

RepRisk Index (RRI)

As at 31 st March	FSEF	MSCI World
Environmental	2.7	5.6
Social	12.6	12.9
Governance	13.8	10.9
Total RRI	29.1	29.4
1 Month RRI Change	2.1	0.6
Peak 24 Month RRI	40	40

Innovation

As at 31 st March	FSEF	MSCI World
R&D as % of sales*	6.7%	5.2%
TTM Organic Growth [†]	11.2%	n/a
Capital Impact [™]	0.52	0.22

Environmental*

As at 31 st March	FSEF	MSCI World
Waste tns/£m FCF	28	557
Hazard's Waste tns/£m FCF	0.4	19
Water m ³ /£m FCF	1,484	27,968
GHG/CO ₂ tns/£m FCF	59	304
Energy MWh/£m FCF	323	4,616
Paris Aligned (2°)	70%	n/a
Net Zero commitment	87%	n/a

Social*

As at 31 st March	FSEF	MSCI World
Employees who are women	45%	38%
Management who are women	34%	29%
Executives who are women	20%	18%
Directors who are women	38%	29%

Governance*

As at 31 st March	FSEF	MSCI World
UN Global Compact Sign's.	46%	31%
Independent directors	78%	69%
Executives holding shares	62%	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 31 st March	RRI
Waters	0
ADP	0
Church & Dwight	10
Mettler-Toledo	11

Most Reprisk

As at 31 st March	RRI
Alphabet	67
Microsoft	55
Johnson & Johnson	53
Unilever	51

Proxy Voting

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

March 2023 commentary

Environmental

- ▶ Microsoft has partnered with California-based climate tech company CarbonCapture to purchase carbon removal credits generated through their Direct Air Capture (DAC) technology. DAC technology extracts CO₂ directly from the atmosphere for use as a raw material or permanently removed when combined with storage. CarbonCapture announced the launch of a DAC project called 'Project Bison' in September 2022. The project's goal is to permanently remove and store five million tons of CO₂ from the atmosphere annually in partnership with carbon storage developer Frontier Carbon Solutions. The project is expected to be operational by late 2023, and to be developed over multiple phases through to 2030.
- ▶ Microsoft has also announced an agreement with ocean carbon removal company Running Tide. The company naturally extracts CO₂ from the ocean and then sinks it to permanently remove it. Under the new agreement, Running Tide will remove 12,000 tonnes of carbon dioxide equivalent on behalf of Microsoft.
- ▶ L'Oréal announced an investment in a new venture led by biotechnology company Genomatica (Geno), aimed at developing and commercialising bio-based sustainable alternative ingredients for cosmetics, personal care and cleaning products. San Diego-based biotechnology company Geno develops sustainable materials derived from plant or waste-based feedstocks, converting plant-based ingredients into chemical building blocks. With the new investment, made through L'Oréal's corporate venture fund BOLD, the company becomes the third and final founding investor in the venture, alongside Unilever and Kao Corporation.

Social

- ▶ In the UK, the Information Commissioner's Office says that it is reviewing a complaint from a charity claiming that YouTube, which is owned by Alphabet, violated rules about collecting data on children.
- ▶ Zoetis has won a \$15m grant from The Bill and Melinda Gates Foundation to advance livestock productivity and health in Africa.
- ▶ By way of supporting Women in Construction Week in March, Home Depot donated \$200,000 towards trade school scholarships for women.
- ▶ P&G will send its Tide 'Loads of Hope' mobile laundry unit down to Mississippi to help with the recovery from the tornado.
- ▶ Staying with the tornado in Mississippi, Home Depot's Foundation announced that it would send \$200,000 to help with the clear-up effort.
- ▶ Unilever had to recall 800,000 bottles of its Laundress fabric conditioner last month because they discovered that they contain ethylene oxide, a known carcinogen.

Governance

- ▶ McCormick ranked 54th in Barron's 100 Most Sustainable Companies List for 2023. CEO Lawrence Kurzius said the ranking reflects the company's continued progress against their "Purpose-led Performance commitments".
- ▶ Waters ranked 5th on Barron's List of the 100 most sustainable US companies.

Innovation

- ▶ McCormick has announced new packaging for its McCormick branded herbs and spices. The new bottles are made from a 50% post-consumer recycled plastic and have new "SnapTight" lids. The new lids close tighter, which keeps herbs and spices fresh for longer.

Last Month RRI Change

Biggest Decrease
Microsoft -4

Biggest Increase
Unilever +12

Unilever's RepRisk Index increased by 12 in March following newspaper reports in Kenya alleging that numerous employees were injured during the harvest on the company's tea plantations. Employees working for Unilever Tea Kenya, which was sold to private equity last July, claim that they suffered injuries and other chronic health issues from using the heavy, vibrating, tea-harvesting machines which were introduced in 2007. Those affected suffered in silence due to fear of losing their employment if they voiced complaints.

*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.