

Reprisk Indicators (RRI)

As at 28th February	FSEF	MSCI World
Environmental	3.2	5.2
Social	11.4	12.1
Governance	13.3	10.9
Total RRI	27.9	28.2
1 month RRI Change	0.2	1.4
Peak 24 Month RRI	37	39

Innovation

As at 28th February	FSEF	MSCI World
R&D as % of sales*	7.2%	5.8%
TTM Organic Growth"	29.0%	n/a
Capital Impact™	0.44	0.17

Environmental*

As at 28th February	FSEF	MSCI World
Waste tns/£m FCF	59	776
Hazard's Waste tns/£m FCF	0.4	18
Water m³/£m FCF	1,292	31,721
GHG/CO2 tns/£m FCF	57	352
Energy MWh/£m FCF	298	1,322
Paris Aligned (2°)	64%	n/a
Net Zero commitment	69%	n/a

Social*

As at 28th February	FSEF	MSCI World
Employees who are women	43%	38%
Management who are women	33%	28%
Executives who are women	32%	16%
Directors who are women	39%	27%

Governance*

As at 28th February	FSEF	MSCI World
UN Global Compact Sign's.	38%	37%
Independent directors	75%	71%
Executives holding shares	64%	50%
Reporting to CDP	92%	61%
Reporting scope 1&2 GHG emissions	100%	82%
Reporting water withdrawal	77%	58%
Reporting waste generated	69%	56%

Least Reprisk

As at 28th February	RRI
Undisclosed Position	0
IDEXX	0
Waters	0
Undisclosed Position	7

Most Reprisk

As at 28th February	RRI
Johnson & Johnson	65
Alphabet	58
Starbucks	56
Procter & Gamble	53

Proxy Voting

12 Months ending 31st December	%
Proxies voted	100
Voted against management	6
Voted against remuneration policy	47

February 2022 commentary

Environmental

- ▶ Unilever's Port Sunlight plant, its main factory in the UK, is studying whether it is feasible to use power from HyNet North West, which generates renewable power from hydrogen.
- ▶ Climateworks Foundation, a climate action-focused platform, today announced the launch of 'Carbon Call', a new initiative aimed at addressing the need for a reliable and interoperable global carbon emissions accounting system. The initiative is being founded with over 20 companies and organisations participating, including Microsoft, and aims to identify and fix gaps in existing global carbon accounting systems, with a focus on carbon removal, methane and indirect emissions. Microsoft believes this initiative is a necessary step in the pursuit of net zero emissions.

Social

- ▶ Alphabet has donated \$2bn to charity over the past 5 years and has also donated \$7bn in the form of free advertising to charities.
- ▶ ADP has been named one of the world's 'Most Admired Companies' for the 16th year in a row.
- ▶ Before war broke out in Ukraine, Unilever owned Ben & Jerry's commented on the United States' involvement in the country, saying 'you cannot simultaneously prevent and prepare for war. We call on President Biden to de-escalate tensions and work for peace rather than prepare for war. Sending thousands more US troops to Europe in response to Russia's threats against Ukraine only fans the flame of war'.
- ▶ PepsiCo has created a new unit in North America called the 'Multicultural Business and Equity Development Organisation', which will be responsible for 'accelerating efforts inside and outside the company to help address inequalities for historically excluded people and underserved businesses and communities'.
- ▶ Visa has announced the launch of 'Visa Minority Depository Institutions Accelerate', a new multi-year program aimed at reducing economic disparities and expanding access and opportunity in communities of colour across the US. Under the new initiative, Visa will invest up to \$100m in Minority Depository Institutions (MDIs) to help increase lending and will provide tailored insights and digital solutions to these banks, helping them meet the needs of their clientele and communities.

Governance

- ▶ Tulipshare is a London based investment platform that helps users pool their shares in companies in order to meet the threshold to submit shareholder resolutions. The Guardian has reported that Tulipshare users have submitted a shareholder proposal to Johnson & Johnson saying that the company should stop selling talc-based products in all markets.
- ▶ L'Oréal and its subsidiary in the United States have been sued for allegedly misleading consumers into thinking their products were made in France. The proposed class-action claimed that the products contained labels, including 'L'Oréal Paris' and the use of French words, suggesting they were of French origin.

Last Month RRI Change

Biggest Decrease	Biggest Increase
Home Depot -8	PepsiCo +10

PepsiCo's RepRisk Index (RRI) increased by 10 in February. The impact that the company's PET bottles have on the planet was mentioned in a Spanish article commenting on a boycott of Danone products in Mexico. Danone's bottling facility in the country has been blamed for the depletion of the local water table. PepsiCo is in the process of converting all the plastic bottles it uses to rPET (recycled PET) and is aiming to reduce its use of virgin plastic by 50% by 2030. PepsiCo already uses 100% rPET bottles in Germany, Poland, Romania, Greece and Spain, while France, UK, Belgium and Luxembourg will move to rPET this year. They have also been working with policy-makers to ensure that more bottles are recycled and don't become waste, but clearly consumer behaviour plays a large role.

*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.