

Sustainability and Impact Report 2023: **Sustainable Solutions Fund IV**

Q2 | 2024



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Introduction and overview



Foreword

Dear Clients,

This year marks the twentieth anniversary of Generation's founding in 2004. We celebrated the occasion with our bi-annual Global Client Conference, in which we reaffirmed the need for investors to treat impact as an objective and as a source of returns. We are the generation that has both the resources and indeed obligation to transition to a sustainable world.

Twenty years as a firm also marks the seventeenth anniversary of the Growth Equity strategy. When we launched in 2008 our entry point was 'climate,' based on the hypothesis that we could expand roadmap work from Global Equity into private markets with Fund I. We learned quite a bit about what it takes to scale disruptive businesses, navigating the boom and bust of Cleantech 1.0 and the Global Financial Crisis, and carried this into Fund II, where we refined our thesis to target more businesses that act as 'enablers' or offer second-order approaches to driving climate outcomes. As we moved to Fund III, we stepped up the size of the fund and introduced a holistic mandate, including health and financial inclusion outcomes, due to our conviction that health and prosperity must also be a part of a just transition.

This Sustainability and Impact report covers our fourth Sustainable Solutions Fund (SSF IV), which closed in May 2022 with \$1.7 billion of committed capital and is now almost a third invested.

At the strategy level, despite the challenging interest rate environment and a market reset starting in 2022, we were pleased to see broad resilience in the portfolio. We continued to do what we do best:

- Throughout 2023, we authored 24 roadmaps and assessed 82 prospect companies, across Roadmap topics such as AI for Diagnostics, Credit & Financial Wellness, Data Privacy and Green Databases.
- We supported SSF IV portfolio growth by convening 11 events, of which two of them were curated with two of our portfolio companies, on topics such as green data, sustainable food systems and future of supply chain.
- We hosted our third System Positive Summit in San Francisco for portfolio company senior teams, offering the chance to learn from 16 practitioners in scaling sustainable solutions businesses,

sharing insights on topics such as driving growth with sustainability at the core, scaling impact measurement and reporting, and sustainability leadership in public markets.

While it is early in our deployment of SSF IV, we had 5 companies as of year-end. They showed representation across our three coverage pillars of planetary health, people health and financial inclusion. In the case of Service Titan, for example, our sustainability thesis touched on both financial inclusion and climate—we saw the opportunity for Service Titan to help small business trade contractors take advantage of the US Inflation Reduction Act, to drive revenue and so grow their economic contribution and jobs, while also driving the decarbonisation of the built environment.

We remain dedicated to driving value in the portfolio, against a changing macroeconomic and political context for sustainable investment. Just when the EU appeared to be pulling away as a leader in using the tools of economic policy and regulation to address sustainability challenges, the state of California introduced its own climate disclosure bills, and the SEC adopted its final climate-related disclosure rules. 2024 looks to bring even more evolution, with over 3 billion people casting their vote at the polls.¹ On the advocacy front, we remain vocal about the International Sustainability Standards Board (ISSB) as the most comprehensive framework for integrated reporting, and we remain as committed to our vision and mission as ever.

We are delighted to have you with us on this journey,

The Growth Equity Team

Growth Equity overview

Years of operating

17 years

Since inception

Investment team

18 employees

31 March 2024

Total committed capital

\$3.9 billion

31 March 2024

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

GENDER



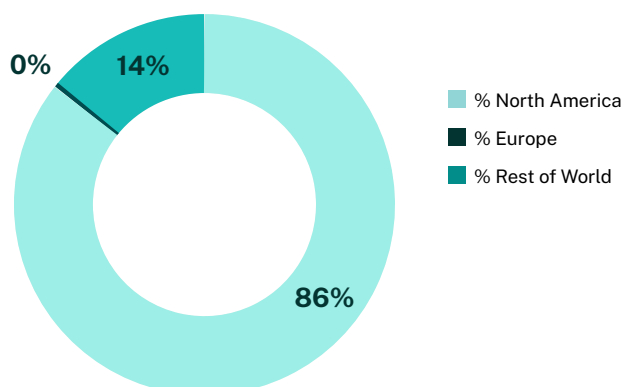
■ % Female ■ % Non-binary ■ % Male

ETHNICITY



■ % UREG ■ % White

Geographic reach of our companies (by location of headquarters, as % of invested capital)



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 operational sustainability performance measurement

We select at least one ‘North Star’ impact metric to measure each business’s contribution to the above goals, and report on outcomes mapped to the UN Sustainable Development Goals (SDGs), alongside

