfolio in 2022: Project44 and o9 Solutions. Compared to 2021, most Planetary Health companies performed strongly on product impact, with 'tCO<sub>2</sub>e avoided' increasing for three out of four companies that previously reported that metric. In contrast, product impact data for our People Health and Financial Inclusion companies was mixed. Three companies' product impact results improved, while reported impact decreased for four companies; we are working with companies to understand the reasons. This year we also increased the granularity of our portfolio-wide ESG performance data framework, providing deeper insights to support companies in critical operational areas such as impact governance and human capital management. In 2023, the team is focused on ensuring our companies continue to deliver positive impact to beneficiaries and the environment alongside continued revenue growth.

## Portfolio Impact

### Planetary Health

**BackMarket**  
314k ↑1%  
tCO<sub>2</sub>e avoided

**CONVOY**  
tCO<sub>2</sub>e avoided

**Fynd**  
tCO<sub>2</sub>e avoided

**o9**  
tCO<sub>2</sub>e avoided

**PIVOT BIO**  
226k ↑74%  
tCO<sub>2</sub>e avoided

**project44**  
tCO<sub>2</sub>e avoided

**Vestiaire Collective**  
tCO<sub>2</sub>e avoided

### People Health

**AlayaCare**  
19% ↓-4 pts  
Reduced hospitalisation rate of clients

**Elation**  
Decreased levels of stress and burnout

**SOPHIA GENETICS**  
New genetic profiles completed

### Financial Inclusion

**andela**  
Individuals reporting greater earnings

**Guideline**  
Customers offering a 401k for the first time

**gusto**  
Businesses reporting better ability to scale growth

**Remitly**  
Promises Delivered  
Cost savings for customers (USD M)

**benevity** Helps build a stronger culture (clients)

## Portfolio ESG Performance

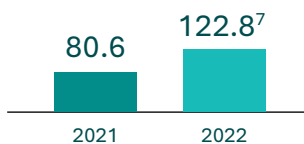
● 2020 (n=8) ● 2021 (n=13) ● 2022 (n=15)

### ENVIRONMENT<sup>6</sup>

Total portfolio carbon footprint (Scope 1-3):

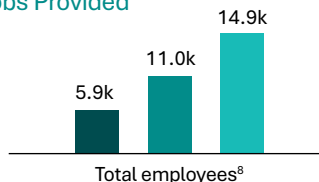


Weighted average tCO<sub>2</sub>e per USD M revenue:

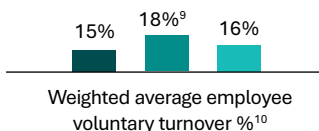


### SOCIAL

Jobs Provided

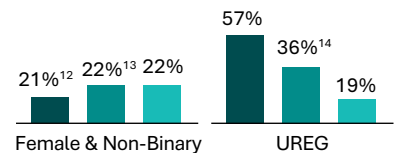


Employee Retention

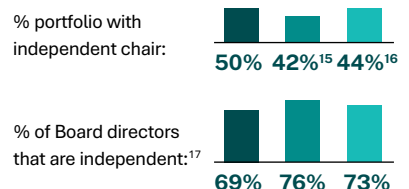


### GOVERNANCE

Board Diversity<sup>11</sup>



Board Independence



\*n/m = Not measured or not available



# In Focus: Equity, Diversity and Inclusion (EDI)

## Context

Sitting at the overlap of our three impact domains is EDI. A well-represented employee base will allow for more dynamic and thoughtful organisation that fosters collaboration and innovation. Following our update last year to include a gender diversity non-binary category, we continue to evaluate the way we collect and present diversity data. This year, we have re-named our ethnic diversity category as ‘Percentage identifying as an underrepresented racial and ethnic group’ (“UREG”). We believe this change is more inclusive, as it allows for a less US/UK-centric lens on evaluating company performance. This year, we have taken our commitment further by participating in voluntary reporting, including to one of our EDI-centred Limited Partners, and by aligning certain metrics to those used by the ESG Data Convergence Initiative (EDCI), to facilitate benchmarking for the industry.

## Engagement

In continuation of our commitment to enriching diversity and inclusion within our team, portfolio and the broader investing community, in 2022 the Growth Equity team introduced a comprehensive EDI strategy that focuses not just on portfolio engagement, but EDI for the team itself. Achievements in 2022 include a partnership with Sponsors for Educational Opportunity (SEO) focused on recruiting talent from their alternative assets program and a new relationship with an EDI-centred Limited Partner focused on bias reduction. Lastly, in 2022 the Growth Equity team continued our partnership with Impact Capital Managers’ MOSAIC Fellowship for high-achieving MBA students from underrepresented backgrounds, hosting an intern for the second summer in a row.

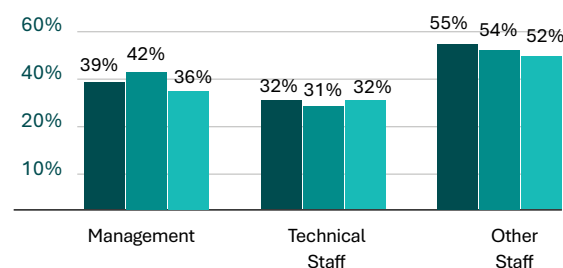
## Insights

In 2022, 14 companies reported gender diversity of management and technical staff and 13 reported diversity of other staff. Ten companies reported ethnic diversity results at the management level and nine reported at the technical and other staff level, with certain companies prevented from disclosing due to national regulation. We continue to note relatively higher gender diversity across the ‘other staff’ category, but have seen dips in gender and ethnic diversity across remaining staff segments. The steepest decline in gender diversity has been in management teams, with new portfolio entrants’ relatively lower diversity and five companies reporting decreases on a like-for-like basis. Like-for-like decreases may be an unintended impact of 2022 workforce restructurings and is a focus area for us as we seek to support our companies in the coming year.

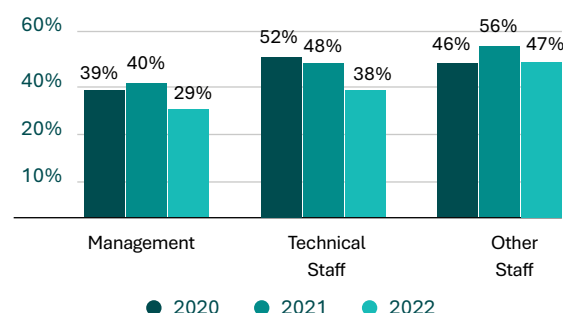
### Example initiatives within the portfolio

In 2022, we saw one company nominate a Diversity, Equity, and Inclusion Senior lead to create and steer a three-year diversity strategy. The same company has implemented a new EDI training course for all employees and maintained three employee resource groups focusing on cultivating safe and supportive spaces for female-identifying employees, LGBTQIA+ employees and allies as well as Black, Indigenous and people of colour (BIPOC) and allies. It is encouraging to see some of our portfolio companies set their own workforce diversity targets, confirming value alignment. We are pleased to see many companies have kept diversity and inclusion training as offerings to all employees. Finally, we noted a general increase to the learning offerings of companies across all staff levels, highlighting the desire to provide development opportunities to all.

Percentage Female & Non-Binary<sup>18</sup>



Percentage UREG





## In Focus: Environmental Impact

### Context

Our portfolio companies must measure and increase their positive climate impact, regardless of whether their business is tackling outcomes in Financial Inclusion, People Health or Planetary Health. Understanding our portfolio’s total GHG footprint is an essential step to achieving our firm-wide commitment to align our portfolio to net zero by 2040. Conducting year-over-year assessments, where applicable, has highlighted operational hotspots and areas ripe for GHG emission reduction initiatives.

