

Sustainable Finance Disclosure Regulation

Adverse Sustainability Impacts - Entity Level

In compliance with the definition given by the Sustainable Finance Disclosure Regulation (SFDR), (EU) 2019/2088, Fundsmith does not currently consider the adverse impacts of investment decisions on sustainability factors at the entity level (i.e. environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters).

We do not consider the impacts within the scope of the SFDR's definition due to the poor availability, consistency, comparability and transparency of existing ESG data, and the challenges the onerous reporting required by the Regulation poses to a small firm such as Fundsmith LLP.

However, we will consider the impacts of our investment decisions on sustainability factors, as per the definition given by the SFDR, when we feel the quality of available ESG data has improved significantly and we can produce meaningful results from principal adverse impacts reporting. Until then we will continue to consider the positive and/or negative impacts the companies we invest in may have on the environment and/or society under the criteria most relevant to our activities.