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Generation Investment Management releases its inaugural Sustainability Trends Report for 2017

San Francisco – 02 November 2017 – Generation Investment Management LLP, a long-term, sustainability-focused investment firm, has today announced the launch of its 2017 Sustainability Trends Report. This report will be updated on an annual basis and documents the commercial progress being made towards a more sustainable global economy. It covers five key sectors: Mobility, Energy, Built Environment, Food Systems and Wellbeing.

The report highlights an increasing number of sustainable business innovations which are having significant impact as the global economy is upgraded for the 21st Century. It suggests we are in the beginning stages of a Sustainability Revolution that may prove as transformative as earlier Industrial and Digital Revolutions.

Al Gore, Chairman of Generation Investment Management, commented:

“Since our founding in 2004, Generation has taken a long-term investment approach, in which we look at mainstream business and economic factors and analyse sustainability trends. It has been encouraging to see this approach working, with goods and services being produced more sustainably and efficiently. This report presents an opportunity to engage with stakeholders in the move towards a more sustainable future, and to discuss all the commercial opportunities that comes with it.”

Takeaways from the report include:

1. A culture-shift towards sustainability requires companies to innovate:

- > From the rise in alternative proteins to the decline in driving licenses amongst millennials, emergent business models are reacting to a shift in consumer behaviour and wider demands for sustainability.
- > 13% of the American milk market is now comprised of “alternative” milks, such as pea and soya milk.
- > The number of “Certified-Benefit Corporations”, which are mandated to generate profit while effecting positive change, has risen to over 2,000 in the past decade.

2. Firms are embracing technology in order to enhance production efficiencies:

- > The use of drones allows agricultural companies to apply water and treatment to crops in a more sustainable way.
- > Among American agricultural dealers, the adoption rate of satellites has increased by over 40 percentage points in the past decade.
- > The rapid growth of 3D printing will continue to reshape the built environment, playing a key role in the reduction of CO2 emissions. Last year nearly 2,000 3D-printing patents were filed to the European Patent Office, more than double the number from two years ago.

ABOUT GENERATION

Generation Investment Management LLP is dedicated to long-term investing, integrated sustainability research, and client alignment. It is an independent, private, owner-managed partnership established in 2004 and headquartered in London. Generation Investment Management LLP is authorised and regulated in the United Kingdom by the Financial Conduct Authority.

3. Assets are being used more efficiently:

- > One person owning one tool for only occasional use is not a sustainable use of assets. Instead, circularity and sharing is becoming the new norm for how we drive, where we work and how we consume.
- > The number of members of car-sharing platforms has risen from half a million to 6m in the past decade. The number of co-working spaces has also risen significantly.

4. Digitisation is enhancing access to sustainable products and services:

- > Pay-as-you-go solar has provided users with off-grid energy solutions while simultaneously enabling users to build credit. Data suggests that sales of portable solar kits have almost doubled in the past three years.
- > Similarly, there has been an explosion of apps which make it easier for people to navigate complex public-transport systems.

Colin le Duc, Partner of Generation Investment Management, added:

“The rising societal awareness of sustainability, coupled with today’s technological possibilities, is creating substantial commercial opportunity. Lower costs and performance improvements for technologies ranging from electric vehicle batteries to genomic sequencing mean that these products and services are moving us to a lower carbon, more equitable economy for all.”

Generation’s 2017 Sustainability Trends Report can be accessed here:

<https://www.generationim.com/sustainability-trends/>

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