### Engagement

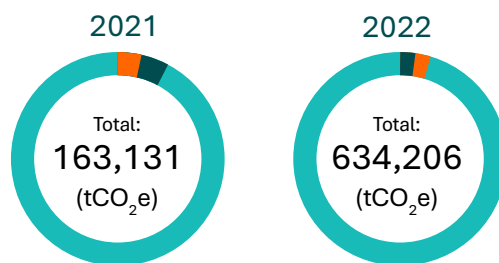
For the third year, we focused our engagement on driving ‘carbon-consciousness’ by supporting and encouraging a comprehensive evaluation of Scope 1–3 GHG emissions. We supported the **completion** of carbon inventories for 11 of our 15 companies in 2022, with three others using their own providers and one declining to participate. We also supported Life Cycle Assessments (LCAs) as part of our product impact measurement, which measure the net (negative) impact of a company’s product and services versus business-as-usual. Of the eight portfolio companies mapped to Planetary Health, we have sponsored six LCAs. In addition, in early 2023 we increased our focus on SBTs, conducting a portfolio analysis to identify the highest-potential companies on which to focus engagement.

### Insights

Across 15 companies, the portfolio emitted over 634k tCO<sub>2</sub>e in 2022. We continue to work with our companies on data quality, and are still completing the picture – which contributed to substantive year-on-year change. As one example, our digital freight marketplace company, Convoy, broadened their 2022 Scope 3 emissions to include the footprint of their leasing model. This was a progressive step to include holistic Scope 3 data, but went beyond what we included in the past, resulting in emissions that now represent over 97% of Convoy’s total carbon footprint and 55% of the entire portfolio’s 2022 emissions. Six companies’ emissions also increased due to new facilities openings. These examples highlight the difficulties of analysing data in a growing portfolio, with variability in reported Scope 3 categories and annual improvements in data quality. In future years, attaining comparability in reporting emissions will be important.

As of the end of 2022, four companies have set Science-Based Targets (o9 Solutions, Vestiaire, Convoy, Back Market), with one of those targets verified (Back Market). In line with our firm-wide commitment to increase the coverage of Science-Based Targets throughout the portfolio, this is an area of focus moving forward.

#### Scope Breakdown (Aggregate Portfolio)



	2021	2022 <sup>19</sup>
● Scope 1 (tCO <sub>2</sub> e)	2%	1%
● Scope 2 (tCO <sub>2</sub> e)	7%	2%
● Scope 3 (tCO <sub>2</sub> e)	91%	98%



# In Focus: Engagement

## Context

To guide our interactions with our portfolio companies, we orient our engagement in four strategic areas: board, product and commercial, governance and capital markets. Across all areas, impact is a unique source of insight and value.

Definitions and example activities are outlined below.

### Impact integrated as a unique source of value across all areas

	BOARD	PRODUCT & COMMERCIAL	GOVERNANCE, PEOPLE AND OPERATIONS	CAPITAL MARKETS
Growth Equity Insight	The value of Board independence and diversity	The value of product impact in driving growth	The value of good governance for the long-term	The value of impact at exit
Example Engagement Activities	<ul style="list-style-type: none"> <li>Giving our Board seat to a qualified independent</li> <li>Supporting searches for new, diverse Board directors</li> </ul>	<ul style="list-style-type: none"> <li>Supporting product impact validation and go-to-market integration to increase revenue</li> <li>Utilising convening power to draw in a target audience to increase brand awareness and unlock prospects</li> </ul>	<ul style="list-style-type: none"> <li>Supporting the design &amp; implementation of best-in-class governance to ensure our companies can best manage product impact and company sustainability for the long-term</li> </ul>	<ul style="list-style-type: none"> <li>Leveraging insight from Global Equity to help companies translate positive impact and practices into value at IPO/in public markets</li> </ul>

## Historical engagements

This year, we conducted a comprehensive review to establish our history of value-add through engagements with our SSF III (and wider Growth) portfolio on Board and Product & Commercial levers since 2020 through to 2022. In line with precedent in the listed equity markets and for our Global Equity strategy, we consider engagements to be those interactions with our companies – separate to normal monitoring activities – in direct contemplation of the company achieving a specific outcome. A list of validated engagements with our SSF III companies on Board, Product and Commercial, as a starting point, is shown below.

	BOARD	PRODUCT	COMMERCIAL	TOTAL PORTFOLIO COMPANIES	% COMPANIES ENGAGED WITH
2020	1	5	2	8	75%
2021	10	9	3	13	85%
2022	3	11	4	15	80%

Note: We have been conservative in listing only engagements ‘validated’ through evidence we’ve collected.

## Insights

The concentration of our efforts has been in helping our companies measure and communicate product impact, supporting the search and selection of diverse and/or independent Board members and lastly using our convening power to help companies build brand awareness and generate prospects. Over the course of 2022 to Q1 2023, we have made significant enhancements to our platform to support effective engagement, including three new hires with a partial value-add focus. Comprehensively monitoring our engagements and using this insight to help our team better prioritise engagement efforts on the areas likely to drive both positive impact and financial results, is a priority for the coming year.



# Impact Overview: AlayaCare

## What It Does

AlayaCare is a home care and home health care software provider, selling an all-in-one SaaS solution to over 700 customers across Canada, the US and Australia. Its platform offers clinical (e.g., plan of care) and non-clinical (e.g., scheduling, workforce management) modules to home care agency stakeholders including office workers, schedulers, caregivers and patient families.

## System Positive Thesis & Solution

According to the US Centers for Medicare and Medicaid Services, home health care is 98% and 86% cheaper than the cost of acute hospital care and the cost of care in a skilled nursing facility respectively, generally more convenient, just as effective and can lead to better outcomes.<sup>20</sup> Further, optimisation of care provider routes can reduce emissions. We believe that a more efficient and effective health system is one with greater home care, and growing the home care market requires, comprehensive care platforms. AlayaCare is leading this change.

## Impact Insights

- What.** Generation supported AlayaCare's second beneficiary survey, finding that 42% of care providers reported improved access to shifts and 19% reported decreased hospitalisation rates for clients.<sup>21</sup> This was a slight decrease vs. 2021, possibly due to a significant (~3x) increase in survey sample size, providing a more accurate picture of provider experience. In 2022, Alayacare also released an upgrade to their caregiver mobile app.
- How.** In 2022, Generation Chairman Al Gore attended an AlayaCare dinner and presented a speech the following night, underscoring the importance of home care to a sustainable healthcare system. We also helped AlayaCare estimate the potential for reduction in CO<sub>2</sub> from optimising care giver routing, with exciting early results – Alayacare's algorithm has shown it can reduce miles travelled by caregivers by 37%.

### INVESTMENT DETAIL

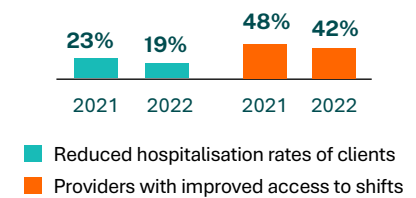
Year Invested  
2021

### IMPACT DOMAIN

People Health



### IMPACT OVER TIME<sup>21</sup>





## Impact Overview: Andela

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### INVESTMENT DETAIL

Year Invested  
2018

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### IMPACT DOMAIN

Financial Inclusion 





BackMarket



# Impact Overview: Back Market

## What It Does

Back Market is the largest online marketplace focused on refurbished consumer electronics, with nearly six million customers and 2,000 vendors worldwide.<sup>23</sup> The company was founded in 2015 by three friends who had realised the positive environmental impacts of buying refurbished consumer electronics and launched a platform to remove the challenges that willing buyers experienced.

## System Positive Thesis & Solution

With its sorting and curation technology and a clear consumer interface, Back Market brings price transparency, quality, trust and customer service in line with what consumers experience when buying a new device, removing frictions. The company's circular system also extends the lifetime and value of consumer electronics, and reduces carbon emissions, the pressure on raw materials and unsustainable sourcing (e.g., worker exploitation, environmental impacts).

## Impact Insights

- What.** We supported Back Market with a Life Cycle Assessment of its service, demonstrating that emissions avoided by Back Market amount to a substantial 314k tCO<sub>2</sub>e and 1.3k metric tonnes of e-waste avoided.<sup>24</sup> To support Back Market's penetration of the US market, Generation helped organise a roundtable with C-suite executives at consumer electronics OEMs and mobile operators.
- How.** Back Market obtained its B-Corp certification in March 2023. In March 2022, Back Market published its first Non-Financial Performance declaration related to its performance in 2021. Finally, to monitor commitment to its stakeholders the company has named a Mission Committee with representatives from investors, employees, civil society, NGOs, business partners and suppliers.

