

RepRisk Index (RRI)

As at 30 th November	FSEF	MSCI World
Environmental	3.2	5.6
Social	10.8	12.5
Governance	13.6	10.7
Total RRI	27.6	28.8
1 month RRI Change	-1.0	0.1
Peak 24 Month RRI	40	39

Innovation

As at 30 th November	FSEF	MSCI World
R&D as % of sales*	7.4%	5.2%
TTM Organic Growth**	11.7%	n/a
Capital Impact™	0.42	0.13

Environmental*

As at 30 th November	FSEF	MSCI World
Waste tns/£m FCF	19	770
Hazard's Waste tns/£m FCF	0.5	17
Water m ³ /£m FCF	1,351	31,650
GHG/CO2 tns/£m FCF	56	336
Energy MWh/£m FCF	317	5,462
Paris Aligned (2°)	71%	n/a
Net Zero commitment	73%	n/a

Social*

As at 30 th November	FSEF	MSCI World
Employees who are women	43%	38%
Management who are women	31%	29%
Executives who are women	23%	17%
Directors who are women	34%	28%

Governance*

As at 30 th November	FSEF	MSCI World
UN Global Compact Sign's.	32%	32%
Independent directors	81%	71%
Executives holding shares	63%	48%
Reporting to CDP	92%	67%
Reporting scope 1&2 GHG emissions	100%	84%
Reporting water withdrawal	76%	58%
Reporting waste generated	71%	56%

Least Reprisk

As at 30 th November	RRI
Waters	0
ADP	0
Amadeus	9
Estee Lauder	11

Most Reprisk

As at 30 th November	RRI
Alphabet	67
Microsoft	59
Unilever	54
Johnson & Johnson	51

Proxy Voting

12 Months ending 30 th September	%
Proxies voted	100
Voted against management	9
Voted against remuneration policy	52

November 2022 commentary

Environmental

- ▶ Alphabet announced a deal with SB Energy to purchase nearly 1 GW of energy from four of the solar projects it is currently developing. The renewable energy will be used to power Google's data centre in Midlothian, Texas.
- ▶ Microsoft has signed a deal with Statkraft to supply Microsoft's data centre in Ireland with renewable energy. Statkraft will build three wind and three solar facilities to provide the energy.
- ▶ Home Depot has agreed to purchase 100 MW of solar energy from National Grid Renewables (NGR) solar facility in Denton County, Texas. The energy purchased is the equivalent of nearly 8% of The Home Depot's total electricity usage.

Social

- ▶ PepsiCo celebrated Dia De Los Muertos (day of the dead) with a \$500,000 donation to the Maricopa County Community College District to help fund education in Arizona.
- ▶ Estee Lauder launched Viva Glam lipsticks in 1994 under the MAC label to benefit AIDS charities. The company has been donating 100% of the retail price of these products to LGBTQ+ communities ever since. To benefit this year's World AIDS Day, Estee Lauder will extend this charitable pledge to 100% of all MAC sales on December 1st.
- ▶ P&G was fined \$34,000 by the North Carolina Department of Labor. In May 2022, an employee at a P&G factory in Greensboro died after being hit by a container. The state's Department of Labor said that its investigation of the incident found three serious violations of safety rules.
- ▶ An independent testing company has found small amounts of the carcinogen benzene in some dry shampoos, including those made by Church & Dwight and Unilever. Consequently, class actions are being proposed in Florida and New Jersey alleging that the companies failed to disclose the risk of using the products.
- ▶ The Alphabet Workers Union has filed a complaint with the National Labor Relations Board. The complaint alleges that Alphabet stopped contract workers' access to a spreadsheet that the workers created to compare contractor pay rates across the company. The spreadsheet was hosted on one of Alphabet's internal servers, allowing Alphabet to restrict access.
- ▶ This month, lawyers representing Novo Nordisk and other drug makers presented their arguments against the 340B programme to a three judge panel at a US court of appeals. The 340B programme requires drug companies that wish to participate in Medicaid and Medicare Part B programmes to sell drugs at a certain discount to hospitals that serve low-income patients. The drug companies claim that the programme is being abused because the hospitals order more than needed for their patients and then resell the rest via contract pharmacies at a profit. In 2020, some drug companies, including Novo Nordisk, began limiting the amount of drugs they supplied under the 340B programme. The companies claim that there is nothing in the 340B policy that prohibits companies from limiting drug shipments to contract pharmacies.

Innovation

- ▶ Unilever's manager for ice cream R&D, Andy Sztchlo, told journalists that Unilever is developing a process using yeast and fungi to produce milk proteins in a vat. If successful, Unilever could replace cow milk in some of its ice cream products with factory grown milk.
- ▶ An Irish newspaper reports that David Brayden, Professor of Advanced Drug Delivery at University College Dublin, is working with Novo Nordisk and researchers at other institutes on development of a dissolving cheek patch designed to deliver insulin.

Last Month RRI Change

Biggest Decrease

Johnson & Johnson -9

Biggest Increase

Home Depot +7

Home Depot's RepRisk Index score increased by 7 points in November. The company was criticised by action group People for the Ethical Treatment of Animals (PETA) for selling glue-based mouse traps. They argue that the devices are cruel as the adhesive covered boards indiscriminately trap animals and it can take a number of days for the animals to die of starvation or dehydration. PETA wants Home Depot to stop selling glue traps.

*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.