

Reprisk Indicators (RRI)

As at 30th September	FSEF	MSCI World
Environmental	4.1	5.0
Social	12.1	12.2
Governance	11.0	11.2
Total RRI	27.2	28.4
1 month RRI Change	0.0	0.0
Peak 24 Month RRI	39	41
RepRisk Rating (RRR)	BBB	BB

Innovation

As at 30th September	FSEF	MSCI World
R&D as % of sales*	6.7%	5.8%
TTM Organic Growth**	26.7%	n/a
Capital Impact™	0.35	0.13

Environmental*

As at 30th September	FSEF	MSCI World
Waste tns/£m FCF	28	1,190
Hazard's Waste tns/£m FCF	0.6	25
Water m ³ /£m FCF	1,793	52,842
GHG/CO2 tns/£m FCF	106	548
Energy MWh/£m FCF	334	2,255

Social*

As at 30th September	FSEF	MSCI World
Women Executives	26%	16%
Women Directors	34%	27%

Governance*

As at 30th September	FSEF	MSCI World
UN Global Compact Sign's.	42%	31%
Independent Directors	81%	70%

Least Reprisk

As at 30th September	RRI
IDEXX	0
Waters	0
Zoetis	6
Amadeus	7

Most Reprisk

As at 30th September	RRI
Johnson & Johnson	65
Unilever	54
PepsiCo	53
Microsoft	51

Proxy Voting

12 Months ending 30th September	%
Proxies voted	100
Voted against an item	78
Voted against remuneration policy	74

September 2021 commentary

Environmental

- ▶ P&G said this month that it will aim to reach net zero greenhouse gas emissions by 2040 in its own operations and supply chain, a more ambitious target than it had previously set. It also plans, by 2030, to reduce its emissions from its own operations and across its supply chain by 50% and 40% respectively. These new 2030 goals have been submitted to The Science Based Targets initiative (SBTi) for verification.
- ▶ PepsiCo's CEO, Ramon Laguarta, has said that Pepsi will reduce its use of virgin plastic by 50% by 2030. PepsiCo has previously been criticised for using 2.3m tonnes of plastic a year. Lay's crisps are also going to be made from potatoes that are grown using regenerative agriculture and sold in biodegradable or compostable packaging.
- ▶ Further to the reduction on plastic mentioned above, PepsiCo has also committed to net zero emissions by 2040 and becoming water positive by this date.
- ▶ Estée Lauder has announced that it is working with materials molding technology company Roctool to develop and produce sustainable packaging for its products, beginning with bottles for Clinique's Clarifying Lotion. According to Estée Lauder, applying the Roctool's Heat & Cool molding technology to Clinique's Clarifying Lotion bottles will result in a more responsible and simplified packaging approach, with a 10% to 15% reduction in waste, while customers won't see any difference to the packaging.
- ▶ Unilever announced this month the launch of the Unilever Climate Promise, an invitation for its suppliers to set a public target to halve absolute greenhouse gas emissions by 2030. The Unilever Climate Promise is open to all of the company's 56,000 suppliers and it asks willing companies to reduce GHG emissions by 50% by 2030, report openly on their progress, and share their emissions and footprint data with the company. This will go a long way to helping the company report its scope 3 emissions.

Social

- ▶ PepsiCo's brand Stacy's Pita Chips is partnering with Reese Witherspoon's media company Hello Sunshine to "spotlight the 10 inspiring winners of the 2021 Stacy's Rise Project," which champions female-founded businesses.
- ▶ Home Depot Canada's foundation has launched TradeWorx, with the initial CAD\$1m grant going towards training and helping 100 young people who have experienced homelessness establish careers in skilled trades.
- ▶ A jury in Philadelphia has decided in favour of Johnson & Johnson in the latest talc ovarian cancer lawsuit.
- ▶ The owners of Cooxupe farm, who supply coffee to Nespresso and Starbucks, have signed an agreement with Brazil's Public Ministry of Labour and the Public Defender of the Union to return part of the salary of 19 migrant workers that were allegedly illegally deducted from their paychecks and pay the corresponding compensation. Reportedly, the amounts discounted, amounting to 30% of the wages, were intended to acquire machinery and fuel for the harvest, a practice prohibited by labour legislation. Additionally, the company reportedly committed to provide free tools and improve workers' facilities and conditions on the farm. The Rainforest Alliance has suspended its certification of the farm involved.

Governance

- ▶ McCormick is the only US food company named as a Global Compact LEAD company by the UN for its ongoing commitment to said Compact and its ten Principles for Responsible Business.

Innovation

- ▶ PepsiCo has been named as one of Fast Company's "Best Workplaces for Innovators."

Last Month RRI Change

Biggest Decrease	Biggest Increase
L'Oréal -8	Kone +12

Kone's RepRisk Indicator increased in September after an escalator that the company built and maintained malfunctioned at the Black Bay train station in Boston. Nine people were injured when the escalator, which transports people from the Amtrak/Commuter train platforms to a street-level lobby, suddenly went backwards at high speed. The exact cause of the incident is still unknown and Kone are investigating. The Massachusetts Bay Transportation Authority (MBTA) contracts Kone to inspect and maintain all of the systems 177 escalators.

*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. RepRisk Rating (RRR) takes the RRI and combines it with the ratings of the countries/sectors it is involved in to calculate the rating, which is ranked AAA to D.