### INVESTMENT DETAIL

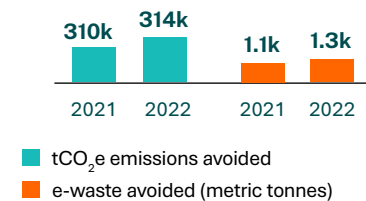
Year Invested  
2021

### IMPACT DOMAIN

Planetary Health



### IMPACT OVER TIME<sup>24</sup>



### IN FOCUS: TEAM DIVERSITY

#### Management

2021 vs. 2022



#### Technical Staff



#### Other Staff



■ % Female & Non-Binary ■ % UREG

## Company ESG Performance

● 2021 ● 2022

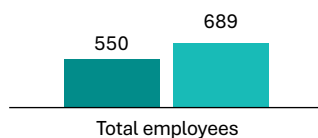
### ENVIRONMENT

Total company carbon footprint (Scope 1-3):



### SOCIAL

#### Jobs Provided

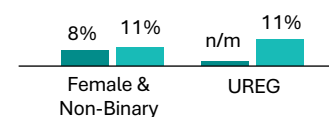


#### Employee Retention

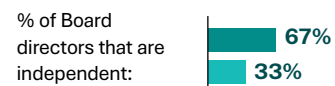


### GOVERNANCE

#### Board Diversity



#### Board Independence





## Impact Overview: Benevity

### What It Does

Benevity is a provider of corporate purpose SaaS, providing an integrated suite of community investment and employee, customer and non-profit engagement solutions that help large enterprise and mid-sized companies attract, retain and engage today’s diverse workforce, embed social action into their customer experiences and positively impact their communities.

### System Positive Thesis & Solution

Corporate purpose is becoming an increasingly important topic on corporate agendas, and as both talent and customer attraction and engagement strategies. Yet, many companies lack the resources to offer comprehensive scalable solutions. Benevity solves this problem with a holistic solution that connects companies and their people with the causes they care about through an all-in-one platform. In this way, Benevity enables companies and their people to support causes critical to creating a more sustainable economy, such as climate change, social justice and health.

### Impact Insights

- **What.** Generation continued to support Benevity in refining its theory of change and impact metrics in 2022. In 2022, Benevity helped 85% of clients build a stronger, more connected culture, an increase of eight percentage points from 2021. Benevity also began reporting ‘unique changemakers’ – defined as individuals using the Benevity platform who have completed a micro-action in support of good causes, donated time or funds – which increased 33% to over 2.23M individuals in 2022.<sup>25</sup>
- **How.** Of note, Benevity has been a certified B-Corp since 2011, with a most recent score of 112.1. Generation also supported Benevity with client introductions in 2021.

#### INVESTMENT DETAIL

Year Invested  
2021

#### IMPACT DOMAIN

Planetary Health

People Health

Financial Inclusion







CONVOY

## Impact Overview: Convoy

### What It Does

Convoy is a digital freight marketplace that connects shippers with carriers to move hundreds of thousands of truckloads, saving money for shippers, increasing earnings and reducing hassle for carriers and reducing carbon waste for the planet.

### System Positive Thesis & Solution

Truck freight accounts for 7% of all US greenhouse gas (GHG) emissions, (i.e., 436.5 million tCO<sub>2</sub>e per year).<sup>26</sup> Of this, 49% are booked as full truckloads, of which ~30-35% are empty miles, leading to 72 million tCO<sub>2</sub>e in avoidable emissions from this segment alone.<sup>27</sup> By improving trucking utilisation, we believe that Convoy can deliver higher earnings for carriers, lower shipping costs and reduce both empty miles driven and carbon emissions.

### Impact Insights

- **What.** Generation continued to support Convoy’s calculation of their environmental impact, finding that 2022 saw 370k litres of fuel saved and 990 tCO<sub>2</sub>e of avoided emissions.<sup>28</sup> This was a slight decrease from last year, despite net revenue growth, as Convoy reported slightly lower total shipments and a lower percentage of batched shipments.
- **How.** In 2022, Convoy released a Freight Insights Report to assist others with improving facility performance, and welcomed a new Board member, Mark Mondello, previous CEO and current Executive Chairman of Jabil. Most recently, in March 2023, Convoy released its Emissions Insight Dashboard, providing shippers on Convoy’s network real-time tracking of their Scope 3 emissions.

#### INVESTMENT DETAIL

Year Invested  
2019

#### IMPACT DOMAIN

Planetary Health 





## Impact Overview: Elation Health

### What It Does

Elation Health is a healthcare technology company powering the future of independent primary care. The company works with 24,000 independent clinicians serving more than 12.8 million patients across the US.<sup>29</sup> Elation's clinical-first roots, value-based tools, application programming interfaces (APIs) and data exchange tools enable organisations to shift to value-based care (VBC) and to transform the patient and provider experience.

### System Positive Thesis & Solution

In the US, primary care is an underinvested part of the healthcare system. Salaries and reimbursement rates are lower than specialty care, constraining physician supply. Many incumbent software tools for primary care are not cloud-hosted or API-enabled, with poor user experience. Elation addresses these inefficiencies, unlocking improvements to physician work experience, reducing stress and burnout and improving quality and efficiency of care.

### Impact Insights

- **What.** During 2022, Generation supported the company's second beneficiary survey, finding that 35% of Elation users reported lower levels of stress and burnout. Although the impact on providers' ability to deliver patient-centred care was not reported in 2021, we note that 30% reported decreased administrative time vs. 36% in 2021.<sup>30</sup>
- **How.** In 2022 Generation co-led an additional funding round allowing Elation to continue to drive the healthcare industry's technology-led transition to VBC. We supported the company with its first acquisition, of Lightning MD, a billing software provider. Elation's voluntary turnover and carbon footprint also decreased significantly year-on-year, demonstrating strong human capital management and resource-efficient growth.

#### INVESTMENT DETAIL

Year Invested  
2020

#### IMPACT DOMAIN

People Health 





## Impact Overview: Guideline

### What It Does

Guideline is a comprehensive, low-cost retirement platform for small and medium-sized businesses (SMBs) across the US. The company has built an in-house technology solution that automates record-keeping and administration and allows employers to seamlessly onboard employees (through auto-enrolment) while ensuring retirement plan and regulatory compliance.

### System Positive Thesis & Solution

In the year before Generation’s investment in Guideline, there were 5.8 million small businesses in the US; only 10% offered a 401(k) plan to their employees, and when they did, historic participation was around 52%.<sup>31</sup> Incumbent 401(k) providers struggled to adequately extend services to small companies, leaving this segment with few options. Guideline’s focus on small businesses helps close the retirement savings gap by driving 401(k) penetration in SMBs.

### Impact Insights

- **What.** As of 2022, Guideline served over 37,000 small businesses,<sup>32</sup> a figure that has continued to increase with continued revenue growth, and today Guideline has over USD 7 billion invested for retirement on their platform.<sup>33</sup> In 2022, Generation supported Guideline with its second beneficiary survey after a prior survey in 2020. In 2022, 79% of respondents reported they were better able to save for retirement due to Guideline, a step up from 71% in 2020.<sup>34</sup>
- **How.** In 2022, Guideline launched SEP IRA (Simplified Employee Pension) as an additional option for self-employed individuals and other small business owners, helping to further support financial inclusion.

#### INVESTMENT DETAIL

Year Invested  
2020

#### IMPACT DOMAIN

Financial Inclusion 





## Impact Overview: Gusto

### What It Does

Gusto is a software platform designed to automate and simplify payroll, HR and benefits for micro, small and medium-sized business (SMBs).

### System Positive Thesis & Solution

Between 2009 and 2018, ahead of Generation’s investment in Gusto, workers in the bottom tenth percentile of wages saw benefits fall by around 2% in real terms.<sup>35</sup> This is particularly poignant for small businesses, employing over half the US’s private sector workforce. Many payroll and benefits products, which play a critical role in economic inclusion for SMB workers, are designed for larger organisations and not fit for purpose. Gusto is a key intermediary, providing more bargaining power to SMBs, enabling workers to get better rates on health insurance and benefits. Ultimately, Gusto can increase take-home income for populations that are traditionally underserved.

