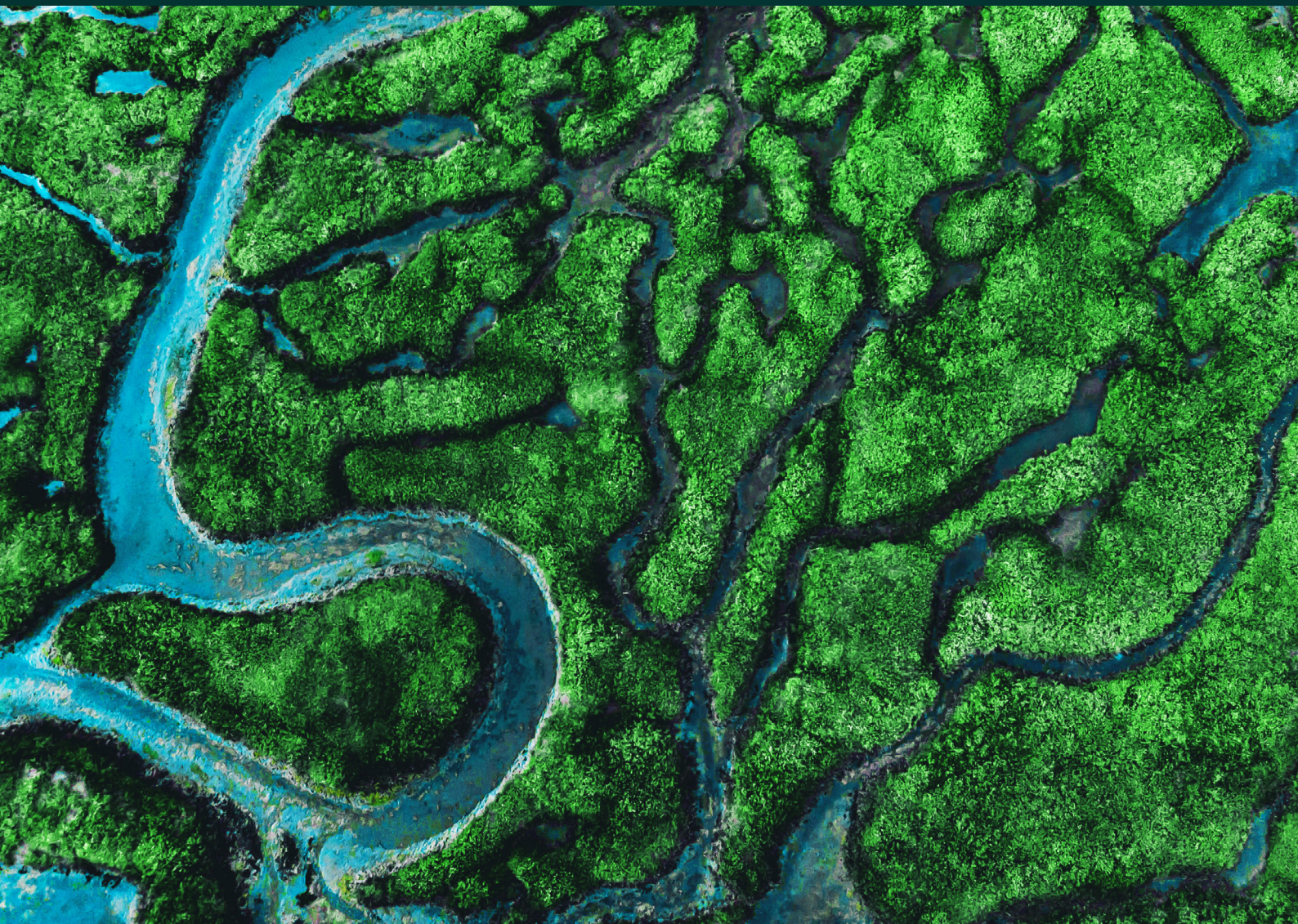


# Sustainability and Impact Report 2023: **Sustainable Solutions Fund III**

Q2 | 2024



# Contents

<b>Introduction and overview</b>	<b>03</b>
1.1 Foreword	04
1.2 Growth Equity overview	05
1.3 Investment strategy and approach	06
1.4 Investment process	07
1.5 System Positive approach	08
1.6 Our sustainability impact over the years	09
<b>Portfolio review</b>	<b>10</b>
2.1 Portfolio results	11
2.2 In focus: equity, diversity and inclusion (EDI)	12
2.3 In focus: environmental impact	13
2.4 In focus: engagement	14
2.5 Company results	16
<b>Appendix</b>	<b>30</b>
3.1 Portfolio mapped to the SDGs	31
3.2 Data partners for this report	33
3.3 Carbon footprinting method	34
3.4 References	35
3.5 Team	38
3.6 Endnotes	40

# 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.

As a platform, our repeatable investment process leverages our history of research roadmaps, robust impact measurement and disclosure standards, and value-add strategy that helps our companies scale both impact and performance. We have been conscious about curating a team of diverse skillsets, backgrounds and experiences, and our team now has a significant tenure of investing together and at the firm, with a total of \$3.9 billion raised across four funds.

This 2023 Sustainability and Impact report covers our third Sustainable Solutions Fund (SSF III), which closed with just over \$1 billion of committed capital in 2019 and is now fully 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 III portfolio growth by convening 11 events across six 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.

Alongside the progress in the portfolio during the year, we also experienced some company challenges. Most notable was an unfortunate loss in Convoy, the freight marketplace we invested in in 2019, which is no longer in the portfolio. We have done a deep post-mortem on the business and the difficulty in scaling a marketplace business through a period of significant freight market volatility. Given the lockstep nature of impact with revenue growth, the rest of the portfolio performed strongly, with impact increasing for almost all companies and an average 30% growth rate year-over-year.

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.<sup>1</sup> 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



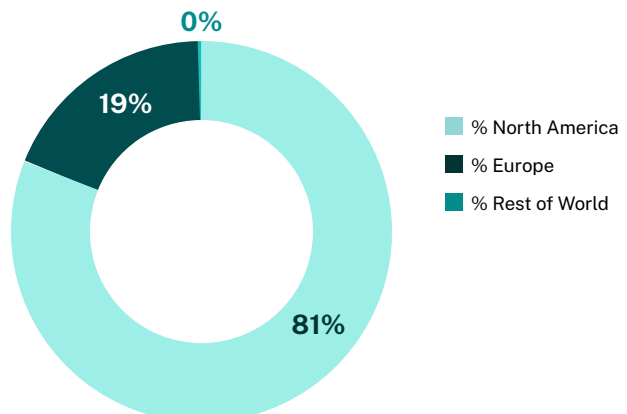
■ % Female ■ % Non-binary ■ % Male

### 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
<b>IMPACT OUTCOMES</b>	<ul style="list-style-type: none"> <li>GHG Mitigation</li> <li>Pollution Avoidance</li> <li>Resource Efficiency</li> </ul>	<ul style="list-style-type: none"> <li>Access</li> <li>Health Outcomes</li> <li>System Cost Efficiency</li> </ul>	<ul style="list-style-type: none"> <li>Access</li> <li>Earnings Growth</li> <li>System Cost Efficiency</li> </ul>
	<b>REPORTING FRAMEWORK</b> <ul style="list-style-type: none"> <li>Sustainable Development Goals (SDGs)</li> </ul>		
<b>IMPACT METRICS</b>	<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>
	<b>REPORTING FRAMEWORK</b> <ul style="list-style-type: none"> <li>Lifecycle Assessments (LCA) or beneficiary surveys</li> <li>Impact management norms established by the Impact Management Project (IMP)</li> </ul>		
<b>OPERATIONAL SUSTAINABILITY PERFORMANCE METRICS</b>	<p style="text-align: center;">Environmental, social, and governance information captured across the portfolio</p>		
	<b>REPORTING FRAMEWORK</b> <ul style="list-style-type: none"> <li>Best-in-class sustainability accounting standards</li> <li>Carbon emissions target setting and reporting standards</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)
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 <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?	....
	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

