

RepRisk Index (RRI)

| As at 31 st January | FSEF | MSCI World |
|--------------------------------|------|------------|
| Environmental | 2.9 | 5.3 |
| Social | 14.6 | 13.7 |
| Governance | 11.8 | 11.9 |
| Total RRI | 29.3 | 30.9 |
| 1 Month RRI Change | 2.5 | 1.1 |
| Peak 24 Month RRI | 42 | 41 |

Innovation

| As at 31 st January | FSEF | MSCI World |
|--------------------------------|------|------------|
| R&D as % of sales* | 6.6% | 5.5% |
| TTM Organic Growth" | 8.2% | n/a |
| Capital Impact™ | 0.93 | 0.21 |

Environmental*

| As at 31 st January | FSEF | MSCI World |
|--------------------------------|-------|------------|
| Waste tns/£m FCF | 36.3 | 666 |
| Hazard's Waste tns/£m FCF | 0.7 | 22 |
| Water m ³ /£m FCF | 1,945 | 21,962 |
| GHG/CO2 tns/£m FCF | 168 | 445 |
| Energy MWh/£m FCF | 554 | 1,486 |
| Paris Aligned (2°) | 59% | n/a |
| Net Zero commitment | 84% | n/a |

Social*

| As at 31 st January | FSEF | MSCI World |
|--------------------------------|------|------------|
| Employees who are women | 43% | 38% |
| Management who are women | 37% | 30% |
| Executives who are women | 29% | 20% |
| Directors who are women | 37% | 32% |

Governance*

| As at 31 st January | FSEF | MSCI World |
|-----------------------------------|------|------------|
| UN Global Compact Sign's. | 46% | 45% |
| Independent directors | 81% | 71% |
| Executives holding shares | 59% | 48% |
| Reporting to CDP | 96% | 77% |
| Reporting scope 1&2 GHG emissions | 100% | 93% |
| Reporting water withdrawal | 75% | 65% |
| Reporting waste generated | 71% | 63% |

Least Reprisk

| As at 31 st January | RRI |
|--------------------------------|-----|
| Waters | 0 |
| ADP | 0 |
| Fortinet | 0 |
| Mettler-Toledo | 0 |

Most Reprisk

| As at 31 st January | RRI |
|--------------------------------|-----|
| Alphabet | 61 |
| Johnson & Johnson | 60 |
| Microsoft | 58 |
| Unilever | 52 |

Proxy Voting

| 12 months ending 29 th December | % |
|--|-----|
| Proxies voted | 100 |
| Voted against management | 10 |
| Voted against remuneration policy | 51 |

January 2024 commentary

Environmental

- ▶ Alphabet has announced it is signing new deals to buy more solar and wind energy in Europe. The company said that over the next couple of years, it expects its operations in the Netherlands, Italy and Poland to use 90% renewable energy, while operations in Belgium will reach 85%.
- ▶ The Peruvian authorities have launched an investigation into an explosion at PepsiCo's Santa Anita factory, which killed three subcontractors last week. The blast was in a tank used to wash potatoes, while residents had previously complained about the smell of the factory's wastewater.

Social

- ▶ Zoetis has received an award from Catalyst, a non-profit whose mission is to "accelerate progress for women through workplace inclusion," for its Diversity, Equity & Inclusion (DE&I) initiatives. As a result of the company's global initiative between 2020 and 2023, the percentage of women in Zoetis's senior and mid-level management increased from 47% to 50% while increasing from 44% to 49% in other levels of the company. The representation of women from marginalised groups has also increased from 9% to 17%.
- ▶ A Marriott Hotel & Convention Centre in Fort Lauderdale, Florida, has been accused of racism for allegedly cancelling a Muslim group's conference after receiving reports that the group supports Hamas.
- ▶ Danish authorities have charged four Brazilian workers with illegal work for a subcontractor of Novo Nordisk during the construction of an extension to its Kalundborg Manufacturing Plant. The Danish Working Environment Authority has previously issued 14 immediate injunctions for subjecting workers to serious safety hazards. The reported shortcomings include workers being exposed to heavy metals in the air, unsecured railings, and serious injury risks due to falling objects.
- ▶ Novo Nordisk signed two deals worth \$1.1 billion to fund projects researching treatments for obesity and obesity-related illnesses. The first project is with Omega Therapeutics and aims to treat obesity by boosting metabolism rather than reducing appetite. The second project is with Cellarity and targets the development of a drug that can better treat metabolic dysfunction-associated steatohepatitis (MASH), which is an obesity-related liver disease.

Governance

- ▶ The French Competition Authority has fined four companies, including Unilever, €19.5m for allegedly colluding to conceal the potentially harmful presence of bisphenol A (BPA) in the lining of canned products between 2010 and 2015 by not putting a warning symbol on the packaging. BPA is used in the resin that coats the inside of some food cans as it allows manufacturers to heat the canned food to kill bacteria without the metal in the can contaminating the food contents. BPA has been banned in France since 2015 for being an endocrine disrupter but is still used in the UK and USA.

Last Month RRI Change

| | |
|---|---|
| Biggest Decrease Procter & Gamble -10 | Biggest Increase Mastercard +20 |
|---|---|

Mastercard's RepRisk Index increased by 20 in January after it was accused of intentionally concealing information about interchange fees from UK consumers by forcing banks to sign confidentiality agreements, which would violate competition law. The accusations were made during an antitrust tribunal in January, the latest hearing on whether claims in a £10bn class action, filed on behalf of 46m people who allegedly were forced to pay higher interchange fees between 1992 and 2008, can continue or are out of time.

*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.