core operational sustainability performance metrics. For companies contributing to financial inclusion and people health, we conduct 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 Lifecycle Analysis (LCA). We also analyse our business’s overall contribution and risks to impact using the norms established by the Impact Management Project (IMP). Finally, using GHG emissions measured as part of our core operational sustainability performance metrics, we 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 aligning our portfolios to net zero by 2040 or sooner. We have also placed 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
IMPACT OUTCOMES	<ul style="list-style-type: none"> GHG Mitigation Pollution Avoidance Resource Efficiency 	<ul style="list-style-type: none"> Access Health Outcomes System Cost Efficiency 	<ul style="list-style-type: none"> Access Earnings Growth System Cost Efficiency
	REPORTING FRAMEWORK <ul style="list-style-type: none"> Sustainable Development Goals (SDGs) 		
IMPACT METRICS	<ul style="list-style-type: none"> tCO₂e avoided Tonnes of pollution/waste avoided to air/water/land Litres of fuel saved Cubic metres of water saved # trees saved Square metres of land saved 	<ul style="list-style-type: none"> # new patients treated # new people insured/treated # early interventions Increase in recovery rate/life expectancy \$ cost reduction to customers 	<ul style="list-style-type: none"> % beneficiaries in low income/unbanked/underinsured group \$ increase in earnings \$ cost reduction to customers
	REPORTING FRAMEWORK <ul style="list-style-type: none"> Lifecycle Assessments (LCA) or beneficiary surveys Impact management norms established by the Impact Management Project (IMP) 		
OPERATIONAL SUSTAINABILITY PERFORMANCE METRICS	Environmental, social, and governance information captured across the portfolio		
	REPORTING FRAMEWORK <ul style="list-style-type: none"> Best-in-class sustainability accounting standards Carbon emissions target setting and reporting standards 		   

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)
WHAT	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 ₂ 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?	....
	HOW	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.

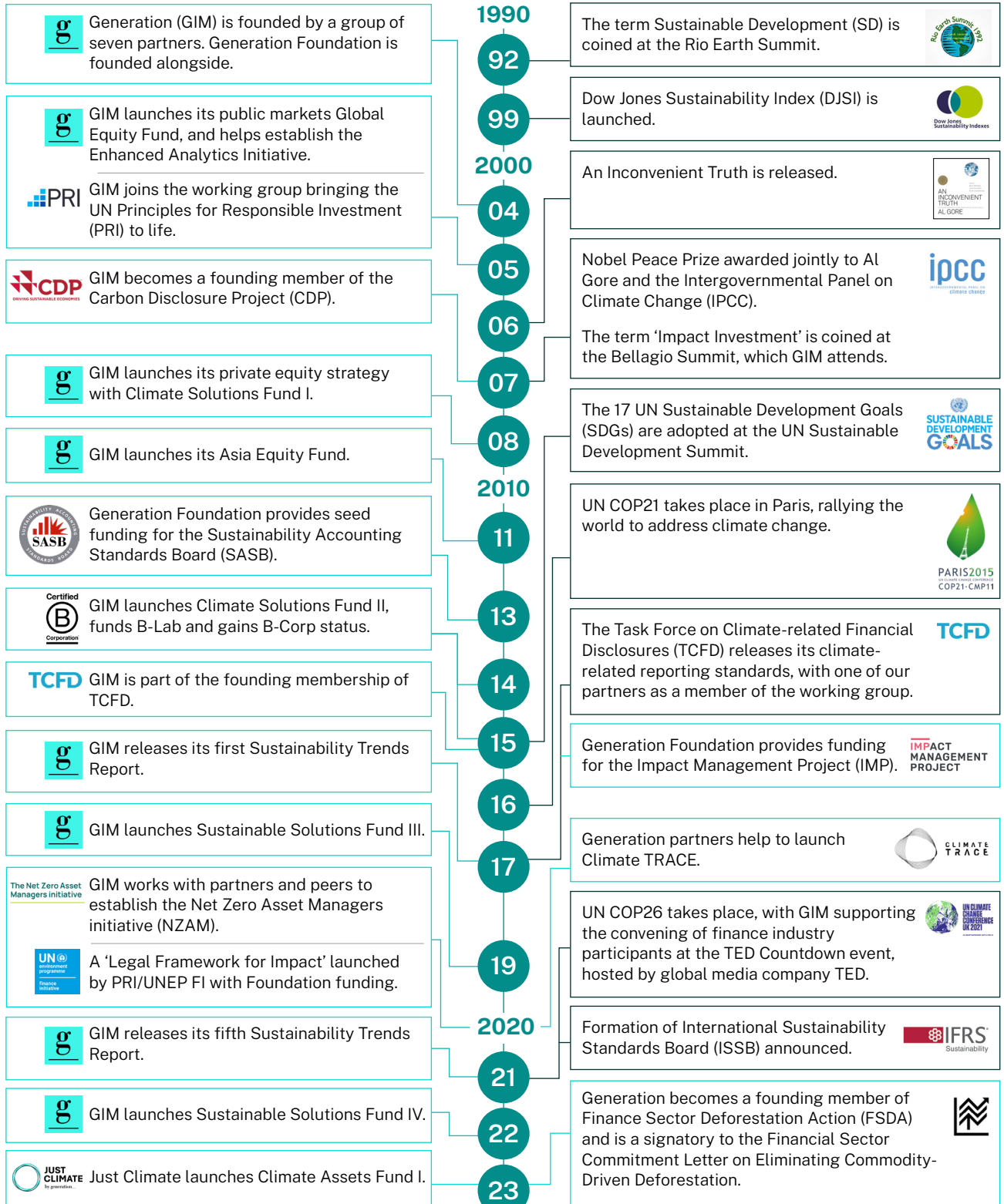
Our System Positive Framework also includes Key Performance Indicators (KPIs) to be tracked over time. These KPIs capture the single 'North Star' social or environmental impact we expect the company to have through its product or service, as well as core operational sustainability performance metrics, 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 20 years to achieve this vision.