Compared to 2022, Planetary Health companies showed a +27% increase in 'tCO<sub>2</sub>e avoided'. Product impact results improved for most People Health and Financial Inclusion companies, with six seeing increases. Only Andela reported a slight decrease due to fewer surveyed

developers reporting improved earnings. To support goal-setting, we launched Sustainability Performance Reviews (SPR) in 2023, benchmarking performance and providing actionable insights. In 2024, we aim to leverage these insights to ensure meaningful impact and strong growth.

## Product impact

	<b>BACKMARKET</b> <b>382.6k</b> ↑22% tCO <sub>2</sub> e avoided	<b>NATURE'S FYND</b> <b>755</b> tCO <sub>2</sub> e avoided	<b>O9</b> <b>n/m</b> tCO <sub>2</sub> e avoided	<b>PIVOT BIO</b> <b>697.6k</b> ↑208% tCO <sub>2</sub> e avoided
	<b>PROJECT44</b> <b>62.0k</b> ↑5% tCO <sub>2</sub> e avoided	<b>VESTIAIRE COLLECTIVE</b> <b>63.0k</b> ↑10% tCO <sub>2</sub> e avoided		
	<b>ALAYACARE</b> <b>44%</b> ↑2 pts Improved access to shifts	<b>ELATION HEALTH</b> <b>45%</b> ↑10 pts Decreased levels of stress and burnout	<b>SOPHIA GENETICS</b> <b>317k</b> ↑20% New genetic profiles completed	
	<b>ANDELA</b> <b>46%</b> ↓3 pts Individuals reporting greater earnings	<b>GUIDELINE</b> <b>91%</b> ↑1 pts Customers offering a 401k for the first time	<b>GUSTO</b> <b>98%</b> Reporting a positive impact on their business	<b>REMITLY</b> <b>5.0k</b> ↑16% Number of global money transfer corridors
	<b>BENEVITY</b> <b>2.8m</b> ↑23% Unique changemakers			
				
				

## Operational sustainability

### ENVIRONMENT

**266,401** ↓367,805

Total carbon footprint  
(Scope 1-3) tCO<sub>2</sub>e

**85.9** ↓188.1

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

### SOCIAL

**13.6k** ↓0.8k

Jobs provided (total  
employees)

**15%** ↑1 pts

Employee voluntary  
turnover %

### GOVERNANCE

**22%** ↓3 pts

Board diversity (female &  
non-binary)

**28%** ↑10 pts

Board diversity (UREG)

**36%** ↓14 pts

% 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 a 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

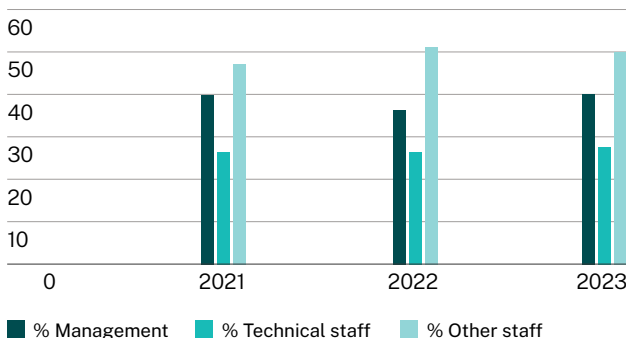
In 2023 the Growth Equity team continued to build on the comprehensive EDI strategy launched in 2022, covering portfolio EDI engagement and EDI for the team itself. At the portfolio level, our engagement strategy continues to focus on disclosure and setting the tone from the top, engaging with portfolio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

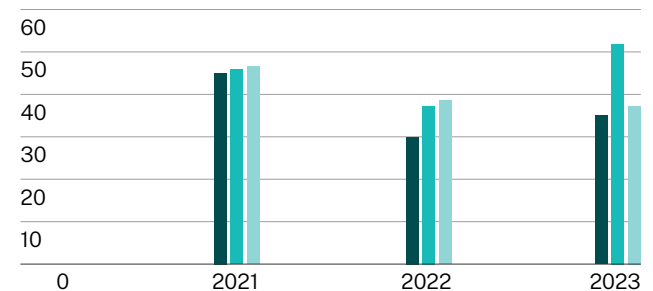
## Insights

In 2023, 12 companies reported gender diversity of management and technical staff and 11 reported gender diversity of other staff, out of a total of 14 companies.\* Disclosure was stable for private companies, whilst changes in public company disclosures mean that disclosure is slightly down for public companies vs. last year, but this is a function of timing rather than substantive. Eight companies reported ethnic diversity results at the management, technical and other staff levels, with certain companies prevented from disclosing due to national regulation. We continue to note relatively high gender diversity at close to parity across the 'other staff' category, while gender and ethnic diversity in other categories has seen modest improvement. This is encouraging progress despite workforce restructurings that happened over the last few years, and we continue to support our companies in refining their EDI recruitment and retention strategy, informed by our Sustainability Performance Review 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 three portfolio companies in the SSF III portfolio, whether on an advisory project or to provide advice for EDI strategy and talent.

\*For definitions of management, technical, and other staff please see Appendix.

# In focus: environmental impact

## Context

Our portfolio companies must measure and reduce their climate impact, regardless of their focus on Financial Inclusion, People Health, or Planetary Health. Understanding our portfolio's total GHG footprint is essential for aligning with our firm-wide commitment to net zero by 2040. Conducting year-over-year assessments highlights operational hotspots and areas for emission reduction initiatives.

## Engagement

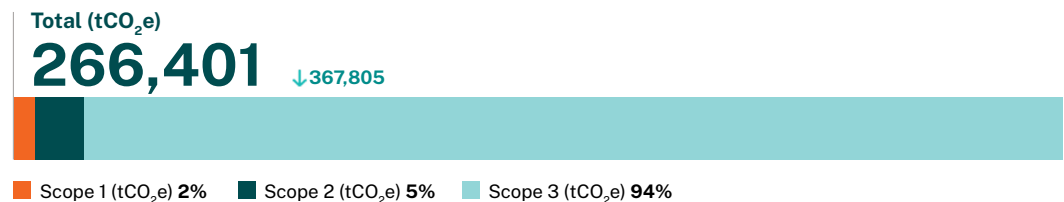
For the fourth year, we focused on driving 'climate-consciousness' by supporting Scopes 1–3 GHG emissions evaluations. We supported carbon inventories for nine of our 14 companies in 2023, with four others using their own providers and one declining. We also supported Lifecycle Assessments (LCAs) as part of our product impact measurement. Of the seven Planetary Health companies, we sponsored two LCAs, and three others continued the exercise with internal resources. In

early 2023, we increased our focus on SBTs, conducting a portfolio analysis to identify high-potential companies for engagement.