### Impact Insights

- **What.** From 2021 to 2022, the number of small businesses Gusto served has increased by about 50%.<sup>36</sup> Gusto has been ranked as the top payroll software by both Nerdwallet and U.S. News in early 2023.<sup>37</sup> In 2022, 94% of those businesses reported a better ability to scale their growth due to Gusto.<sup>38</sup>
- **How.** In 2022, Gusto published its second RISE (Representation, Inclusion, Social Impact and Equity) report, emphasising their focus on hiring, progression, retention and engagement.

#### INVESTMENT DETAIL

Year Invested  
2019

#### IMPACT DOMAIN

Financial Inclusion 





## Impact Overview: Nature's Fynd

### What It Does

Nature's Fynd is a Chicago-based food tech company creating alternative proteins to nourish the world's growing population while nurturing the planet. Born out of research conducted for NASA on microbes in Yellowstone National Park, the company's breakthrough technology produces Fy Protein. Nature's Fynd uses Fy to make nutritious and sustainable meat and dairy alternatives.

### System Positive Thesis & Solution

The food supply chain is responsible for 26% of global GHG emissions. Agriculture also causes 80% of land-use change and habitat destruction, and is responsible for two thirds of freshwater withdrawals, driving 90-95% of global, scarcity-weighted water use.<sup>39</sup> Nature's Fynd produces a highly nutritious complete protein using a fraction of the resources required by traditional agriculture and with minimal processing to help efficiently feed a growing global population in a net-zero world.

### Impact Insights

- **What.** Following the launch of Nature's Fynd's meatless breakfast sausage and dairy-free cream cheese in 2021, Nature's Fynd expanded nationally to retail stores across the United States. In parallel, Generation supported a more in-depth impact analysis, quantifying carbon and land-use savings at scale.
- **How.** Nature's Fynd continued to foster sustainable food systems, helping found the Fungi Protein Association and supporting the Menus of Change University Research Collaborative. Nature's Fynd was also a finalist in Fast Company's World Changing Ideas Awards. Finally, Generation supported the search and approval for the newest female Board Director.

#### INVESTMENT DETAIL

Year Invested  
2020

#### IMPACT DOMAIN

Planetary Health 





## Impact Overview: o9 Solutions

### What It Does

o9 Solutions is a cloud-based supply chain planning platform that enables enterprises to optimise their supply chains by providing supply planning, demand forecasting, commercial planning, retail planning and other related software modules. o9 was founded in 2009 by pioneers who identified the need for a cloud-native, extensible platform capable of providing real-time end-to-end planning solutions.

### System Positive Thesis & Solution

o9 is an emerging leader in the Supply Chain Planning market with its cloud-based, highly configurable platform that enables real-time, holistic and flexible supply chain planning. According to the US EPA, supply chains can often account for over 90% of emissions related to a business.<sup>40</sup> o9 gives companies greater insight into their operations, particularly through inventory management, product waste and transport. o9's solution is differentiated due to its modern tech stack and its ability to incorporate broader areas of its customers' organisations, such as finance and sales/marketing, into supply chain planning.

### Impact Insights

- **What.** o9 Solutions is in the early stages of impact measurement. Generation is currently working with o9's other investors to support o9's efforts to quantify emission reductions and use that information to best position o9 in the market to demonstrate resource efficiency.<sup>41</sup>
- **How.** In April 2022, Generation was proud to give the keynote address at the o9 client conference, and continues to engage with leadership on product development. In June 2022, o9 published its first ESG report, highlighting its role in driving sustainability for clients.

#### INVESTMENT DETAIL

Year Invested  
**2022**

#### IMPACT DOMAIN

**Planetary Health** 





# Impact Overview: Pivot Bio

## What It Does

Pivot Bio has unique and defensible intellectual property related to biological nitrogen fixation pathways and has developed a family of naturally-occurring microbes which convert (“fix”) atmospheric nitrogen into plant-usable nitrogen allowing for the improved operational efficiency for growers and a lower environmental impact for all.

## System Positive Thesis & Solution

The production and use of synthetic nitrogen fertiliser accounts for over 2% of global greenhouse gas emissions.<sup>42</sup> Almost half of synthetic nitrogen fertiliser also leaches into groundwater, causing significant environmental damage.<sup>43</sup> Pivot Bio provides a more reliable and consistent method for delivering plant nutrition, while avoiding environmental damage. As just one example, on a typical 1,500 acre Iowa corn farm, Replacing 40lbs/acre of synthetic nitrogen fertilizer with Pivot Bio would supply 27.21 metric tons of nitrogen from Pivot Bio microbes, and avoid 260 metric tons of CO<sub>2</sub>e emissions.<sup>44</sup> Further, the microbes are naturally-occurring (though genetically edited) and do not destroy the soil microbiome, preserving its nutritional richness and staving off depletion.

## Impact Insights

- What.** Pivot Bio conducted their own impact assessment in 2022, building off the LCA Generation supported last year. Between 2021 and 2022, Pivot Bio’s operations resulted in increases of 74% of saved emissions (tCO<sub>2</sub>e).<sup>45</sup>
- How.** In 2022, Generation supported the hiring of Jane Franch, Senior Director of ESG, who has previously worked in strategic sourcing to help lead data collection. This builds on Generation’s previous efforts to build a strong leadership team and diverse Board, with a 2021 Board search resulting in two new diverse Board members who joined in 2022: Monica McGurk, formerly with Kellogg’s, and Susan Kim, CFO of Pacific Biosciences.

### INVESTMENT DETAIL

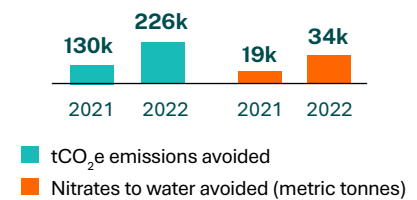
Year Invested  
2021

### IMPACT DOMAIN

Planetary Health



### IMPACT OVER TIME<sup>45</sup>

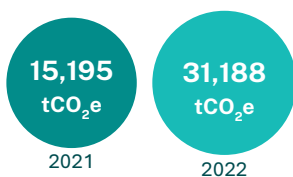


## Company ESG Performance

● 2021 ● 2022

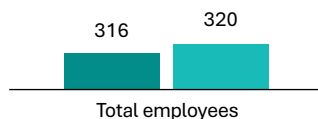
### ENVIRONMENT

Total company carbon footprint (Scope 1–3):



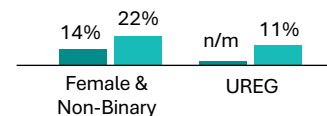
### SOCIAL

Jobs Provided



### GOVERNANCE

Board Diversity



Board Independence





## Impact Overview: Project44

### What It Does

Project44 is a supply chain visibility platform selling to shippers and logistics service providers. It uses an API-led approach to connect carriers to shippers and provide real-time data of where products are in transit across all transportation modes in North America and Europe. Historically, shippers would have to create and maintain point-to-point electronic connections with their carriers to communicate electronically. Project44's plug-and-play approach allows customers to have real-time visibility into their goods.

### System Positive Thesis & Solution

COVID-19 and recent supply chain disruptions have shown the value of real-time visibility in supply chain management. Modern API-based technology has made this affordable and possible on a global, multi-modal basis. Project44 is ahead of its competition through 1) an API-led approach, 2) focus on integrating with carriers and 3) taking full responsibility for network compliance. Additionally, Project44 will be able to add additional analytics and value-add products on top of their real-time visibility platform. Real-time data is a critical enabler of efficiencies across the supply chain, as customers can better plan their operations (less waste = lower cost), avoiding carbon emissions and lowering their resource use.

### Impact Insights

- **What.** Generation supported Project44's first LCA focused on emissions and pollution avoidance, demonstrating that Project44's services avoided 59,000 tCO<sub>2</sub>e in the year. Project44 has also just launched a carbon tracking module to support customers' sustainability insights needs.<sup>46</sup>
- **How.** Generation is supporting Project44's ESG data measurement efforts to help the company benchmark their progress and define priority actions.