Generation milestones Sustainability milestones



Portfolio review



Portfolio results

The two companies that have been in the portfolio since 2022 (i.e., Gloat and WEKA) both delivered a >70% increase in their respective product impact metrics. The three new portfolio companies BenchSci, OneTrust, and ServiceTitan all committed to reporting product impact metrics annually, which we will track on an ongoing basis. This year, we also launched the Sustainability Performance Review (SPR) where we benchmarked our

companies' performance, across both product impact and operational ESG metrics, and provided actionable insights for management teams to further amplify and more accurately measure their impact. In 2024, we are focused on using these insights to help ensure our companies deliver meaningful impact while achieving strong business growth.

Product impact



SERVICETITAN

164.4k

tCO₂e avoided

WEKA

190.6k ↑117%

tCO₂e avoided



BENCHSCI

24%

Decrease in clients' R&D spend



GLOAT

1.41m ↑72%

Productive hours unlocked



ONETRUST

22.3m

Daily consent transactions protecting customer privacy

Operational sustainability

ENVIRONMENT

35,387 ↑25,502

Total carbon footprint (Scope 1-3) tCO₂e

40.4 ↑188.6

Weighted average tCO₂e per USD M revenue

SOCIAL

5.7k ↓0.2k

Jobs provided (total employees)

14% ↑4 pts

Employee voluntary turnover %

GOVERNANCE

9% ↓5 pts

Board diversity (female & non-binary)

39% ↑12 pts

Board diversity (UREG)

n/m

% of Board chairs that are independent

72% ↓2 pts

% of Board directors that are independent

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. For 2023, we continue to report on gender in terms of female, male and non-binary, and report on ethnic diversity as 'Percentage identifying as an underrepresented racial and ethnic group' ("UREG"). We believe this approach effectively balances inclusivity with feasibility, allowing for a less US/UK-centric and more global perspective on what it means to be underrepresented. We also continue to participate in voluntary reporting, including to one of our EDI-centred Limited Partners, to facilitate benchmarking and learning across the industry.

Engagement

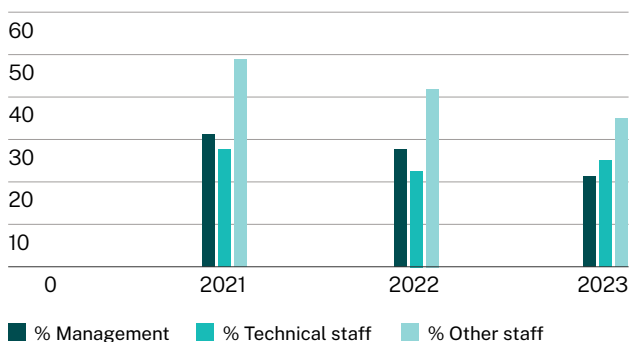
In 2023 the Growth Equity team continued to build on the comprehensive EDI strategy launched in 2022, covering portfolio EDI engagement and EDI for the team itself. At the portfolio level, our engagement strategy continues to focus on disclosure and in setting the tone from the top, engaging with portfolio companies on Board composition to improve diversity of the Board,

and connecting our companies with the resources to support development of their workforce EDI strategies. At the team level, we continued our partnerships with Sponsors for Educational Opportunity (SEO) and our Impact Capital Managers' MOSAIC Fellowship for high-achieving MBA students from underrepresented backgrounds, hosting a MOSAIC intern for the third summer in a row.

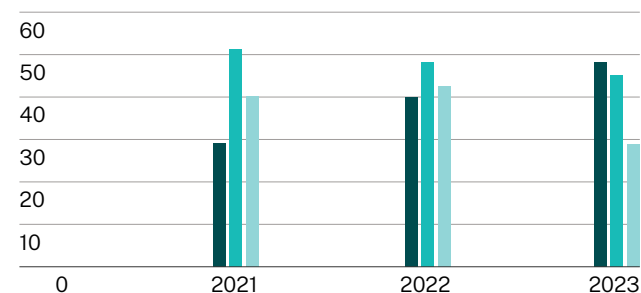
Insights

In 2023, four out of five companies reported gender diversity of management, technical and other staff. One company reported ethnic diversity results at the management, technical and other staff level. Average workforce gender diversity decreased slightly on average, mostly due to the addition of three new portfolio companies that have less diverse employee compositions. However, it is encouraging to see that our two existing investments improved gender diversity for certain staff segments year-over-year (i.e., management for Gloat; technical and other staff for WEKA). We continue to support our companies to refine their EDI recruitment and retention strategy, informed by our SPR discussions.

Percentage female & non-binary



Percentage UREG



System Positive Summit spotlight

In 2023 Generation placed a spotlight on diversity at our System Positive Summit, the annual portfolio conference we hold in San Francisco each year to inspire and connect our portfolio companies. The 2023 System Positive Summit session 'Building and protecting culture and diversity in a downturn' recognised the challenges our companies face in today's economic environment, and spotlighted strategic and tactical approaches to increasing representation,

avoiding bias in managing headcount and in investing in strong cultures that promote inclusion.