## Insights

In 2023, the portfolio emitted over 260k tCO<sub>2</sub>e, down from 604k in 2022. This is mostly due to the removal of Convoy, whose expanded Scope 3 emissions in 2022 caused a significant swing, although some companies also increased their carbon footprint to support growth. 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. By the end of 2023, three companies (o9 Solutions, Vestiaire, Back Market) set and verified Science-Based Targets. We engaged over 70% of the portfolio on Science-Based Targets in 2023 and increasing coverage remains a focus for us.

## 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"> <li>• Giving our Board seat to a qualified independent</li> <li>• Supporting searches for new, diverse Board directors</li> </ul>
2 Product & commercial	The value of product impact in driving growth	<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>
3 Governance, people and operations	The value of impact and sustainability governance	<ul style="list-style-type: none"> <li>• Supporting the design &amp; implementation of best-in-class impact governance, to ensure our companies can best manage product impact and company sustainability for the long term</li> </ul>
4 Capital markets	The value of impact at exit	<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>

# 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 III companies is shown below. This is a conservative estimate, as it lists only engagements 'validated' through evidence we've collected.

	2020	2021	2022	2023
<b>Board</b>	1	8 <sup>2</sup>	2	1
<b>Commercial</b>	2	3	4	14
<b>Product</b>	5	9	11	9
<b>Governance, people &amp; operations</b>	n/m	n/m	n/m	20
<b>Capital markets</b>	n/m	n/m	n/m	5
<b>Total portfolio companies</b>	8	13	15	14
<b>% Companies engaged with</b>	75%	92%	80%	93%

## Insights

The bulk of our value-add effort over 2020–2022 focused on helping companies measure and communicate product impact, placing independent Board members, 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 'Sustainability Performance Reviews,' to help our companies benchmark their progress on sustainability outcomes and focus on the most material areas for goal-setting. This is now a part of our systematic impact review process, and we had a high level of engagement with 93% of our portfolio companies in 2023.

### 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](#).

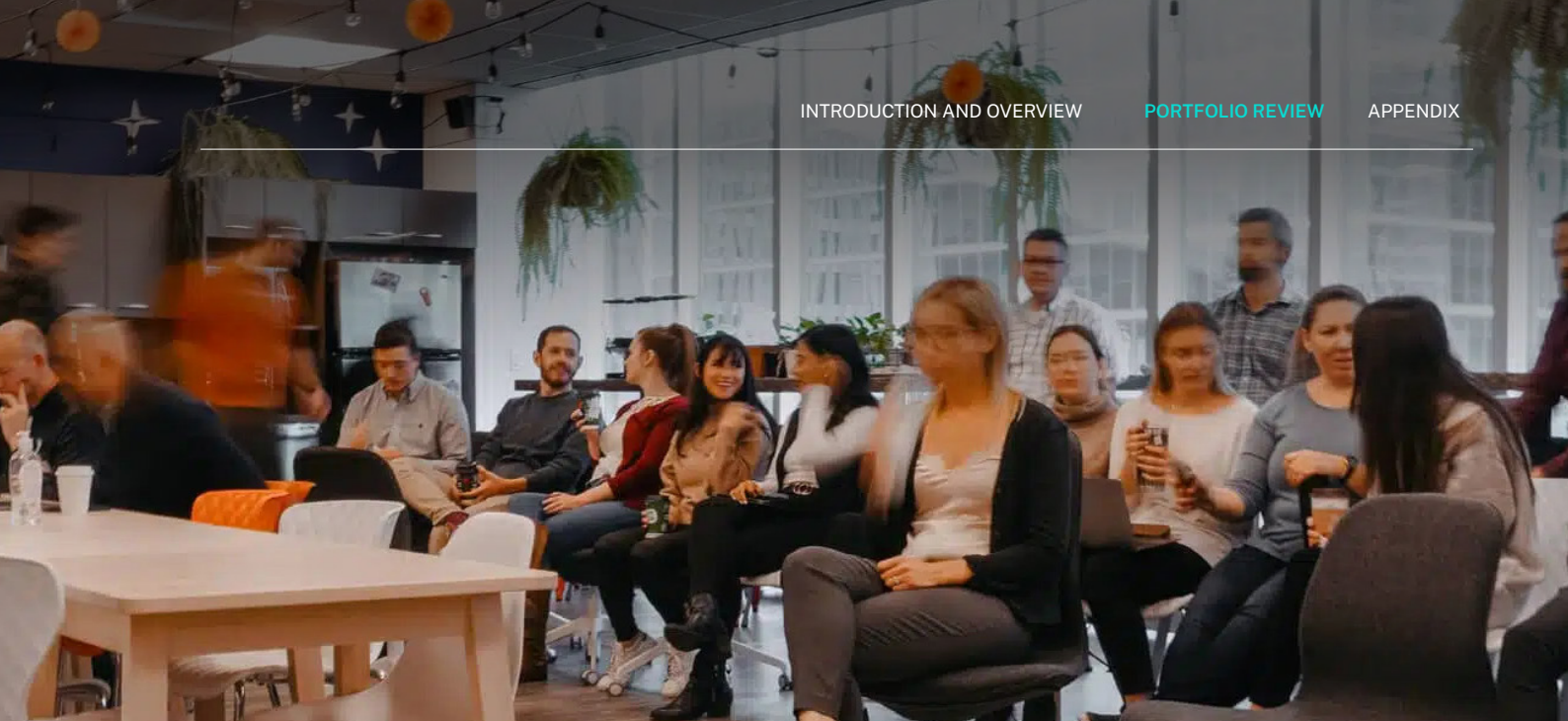
The Responsible AI Commitments distil best practices and frameworks from industry, civil society, and the public sector, providing technology founders and investors with 5 principles for responsible AI:

- 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, 54% of the Growth SSF III 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 public transparency – 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:



### Investment detail

**2021**

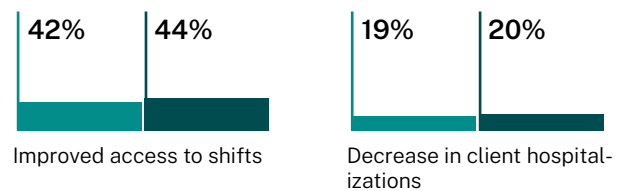
Year Invested

### Impact domain



### Product impact

■ 2022 ■ 2023



### 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% cheaper than the cost of acute hospital care and 86% cheaper than the cost of care in a skilled nursing facility, just as effective and can lead to better outcomes.<sup>3</sup> Further, it is estimated that care workers drive billions of miles each year in the US.<sup>4</sup> Trials run by AlayaCare show that the platform can reduce miles driven by 37%. We believe growing the home care market requires easier-to-use, comprehensive care platforms, and AlayaCare is leading this change.

### Impact insights

- **What.** Generation supported AlayaCare's third beneficiary survey, finding that 44% of care providers reported improved access to shifts and 20% reported decreased hospitalisation rates for clients, both up from last year.<sup>5</sup> Since investment, AlayaCare has become the clear leader in the Canadian market, winning key province-level deals and a majority of private sector enterprise customers. From a product perspective, AlayaCare has now completed its US Medicaid product which is a key area for growth.
- **How.** In October 2023, Generation Chairman Al Gore hosted an AlayaCare employee townhall and a roundtable event with their largest Canadian customers, underscoring the importance of home care to a sustainable healthcare system. In 2023, Generation conducted an SPR for AlayaCare to benchmark its performance against the Fund's portfolio and provided actionable insights for improvement.



