

**RepRisk Index (RRI)**

| As at 31 <sup>st</sup> October | FSEF | MSCI World |
|--------------------------------|------|------------|
| Environmental                  | 2.9  | 5.6        |
| Social                         | 12.4 | 12.4       |
| Governance                     | 13.3 | 10.8       |
| Total RRI                      | 28.6 | 28.7       |
| 1 month RRI Change             | 0.0  | -0.6       |
| Peak 24 Month RRI              | 39   | 39         |

**Innovation**

| As at 31 <sup>st</sup> October  | FSEF  | MSCI World |
|---------------------------------|-------|------------|
| R&D as % of sales*              | 7.3%  | 4.9%       |
| TTM Organic Growth <sup>†</sup> | 12.7% | n/a        |
| Capital Impact <sup>™</sup>     | 0.46  | 0.14       |

**Environmental\***

| As at 31 <sup>st</sup> October | FSEF  | MSCI World |
|--------------------------------|-------|------------|
| Waste tns/£m FCF               | 22    | 730        |
| Hazard's Waste tns/£m FCF      | 0.5   | 19         |
| Water m <sup>3</sup> /£m FCF   | 1,403 | 29,973     |
| GHG/CO2 tns/£m FCF             | 57    | 366        |
| Energy MWh/£m FCF              | 324   | 5,639      |
| Paris Aligned (2°)             | 71%   | n/a        |
| Net Zero commitment            | 73%   | n/a        |

**Social\***

| As at 31 <sup>st</sup> October | FSEF | MSCI World |
|--------------------------------|------|------------|
| Employees who are women        | 44%  | 38%        |
| Management who are women       | 30%  | 28%        |
| Executives who are women       | 24%  | 17%        |
| Directors who are women        | 34%  | 28%        |

**Governance\***

| As at 31 <sup>st</sup> October    | FSEF | MSCI World |
|-----------------------------------|------|------------|
| UN Global Compact Sign's.         | 32%  | 32%        |
| Independent directors             | 80%  | 72%        |
| Executives holding shares         | 64%  | 49%        |
| Reporting to CDP                  | 92%  | 67%        |
| Reporting scope 1&2 GHG emissions | 100% | 85%        |
| Reporting water withdrawal        | 76%  | 59%        |
| Reporting waste generated         | 72%  | 57%        |

**Least Reprisk**

| As at 31 <sup>st</sup> October | RRI |
|--------------------------------|-----|
| Waters                         | 0   |
| ADP                            | 0   |
| Amadeus                        | 11  |
| Estee Lauder                   | 12  |

**Most Reprisk**

| As at 31 <sup>st</sup> October | RRI |
|--------------------------------|-----|
| Alphabet                       | 67  |
| Johnson & Johnson              | 59  |
| Microsoft                      | 56  |
| Unilever                       | 54  |

**Proxy Voting**

| 12 Months ending 30 <sup>th</sup> September | %   |
|---|-----|
| Proxies voted                               | 100 |
| Voted against management                    | 9   |
| Voted against remuneration policy           | 52  |

**October 2022 commentary**

**Environmental**

- ▶ C40, a climate-focused network of mayors representing nearly 100 large cities have worked alongside Google to launch a new 24/7 Carbon-Free Energy for Cities program, aimed at enabling cities to run entirely on clean energy around the clock. Cities form a major focus area for climate action, accounting for over 65% of the world's energy consumption and more than 70% of global CO2 emissions. The new program looks to help develop and implement strategies, practices and tools to enable cities to achieve 24/7 carbon free energy (24/7 CFE) and support cities seeking to lead the energy transition.
- ▶ PepsiCo Positive (pep+), PepsiCo's strategic sustainability transformation plan, launched just over one year ago. Here are a few excerpts from the latest pep+ update:
  - ▶ PepsiCo works with approximately 23,000 small-holding potato farmers across Africa, the Middle East and South Asia (AMESA). Building relationships with them is one of the ways PepsiCo aims to spread regenerative agriculture across 7m acres, an area roughly equivalent to the company's entire agricultural footprint, by 2030. To that end, PepsiCo created a series of model farms that showcase sustainable farming methods allowing local growers to adopt the practices in their own fields. "Not only did it create a tremendous impact on their livelihoods; it also improved AMESA's agricultural water use efficiency by about 35% last year," Manali Desai, the Chief Sustainability Officer (CSO) for AMESA, said.
  - ▶ One key pep+ ambition is to inspire consumers to make positive choices by expanding the company's range of beverages with fewer added sugars. 53% of PepsiCo's drinks portfolio now features less than 100 calories from added sugars per 12-ounce serving as the company continues to make progress toward its goal of 67% by 2025.
  - ▶ PepsiCo associates have been instrumental in working toward the company's pep+ goals through the expansion of Green Teams, a grassroots organisation that is dedicated to creating a culture of pep+ by inspiring, empowering and engaging colleagues to make a positive impact at work, at home and in their communities. Associates have started approximately 90 Green Teams around the globe with nearly half of them launched this year.
  - ▶ One key focus for PepsiCo is the expanded use of 100% recycled plastic (rPET) packaging, which reduces the use of virgin plastic and lowers the company's carbon emissions. Making headway in this area requires building new infrastructure to incorporate the use of rPET into the bottling process, which can be challenging. "We're dealing with some new technologies, and the solutions are not always obvious," says Katharina Stenholm, PepsiCo's CSO for Europe. "So, in order to achieve our objectives, we will have to work closely with our partners and have the courage to test, trial and learn."

**Social**

- ▶ Adobe has partnered with camera makers Lecia and Nikon, to "securely attach provenance information at the point of capture," thus hopefully establishing the trustworthiness of an image from when it is taken.
- ▶ Zoetis has been named to Fortune's 2022 Change the World list. The award was given in honour of Zoetis's African Livestock Productivity and Health Advancement initiative which aims to establish and develop "sustainable veterinary care" in sub-Saharan Africa.

**Last Month RRI Change**

**Biggest Decrease**

Johnson & Johnson -5

**Biggest Increase**

Coloplast +16

Coloplast's RepRisk Index score increased by 16 in October after a law firm in South Africa announced a class action lawsuit against the company, as well as Johnson & Johnson's Ethicon and Nuangle. The lawsuit concerns pelvic mesh devices that are contended to be defective, resulting in injury. The law firm, RH Lawyers, have been collecting claimants for the class action since 2021 and said this month that they were ready to pursue the class action. The pelvic mesh devices in question are surgically implanted into the vaginal or pelvic region for the treatment of pelvic organ prolapse and stress urinary incontinence.

\*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<sup>™</sup> 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](http://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.