In 2023, we also onboarded a new Growth Equity adviser, Miriam Warren (Chief Diversity Officer of Yelp), to provide direct strategic support for companies. So far, Miriam has connected with two portfolio companies in the SSF IV portfolio, whether on an advisory project or to provide advice for new DEI hires.

In focus: environmental impact

Context

Our portfolio companies must measure and reduce their 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 aligning our portfolio to net zero by 2040. Conducting year-over-year assessments, where applicable, has highlighted operational hotspots and areas fit for emission reduction initiatives.

Engagement

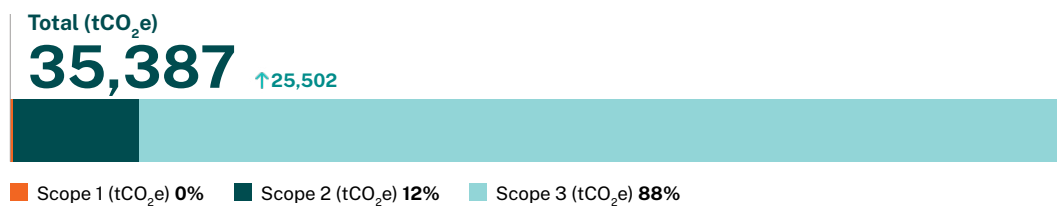
For the second year, we have continued to focus our engagement on driving 'carbon-consciousness' by supporting and encouraging a comprehensive evaluation of Scopes 1–3 GHG emissions. We supported carbon inventories for two of our five companies in 2023 (one of which disclosed for this report), with three others using their own providers. We have also sponsored Lifecycle Assessments (LCAs) for one of the portfolio companies mapped to Planetary Health (i.e.,

ServiceTitan), as well as BenchSci which is primarily mapped to People Health but also delivers carbon avoided impact by reducing testing materials used. WEKA, our fourth Planetary Health company, continued to build on the methodology laid out with our support to update its carbon avoided calculation using in-house resources. In addition, in early 2023 we increased our focus on SBTs, conducting a portfolio analysis to establish the highest-potential companies to focus our engagement.

Insights

Across five companies, the portfolio emitted over 310k tCO₂e in 2023. A significant portion of our companies' scope 3 emissions relates to data centre energy consumption. We encourage companies to push their data centre partners to source 100% renewable energy, while also improving Scope 3 data quality. As of 2023, OneTrust is the only company in the SSF IV portfolio committed to setting a Science-Based Target. We engaged with BenchSci and WEKA on this topic in 2023.

Scope Breakdown (Aggregate Portfolio)



In focus: engagement

Context

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

Definitions and example activities are outlined in the table below.

Impact integrated as a unique source of value across all areas	Growth Equity insight	Example engagement activities
1 Board	The value of Board independence and diversity	<ul style="list-style-type: none"> Giving our Board seat to a qualified independent Supporting searches for new, diverse Board directors
2 Product & commercial	The value of product impact in driving growth	<ul style="list-style-type: none"> Supporting product impact validation and go-to-market integration, to increase revenue Utilising convening power to draw in a target audience, to increase brand awareness and unlock prospects
3 Governance, people and operations	The value of impact and sustainability governance	<ul style="list-style-type: none"> Supporting the design & implementation of best-in-class impact governance, to ensure our companies can best manage product impact and company sustainability for the long term
4 Capital markets	The value of impact at exit	<ul style="list-style-type: none"> Leveraging insight from Global Equity to help companies translate positive impact and practices into value at IPO/in public markets

In focus: engagement

Historical engagements

For 2023, we continued to track engagements across all categories, building on last year's review. 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 engagements with our SSF IV companies is shown below. This is a conservative estimate, as it lists only engagements 'validated' through evidence we've collected.

	2022	2023
Board	n/m	n/m
Commercial	1	4
Product	2	6
Governance, people & operations	n/m	3
Capital markets	n/m	2
Total portfolio companies	2	5
% Companies engaged with	100%	100%

Insights

The bulk of our value-add effort over 2022 focused on helping companies measure and communicate product impact, and using our convening power to unlock commercial expansion. In 2023, however, we also expanded our efforts to focus more deeply on sustainability governance at the Board and below, and improving how our companies operate. As part of this,

we introduced annual 'SPRs,' to help our companies benchmark their progress on sustainability outcomes and focus on the most material areas for goal-setting. We continue to place a focus on recruiting independent and diverse Board members, and we are actively involved with searches for WEKA and OneTrust, although these have not yet concluded.

Spotlight: Engaging on Sustainable AI

The availability of increasingly sophisticated Artificial Intelligence (AI) models poses a significant opportunity for accelerating progress towards sustainability goals. It also creates potential material and systemic risks. In 2023, Generation worked with industry organisation Responsible Innovation Labs to design, and become a signatory to, a pioneering set of [Responsible AI Commitments](#).