## Impact overview: andela



### Investment detail

**2018**

Year Invested

### Impact domain



Financial Inclusion

### What it does

Andela is a global private marketplace for technologists, which matches talented individuals from untapped markets like Africa and LatAm with global technology companies – “connecting brilliance with opportunity.” Andela attracts technologists with a unique combination of remote-first work. Andela handles the complete hiring lifecycle from recruiting to facilitated payments. Andela Learning Community provides a skill development programme. Its seamless approach to curating and onboarding remote teams attracts global clients.

### System Positive thesis & solution

Today, Andela’s business model includes a global private marketplace, as well as a learning programme. The marketplace allows top developers, engineers, product designers and technology experts from 136 countries to more easily find relevant, high-quality jobs. By upskilling and economically empowering technologists across Africa, LATAM and other geographies, we believe Andela can increase access to work and the earnings of thousands of individuals.

### Impact insights

- **What.** In 2023 Andela launched Andela Talent Cloud, its new unified platform, that uses AI-matching algorithms, enabling clients to quickly find talent that is the best fit for their open role. In tandem, Generation supported Andela’s fourth beneficiary survey, finding 46% of matched talent reported greater earnings. Generation also connected Andela to WAP Sustainability to help them measure carbon avoided as a result of clients hiring remote vs. on-site talent.
- **How.** In 2023, Generation conducted an SPR for Andela to benchmark its performance against the Fund’s portfolio, and provided actionable insights for improvement. Following that, we also advised Andela on the selection of KPIs for Board reporting. In 2021, Generation helped Andela appoint Laurie Hodrick to the Board as an Independent Director with Audit Chair experience.

## Impact overview: BackMarket



### Investment detail

**2021**

Year Invested

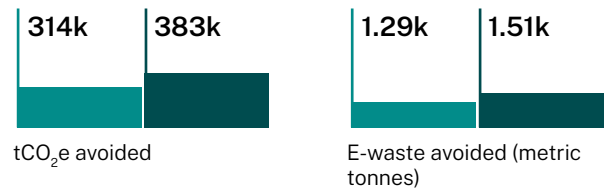
### Impact domain



Planetary Health

### Product impact

■ 2022 ■ 2023



### What it does

Back Market is the largest online marketplace focused on refurbished consumer electronics, with over eight million customers and 1,500 vendors worldwide.<sup>6</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.** In 2023, Generation supported the launch of Back Market's insetting programme (i.e., for resellers to monetise carbon avoided) with good progress made on the supplier side, including agreeing on the measurement methodology and onboarding third-party verification vendors. On the demand side, Generation and Just Climate advised Back Market on the various options available (e.g., insetting vs. generic climate credit), and are dedicated to supporting the success of the programme.
- **How.** In 2023, Generation conducted a Sustainability Performance Review for Back Market to benchmark its performance against the Fund's portfolio, and provided actionable insights for improvement. Following that, we also advised Back Market on the selection of KPIs for Board reporting.



# Impact overview:



## Investment detail

**2021**

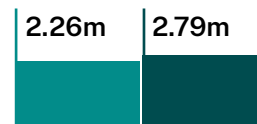
Year Invested

## Impact domain

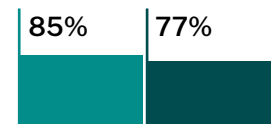


## Product impact

■ 2022 ■ 2023



Unique changemakers



Helps build a stronger culture (clients)

### 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, as a talent and customer attraction and engagement strategy. 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 2023. In 2023, Benevity helped 77% of clients build a stronger, more connected culture, slightly lower than 85% in 2022. Benevity's 'unique changemakers' (i.e., individuals who donated, volunteered or completed a micro action in the year) increased 23% to over 2.79M individuals in 2023.<sup>7</sup>
- **How.** In May 2023, Generation Chairman Al Gore spoke at the 'Benevity Goodness Matters' conference to underscore the importance of corporate engagement in supporting social and environmental causes. In 2023, Generation conducted an SPR for Benevity to benchmark its performance. We also advised Benevity on the selection of KPIs for Board reporting. We also introduced an EDI adviser who now actively advises the Board on its corporate governance strategy, in addition to several commercial introductions. Finally, we helped Benevity set up an Impact Board committee (formally launched in 2024), with Generation as chair.

## Impact overview:




### Investment detail

**2020**

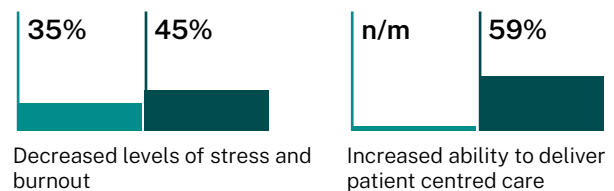
Year Invested

### Impact domain

 People Health

### Product impact

■ 2022 ■ 2023



### What it does

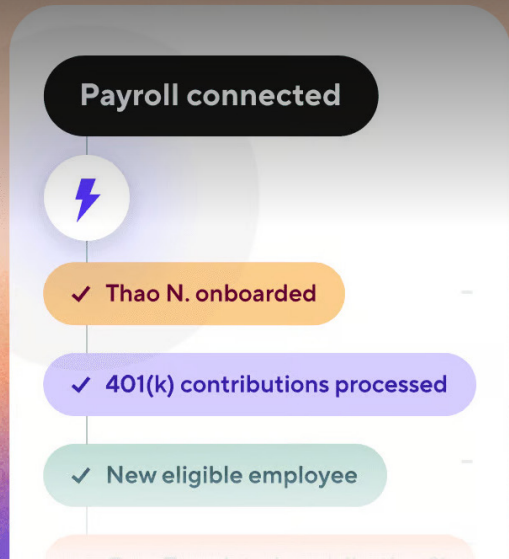
Elation Health is a healthcare technology company powering the future of independent primary care. The company works with 24,000 independent clinicians serving more than 12.8 million patients across the US.<sup>8</sup> Elation's clinical-first roots, value-based tools, application programming interfaces (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.** Elation grew total active accounts (across Enterprise and SMB) by over 15% to reach approximately 2,500 active customers. Over the year Elation launched an AI suite to take advantage of recent LLM development and facilitate physicians spending more time with their patients and less time typing up notes. Elation also built on the foundations laid by Generation to run its own beneficiary survey of providers. Results were strong: 59% of providers reported Elation increased their ability to deliver patient-centred care, and 45% reported decreased levels of burnout due to Elation.
- **How.** In December 2023, Generation co-led another funding round allowing Elation to continue to drive the healthcare industry's technology-led transition to VBC. In 2021, Generation supported the appointment of Al Ko, CEO at Early Warning and former executive at Intuit, as an independent Director to strengthen Board governance.



