

Reprisk Indicators (RRI)

As at 31st March	FSEF	MSCI World
Environmental	3.1	5.4
Social	12.3	12.5
Governance	12.6	11.0
Total RRI	28.0	28.9
1 month RRI Change	0.1	0.7
Peak 24 Month RRI	38	39

Innovation

As at 31st March	FSEF	MSCI World
R&D as % of sales*	7.0%	5.4%
TTM Organic Growth"	17.0%	n/a
Capital Impact™	0.42	0.13

Environmental*

As at 31st March	FSEF	MSCI World
Waste tns/£m FCF	56	854
Hazard's Waste tns/£m FCF	0.4	21
Water m³/£m FCF	1,234	31,285
GHG/CO2 tns/£m FCF	56	346
Energy MWh/£m FCF	299	1,353
Paris Aligned (2°)	71%	n/a
Net Zero commitment	72%	n/a

Social*

As at 31st March	FSEF	MSCI World
Employees who are women	43%	38%
Management who are women	33%	28%
Executives who are women	24%	16%
Directors who are women	38%	27%

Governance*

As at 31st March	FSEF	MSCI World
UN Global Compact Sign's.	38%	29%
Independent directors	77%	71%
Executives holding shares	66%	51%
Reporting to CDP	92%	68%
Reporting scope 1&2 GHG emissions	100%	83%
Reporting water withdrawal	77%	58%
Reporting waste generated	69%	56%

Least Reprisk

As at 31st March	RRI
IDEXX	0
Waters	0
Undisclosed Position	5
ADP	9

Most Reprisk

As at 31st March	RRI
Alphabet	64
Johnson & Johnson	62
Unilever	53
Microsoft	53

Proxy Voting

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

March 2022 commentary

Environmental

- A group of 36 major personal care and cosmetics companies including Unilever, Estée Lauder, and L'Oréal announced the launch of the EcoBeautyScore Consortium, a new initiative aiming to develop an industry-wide environmental impact assessment and scoring system for cosmetics products.
- A recent report by non-profit As You Sow looked at 55 major companies' progress towards their transition to net zero emissions. Only 3 of the companies assessed received an "A" grade, including both Microsoft and PepsiCo, while only 2 companies received a "B" grade, one of which was Alphabet. In total, 46 of the 55 companies received a "D" or "F" grade.
- Starbucks is piloting a store in Seattle which will only serve drinks from reusable cups.
- In its latest sustainability report, Microsoft reported that its scope 1 and 2 CO₂ emissions fell by 17% compared to last year, largely driven by the company's purchasing of renewable energy offsets. Despite this, Microsoft's overall emissions grew due to a 23% increase in their scope 3 component as it built new datacentres and offices, as well as increased usage of Xbox consoles and Surface computers. Scope 3 emissions are any emissions related to a company's upstream and downstream supply chain, and consumer use/disposal of its products.
- PepsiCo has partnered with an Israeli drip irrigation technology company, N-drip, and are using their technology to help farmers save water across 10,000 hectares of farmland by 2025. N-drip's system uses little power and instead relies on gravity meaning that converting to its system can reduce CO₂ and methane emissions by up to 83% and 78% respectively. Current irrigation techniques, such as flood or trench methods, lose up to 70% of the water used and are used on 85% of all irrigated fields worldwide.

Social

- Visa announced this month that it is complying with sanctions against Russia by blocking Russian banks and other financial institutions from using the Visa payment network. Visa's Foundation also said that it will donate \$2m to UNICEF and will double any employee donations to either UNICEF or the Red Cross up to \$1m.
- In response to shareholder pressure under the group ShareAction, Unilever has said that it will be the first global foods company to publicly report the performance of its product portfolio against at least six different UK government-endorsed Nutrient Profile Models (NPM) as well as its own Highest Nutritional Standards (HNS). The report will be published annually with the first report to be published by October 2022.

Last Month RRI Change

Biggest Decrease

Starbucks -6

Biggest Increase

Undisclosed Position +45

The RepRisk Indicator (RRI) for a position we have not yet disclosed increased by 45 in March. This was largely due to it having no negative news coverage since 2014, meaning any news it is mentioned in will have a disproportionate impact on its RepRisk score. The company's RRI increased by the most we have ever seen in a single month after it was listed in research by Yale University as still having operations in Russia, which the researcher concluded was "funding the Russian war machine and undermining the whole idea of the sanctions". The company in question doesn't have any manufacturing in Russia and suspended all shipments to the country at the start of the invasion.

*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 assess 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.