The Responsible AI Commitments distil best practices and frameworks from industry, civil society, and the public sector, providing technology founders and investors with 5 principles for responsible AI:

- Secure organizational buy-in
- Foster trust through transparency
- Forecast AI risks and benefits
- Audit and test to ensure product safety regularly

- Make regular and ongoing improvements

In line with our commitments as a signatory, we introduced two new questions to our portfolio monitoring survey this year. These questions helped us understand, and baseline, our portfolio's current approach to the sustainable, responsible and ethical use of AI.

Overall, 75% of the Growth SSF IV portfolio already has policies or processes in place to ensure the sustainable, responsible and ethical use of AI in products and operations. The detail differs – ranging from internal policies or new governance structures, to an updated product strategy – but we are encouraged by the results. These insights will serve as a jumping off point for further discussions, engagement and goal-setting with the portfolio in the coming year.



Impact overview: BenchSci



Investment detail

2023

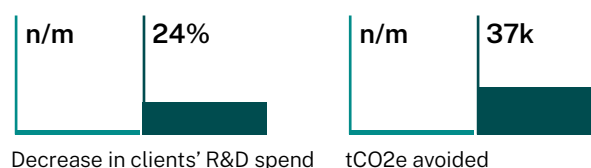
Year Invested

Impact domain



Product impact

■ 2022 ■ 2023



What it does

BenchSci's AI-powered ASCEND platform is a SaaS tool that increases life science R&D productivity. ASCEND unravels the complexities of disease biology, accelerating workflows, enhancing efficiency, and improving portfolio decisions. Their evidence engine understands the vast history of biomedical experiments and supports functions from target ID & prioritization to experimental design and validation, all the way to translational workflows to ensure clinical success. It acts as an AI assistant, enabling scientists to discover biological connections, reduce trial-and-error experimentation, and uncover risks early.

System Positive thesis & solution

BenchSci's platform generates value by accelerating R&D programs by years, ultimately leading to more saved lives; reducing inefficiencies to create cost savings; and superior portfolio decisions through GenAI evidence extraction and summarization driving rapid comprehensive and objective assessment of promising targets.

Impact insights

- **What.** According to BenchSci's internal estimate, their clients realised 24% savings in R&D resources using their platform in 2023. In addition, Generation advised BenchSci on measuring its climate impact, producing a measurement of carbon avoided by its clients for the first time, which amounted to 37k metric tonnes in 2023. This was a significant advancement in how BenchSci thinks about its impact – covering not just people health, but planetary health – and this initial work received a strong positive reception from clients.
- **How.** In 2023, Generation conducted an SPR for BenchSci to benchmark its performance against the Fund's portfolio and provided actionable insights for improvement. In October 2023, Generation participated in BenchSci's Scientific Advisory Board+ Fellows Summit in Toronto alongside industry expert advisers, to establish strategic initiatives that drive the company's R&D pipeline. Generation has convened two dinners (in London and San Francisco respectively) for senior R&D leaders to facilitate a discussion on trends in the pre-clinical R&D space and showcase the BenchSci platform.



Impact overview: **gloat**



Investment detail

2022

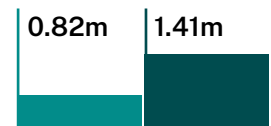
Year Invested

Impact domain

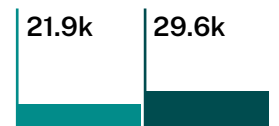


Product impact

■ 2022 ■ 2023



Productive hours unlocked



People matched to positions

What it does

Gloat offers an AI-driven talent marketplace to enhance career mobility and skill agility within global enterprises. It features an internal platform for various career opportunities and utilises AI for personalised recommendations, alongside providing HR with comprehensive workforce analytics.

System Positive thesis & solution

As many as 375 million workers will have to switch occupations or acquire new skills by 2030,² and it is estimated that by 2030 there will be a global human talent shortage of 85 million people according to Korn Ferry and McKinsey research.³ Our vision for a sustainable Future of Work includes diverse, resilient, skill-based workforces—and we believe this is only possible by ensuring ongoing, accessible, high-quality, affordable upskilling and reskilling. We believe Talent Marketplace is the best wedge into the broader talent management stack, and that Gloat can become a system of record for employee skills for its customers.

Impact insights

- **What.** In 2023, Gloat unlocked over 1.4 million productive hours, defined as the sum of the number of hires (of employees to projects, as facilitated by Gloat) multiplied by the respective hours on the project for the calendar year of which 47% were cross-departmental and 40% were cross-region. Gloat are winning clients who are also at the forefront of sustainable change—for example, Novartis were able to stand up a team to launch a new cell therapy medicine in days (rather than months) using Gloat's talent marketplace platform.⁴
- **How.** Gloat has joined the WEF Global Innovation Forum to advance the technology community's AI governance. In June 2023, Generation organised a roundtable and dinner with prospective and current Gloat customers in Chicago, to highlight Gloat's social impact in the future of work.