### INVESTMENT DETAIL

Year Invested  
2021

### IMPACT DOMAIN

Planetary Health 







## Impact Overview: Remitly

### What It Does

Remitly is a digital money transfer company that focuses on enabling remittances from developed to developing countries. Remitly’s digital platform makes remittances cheaper, faster and more transparent for migrant workers worldwide to support the living costs of their families back home.

### System Positive Thesis & Solution

Globally, in 2022, over USD 794 billion was sent in remittances.<sup>47</sup> Remittances provide a critical source of income for families of migrant workers and for reducing poverty and income inequality. The process of transferring money across borders is still very inefficient and costly. Through a curated network of distribution partners, Remitly enables real-time settlement across a broad range of locations and methods, decreasing the cost of sending money and increasing net remittance amounts (and wealth) received by recipients.

### Impact Insights

- **What.** Remitly’s remittance services reach over 170 countries and 4,200 corridors worldwide.<sup>48</sup> For 2022, Remitly reported GBP 215 million of cost savings to Remitly customers vs. GBP 119 million reported in 2021, up 81% year-on-year.<sup>49</sup>
- **How.** In 2022 Remitly published their 2022 ESG Materiality Highlights, focusing on their process for identifying core priorities going forward to guide their first ESG report scheduled for 2023. Most material issues identified include secure, reliable and ethical transactions; financial inclusion and innovation; inclusive and diverse global culture; and climate action. More recently in 2023, Remitly has also announced the appointment of executive Phyllis Campbell and Ryno Blignaut, Khosla Ventures Partner, to the Board, enhancing female representation.<sup>50</sup>

### INVESTMENT DETAIL

Year Invested  
**2019**

### IMPACT DOMAIN

Financial Inclusion 





## Impact Overview: Sophia Genetics

### What It Does

Sophia Genetics is a provider of clinical-grade genetic analysis software for over 750 hospital pathology labs and centralised labs, selling to customers in 70+ countries. Sophia is taking advantage of the rapid cost-down curves and decentralisation of genomic testing to facilitate faster, cheaper and more accurate diagnosis of complex hereditary and oncology cases.

### System Positive Thesis & Solution

The accurate identification ('calling') of genetic variants is extremely challenging. Making sense of different permutations of genetic mutations, and mapping this to the ever-changing latest research, thinking and drug availability (both on the market, and in clinical trials), is even more so. Genetic testing unlocks a better understanding of treatment efficacy, avoiding the costs of wasted drugs (direct costs and side effects) and improving medical outcomes. Sophia is an enabling technology facilitating the growth and application of genetic testing. By empowering hospitals and labs to do testing in-house, Sophia enables quicker genetic testing turnaround times, lower costs and greater accuracy of results.

### Impact Insights

- **What.** Sophia analysed 264,000 genomic profiles in 2022, an uptick of 9% versus 2021.<sup>51</sup> Each profile analysis produced enables potential early detection and treatment of rare disease conditions. As an example, even as early as 2019, Sophia's work had produced 40,107 analyses linked with disease.
- **How.** In 2022, Sophia published its first ESG report, covering the 2021 year. Highlights include a particular focus on data privacy. Given the sensitive nature of information collected by Sophia Genetics, a Data Protection Committee and Information Security Committee were formed.

### INVESTMENT DETAIL

Year Invested	Amount Invested
2018	USD 53.5M

### IMPACT DOMAIN

People Health





## Impact Overview: Vestiaire

### What It Does

Vestiaire Collective is a global online marketplace for pre-owned luxury fashion, with millions of members in over 80 countries. Close to 25,000 items are added daily across fashion categories. The company was founded to promote circularity in the fashion industry to make it more sustainable and to broaden access to high-quality goods.

### System Positive Thesis & Solution

In 2021, the fashion industry and its supply chain was the world’s third largest polluter, producing 5% of the world’s GHG emissions.<sup>52</sup> Encouraging circularity by reselling fashion goods extends their life, while reducing both waste and fashion goods’ carbon footprint. Vestiaire Collective plays a critical role in facilitating this shift to a more sustainable fashion industry worldwide.

### Impact Insights

- **What.** Generation again supported Vestiaire Collective in conducting an LCA. From 2021 to 2022, emissions avoided and water savings attributable to Vestiaire increased by 27%.<sup>53</sup> In total, shopping with Vestiaire Collective saves 90% of the environmental cost of a new item, and 70% of customers report that shopping on the site prevents them from buying a new item.<sup>54</sup>
- **How.** In April 2022, Generation made a follow-on investment in Vestiaire Collective to support their acquisition of Tradesy, a US competitor. In December 2022, Generation’s Chairman, Al Gore, spoke in a fireside chat with Stella McCartney on the circular economy, helping to build Vestiaire’s brand awareness among sustainability-minded influencers and consumers.
- **Impact Risk.** External Risk, Execution Risk
- **Actions.** An area of improvement for Vestiaire is diversity at the Board level, alongside a continued focus on lowering its operational footprint.

#### INVESTMENT DETAIL

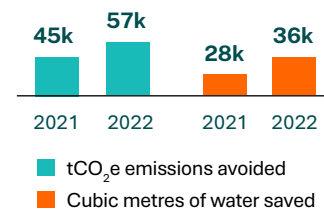
Year Invested  
2021

#### IMPACT DOMAIN

Planetary Health



#### IMPACT OVER TIME<sup>53</sup>



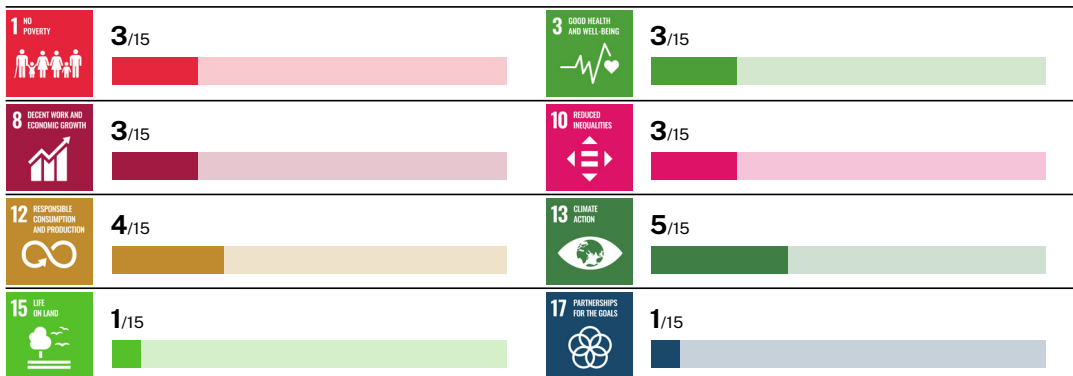


## Portfolio Mapped to the SDGs

We have aligned our companies to the specific UN SDG targets and metrics that we believe they positively affect. This is an output of our investment process, as opposed to an input or integrated effort.

Below is a summary of the number of companies that align to each SDG.

One company can map to one or more SDGs.



Below is a mapping of each company to the relevant goal(s) and specific metric(s).

Company	Metric(s)	SDG(s)
	<p>3.c Substantially increase health financing and the recruitment, development, training and retention of the health workforce in developing countries, especially in least developed countries and small island developing States</p> <p>8.2 Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors</p>	 
	<p>1.4 By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance</p> <p>8.2 Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors</p>	 
<b>BackMarket</b>	12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse	
	<p>10.b Encourage official development assistance and financial flows, including foreign direct investment, to states where the need is greatest, in particular least developed countries, African countries, small island developing states and landlocked developing countries, in accordance with their national plans and programs</p> <p>17.3 Mobilise additional financial resources for developing countries from multiple sources</p>	 
	13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning	
	3.8 Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all	
	<p>1.3 Implement nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable</p> <p>10.3 Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard</p> <p>10.1 By 2030, progressively achieve and sustain income growth of the bottom 40% of the population at a rate higher than the national average</p>	 



Company	Metrics	SDGs
	<p>8.2 Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors</p> <p>8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalisation and growth of micro-, small- and medium-sized enterprises, including through access to financial services</p>	
	13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning	
	<p>12.6 Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle</p> <p>13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning</p>	 
	<p>13.2.2 Total greenhouse gas emissions per year. Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries</p> <p>15.3 By 2030, combat desertification, restore degraded land and soil, including land affected by desertification, drought and floods, and strive to achieve a land degradation-neutral world</p>	 
	<p>12.6 Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle</p> <p>13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning</p>	 
	<p>1.1 By 2030, eradicate extreme poverty for all people everywhere, currently measured as people living on less than \$1.25 a day</p> <p>1.2 By 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions</p> <p>1.5 By 2030, build the resilience of the poor and those in vulnerable situations and reduce their exposure and vulnerability to climate-related extreme events and other economic, social and environmental shocks and disasters</p> <p>10.1 By 2030, progressively achieve and sustain income growth of the bottom 40% of the population at a rate higher than the national average</p> <p>10.c By 2030, reduce to less than 3% the transaction costs of migrant remittances and eliminate remittance corridors with costs above 5%</p>	 
	3.4 By 2030, reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being	
	12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse	



## Data Partners for this Report

### 60 Decibels

60 Decibels is an end-to-end impact measurement company. Their aim is to make it easy to listen to the people who matter most, measuring impact from the ground up.

