

Reprisk Indicators (RRI)

As at 30 th April	FSEF	MSCI World
Environmental	3.0	5.5
Social	10.9	12.1
Governance	12.4	10.8
Total RRI	26.3	28.3
1 month RRI Change	-1.7	-0.6
Peak 24 Month RRI	38	39

Innovation

As at 30 th April	FSEF	MSCI World
R&D as % of sales*	7.3%	5.2%
TTM Organic Growth"	16.4%	n/a
Capital Impact™	0.42	0.12

Environmental*

As at 30 th April	FSEF	MSCI World
Waste tns/£m FCF	20	772
Hazard's Waste tns/£m FCF	0.4	17
Water m ³ /£m FCF	1,273	31,799
GHG/CO2 tns/£m FCF	55	338
Energy MWh/£m FCF	303	1,335
Paris Aligned (2°)	65%	n/a
Net Zero commitment	72%	n/a

Social*

As at 30 th April	FSEF	MSCI World
Employees who are women	43%	38%
Management who are women	33%	28%
Executives who are women	25%	16%
Directors who are women	34%	27%

Governance*

As at 30 th April	FSEF	MSCI World
UN Global Compact Sign's.	36%	28%
Independent directors	80%	71%
Executives holding shares	66%	50%
Reporting to CDP	92%	68%
Reporting scope 1&2 GHG emissions	100%	83%
Reporting water withdrawal	76%	58%
Reporting waste generated	69%	56%

Least Reprisk

As at 30 th April	RRI
IDEXX	0
Waters	0
Adobe	4
ADP	8

Most Reprisk

As at 30 th April	RRI
Johnson & Johnson	66
Alphabet	63
Microsoft	56
PepsiCo	53

Proxy Voting

12 Months ending 31 st March	%
Proxies voted	100
Voted against management	8
Voted against remuneration policy	62

April 2022 commentary

Environmental

- ▶ PepsiCo has partnered with Schneider Electric to launch pep+ REnew. The collaborative project is aimed at addressing the climate impact of PepsiCo's food and beverage supply chain by helping its suppliers and in particular small businesses access renewable energy. The project is designed to educate PepsiCo's value chain partners about their renewable electricity choices and accelerate the transition to renewable electricity through power purchase agreements (PPAs) and other renewable electricity procurement options.
- ▶ Alphabet, alongside other companies including Meta, Shopify, and McKinsey have announced a plan to commit \$925m over the next nine years to Frontier, an "advance market commitment" (AMC). The Frontier initiative aims to promote the development of technologies that remove carbon permanently by guaranteeing a market for them in advance.
- ▶ L'Oréal has announced that its manufacturing plant in Himachal Pradesh had achieved 100% carbon neutrality. The plant now runs using electricity sourced from hydropower.
- ▶ Staying with L'Oréal, on Earth Day this year (April 22nd), the company announced that it will participate in a 'Circular Innovation Fund' set up by Demeter and Cycle Capital. L'Oréal will invest €50m in the €150m fund. The fund will "support start-ups and companies across North America, Europe and Asia, which are developing circular use of resources across various sectors, including new materials from the bioeconomy, circular solutions for packaging, recycling & waste, logistics and eco-efficient processes".

Social

- ▶ As part of a series of commitments under its new global principles for responsible marketing to children, Unilever announced that it will stop marketing food and beverages to children under the age of 16 years old across both traditional and social media. The company had already committed to not advertising to children under the age of 12 in traditional media and under the age of 13 via social media channels. Unilever also committed to not collecting or storing any data on children under the age of 16, or to use influencers, celebrities or social media stars under the age of 16 or who primarily appeal to those younger than 16.
- ▶ The Home Depot Canada Foundation announced an increase of its investment to prevent youth homelessness to \$125m by 2030. Home Depot is also investing an incremental \$1m in grants for campus improvements at thirty Historically Black Colleges and Universities in the US.
- ▶ L'Oréal's professional division is working with the Sajo//McCann marketing agency and the True Self Foundation to open 10 salons in Puerto Rico aimed at those who are transitioning and transgender people. Stylists in the salons will be trained to address the needs of transgender/transitioning people. The chain of salons will be called Transformation.

Innovation

- ▶ Johnson & Johnson announced the launch of a Satellite Centre for Global Health Discovery at the Holistic Drug Discovery and Development Centre at the University of Cape Town. The research centre will focus on addressing antimicrobial resistance.
- ▶ Waters announced the launch of the Xevo TQ Absolute, a small tandem quadrupole mass spectrometer (a machine that identifies the chemical composition of a compound). The TQ Absolute is up to 15x more sensitive for quantifying negatively ionizing compounds than its predecessor (the Waters Xevo TQ-XS) and is 45% smaller and uses up to 50% less electricity, heat and gas supply than competing high-performance tandem quadrupole mass spectrometers.

Last Month RRI Change

Biggest Decrease Mettler-Toledo -13	Biggest Increase Home Depot +7
---	--

Home Depot's RRI increased by 7 in April after the company was mentioned by the US Consumer Product Safety Commission in articles announcing recalls of products sold in the company's stores. The articles were announcing the recall of Generac Power Systems pressure washers and Haier GE Appliance's refrigerators in the US and Canada after reports of risks of carbon monoxide poisoning and injuries caused by the freezer drawer handle falling off respectively.

*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.