Impact overview: onetrust



Investment detail

2023

Year Invested

Impact domain



Product impact

■ 2022 ■ 2023



Daily consent transactions protecting customer privacy

Employees of OneTrust customers who proactively utilized the "speak up" product to voice their concerns

What it does

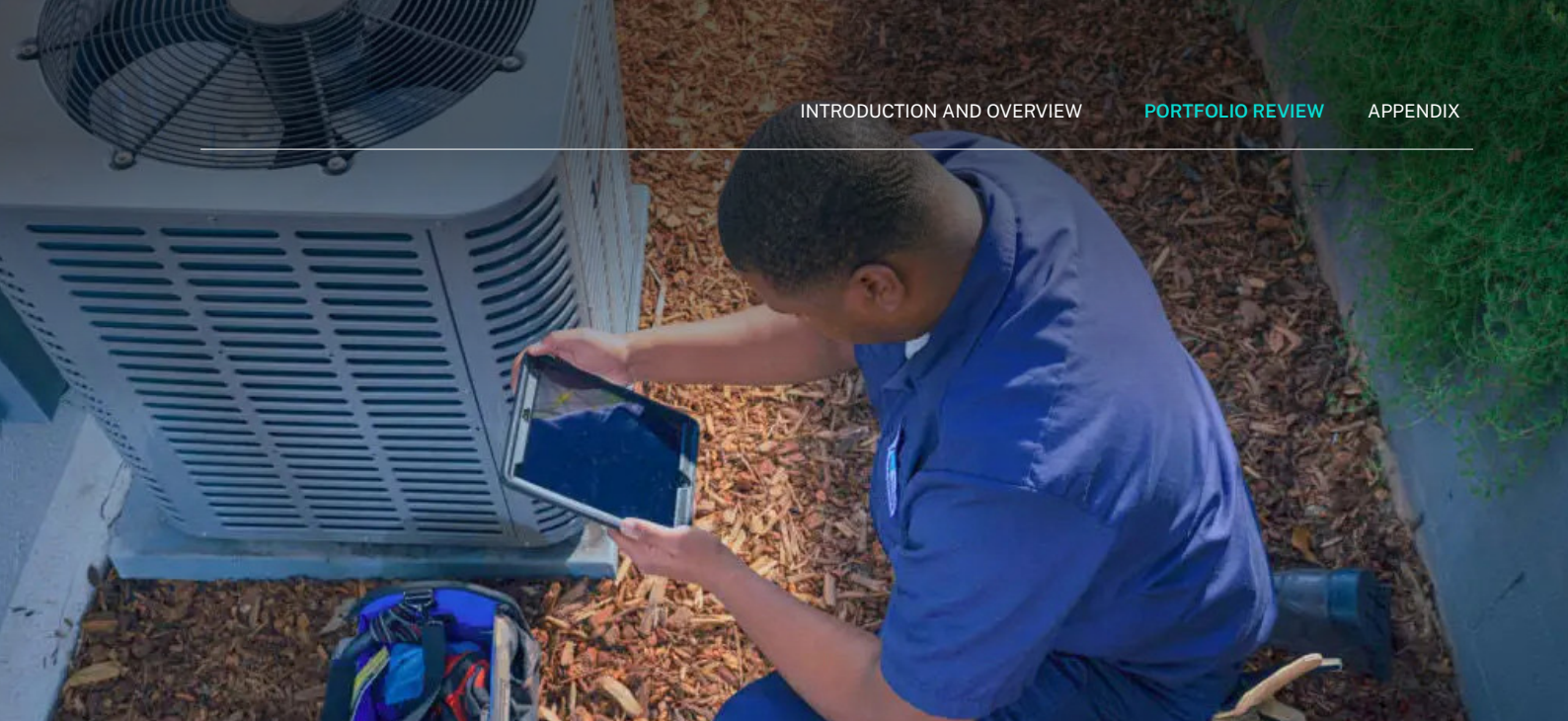
OneTrust offers a cloud platform for data privacy, security, and governance workflows. Serving over 14,000 customers, from small and medium-sized enterprises to large corporations, the platform streamlines a multitude of compliance processes. These include privacy consent and preference management, privacy impact assessments, ethics program management, automated data mapping, and vendor risk management.

System Positive thesis & solution

OneTrust empowers organizations to enhance data privacy, security, and ethical standards, fostering greater trust and safeguarding individuals' data and privacy globally. OneTrust fosters social cohesion and integration by harnessing the potential of data and AI, tackling data privacy and security issues, and advocating for ethical standards and whistleblower protections to enhance corporate culture. Its services assist companies in adhering to critical regulations like the EU's GDPR while advocating for privacy protection in accordance with the UN's [Guidelines for Consumer Protection](#).

Impact insights

- **What.** Throughout and following the investment process, Generation collaborated with OneTrust to identify product impact KPIs, which were reported for the first time. In 2023, OneTrust empowered 1.3 billion daily visitors to manage their privacy preferences and enabled 22.3 million consent transactions per day, protecting customers' privacy. Additionally, in 2023, 250k employees from OneTrust's customer base voiced their concerns through OneTrust's "speak up" product, fostering a positive workplace environment.
- **How.** In September 2023, OneTrust welcomed Christine Alhambra as Head of ESG Initiatives. She led the company's 2023 carbon footprinting exercise and kickstarted its operational sustainability program, introducing a revamp of the environmental sustainability policy and an inaugural materiality assessment. Additionally, Generation advised OneTrust on its public market preparedness, including sustainability considerations.



