

• SEVENTH GENERATION •

Corporate Overview



December 2001

In the Beginning

- We started in 1988 selling energy conservation and environmentally responsible Household Products through a mail order catalog
- In 1995 we sold the mail order business to dedicate ourselves to delivering our Household Products to consumers through Natural Foods retailers

Our Responsibility

- Provide our consumers with paper products that are manufactured with 100% recycled fiber and with the highest level of post-consumer content possible
- Provide consumers with paper products that are manufactured without the use of chlorine
- Provide our consumers with cleaning products that are:
 - Non-toxic
 - Hypo-allergenic
 - Free and clear of dyes and perfumes (selected laundry and dish detergents)
 - Based upon ingredients that are derived from renewable resources (vegetable vs. petroleum)
 - Not tested on animals
- Inform and educate our target consumers regarding the benefits of using environmentally responsible, non-toxic household products



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Overview

- The Company takes its name from the Great Law of the Haudenosaunee (Six Nation Iroquois Confederacy): ***"In our every deliberation, we must consider the impact of our decisions on the next seven generations."***
 - Seventh Generation is a leading marketer of environmentally friendly household products that are safer for the consumer and the environment.
 - The Company markets its products primarily to the household products category of the Natural Products Industry and to select supermarkets that service an upscale, better educated consumer primarily in the Northeast and Northwest.

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Overview

The Company has been one of the leading independent marketers of environmentally friendly household products in the United States Natural Products Industry for over 13 years.

According to Spins data compiled by Spence Information Systems, for the 12 months ended October 2000, Seventh Generation products represented a 32.5% share of the total Natural Household Products category of the Natural Products Industry, up from a 25.4% share in 1997.

The Company's sales have grown 290% over the past five years. This growth rate is more than double the growth rate of the category in the Natural Products Industry for such period according to the *Natural Foods Merchandiser*.

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The Market for Non-Toxic, Environmentally Safe Products

The market for "green household" products has expanded tremendously over the past five years. Based on IRI and SPINS Data (that measure consumer sales at retail), in 1999 traditional household product sales in supermarkets grew 4%, natural household products grew 24%, and Seventh Generation sales in natural product retailers grew 43%.

The rapid growth of both the Natural Products Industry and natural household products is being propelled by several factors, including healthier eating patterns, increasing concern regarding food purity and safety, and greater environmental awareness. There is increasing evidence that the mainstream consumer is driving much of the recent growth.

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Our Product Line



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Seventh Generation

THE SITUATION

We have more chemicals available to us today than we know what to do with.

- Between 45,000 and 100,000 chemicals are now in common use: 75,000 is the number most often used.
- Of these, only approximately 1350 have been tested for carcinogenicity and 200 already have been identified and regulated as carcinogens.
- Further, experts believe that of the remaining chemicals to be tested, as many as 7,500 chemicals might be carcinogenic to humans.

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Seventh Generation

THE SITUATION

There are strong links between increased health risks and life in the industrialized world.

- One-half of the world's cancers occur among people in industrialized countries, even though we are only one-fifth of the population.
- EPA Studies show that the air in the average U.S. home is two to five times more polluted than the air outside.
- In 1996, 25% of all breast milk produced by women in the U.S. was too contaminated to be bottled and sold as food.
- The International Agency for Research on cancer has concluded that 80% of all cancer is attributable to environmental influences, including lifestyle influences such as smoking, as well as exposure to carcinogenic chemicals.
- During our lifetime, 40% of all Americans will get some form of cancer...50% of men and 30% of women.

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Brand Development & Positioning

"Some pollutants commonly found in homes and offices are carcinogenic, others can aggravate existing problems like asthma and heart disease, while others may have untoward effects that have not yet been discovered. The results found that 'the highest personal exposures were 5 to 70 times the highest outdoor levels,' with some toxin levels inside the majority of homes 'greater than the levels that qualify as a chemical waste site for Superfund status.' " **New York Times**, January 16, 2001.

"Sometimes pollution can be at it's worst inside your home. Blame it on household chemicals." **Wall Street Journal**, December 7, 1998.

"Clean with caution. In a push to awaken consumers to the dangers lurking in their cleaning cabinets, the Consumer Labeling Initiative has launched a 'Read the Label First' campaign." **Gannett News Service**, September 19, 1998.

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SEVENTH GENERATION

• 100% RECYCLED PAPER
• NO CHLORINE BLEACHING
• HYPO ALLERGENIC

STRONG & ABSORBENT

SAFER FOR YOU AND THE ENVIRONMENT™

180 2-PLY TOWELS • NATURAL • UNSCENTED • NO DYES
11 IN. x 9 IN. (27.9 cm x 22.8 cm)
123.7 SQ. FT. (11.4 m²) TOTAL AREA

MORE SHEETS THAN 2 REGULAR ROLLS

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SEVENTH GENERATION[®]

Affordable, high quality, safe and environmentally responsible products that get the job done and help keep you, your home and our planet healthy.

YOU ARE MAKING A DIFFERENCE

If every household in the U.S. replaced just one roll of 180 sheet virgin fiber paper towels with 100% recycled ones, we could save:



864,000 trees



3.4 million cubic feet of landfill space, equal to over 3,900 full garbage trucks



354 million gallons of water, a year's supply for 10,100 families of four

155,000 pounds of pollution avoided

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THIS PRODUCT IS SAFER FOR YOU AND THE ENVIRONMENT

Why should we use recycled paper?

Recycling paper prevents unnecessary landfilling of valuable resources. In addition to saving trees, producing recycled paper uses less energy and water than paper made from trees.