# Impact overview: guideline



## Investment detail

**2020**

Year Invested

## Impact domain

 **Financial Inclusion**

## Product impact

■ 2022 ■ 2023



Customers offering a 401(k) for the first time

Better able to save for retirement

### What it does

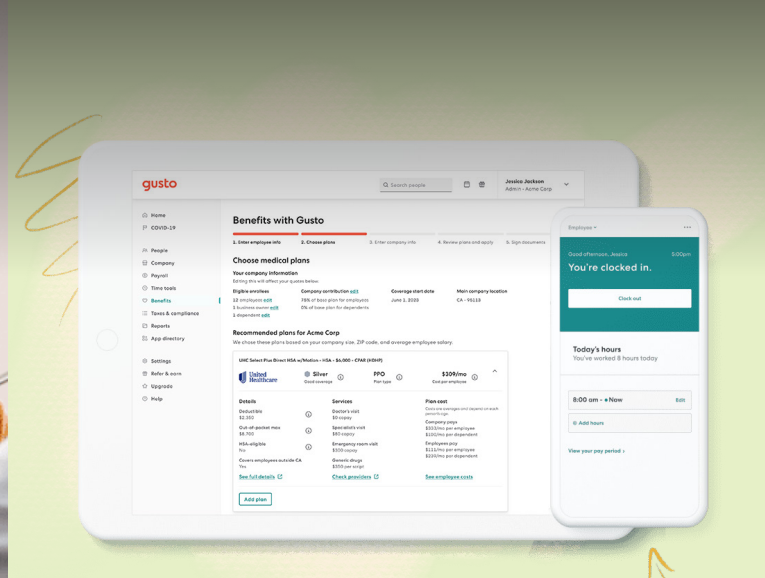
Guideline is a comprehensive, low-cost retirement platform for small and medium-sized businesses (SMBs) across the US. The company has built an in-house technology solution that automates record-keeping and administration and allows employers to seamlessly onboard employees (through auto-enrolment) while ensuring 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>9</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 January 2024, Guideline served over 47,000 small businesses, a figure that has continued to increase significantly with continued revenue growth, and today Guideline has over USD 12 billion<sup>10</sup> invested for retirement on their platform, significantly up from 7 billion last year.<sup>11</sup> Guideline’s plans have high coverage, and are unlocking wealth creation for a large proportion of employees enrolled. In 2023, 84% of eligible employees participated in their company’s Guideline 401(k), and 78% of employers offered a match to their employees’ contributions.<sup>12</sup>
- **How.** In 2023, Generation conducted an SPR for Guideline to benchmark its performance against the Fund’s portfolio, and provided actionable insights for improvement. In 2021, Generation supported Guideline to improve Board diversity and appointed Ginny Lee, former President of Khan Academy and SVP at Intuit, to join the Board.



# Impact overview: **gusto**



## Investment detail

**2019**

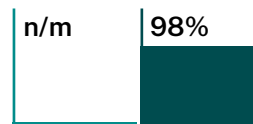
Year Invested

## Impact domain

**Financial Inclusion**

## Product impact

■ 2022 ■ 2023



Reporting a positive impact on their business

### What it does

Gusto is a software platform designed to automate and simplify payroll, HR and benefits for business. Gusto’s people platform levels the playing field for growing businesses so they can access affordable software solutions to onboard, pay, insure and support their teams.

### 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>13</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 such as retirement savings. Ultimately, we believe Gusto can increase take-home income for small businesses and their employees that are traditionally underserved.

### Impact insights

- **What.** Gusto currently serves over 300,000 small businesses.<sup>14</sup> Gusto’s impact pays off: 98% of small businesses said having benefits with Gusto helps retain employees, and 97% of small businesses said they would recommend offering health insurance with Gusto to another small business.<sup>15</sup>
- **How.** In 2023, Generation conducted an SPR for Gusto to benchmark its performance against the Fund’s portfolio, and provided actionable insights for improvement. Generation also advised Gusto on public market readiness, as the company continues to scale.



## Impact overview:



### Investment detail

**2020**

Year Invested

### Impact domain



### What it does

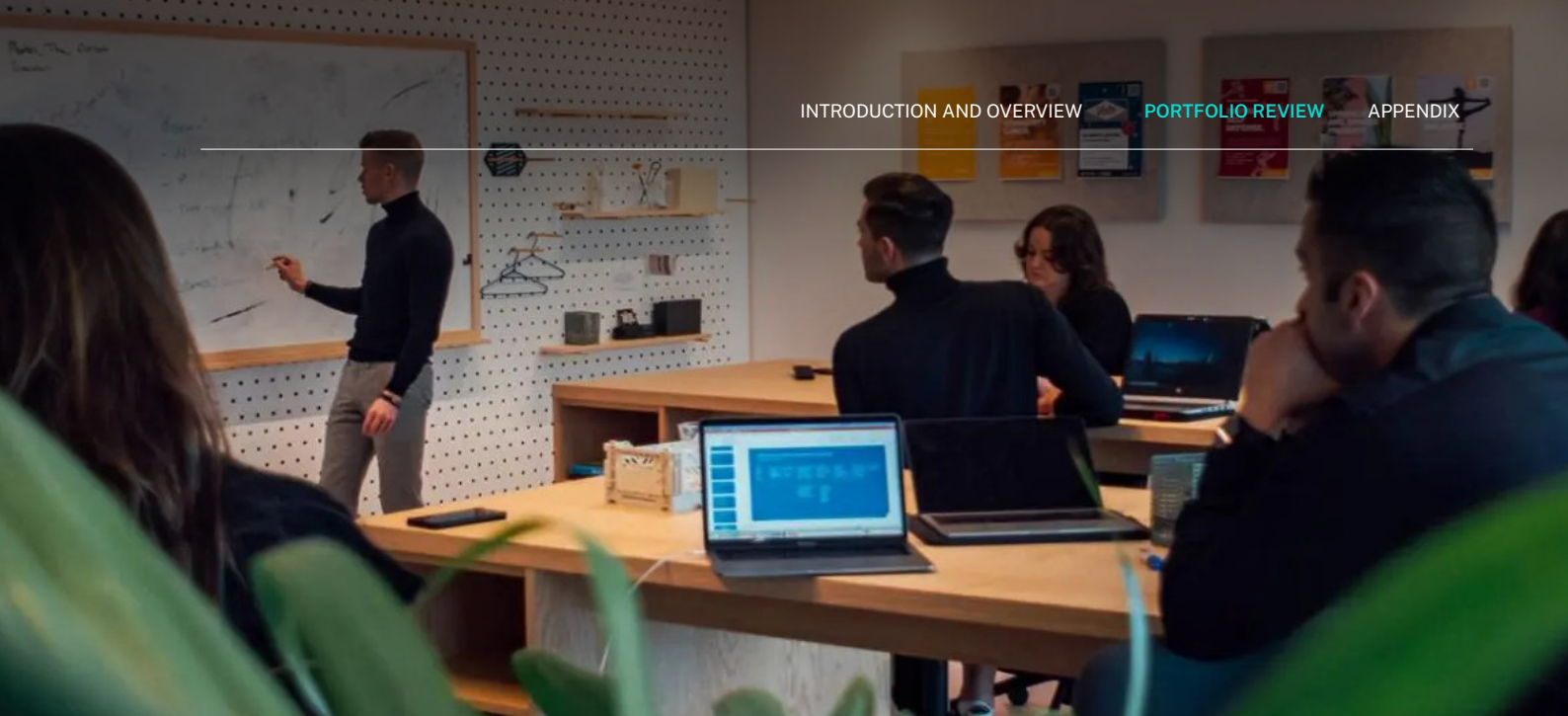
Nature's Fynd is a food company growing alternative proteins to nourish the world's growing population while nurturing the planet. Born out of research conducted for NASA on microbes in Yellowstone National Park, the company's breakthrough technology produces Fy Protein. Nature's Fynd uses Fy Protein, a complete vegan protein, to make delicious meatless and dairy-free foods

### System Positive thesis & solution

The food supply chain is responsible for 26% of global GHG emissions. Additionally, agriculture causes 80% of land-use change and habitat destruction, and was responsible for two thirds of freshwater withdrawals, driving 90–95% of global, scarcity-weighted water use.<sup>16</sup> Nature's Fynd produces a highly nutritious complete protein using only a fraction of the resources required by traditional agriculture, to help efficiently feed a growing global population in a net-zero world.