Impact overview: ServiceTitan®



Investment detail

2023
Year Invested

Impact domain

 Planetary Health

Product impact

■ 2022 ■ 2023



tCO₂e avoided

What it does

ServiceTitan offers a comprehensive software and fintech platform for trade contractors in the US and Canada, targeting the HVAC, electrical, plumbing, and green industry sectors. Catering to businesses with five or more technicians, and has expanded rapidly through organic growth and acquisitions such as FieldRoutes, Aspire, Schedule Engine, and Convex.

System Positive thesis & solution

Carbon emissions from buildings must be reduced by 50% by 2030 to get on track for net zero by 2050.⁵ Energy retrofit technologies (insulation, ventilation, heat pumps, lighting) will be crucial for making existing buildings more energy-efficient. In the US, 1 billion fossil fuel machines must be electrified across households.⁶ Contractors (plumbers, electricians, HVAC professionals) are critical for executing this transition. A 2021 Frost & Sullivan study shows US consumers and asset owners spend over \$1 trillion annually on servicing buildings.⁷ This number will grow with labour shortages, aging buildings, and decarbonization goals.

Impact insights

- **What.** In 2023, with Generation’s support, ServiceTitan launched an Inflation Reduction Act (“IRA”) workstream to inform the commercial opportunity for net-zero buildings, building on the initial work Generation did for the company pre-investment.
- **How.** In 2023, we advised ServiceTitan on appropriate sustainability governance, as the company takes steps forward to fully integrate sustainability into overarching management, Board reporting, and KPIs. Service Titan subsequently hired a new Head of DEI and ESG, Anika Balkan, who joined in July 2023.



Impact overview: WEKA



Investment detail

2022

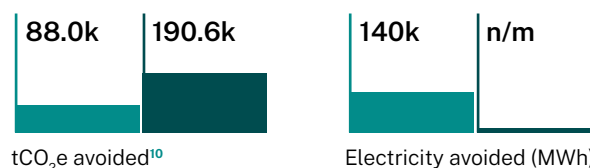
Year Invested

Impact domain



Product impact

■ 2022 ■ 2023



What it does

WEKA provides a subscription-based data platform catering to cloud and AI workloads with over 10x performance and scale. It offers a hardware-agnostic data storage software layer, designed for AI and HPC (High Performance Computing), revolutionising large-scale unstructured data architecture.

System Positive thesis & solution

The market for high-performance, AI-related computing workloads is large and growing rapidly. This exponential data growth leads to rising energy use. Datacentres consume 2–3% of global energy; in Ireland, they make up 20% of electricity consumption.⁸ The IEA estimates energy consumption will double between 2022 and 2026, with AI growth potentially increasing this further. Storage innovation is needed to fully utilize GPUs and avoid wasted energy and hardware.⁹ WEKA is chosen for advanced workloads, delivering 10x performance improvements and reducing hardware footprint and energy use by up to 90%.

Impact insights

- **What.** In 2023, Generation continued to support WEKA's carbon avoided analysis, which indicates the platform avoided 191k tCO₂e, up 10% from last year. We also advised WEKA to integrate carbon avoided measurement into marketing positioning. In early 2023, WEKA launched their Sustainable AI Initiative, promoting climate-positive investments and the efficient and sustainable use of AI.
- **How.** Generation is supporting the search for WEKA's newest Board member to improve diversity and is working closely with the company on the build-out of their executive team and their product positioning. In addition, Generation conducted an SPR for WEKA to benchmark its performance against the Fund's portfolio and provided actionable insights for improvement. We also supported the recruitment of WEKA's Chief People & Culture Officer, improving the management team's gender diversity.

Appendix



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).

	SDGs	Metrics
BenchSci		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. 12.2 By 2030, achieve the sustainable management and efficient use of natural resources.
Gloat		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 8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value
OneTrust		12.6 Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle
ServiceTitan		7.3 By 2030, double the global rate of improvement in energy efficiency 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
WEKA		9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities

Data partners for this report

Environmental Capital Group

Environmental Capital Group (ECG) advises investors and companies on impact and ESG issues, with deep expertise in quantitative Lifecycle Assessment (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 programmes of sustainability impact accounting and reporting in the world. Cliff Brown, Managing Director of ECG, has led this work for 15+ 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. ECG performed the initial impact analysis for WEKA in 2022, including the lifecycle assessment compared to business-as-usual.

WAP Sustainability

WAP Sustainability is a partnership of global sustainability catalysts providing technical and strategic expertise across a variety of sustainability services, such as Lifecycle Assessment (LCA), Healthy Materials, Environmental Social and Governance (ESG) Management and Carbon (GHG) Accounting. They support various industries, including consumer and building products, manufacturing, technology and financial services. WAP Sustainability global clients range from Fortune 100 to private equity backed start-ups. Their mission is to accelerate sustainability through relationships.

WAP Sustainability performed the impact analysis for BenchSci and ServiceTitan, including the lifecycle assessment compared to business-as-usual, in 2023.

Emitwise

Emitwise's 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 2022, Emitwise calculated greenhouse gas emission inventories for Gloat and WEKA. In 2023, Emitwise calculated greenhouse gas emission inventories for ServiceTitan and WEKA.

