

RepRisk Index (RRI)

As at 29 th September	FSEF	MSCI World
Environmental	2.9	5.7
Social	13.3	13.7
Governance	14.8	11.5
Total RRI	31.0	30.9
1 Month RRI Change	0.2	0.2
Peak 24 Month RRI	42	41

Innovation

As at 29 th September	FSEF	MSCI World
R&D as % of sales*	6.5%	5.5%
TTM Organic Growth"	10.5%	n/a
Capital Impact™	0.62	0.30

Environmental*

As at 29 th September	FSEF	MSCI World
Waste tns/£m FCF	31	421
Hazard's Waste tns/£m FCF	0.4	14
Water m ³ /£m FCF	4,190	25,089
GHG/CO2 tns/£m FCF	67	257
Energy MWh/£m FCF	341	900
Paris Aligned (2°)	66%	n/a
Net Zero commitment	85%	n/a

Social*

As at 29 th September	FSEF	MSCI World
Employees who are women	43%	38%
Management who are women	33%	29%
Executives who are women	23%	19%
Directors who are women	35%	30%

Governance*

As at 29 th September	FSEF	MSCI World
UN Global Compact Sign's.	48%	37%
Independent directors	81%	72%
Executives holding shares	48%	39%
Reporting to CDP	92%	72%
Reporting scope 1&2 GHG emissions	100%	92%
Reporting water withdrawal	72%	64%
Reporting waste generated	74%	62%

Least Reprisk

As at 29 th September	RRI
Waters	0
ADP	0
Undisclosed Position	0
Mettler-Toledo	2

Most Reprisk

As at 29 th September	RRI
Alphabet	66
Microsoft	60
Novo Nordisk	59
Johnson & Johnson	56

Proxy Voting

12 months ending 29 th September	%
Proxies voted	100
Voted against management	10
Voted against remuneration policy	54

September 2023 commentary

Environmental

- ▶ Google announced signing a 58 MW power purchase agreement (PPA) with Power Capital Renewable Energy. The PPA is the company's first long-term renewable energy deal in Ireland. The new agreement will help the company achieve 60% carbon-free energy in its offices and data centres in Ireland in 2025. The new agreement will also enable the construction of the Tullabeg Solar Farm, providing new-to-the-grid capacity.
- ▶ Microsoft announced that it signed a multi-year deal to remove up to 315,000 metric tons of CO2 with Direct Air Capture (DAC) technology company Heirloom, marking one of the largest carbon removal agreements to date.
- ▶ Microsoft has also signed an agreement with a carbon credit streaming company called Carbon Streaming. Carbon streaming is a contractual agreement whereby a company makes an upfront deposit with an offsetting project in return for rights to the future carbon credits generated. The agreement between the companies means that Microsoft will receive up to 10,000 metric tons of CO2 credits per year from the Waverly Biochar Project in Virginia. Biochar, or biological charcoal, is produced by heating biomass without oxygen, creating a stable form of carbon. This carbon can be buried below ground, enabling long-term carbon sequestration, and improving soil fertility.

Social

- ▶ The PepsiCo Foundation, working alongside the National Urban League and Greater Baltimore Urban League, is set to host an event to celebrate the success of the Black Restaurant Accelerator Program. The Program operates across the US, providing funding, technical assistance, and mentorship to Black-owned restaurants. So far, the Program has provided help to more than 1,000 restaurants across the country. The event has been designed to showcase the achievements of those who received grants from the Program and to highlight its economic benefits.
- ▶ Johnson & Johnson and its subsidiary Janssen Pharmaceuticals are being investigated in South Africa over the pricing of its tuberculosis drug bedaquiline, sold under the brand name Sirturo. South Africa's Competition Commission has accused J&J of charging excessive prices for the drug, with reports saying that the country is charged more than twice as much for bedaquiline compared to other middle- and low-income countries.
- ▶ Mastercard has partnered with the British Columbia Institute of Technology (BCIT) to launch the Mastercard Computing Technology Awards. The scheme will provide direct financial assistance to BCIT students to support cybersecurity and artificial intelligence research. As part of Mastercard's commitment to building a more diverse technological workforce, students from underrepresented groups will be given preference.
- ▶ The European Medicines Agency's Pharmacovigilance Risk Assessment Committee are set to discuss the side effects of weight loss drugs, including those offered by Novo Nordisk, with a specific focus on complications following anaesthesia.

Last Month RRI Change

Biggest Decrease	Biggest Increase
Mastercard -9	Procter & Gamble +8

Procter & Gamble's (P&G) RepRisk Index increased by 8 in September after descendants of its founders, William Procter and James Gamble, urged shareholders to vote against the company's current board due to alleged unsustainable sourcing of wood pulp and palm oil from forests in Canada, Indonesia, and Malaysia. P&G is accused of being complicit in the destruction of rainforests, violation of indigenous rights, violence against human rights defenders, land grabbing, environmental pollution, habitat loss, and illegal palm oil production in protected reserves by sourcing palm oil from companies with controversial records in Indonesia. Further, the company faces potential scrutiny from the US Securities and Exchange Commission (SEC) for allegedly misleading shareholders about its wood pulp sourcing practices. It is alleged that P&G has been sourcing wood pulp to produce toilet paper from the boreal forest in Canada, which holds more than 300bn tonnes of carbon and is home to hundreds of indigenous communities and threatened species.

*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 assess 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.