Using their Lean Data approach, 60 Decibels speaks directly to customers, employees or beneficiaries, quickly returning high-quality data to help customers maximise their impact and grow their business. They have 1,000 researchers conducting local-language voice surveys in 70 countries, who use tested social impact survey tools, aligned to industry standards. They have worked across a variety of industries including agriculture, education, financial inclusion and supply chains.

Data presented for calendar years is conducted as close to year-end as possible and is the most readily available information. Sample sizes featured in this report:

<b>2020</b>	<b>Andela:</b> 220 Andela engineers surveyed	<b>Guideline:</b> 300 Guideline participants surveyed	<b>Gusto:</b> 359 corporate customers and members surveyed		
<b>2021</b>	<b>Andela:</b> 157 Andela engineers surveyed	<b>AlayaCare:</b> 2,607 AlayaCare care providers surveyed	<b>Benevity:</b> 152 Benevity clients and 192 Benevity causes surveyed	<b>Elation Health:</b> 168 Elation Health providers surveyed	
<b>2022</b>	<b>Andela:</b> 273 Andela engineers surveyed	<b>AlayaCare:</b> 6,103 AlayaCare care providers surveyed	<b>Benevity:</b> 168 Benevity clients	<b>Elation Health:</b> 300 Elation Health providers	<b>Guideline:</b> 495 Guideline participants surveyed

### Environmental Capital Group

Environmental Capital Group (ECG) advises investors and companies on impact and ESG issues, with deep expertise in quantitative Life Cycle Assessments (LCA) of carbon, energy, pollution and resources across investment portfolios. Starting in 2007, ECG served as an environmental adviser to CalPERS’ Clean Energy and Technology Program, developing one of the largest program of sustainability impact accounting and reporting in the world. Cliff Brown, Managing Director of ECG, has led this work for 14+ years, advising investors and companies on strategy and sustainability, including ESG issues.

Cliff has prepared the ESG assessment of our portfolio companies in accordance with best practices for ESG accounting and reporting. For the 2022 year, ECG performed an impact analysis for Back Market, Convoy, Nature’s Fynd, Pivot Bio, Project44 and Vestiaire Collective, including the Life Cycle Assessments compared to business-as-usual.

### Emitwise

Emitwise’s AI technology empowers companies to automatically measure, report and reduce their carbon footprint across their operations and supply chain, future-proofing businesses for a net-zero carbon world. Based in London, Emitwise is a software solution enabling companies to automate their carbon accounting across business units and suppliers, liberating them from the burden of collecting and processing emissions data. The platform utilises artificial intelligence to precisely measure or estimate emissions in real-time, enabling businesses to identify and tackle carbon hotspots and devise a trackable roadmap to net-zero carbon. Used by companies internationally and across various sectors, the platform aligns businesses with global climate targets and reporting standards, helping them mitigate risks and accelerate their transition to net zero.

In 2021, Emitwise has calculated greenhouse gas emissions inventories for all private companies in Generation’s portfolio, as well as Remitly. In 2022, Emitwise calculated greenhouse gas emission inventories for 10/13 private companies in the portfolio, as well as Remitly.



## Carbon Footprinting Method

Activity data is a quantitative measure of human activity that results in a GHG emission, either directly or indirectly, for example combustion of diesel in company cars or purchase of goods. An emission factor is a coefficient relating activity data with the corresponding GHG emission expressed in metric tonnes of carbon dioxide equivalent (tCO<sub>2</sub>e), a universally applied unit for measuring GHG emissions. The GHG Protocol delineates between direct and indirect emissions by separating out emissions into three ‘Scopes’:

- **Scope 1** emissions are direct emissions from sources that are owned or controlled by the company. These include (non-exclusively) the combustion of fuels in company-owned vehicles or stationary devices such as boilers, and fugitive emissions from heating, ventilation and air conditioning (HVAC) units.
- **Scope 2** emissions are indirect emissions from the generation of purchased electricity, heat and steam that is consumed in activities owned or controlled by the company.
- **Scope 3** emissions are indirect emissions that occur as a consequence of company activities, but from sources not owned or controlled. Scope 3 emissions may occur upstream, related to purchased goods and services, or downstream, related to sold goods and/or services. Scope 3 emissions are further categorised into 15 distinct reporting categories.

For categories 1, 2, 4 and 8, Scope 3 emissions were estimated based on the ‘spend-based’ method of the GHG Protocol, which comprised the classification of purchasing ‘spend’ data by industrial activity and applying an appropriate spend-based emissions factor for that industry. Categories 3, 5, 6 and 7 were assessed based on activity quantity data where available (supplemented by modelling where data was not or only partially available), and calculated using the ‘average-data’ method of the GHG Protocol. For all companies except Convoy (who were able to provide certain downstream activity data), only upstream Scope 3 emissions were included in this analysis, due to higher significance and data availability, meaning that emissions linked to the processing, use or disposal of sold products were not included.

### Common types of activity data requested from each company

Data type	Description
Personnel data	Number of employees at each location, expressed in terms of full-time equivalents.
Floorspace	Total floorspace of each location in units of measurement (e.g., square metres or square feet).
Procurement spend data	Company direct and indirect spend data at the highest level of granularity available.
Purchased electricity	Consumption of electricity purchased from third parties (in units of energy, e.g., kWh, or, least preferably, currency).
Fuel use - stationary combustion (machinery, etc.)	Amounts of all fuels used on-site in machinery and equipment (excluding vehicles), such as natural gas, diesel or fuel oil used in boilers, machinery, combined heat and power units and any other similar systems; including both the type of fuel and the amount used (in units of mass, volume, energy or, least preferably, currency).
Fuel use - mobile combustion (vehicles, etc.)	Amounts of all fuels used in vehicles owned or operated by the company, including electric vehicles; including both the type of fuel and the amount used (in units of mass, volume, energy or, least preferably, currency).
Business travel	Consolidated data on flights (including origin, destination and class of travel), local or regional travel (trains, buses, etc.) and travel accommodation (location and duration).
Waste management	Amount of waste collected for treatment at each location (in units of mass or volume or, least preferably, currency), including, if known, the type of waste collected (e.g., general waste, separated glass or separated food waste), the amount collected, and information on the type of treatment (e.g., incineration, landfill or recycling).
Water use and discharge	The amount of water services (supply and wastewater) used at each facility (in units of volume or currency).
Purchased heat or steam	Purchased heat or steam from an external provider (in units of energy, e.g., MJ, or, least preferably, currency, e.g., dollars).
On-site generated electricity	Amount of electricity generated on-site, e.g., through photovoltaic (PV) cells, wind turbines, etc.; including a description of the electricity source and the amount generated (in units of energy, e.g., kWh).
Refrigerant use	Consumption of replacement refrigerants used in heating, ventilation and air conditioning (HVAC) systems; including both the type of refrigerant (if known) and the amount (in units of mass or, least preferably, currency).
Teleworking data	Number or proportion of employees at each company location working from home each month, on average.