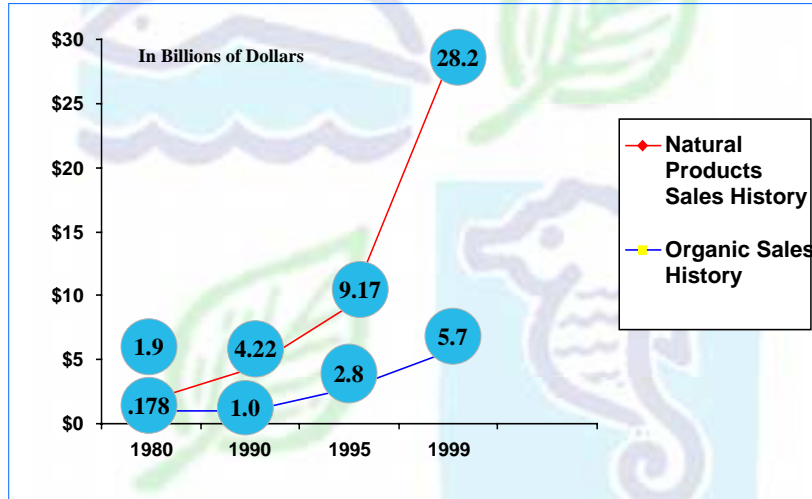
What does "post-consumer" mean?

Post-consumer materials are those we recycle from our homes and offices which would otherwise be landfilled.

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Natural Products Sales Growth



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Natural Foods Merchandiser (Total Natural Products Sales – All Channels)

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Natural Household Products Growth



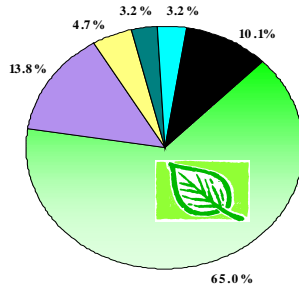
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Leading the Category

Bathroom Tissue – SPINS 12 Months Ending Aug. 2001

Leading the Category *Bathroom Tissue*



Category Sales & Share

CATEGORY SALES & SHARE POINT CHANGE VS. 12 MO. ENDING AUG '00

- +3.6 *Seventh Generation*
- +0.2 *Green Forest*
- +1.1 *Natural Value*
- 4.0 *Second Nature*
- +0.4 *Scott*
- 1.3 *All Other*

SPINS RESEARCH SCAN



SEVENTH GENERATION, INC.
Safer for you and the environment

12 Months Ending Aug 2001 vs.
12 Months Ending Aug 2000

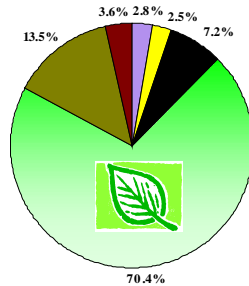
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Leading the Category

Paper Towels – SPINS 12 Months Ending Aug. 2001

Leading the Category *Paper Towels*



Category Sales & Share

CATEGORY SALES & SHARE POINT CHANGE VS. 12 MO. ENDING AUG '00

- +2.4 *Seventh Generation*
- +1.8 *Bounty*
- 0.8 *Green Forest*
- 2.1 *Envision*
- +0.9 *Earth Friendly*
- 2.2 *All Other*

SPINS RESEARCH SCAN



SEVENTH GENERATION, INC.
Safer for you and the environment

12 Months Ending Aug 2001 vs.
12 Months Ending Aug 2000

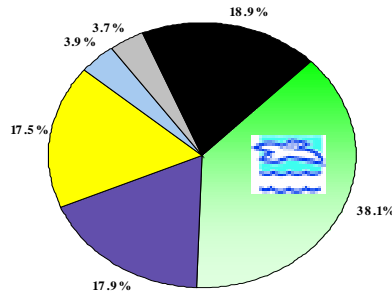
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Leading the Category

Liquid Laundry – SPINS 12 Months Ending Aug. 2001

Leading the Category Liquid Laundry Products



CATEGORY SALES & SHARE POINT CHANGE VS. 12 MO. ENDING AUG '00



Category Sales & Share



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12 Months Ending Aug 2001 vs.
12 Months Ending Aug 2000

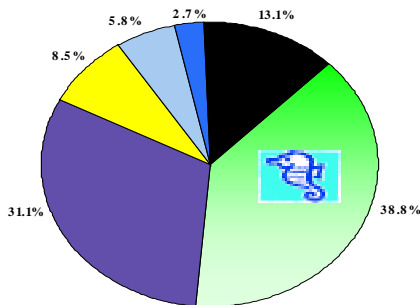
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Leading the Category

Dishwashing Products – SPINS 12 Months Ending Aug. 2001

Leading the Category Dishwashing Products



CATEGORY SALES & SHARE POINT CHANGE VS. 12 MO. ENDING AUG '00



Category Sales & Share



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Safer for you and the environment

12 Months Ending Aug 2001 vs.
12 Months Ending Aug 2000

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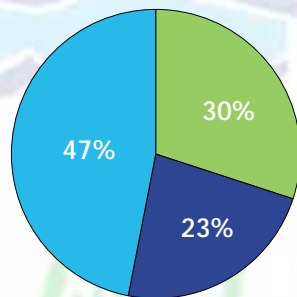
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The Seventh Generation Consumer

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Defining Our Target Customer



- Traditionalists - 56 Million Adults
- Cultural Creatives - 44 Million Adults
- Moderns - 88 Million Adults

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Defining Our Target Customer

