

RepRisk Index (RRI)

As at 30 th June	FSEF	MSCI World
Environmental	2.2	5.6
Social	11.4	13.3
Governance	13.7	11.1
Total RRI	27.2	30.0
1 Month RRI Change	0.7	0.2
Peak 24 Month RRI	40	40

Innovation

As at 30 th June	FSEF	MSCI World
R&D as % of sales*	6.1%	5.3%
TTM Organic Growth"	10.6%	n/a
Capital Impact™	0.52	0.22

Environmental*

As at 30 th June	FSEF	MSCI World
Waste tns/£m FCF	27	434
Hazard's Waste tns/£m FCF	0.4	15
Water m ³ /£m FCF	1,561	24,940
GHG/CO2 tns/£m FCF	64	252
Energy MWh/£m FCF	338	886
Paris Aligned (2°)	68%	n/a
Net Zero commitment	85%	n/a

Social*

As at 30 th June	FSEF	MSCI World
Employees who are women	45%	38%
Management who are women	34%	29%
Executives who are women	25%	18%
Directors who are women	37%	29%

Governance*

As at 30 th June	FSEF	MSCI World
UN Global Compact Sign's.	46%	35%
Independent directors	80%	72%
Executives holding shares	62%	48%
Reporting to CDP	92%	72%
Reporting scope 1&2 GHG emissions	100%	91%
Reporting water withdrawal	75%	64%
Reporting waste generated	81%	62%

Least Reprisk

As at 30 th June	RRI
Waters	0
ADP	0
Church & Dwight	5
Mettler-Toledo	6

Most Reprisk

As at 30 th June	RRI
Alphabet	65
Microsoft	61
Unilever	53
Johnson & Johnson	49

Proxy Voting

12 months ending 30 th June	%
Proxies voted	100
Voted against management	10
Voted against remuneration policy	54

June 2023 commentary

Environmental

- ▶ Unilever has signed a renewed agreement with Belgian chocolate brand Barry Callebaut for the supply of cocoa and chocolate. The company will help Unilever achieve its sustainability goals by sourcing its cocoa sustainably and responsibly.
- ▶ Home Depot announced a new goal to have more than 85% of its US and Canada outdoor power equipment sales powered by batteries instead of gas. This includes lawnmowers, leaf blowers, and hedge trimmers. According to the company, the transition would reduce annual greenhouse gas (GHG) emissions by more than 2 million metric tonnes. Gas-powered mowers create as much pollution in an hour as driving 300 miles in an average car, and a gas leaf blower generates emissions similar to driving 1,100 miles.
- ▶ PepsiCo announced opening a €300m factory in Poland, which the company describes as its greenest factory in Europe. The factory's operations are powered by renewable energy and the company has introduced a series of circular economy measures to reduce water waste and improve recycling. The factory is also planning to be climate neutral by 2035.

Social

- ▶ Home Depot has agreed to pay a \$72.5m settlement for a class action lawsuit alleging that it underpaid 272,000 employees in the US.
- ▶ PepsiCo and other FMCG companies buy palm oil from La Fabril-owned Energy & Palma. This Ecuadorian company is being accused by locals from Barranquilla de San Javier of illegally taking their ancestral land. It is claimed that the Ecuadorian Government gave property titles to the company despite the 1,430 hectares of the community's land being designated as ancestral land. Furthermore, the company has been accused of causing human rights abuses and polluting land and rivers, which allegedly caused some negative impacts on farming activities, limited access to drinking water, and sickened locals and animals since palm oil cultivation began in 2006. Reportedly, Energy & Palma has also intimidated human rights defenders and sued community leaders claiming they caused losses to the company.

Innovation

- ▶ Alphabet has introduced extreme heat alerts on Google Search. When people search for information on extreme heat, they'll see details on when a heat wave is predicted to start and end, tips on staying cool, and related health concerns to be aware of — all prominently displayed in Search results. The company is working with the Global Heat Health Information Network (GHHIN) to ensure the information is relevant and accurate.

Last Month RRI Change

Biggest Decrease L'Oréal -8	Biggest Increase Coloplast +12
---------------------------------------	--

Coloplast's RepRisk Index increased by 12 in June. The increase was due to the Danish competition authority warning the company to change its pricing behaviour over concerns it is selling its ostomy products to Danish municipalities at a price lower than wholesalers can achieve. This is because a wholesaler needs to buy the products from Coloplast and add their margin. In response to the preliminary injunction, Coloplast has offered a temporary commitment obligating the company to increase its prices until June 2024. The competition authority felt it had to act quickly as a significant proportion of the contracts for ostomy aids for different regions are up for renewal, typically lasting four years.

*Source: Bloomberg and company reports. Weighted average numbers. The Environmental numbers presented above are a guide only as reporting is nascent with only c.75% of portfolio companies reporting comparable numbers. Where constituent numbers are not available these are estimated by Fundsmith LLP Research based upon nearest comparable sector numbers obtainable and scaling for company's assets. "Organic Growth" is the trailing twelve month, reported average sales growth excluding M&A and FX, using last reported numbers. Capital Impact™ is the Productive Asset Investment Ratio (capex/depreciation) multiplied by Return on Invested Capital (EBIT/invested capital) as last reported. The more productive the capital investment the higher the number.

RepRisk Data is sourced from RepRisk ESG Business Intelligence www.reprisk.com. RepRisk Indicator (RRI) uses an algorithm to access the risk of reputational damage to companies from 28 ESG issues and a variety of specific and thematic "hot topics". E.g. Coral reef damage, human trafficking or threats to endangered species. 0-25 denotes low risk exposure, 26-49 medium risk exposure, 50-59 high risk exposure, 60-74 very high risk exposure and 75-100 extremely high risk exposure. We use the RRI to calculate our most/least sustainable portfolio firms. E, S and G scores are the weighted average percentage of the news stories about the related topic categories respectively. RRI change is how much the weighted average RRI score has changed in the last 30 days with best/ worst performer the largest movers. Peak RRI score is the highest weighted average RRI score in the last 2 years.