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 (tCO₂e), 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, comprising 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 (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, only upstream Scope 3 emissions were included due to higher significance and data availability. 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 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 type of fuel and 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 type of fuel and 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
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

401(k)	In the United States, a 401(k) plan is an employer-sponsored, defined-contribution, personal pension account, as defined in subsection 401(k) of the U.S. Internal Revenue Code. Periodic employee contributions come directly out of their pay checks, and may be matched by the employer.
AI	Artificial Intelligence
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 ₂	Carbon dioxide
Carbon Intensity	Aggregate tonnes of carbon dioxide (CO ₂ equivalent) per USD M revenue (not restricted to CO ₂ , includes a basket of emissions). Intensity for prior years based on conversion to USD M based on May 2022 FX rates.
EDI	Equity, Diversity and Inclusion
ESG	Environmental, Social, Governance
FTE	Full-Time Equivalent
GDPR	General Data Protection Regulation
GHG	Greenhouse Gas
GIM	Generation Investment Management
GPU	Graphics Processing Unit
HPC	High Performance Computing
HVAC	Heating, Ventilation, and Air Conditioning
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 to a sustainability objective, as well as overall impact domain.
LCA	Lifecycle Analysis
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.

References

Glossary of terms

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.
R&D	Research and Development
ROI	Returns on investment; typically refers to incremental benefits vis-à-vis costs of customers' purchasing of a specific product in this context
SASB	Sustainability Accounting Standards Board
SBT	Science-based Target
SDG	Sustainable Development Goal
SMB	Small and Medium-sized businesses
SPR	Sustainability Performance Review
TCFD	Task Force on Climate-related Financial Disclosures
tCO ₂ 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 Programme 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 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. A summary and links to these disclosures is below.

Task Force for Climate-related Financial Disclosures (TCFD)

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.

[TCFD Report 2023](#)

Sustainable Finance Disclosure Regulation (SFDR)

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.

[Sustainability-Related Disclosures](#)

UK Stewardship Code

Generation is pleased to have been accepted by the Financial Reporting Council as one of the initial signatories to the UK Stewardship Code 2020. Generation's Stewardship Report for 2022 is available publicly on our website under Our Strategies.

[Stewardship Report](#)

Key frameworks



- 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."
- <https://www.un.org/sustainabledevelopment/sustainable-development-goals/>



- The Impact Management Project, a collaborative effort of more than 1,000 global stakeholders, has agreed on a set of shared fundamentals for communicating, measuring and managing impact. By helping every investor and entrepreneur understand their material effects, they aim to encourage more impactful capital allocation.
- <http://www.impactmanagementproject.com/>



- 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. In 2023, the FSB announced that the work of TCFD was complete, as the IFRS Sustainability Disclosure Standards incorporate the TCFD Recommendations. Although companies and jurisdictions are still able to use TCFD Recommendations, the FSB transferred TCFD monitoring responsibilities to the ISSB (below).
- <https://www.fsb-tcfd.org/>



- 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.
- <https://www.ifrs.org/groups/international-sustainability-standards-board/>

Team

We are a diverse team, connected by a common mission.



Lila Preston



Kevin Diestel



Dave Easton



Madeleine Evans*



Emma Knott



Lucia Keijer-Palau



Neha Madhotra



Khalil Mair



Florian Malidin



Sam Orley



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Niki Rosinski



Jonah Surkes



Joy Tuffield



Jacky Tung



Annie Wang



Anthony Woolf



Rose Yuan



Koen Yi**

*Lucia Rigo and Madeleine Evans work across the Private Equity team and the Growth Equity team.

**Koen Yi works with the Growth Equity strategy, and reports to the Generation legal and compliance team.

Our Values

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

ETHICAL STANDARDS

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

RESPECT & DIGNITY

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

TEAMWORK

Teamwork underpins our one-firm culture.

EXCELLENCE

We aim for excellence in all that we do.

INCLUSION & DIVERSITY

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

COMMITMENT

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

Endnotes

1. [2024 is the biggest election year in history | The Economist](#) (The Economist, Nov. 2023)
2. [Jobs lost, jobs gained: Workforce transitions in a time of automation.](#) (McKinsey&Company, Dec. 2017)
3. [The \\$8.5 Trillion Talent Shortage \(kornferry.com\)](#) (Korn Ferry, 2018)
4. Gloat's internal study (Gloat, Mar. 2024)
5. [GlobalABC Roadmap for Buildings and Construction 2020-2050](#) (IEA, Jul. 2020)
6. [One Billion Machines](#) (Saul G., and Sam C., Jun. 2021)
7. [Digital Service Innovations Power the Global Homes and Buildings Industry Post-COVID-19](#) (Frost & Sullivan, Jun. 2021)
8. [Data Centres and Data Transmission Networks](#) (IEA, Jul. 2023)
9. [Data centres curbed as pressure grows on electricity grids](#) (Financial Times, Feb. 2024)
10. tCO₂e avoided for WEKA is calculated based on petabytes under management as at June, representing an approximate average of petabytes under management during the year.'

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