### Impact insights

- **What.** Nature's Fynd products are currently available nation-wide, including dairy-free yoghurt, breakfast patties and cream cheese. The start of 2024 has seen the successful rollout of the new yoghurt SKUs in WholeFoods across the US. Generation also supported an impact analysis for the second year, which found Nature's Fynd's operations avoided 755 tCO<sub>2</sub>e of emissions and 1.6M square meters of land use.<sup>17</sup>
- **How.** In 2023, Generation supported the appointment of Jennifer Holmgren, CEO of LanzaTech, as a female Independent Director. We also attended various events including employee townhalls, at one of which Generation's Chairman Al Gore gave a speech on culture support, and strategy sessions related to a new yoghurt product launch. In 2023, Generation also conducted an SPR for Nature's Fynd to benchmark its performance against the Fund's portfolio, and provided actionable insights for improvement.



# Impact overview: o9 solutions



## Investment detail

**2022**

Year Invested

## Impact domain



### 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>18</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.** In 2023, Generation advised o9 on measuring carbon avoided by their core product. We worked with the company to establish the operating KPIs that o9 can use to model carbon avoided as a result of clients' use of o9's software. o9 is currently in the process of rolling this tool out to clients in order to provide an initial estimate of carbon avoided. In addition, we also introduced strategic partners for o9's new ESG product, among other commercial introductions.
- **How.** In 2023, Generation conducted an SPR for o9 Solutions to benchmark its performance against the Fund's portfolio, and provided actionable insights for improvement. Generation also co-led a funding round to further support the scaling of o9's platform and development of new products, in addition to advising o9 on public market readiness.





## Impact overview: PIVOT BIO



### Investment detail

**2021**

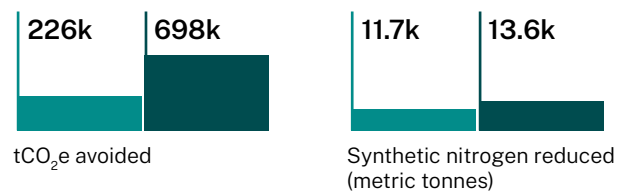
Year Invested

### Impact domain



### Product impact

■ 2022 ■ 2023



### What it does

Pivot Bio delivers dependable crop nutrition technologies to farmers. The company harnesses the power of nature to reliably and productively grow the food needed for a growing global population. With its unique and defensible intellectual property in biological nitrogen fixation pathways, Pivot Bio has developed a family of microbes which convert (“fix”) atmospheric nitrogen into plant-usable nitrogen, improving efficiency and lowering environmental impact.

### System Positive thesis & solution

The production and application of synthetic nitrogen fertiliser accounts for over 2% of GHG emissions.<sup>19</sup> Pivot Bio consistently and reliably delivers plant nutrition, while avoiding environmental damage. For example, replacing one metric tonne of ammonia with one metric tonne of Pivot Bio would reduce total manufacturing and field emissions from ~2.6 tCO<sub>2</sub>e to only 0.035 tCO<sub>2</sub>e per tonne of fertiliser, and use only ~7 versus ~7,600 gallons of water.<sup>20</sup> Further, the microbes are naturally-occurring and do not destroy the soil microbiome, preserving nutrition and staving off depletion.

### Impact insights

- **What.** Pivot Bio’s products are now used on 4.7 million acres, up from just over 3 million last year, while avoided emissions due to Pivot Bio increased 72% since 2022.<sup>21</sup> In 2023, Generation engaged on outcome measurement (e.g., nitrogen reduced), linking sustainability to core commercial strategy at the Board level. Generation also introduced Pivot Bio to Just Climate’s Natural Climate Solutions strategy to explore entry strategy into Brazil.
- **How.** In 2023, Generation advised Pivot Bio on its sustainability disclosure strategy, and the company’s first impact report. We also advised Pivot Bio on public market readiness, as the company continues to scale. In 2021, Generation supported the appointment of two female Board members: Monica McGurk, former Chief Growth Officer of Kellogg’s, and Susan Kim, CFO of Pacific Biosciences.

# Impact overview: project44



## Investment detail

**2021**

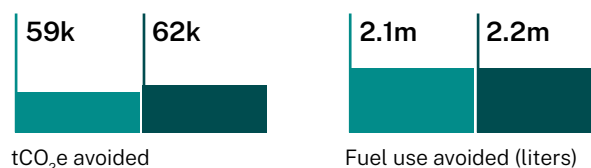
Year Invested

## Impact domain



## Product impact

■ 2022 ■ 2023



## What it does

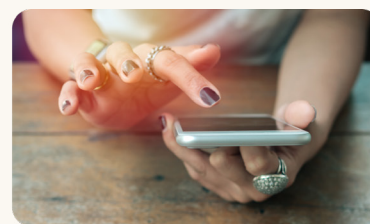
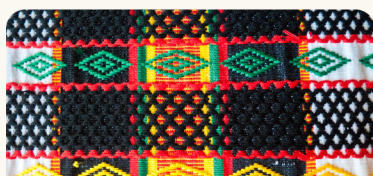
project44 is a supply chain visibility platform for shippers and logistics service providers. It uses an API-led approach to connect carriers to shippers and provide real-time data for products in transit across all transportation modes in North America and Europe. Historically, shippers would have to create and maintain point-to-point electronic connections with their carriers. 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. Real-time data is critical for an efficient supply chain, as customers can better plan and optimise their operations, reducing carbon emissions and resource use.

## Impact insights

- **What.** Generation supported project44's second LCA focused on emissions and pollution avoidance, demonstrating that project44's services avoided 62k tCO<sub>2</sub>e in the year. Generation also conducted a commercial customer survey, which was shared with the Board with actionable insights.
- **How.** In 2023, Generation conducted an SPR for project44 to benchmark its performance against the Fund's portfolio, and provided actionable insights for improvement. Following that, we also advised project44 on the selection of KPIs for Board reporting. Generation also collaborated with project44 on various events including industry roundtables, employee townhalls and management meetings.