## References

### Glossary of Terms

Terms	Definitions
API	Application programming interface
Board gender diversity	Share of Board members self-defined as identifying as female and non-binary as of period end
Board independence	Non-executive Board members defined as share of members of the Board who are not employed by the Company as of period end
BQ	Business Quality
CDP	Carbon Disclosure Project
CO <sub>2</sub>	Carbon dioxide
Carbon intensity	Aggregate tonnes of carbon dioxide (CO <sub>2</sub> equivalent) per USD M revenue (not restricted to CO <sub>2</sub> , includes a basket of emissions). Intensity for prior years based on conversion to USD M based on May 2022 FX rates
CSR	Corporate Social Responsibility
EDI	Equity, Diversity and Inclusion
ESG	Environmental, Social, Governance
GHG	Greenhouse Gas
GIM	Generation Investment Management
IFRS	International Financial Reporting Standards
IGPCC	Intergovernmental Panel on Climate Change
Impact domain	Organised into the categories of i) Planetary health ii) People health and iii) Financial inclusion, Impact domains to allow us to communicate the social and environmental outcome domains to which our portfolio companies contribute
IMP	Impact Management Project
IP	Intellectual Property
ISSB	International Sustainability Standards Board
Jobs provided	Employee count (FTE) as of period end. FTE is calculated by taking into account the number of hours worked in a full-time weekly schedule and the actual number of hours employees work
KPI	Key Performance Indicator: Impact as defined through GIM's system-positive analysis of the Portfolio Company. Metrics have been individually defined for each Portfolio Company to capture the contribution of the company's product or service on the Sustainability objective, as well as overall Impact domain
LCA	Life Cycle Assessment
Management	The following was provided to Portfolio Companies during data collection: As outlined in SASB eCommerce sector guidance, which can be applied across industries for this topic, management includes executive/senior-level officials and managers as well as non-executive first/mid-level officials and managers. For non-US employees, the entity shall categorise the employees in a manner generally consistent with the definitions provided above, though in accordance with, and further facilitated by, any applicable local regulations, guidance or generally accepted definitions
MQ	Management Quality
NASA	National Aeronautics and Space Administration
NED	Non-Executive Director
Other Staff	The following was provided to Portfolio Companies during data collection: All other employees includes those employees who are not classified as management or technical staff. For non-US employees, the entity shall categorise the employees in a manner generally consistent with the definitions provided above, though in accordance with, and further facilitated by, any applicable local regulations, guidance or generally accepted definitions
SASB	Sustainability Accounting Standards Board
SBT	Science-based Target
SDG	Sustainable Development Goal
SMB	Small and Medium-sized Businesses
TCFD	Task Force on Climate-related Financial Disclosures
tCO <sub>2</sub> e	tonnes of carbon dioxide equivalent
Technical Staff	The following was provided to Portfolio Companies during data collection: As outlined in SASB eCommerce sector guidance, which can be applied across industries for this topic, Technical staff includes employees categorised in the 15-0000 group (Computer and Mathematical Occupations) or 17-0000 group (Architecture and Engineering Occupations) of the U.S. Bureau of Labor Statistics' 2018 Standard Occupational Classification System. For non-US employees, the entity shall categorise the employees in a manner generally consistent with the definitions provided above, though in accordance with, and further facilitated by, any applicable local regulations, guidance or generally accepted definitions
UN PRI	United Nations Principles for Responsible Investment
UNEP FI	United Nations Environment Program Finance Initiative
UREG	People self-identified as belonging to an under-represented group (i.e., belonging to an ethnic minority within a given country's context). Note, GIM has previously used "POC" in the position of UREG
Voluntary turnover	Turnover is defined as the number of FTEs (Full Time Equivalents) leaving the business, excluding those from M&A, over the course of the reporting period divided by the average number of FTEs in the previous year multiplied by 100





## References

### Disclosure Frameworks

Generation believes in the principle of integrated reporting on financial and sustainability activities, performance outcomes and risks. In certain cases, we also publish supplementary reporting to ensure our reporting meets specific regulatory or voluntary commitment requirements.

<b>Task Force for Climate-related Financial Disclosures (TCFD)</b>	Generation has made a commitment to use the TCFD’s recommended framework for disclosing its climate-related exposure each year. Our most recent TCFD report, covering 2021, was published in 2022.	<a href="#">TCFD Report 2022</a>
<b>Sustainable Finance Disclosure Regulation (SFDR)</b>	Generation adheres to the European regulatory framework SFDR and discloses its sustainability risks, remuneration, consideration of Principal Adverse Impacts (PAIs) and the classification of its funds, in its fund offering documents and/or on its website, according to SFDR’s required practices.	<a href="#">Sustainability-Related Disclosures</a>
<b>UK Stewardship Code</b>	Generation is pleased to have been accepted by the Financial Reporting Council as one of the initial signatories to the UK Stewardship Code last year. Generation’s Stewardship Report has just been submitted and is available publicly on our website under Our Strategies.	<a href="#">Stewardship Report</a>

### Key Frameworks

	<ul style="list-style-type: none"> <li>On 1 January 2016, the 17 Sustainable Development Goals came into force. These underpin the UN-led 2030 Agenda for Sustainable Development. Collectively, they aspire to take us towards “the world we want” through a “blueprint to achieve a better and more sustainable future for all.”</li> <li><a href="https://www.un.org/sustainabledevelopment/sustainable-development-goals/">https://www.un.org/sustainabledevelopment/sustainable-development-goals/</a></li> </ul>
	<ul style="list-style-type: none"> <li>“From 2016 to 2018, the Impact Management Project (IMP) convened a Practitioner Community of over 3,000 enterprises and investors to build global consensus on how we measure, improve and disclose our positive and negative impacts (otherwise known as “impact management”). The resulting consensus (or “norms”) provide a common logic to help enterprises and investors understand their impacts on people and the planet, so that they can reduce the negative and increase the positive. These [norms] migrated to Impact Frontiers following the IMP’s conclusion in 2021.”</li> <li><a href="https://impactfrontiers.org/norms/">https://impactfrontiers.org/norms/</a></li> </ul>
	<ul style="list-style-type: none"> <li>G20 Finance Ministers and Central Bank Governors asked the Financial Stability Board (FSB) to review how the financial sector can take account of climate-related issues. The FSB established the Task Force on Climate-related Financial Disclosures (TCFD), which released recommendations for more effective climate-related disclosures in 2017.</li> <li><a href="https://www.fsb-tcfid.org/">https://www.fsb-tcfid.org/</a></li> </ul>
	<ul style="list-style-type: none"> <li>The International Sustainability Standards Board (ISSB) is an independent, private-sector body that develops and approves IFRS Sustainability Disclosure Standards (IFRS SDS). The ISSB builds on, among others, the work of the Sustainability Accounting Standards Board (SASB), whose 77 industry standards, published in November 2018, enable businesses to identify, manage and communicate financially-material sustainability information to their investors. Once finalized in June 2023, IFRS S2 will effectively replace the Task Force on Climate-related Financial Disclosures’ (TCFD) disclosure recommendations.</li> <li><a href="https://www.ifrs.org/groups/international-sustainability-standards-board/">https://www.ifrs.org/groups/international-sustainability-standards-board/</a></li> </ul>



## Our Values

Our values drive how we operate as an organisation and as individuals, underpinning our actions and our culture.

### ETHICAL STANDARDS

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We expect the highest ethical standards in our work and in our personal lives.

### RESPECT & DIGNITY

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Each of the individuals with whom we work is entitled to respect and dignity.

### TEAMWORK

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Teamwork underpins our one-firm culture.

### EXCELLENCE

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We aim for excellence in all that we do.

### INCLUSION & DIVERSITY

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Inclusion and diversity, in the broadest sense, help drive our success.

### COMMITMENT


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We are committed to rigorous research, curiosity and continuous learning.



