

RepRisk Index (RRI)

As at 31 st August	FSEF	MSCI World
Environmental	2.7	5.6
Social	13.5	13.8
Governance	14.5	11.3
Total RRI	30.6	30.7
1 Month RRI Change	3.3	0.6
Peak 24 Month RRI	42	41

Innovation

As at 31 st August	FSEF	MSCI World
R&D as % of sales*	6.5%	5.5%
TTM Organic Growth"	10.5%	n/a
Capital Impact™	0.62	0.30

Environmental*

As at 31 st August	FSEF	MSCI World
Waste tns/£m FCF	33	421
Hazard's Waste tns/£m FCF	0.4	14
Water m³/£m FCF	1,875	25,087
GHG/CO2 tns/£m FCF	68	257
Energy MWh/£m FCF	349	901
Paris Aligned (2°)	68%	n/a
Net Zero commitment	85%	n/a

Social*

As at 31 st August	FSEF	MSCI World
Employees who are women	43%	38%
Management who are women	33%	30%
Executives who are women	24%	19%
Directors who are women	35%	30%

Governance*

As at 31 st August	FSEF	MSCI World
UN Global Compact Sign's.	36%	35%
Independent directors	81%	72%
Executives holding shares	29%	23%
Reporting to CDP	92%	72%
Reporting scope 1&2 GHG emissions	100%	91%
Reporting water withdrawal	72%	64%
Reporting waste generated	74%	62%

Least Reprisk

As at 31 st August	RRI
Waters	0
ADP	0
Undisclosed Position	0
Mettler-Toledo	4

Most Reprisk

As at 31 st August	RRI
Alphabet	66
Microsoft	59
Novo Nordisk	56
McDonald's	55

Proxy Voting

12 Months ending 30 th June	%
Proxies voted	100
Voted against management	10
Voted against remuneration policy	54

August 2023 commentary

Environmental

- ▶ It was announced that Google joined American Express Global Business Travel's and Shell Aviation's sustainable aviation fuel (SAF) program. The program enables participants to offset carbon emissions from business travel through SAF purchases.
- ▶ Renewable energy company Apex Clean Energy announced that they had signed a power purchase agreement (PPA) with Google. Google has agreed to purchase 189 MW of energy produced by the upcoming North Carolina-based Timbermill Wind project. The deal represents the total capacity of the new project, which is expected to begin operating in 2024.
- ▶ Portfolio companies announced two other power purchase agreements in August. Carbon solutions company Clearloop announced that Microsoft is investing in a 6.6 MW solar facility in Mississippi. PepsiCo's brand, SodaStream, announced that it had signed a PPA allowing its factories in Israel to use renewable energy from 2024.
- ▶ In August, Otis's factory in San Sebastian became the first factory in Spain to obtain LEED Platinum® Certification. Another factory in Vigo installed a photovoltaic plant, expected to reduce electricity consumption by 30% and eliminate 44 metric tons of CO2 annually. All three of Otis's manufacturing centres in Spain have received 'Zero Waste' certification.
- ▶ PepsiCo Beverages North America has announced that it will eliminate the plastic rings holding multipacks of bottled and canned beverages across its US product line. The company plans to replace them with a paper-based solution later this year. The paperboard the company intends to use will be made from recycled materials and will be recyclable itself.

Social

- ▶ The Home Depot Foundation is committing up to \$250,000 to support immediate disaster relief and long-term recovery efforts in communities impacted by Hurricane Idalia. This new disaster response grant takes the Foundation's disaster commitment to more than \$6m this year.
- ▶ Novo Nordisk announced that it was launching its weight-loss drug Wegovy in the UK. The drug will be available via an NHS weight management scheme and some private healthcare professionals. Novo Nordisk did not disclose pricing. Earlier this year, NICE recommended that Wegovy be used to treat adults with at least one weight-related comorbidity and a BMI of 35 or greater, but only if the patient uses the NHS weight management service.

Governance

- ▶ Microsoft is trying to avert potential EU antitrust penalties by unbundling Teams from its Office service amid rumours of a €2.2bn fine for anti-competitive bundling in the previous decade.

Last Month RRI Change

Biggest Decrease PepsiCo -10	Biggest Increase Church & Dwight +26
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Church & Dwight's RepRisk Index increased by 26 in August after it agreed to settle a class action lawsuit related to safety claims over its dry shampoos for \$2.5m. The lawsuit accused the company of misleading consumers about the safety of its aerosol spray cans, which reportedly contained excessive levels of the carcinogen benzene. The settlement follows similar recalls and accusations against P&G, Unilever, Valisure and Johnson & Johnson, who use benzene in their aerosol sunscreen and dry shampoo products. The settlement will be given final approval in October. Rather than being indicative of a significant negative impact by the company, the size of the increase in the RepRisk Index is due to Church & Dwight typically having one of the lowest scores in the portfolio.

*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.