## Impact overview:



### Investment detail

**2019**

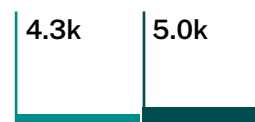
Year Invested

### Impact domain



### Product impact

■ 2022 ■ 2023



Number of global money transfer corridors

### What it does

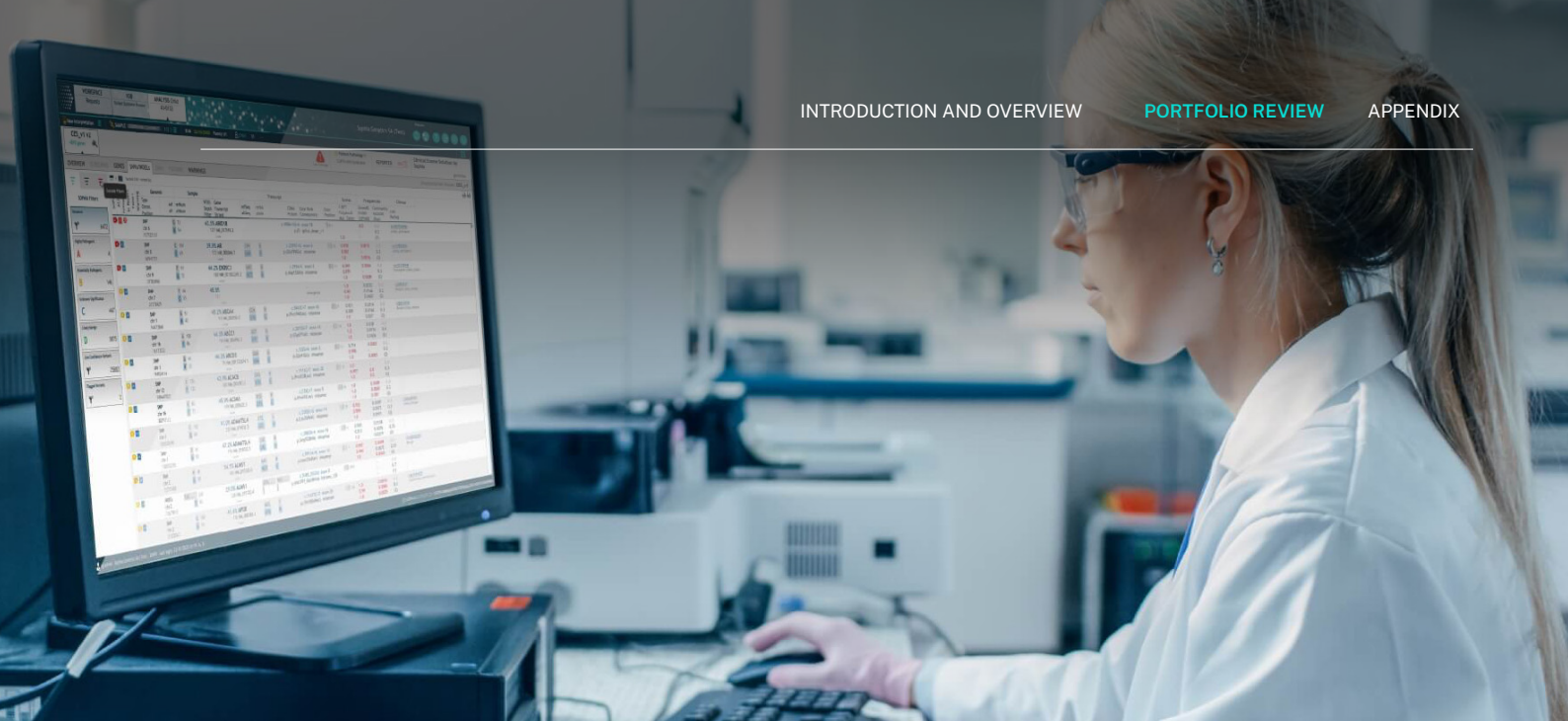
Remitly is a trusted provider of digital financial services that transcend borders. With a global footprint spanning more than 170 countries, Remitly's digitally native, cross-border payments app delights customers with a fast, reliable, and transparent money movement experience. Building on its strong foundation, Remitly is expanding its suite of products to further its vision and transform lives around the world. In 2023, Remitly transferred nearly \$40 billion in volume globally, up over 5.5x from when we invested in 2019.

### System Positive thesis & solution

Globally, in 2023, over \$1.8 trillion was sent in remittances.<sup>22</sup> Remittances represent a way for enable global communities to extend their prosperity across borders to trusted loved ones worldwide, and to provide them with essential financial access and autonomy to improve their well-being and financial stability. 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 customers and their recipients are located in over 170 countries across the globe. As of December 31, 2023, Remitly had approximately 5,000 corridors and Remitly's global network included over 4.2 billion bank accounts and over 1.2 billion mobile wallets and approximately 460,000 cash pick-up options.<sup>23</sup> Furthermore, Remitly's customers are able to send funds around the world at costs that are approaching — and in many cases achieve — the UN's Sustainable Development Goal of 3%.<sup>24</sup>
- **How.** In 2023, Remitly published their first public impact report. Remitly also announced the appointment of Phyllis Campbell, enhancing female representation, and Khosla Ventures Partner Ryno Blignaut to the Board, increasing Board independence and audit committee expertise for greater financial oversight.<sup>25</sup> Generation was in support of Bora Chung's appointment to the board in 2020, which enhanced board diversity.



## Impact overview: SOPHiA GENETICS™ |



### Investment detail

**2018**

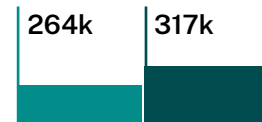
Year Invested

### Impact domain



### Product impact

■ 2022 ■ 2023



New genetic profiles completed

### What it does

SOPHiA GENETICS is a clinical-grade genomic analysis software provider for 750+ hospital pathology labs and centralised labs in 70+ countries.<sup>26</sup> SOPHiA combines genomic, radiomic, biological, and clinical data and runs algorithms on multimodal data to predict patient response to treatment. This takes 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. Genomic testing unlocks a better understanding of treatment efficacy, avoiding the costs of wasted drugs (direct costs and side effects) and improving medical outcomes. SOPHiA’s technology facilitates the growth and application of genomic testing, empowering hospitals and labs to do testing in-house, resulting in quicker genetic testing turnaround times, lower costs and greater accuracy. Lowered testing costs also expands access to world-class care across income and racial groups, bridging patients to the best treatment decisions in a cost-effective manner.

### Impact insights

- **What.** Sophia performed a record 317,062 analyses in FY 2023, an uptick of 20% versus 2022.<sup>27</sup> Each profile analysis produced enables potential better evaluation of disease states and treatment options. In 2023 Sophia launched a new, expanded suite of Liquid Biopsy applications, partnered with Memorial Sloan Kettering Cancer Centre, which promises to further reduce the time before diseases are detected.
- **How.** In their Impact Report published in June 2023, Sophia Genetics continued to stress their dedication to information governance, appointing a Data Protection Officer and a HIPAA Compliance Officer, and establishing a Data Protection Committee and an Information Security Committee.

## Impact overview: Vestiaire Collective



### Investment detail

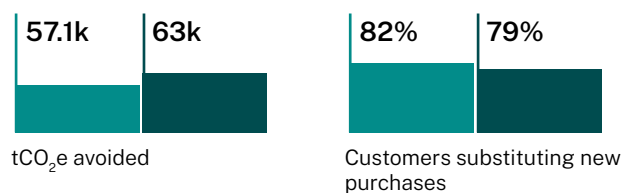
**2021**

Year Invested

### Impact domain



### Product impact



### What it does

Vestiaire Collective is the leading global platform for buying and selling pre-loved luxury fashion. The company's mission is to transform the fashion industry for a more sustainable future, promoting the circular fashion movement as an alternative to overproduction, overconsumption and the wasteful practices of the industry. Founded in Paris in 2009, Vestiaire Collective is a Certified B Corporation® and is active in 70 countries worldwide with a curated catalogue of five million items.