## Endnotes

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1. [Senior Partner Letter 2023](#) (Generation Investment Management, Mar. 2023)
2. We have been investing for 16 years as a Growth Equity team – beginning with our research ahead of the final close and launch of our first Climate Solutions Fund in 2008.
3. Growth Equity team as at 31 December 2022, excluding individuals who are not 100% allocated to the Growth Equity team and long-term consultants.
4. Internally, we reference “underrepresented minority” or “underrepresented racial/ethnic group” as terms for our global workforce.
5. Geographic reach of companies in Generation Growth Equity’s Sustainable Solutions Fund III (SSF III) portfolio. Colored circles depict the country of headquarters for each company, all other countries of operation for the portfolio are in grey.
6. Total emissions for 2022 and 2021 include estimated emissions for Sophia Genetics, using Sophia’s 2021 and 2022 revenue and its 2020 emissions/revenue coefficient, as Sophia declined to participate in recent emissions reporting. Refer to the ‘In Focus: Environmental Impact’ section for further details around the latest footprint.
7. This figure is an adjusted carbon intensity that removed Convoy’s downstream emissions (a Scope 3 category). As downstream emissions are not calculated for other companies, they were removed for this overall figure for comparability purposes.
8. Total employees is calculated as the sum of full-time and part-time employees, as well as contract and temporary employees, as reported by each company.
9. 2021 weighted average employee voluntary turnover was previously reported as 15%; the figure has been updated.
10. Weighted average employee voluntary turnover is calculated using data on employee voluntary turnover and total employee numbers as reported for each company.
11. Board diversity for the portfolio is calculated as a simple average of the diversity measures for each reporting company (14/15 companies reported Board gender diversity, and 13/15 companies reported Board ethnic diversity).
12. 2020 Female & Non-Binary Board diversity was previously reported at 22%. The figure has been updated.
13. 2021 Female & Non-Binary Board diversity was previously reported as 25%. The figure has been updated.
14. 2021 UREG Board diversity was previously reported as 39%; the figure has been updated.
15. 2021 chair independence was previously reported as 38%; the figure has been updated.
16. Note, in 2022, 6 out of 15 companies did not have a chair. The presented percentage is based on the remaining 9.
17. In all SSF III reporting we classify all Non-Executive Directors (NEDs) as independent.
18. Percentage of workforce self-identifying as female and non-binary across the portfolio represents the weighted average, with total employees as the denominator. A total of 14 out of 15 companies reported gender representation of Management and Technical Staff. 13 out of 15 companies reported gender representation of Other Staff.
19. 2022 Scope percentages are rounded to the nearest whole percentage for visualisation. More exact percentages for Scope 1, 2 and 3 are .76%, 1.53% and 97.72% respectively.
20. AlayaCare Investor Presentation, (AlayaCare, Mar. 2021).
21. Data on impact over time comes from a survey of a sample of AlayaCare’s care workers conducted by 60 Decibels. For more information on the survey and 60 Decibels, please see Data Providers for this Report.
22. 
23. [Back Market CEO: “We want to make buying refurbished products cool”](#) (Management Today).
24. Data on emissions over time comes from Back Market’s LCA conducted by ECG. For more information on ECG, please see Data Providers for this Report. Data on e-waste avoided comes from a separate LCA sponsored by Back Market with ADEME. 2021 e-waste avoided figure is updated for the latest LCA.
25. Data on impact over time comes from Benevity itself (unique changemakers) and a survey of a sample of Benevity’s enterprise clients and, separately, charitable causes, conducted by 60 Decibels. For more information on the survey and 60 Decibels, please see Data Providers for this Report.
26. Environmental Capital Group, 2021.
27. “Fast Facts: U.S. Transportation Sector GHG Emissions” (US EPA, 2019), Convoy data and estimates, ECG analysis. Data refers to truck freight within the US only — it does not include international transport or rail and shipping freight.



28. Data on impact over time comes from Convoy's LCA conducted by ECG. Convoy's carbon savings are calculated for "batched" shipments, when carriers are connected to a nearby load, therefore reducing empty miles. For more information on ECG, please see Data Providers for this Report.
29. [Elation Health Has Quietly Built A Leading EHR In Primary Care. Will A Fresh \\$50 Million Fuel Its Expansion In The Enterprise Market? \(forbes.com\)](#) (Forbes, July 2022).
30. Data on impact over time comes from a survey of a sample of Elation Health's health providers conducted by 60 Decibels. For more information on the survey and 60 Decibels, please see Data Providers for this Report.
31. [Small Business 401\(k\) Access Gap Exposed | Guideline \(Guideline, Mar. 2019\)](#).
32. [Guideline | 2022 Year in Review \(Guideline, Jan. 2023\)](#).
33. Figure taken from Guideline's website under the section 'Guideline today' (Guideline, Apr. 2023).
34. Data on impact over time comes from a survey of Guideline participants conducted by 60 Decibels in 2020. As comprehensive data was collected, the survey was not re-run in 2021. For more information on the survey and 60 Decibels, please see Data Providers for this Report.
35. U.S. Bureau of Labor Statistics.
36. Calculated based on public information taken from the Gusto website. Figures are rounded. (Gusto, accessed Apr. 2023)
37. Awards displayed on Gusto's website as of April 2023 and manually validated by Generation. [Best Payroll Software 2023 | U.S. News \(usnews.com\)](#) [Best Payroll Software Services of April 2023 - NerdWallet](#)
38. Data on impact over time comes directly from Gusto's website. Figure is from their August 2022 Tech Validate survey of 500+ customers. (Gusto, accessed Apr. 2023)
39. Reducing food's environmental impacts through producers and consumers (Poore, J., & Nemecek T., 2018).
40. [Supply Chain Guidance | US EPA \(US, EPA, Accessed Apr. 2023\)](#).
41. o9 Solutions was not in the Fund in 2021, but GIM obtained a carbon emission avoidance analysis for a single customer (displayed). For 2022, given the nature of each of o9 Solutions' customers having different business models and emission reduction plans, a similar analysis has not been done. GIM is in talks with o9 Solutions's consultants to carve out a path forward.
42. [New research shows 50 year binge on chemical fertilisers must end to address the climate crisis](#) (Institute for Agriculture and Trade Policy, Nov. 2021).
43. [Review Nitrogen Fertilization. A Review of the Risks Associated with the Inefficiency of Its Use and Policy Responses](#) (Martinez-Dalmau, Javier, et al., May 2021).
44. Pivot Bio Impact Report 2022. (Pivot Bio, forthcoming 2023).
45. 2022 Data on impact over time calculated by Pivot Bio. Greenhouse gas emissions avoided calculated through analysing "growers who validated their replacement through [Pivot Bio's] N-OVATOR program,[and] 49% of non-enrolled customers [who] reported reducing their standard synthetic nitrogen application due to adoption of Proven40"(Pivot Bio, forthcoming 2023). Emissions to water avoided calculated through applying "IPCC 2019 Refinement to the 2006 Guidelines for National Greenhouse Gas Inventories, Chapter 11: N2O Emissions from Managed Soils and CO2 Emissions from Lime and Urea Application." 2021 Data on impact over time comes from Pivot Bio's LCA conducted by ECG. For more information on ECG, please see Data Providers for this Report.
46. Data on impact over time comes from Project44's LCA conducted by ECG. For more information on ECG, please see Data Providers for this Report.
47. [Remittance flows and GDP impact by country: Animated chart | World Economic Forum \(weforum.org\) \(World Economic Forum, Jan. 2023\)](#).
48. [Remitly Expands into the Middle East with United Arab Emirates Launch, Dubai Office | Remitly Global, Inc \(Remitly, Feb. 2023\)](#).
49. Data on impact over time comes directly from Remitly.
50. [Remitly Appoints Two New Members to its Board of Directors | Remitly Global, Inc \(Remitly, Apr. 2023\)](#).
51. Data on impact over time comes directly from Sophia Genetics.
52. [Net-Zero Challenge: The supply chain opportunity \(World Economic Forum, Jan. 2021\)](#).
53. Data on impact over time comes from Vestiaire Collective's LCA conducted by ECG. For more information on ECG, please see Data Providers for this Report.
54. [Vestiaire Collective data shows positive eco impact of resale \(fashionnetwork.com\) \(Fashion Network, Apr. 2022\)](#).



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If you have any questions relating to this report, please contact Generation Client Service at Generation Investment Management LLP, 20 Air Street, London W1B 5AN. Email: [clientservice@generationim.com](mailto:clientservice@generationim.com) Tel: + 44 (0) 207 534 4700.

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