

RepRisk Index (RRI)

As at 28 th April	FSEF	MSCI World
Environmental	2.4	5.5
Social	11.8	12.9
Governance	12.7	10.7
Total RRI	26.9	29.0
1 Month RRI Change	-2.2	-0.4
Peak 24 Month RRI	40	40

Innovation

As at 28 th April	FSEF	MSCI World
R&D as % of sales*	6.7%	5.3%
TTM Organic Growth [†]	12.5%	n/a
Capital Impact [™]	0.52	0.23

Environmental*

As at 28 th April	FSEF	MSCI World
Waste tns/£m FCF	28	557
Hazard's Waste tns/£m FCF	0.4	19
Water m ³ /£m FCF	1,473	30,531
GHG/CO ₂ tns/£m FCF	58	303
Energy MWh/£m FCF	323	4,608
Paris Aligned (2°)	70%	n/a
Net Zero commitment	87%	n/a

Social*

As at 28 th April	FSEF	MSCI World
Employees who are women	45%	39%
Management who are women	34%	29%
Executives who are women	25%	18%
Directors who are women	37%	29%

Governance*

As at 28 th April	FSEF	MSCI World
UN Global Compact Sign's.	46%	33%
Independent directors	79%	71%
Executives holding shares	64%	48%
Reporting to CDP	92%	72%
Reporting scope 1&2 GHG emissions	100%	91%
Reporting water withdrawal	75%	64%
Reporting waste generated	78%	62%

Least Reprisk

As at 28 th April	RRI
Waters	0
ADP	0
Church & Dwight	8
Mettler-Toledo	9

Most Reprisk

As at 28 th April	RRI
Alphabet	68
Microsoft	58
Unilever	54
Johnson & Johnson	49

Proxy Voting

12 months ending 31 st March	%
Proxies voted	100
Voted against management	9
Voted against remuneration policy	59

April 2023 commentary

Environmental

- ▶ Google's parent company Alphabet has announced a collaboration with LevelTen Energy. The company has developed a faster and easier request for proposal (RFP) process for Power Purchase Agreements (PPA). According to Google, the new more standardised solution can speed up the time to negotiate and execute clean energy PPAs by around 80%. Under the new collaboration, Google and LevelTen are piloting an approach to address some of the key issues that slow down and complicate the clean energy purchase process. The partnership is primarily targeting the RFP negotiation process, which Google said is "lengthy, complex, and unique to every buyer and seller", and "can drag on for anywhere from ten months to more than a year, increasing the cost for both buyers and sellers". In addition to extending the length of the process, the negotiations can also slow the development of clean energy projects, with the companies noting that sellers typically need to finalise PPAs before investing in the projects.
- ▶ Staying with Alphabet, the company announced a partnership with EDP Renewables to support an environmental justice program that involves building out more than 80 distributed solar power generation projects with a capacity of 500 MWs in low-to-moderate income communities in the eastern US.
- ▶ Starting 1 January 2028, all new Mastercard plastic payment cards will be replaced with those made of more sustainable materials, including recycled and bio-sourced plastics such as rPVC, rPET, and PLA.
- ▶ PepsiCo has put out a release celebrating Frito-Lays first ever shipment on a third-party electric vehicle using Schneider National's new Freightliner eCascadia truck.
- ▶ PepsiCo's Lays brand has made their sixth football pitch from recycled crisp packets. The latest pitch is in Santa Ana, California, while the others are in South Africa, Brazil, Italy, Mexico and the UK.
- ▶ Novo Nordisk has signed an agreement with European Energy to purchase methanol produced from renewable sources. Novo will use the methanol for the production of insulin pens starting in 2024.

Social

- ▶ Unilever's Ben & Jerrys told journalists that it has agreed to terms for the unionisation of a store in Burlington, Vermont. Ben & Jerry's has agreed not to disparage the union or hold mandatory employee meetings related to unionisation without giving the union equal time. Workers still need to vote on whether or not they actually want to join the union.
- ▶ In 2020, PepsiCo set a goal of sourcing 100% of its eggs from cage-free egg suppliers by 2025, but did not say at the time what portion of eggs currently came from cage-free sources. Last month, the company published a statement on egg procurement: "Our 2022 cage-free egg procurement was approximately 50% of our total global egg spend. Since 2020, all egg ingredients purchased in the United States have been derived from 100% cage-free chickens, and in 2022 in Europe, approximately 95% of purchased egg ingredients (by spend) were sourced from cage-free chickens".
- ▶ Home Depot is donating \$2.5m to Helping Homebound Heroes, a charity that supports veterans in the US.

Innovation

- ▶ PepsiCo's Frito-Lay and Quaker have opened a Greenhouse Learning Centre to speed up the development of compostable packaging. This is part of the company's aim to have 100% of its packaging compostable, reusable, biodegradable or recyclable by 2025.

Last Month RRI Change

Biggest Decrease
L'Oréal -9

Biggest Increase
Stryker +3

Stryker's RepRisk Index increased by 3 in April. The increase was a result of reports in the Irish Times that a worker had been burnt in an industrial incident at the company's factory on the Carrigtwohill Industrial Estate near Cork. The man was working on changing a vent on the roof of the plant when there was an explosion. Stryker has six sites and employs over 4,000 staff in Ireland.

*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.