### 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>28</sup> Encouraging circularity by reselling fashion goods extends their life and avoids the environmental impact compared to buying new, contributing to reducing the footprint of the fashion industry as a whole. Vestiaire Collective plays a critical role in facilitating this shift to a more sustainable fashion industry worldwide.

### Impact insights

- **What.** Vestiaire Collective has been assessing its avoided environmental impact with Generation's support since 2021. From 2022 to 2023, GHG emissions avoided increased by 10%.<sup>29</sup> In 2023, Vestiaire Collective reduced not only its carbon intensity vs 2022, but also its absolute GHG emissions by 6%, while still growing its business. According to Vestiaire Collective, an item purchased on the platform has 90% lower environmental costs than a new item. In 2023, 79% of customers reported that Vestiaire Collective substituted items they would've purchased brand new otherwise.<sup>30</sup>
- **How.** In 2023, Generation conducted an SPR for Vestiaire Collective to benchmark its performance against the Fund's portfolio and provided actionable insights for improvement.

# 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
<b>AlayaCare</b>	 	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 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
<b>Andela</b>	 	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 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
<b>BackMarket</b>		12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse
<b>Benevity</b>	 	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 17.3 Mobilise additional financial resources for developing countries from multiple sources
<b>Elation</b>		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
<b>Guideline</b>	 	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 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 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

	SDGs	Metrics
<b>Gusto</b>		<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>
<b>Nature's Fynd</b>		<p>13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning</p>
<b>o9 Solutions</b>	 	<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>
<b>Pivot Bio</b>	 	<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>
<b>Project 44</b>	 	<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>
<b>Remityl</b>	 	<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>
<b>Sophia Genetics</b>		<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</p>
<b>Vestiaire Collective</b>		<p>12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse</p>



# Data partners for this report

## 60 Decibels

60 Decibels is a global, tech-enabled impact measurement company that brings speed and repeatability to social impact measurement and customer insights. They provide genuine benchmarks of impact performance, enabling organisations to understand impact relative to peers and set performance targets.

They have a network of 1,300+ researchers in 80+ countries, and have worked with more than 1,000 of the world's leading impact investors, companies, foundations, corporations, NGOs and public sector organisations.

Data presented for calendar years is conducted as close to year-end as possible and is the most readily available information. Sample sizes for impact KPIs derived from 60 Decibels surveys can be found in the Portfolio IMP Frameworks section of 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. For the 2022 year, ECG performed the impact analysis for Back Market, Convoy, Nature's Fynd, Pivot Bio, Project44 and Vestiaire Collective, including the lifecycle assessments compared to business-as-usual. In 2023, ECG performed the impact analysis for Nature's Fynd and Project44, while Back Market, Pivot Bio and Vestiaire built on ECG's methodology to calculate and report carbon avoided themselves.

## 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 2021, Emitwise 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 ten out of 13 private companies in the portfolio (including Convoy, an investment from which we exited in 2023), as well as Remitly. In 2023, Emitwise continued to calculate greenhouse gas emissions inventories for both Remitly and seven out of 12 private companies in the portfolio.

# 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, 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 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

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 <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.
EDI	Equity, Diversity and Inclusion
FTE	Full-Time Equivalent
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 to a sustainability objective, as well as overall impact domain.
LatAm	Latin America
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.
MQ	Management Quality
NASA	National Aeronautics and Space Administration
NED	Non-Executive Director
NPS	Net Promoter Score

# References

## Glossary of terms

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
SaaS	Software-as-a-Service
SBT	Science-based Target
SDG	Sustainable Development Goal
SKU	Stock Keeping Unit. In inventory management, a stock keeping unit is the unit of measure in which the stocks of a material are managed. It is a distinct type of item for sale, purchase, or tracking in inventory, such as a product or service, and all attributes associated with the item type that distinguish it from other item types.
SMB	Small and Medium-sized businesses
SPR	Sustainability Performance Review
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 eCom-merce 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.
US EPA	United States Environmental Protection Agency
VBC	Value-based care
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**



**Lucia Rigo\***



**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. This has been restated from the prior year's report, which incorrectly attributed two 2021 Board appointments for Gusto to Generation.
3. AlayaCare Investor Presentation, (AlayaCare, Mar. 2021)
4. [Home Care Delivers Freedom: Home Care Nurses, Aides and Therapists Drive 7.88 Billion Miles in 2013 To Reach Shut-in Patients](#) (NAHC, Oct. 2017)
5. 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.
6. [Q&A: Back Market UK general manager's mission to eliminate e-waste](#) (Retail Week, Oct. 23)
7. 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. CY2022 data has been restated pro forma of M&A.
8. [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)
9. [Small Business 401\(k\) Access Gap Exposed | Guideline](#) (Guideline, Mar. 2019)
10. Figure taken from Guideline's website under the section 'Guideline today' [Guideline | About Us](#) (Guideline, Mar. 2024)
11. Figure taken from Guideline's website under the section 'Guideline today' [About Us | Guideline](#) (Guideline, Apr. 2023)
12. [Guideline 2023 Year in Review](#) (Guideline, Jan. 2024)
13. U.S. Bureau of Labor Statistics.
14. Public information taken from the Gusto website. (Gusto, accessed Mar. 2024)
15. [Benefits & Health Insurance for Small Businesses | Gusto #1 in Satisfaction Score](#) (Gusto, accessed Feb. 2024)
16. [Environmental Impacts of Food Production](#) (Hannah R., Pablo R., and Max R., 2022)
17. Data on impact over time comes from Nature's Fynd's LCA conducted by ECG. For more information on ECG, please see Data Providers for this Report.
18. [Supply Chain Guidance | US EPA](#) (US, EPA, Accessed Apr. 2023)
19. [New research shows 50 year binge on chemical fertilisers must end to address the climate crisis](#) (Institute for Agriculture and Trade Policy, Nov. 2021)
20. Pivot Bio Impact Report 2023. (Pivot Bio, forthcoming 2024)
21. 2022 Data on impact over time Pivot Bio calculated greenhouse gas emissions avoided 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, 2023).
22. [Remitly 2023 10-K filing](#) (Remitly, Feb. 2024)
23. [Remitly 2023 10-K filing](#) (Remitly, Feb. 2024)
24. [Remitly Impact Report 2022](#) (Remitly, 2023)
25. [Remitly Appoints Two New Members to its Board of Directors | Remitly Global, Inc](#) (Remitly, Apr. 2023)
26. [ESG Impact Summary](#) (Sophia Genetics, Jun. 2023)
27. [SOPHiA GENETICS Reports Fourth Quarter and Full Year 2023 Results](#) (Sophia Genetics, Mar. 2024)
28. [Net-Zero Challenge: The supply chain opportunity](#) (World Economic Forum, Jan. 2021)
29. 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.
30. [Vestiaire Collective data shows positive eco impact of resale \(fashionnetwork.com\)](#) (Fashion Network, Apr. 2022)



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