

RepRisk Index (RRI)

As at 28 th March	FSEF	MSCI World
Environmental	3.0	5.3
Social	15.3	13.8
Governance	12.5	12.6
Total RRI	30.8	31.7
1 Month RRI Change	1.5	0.4
Peak 24 Month RRI	41	41

Innovation

As at 28 th March	FSEF	MSCI World
R&D as % of sales*	6.1%	5.5%
TTM Organic Growth [†]	6.8%	n/a
Capital Impact [™]	0.84	0.19

Environmental*

As at 28 th March	FSEF	MSCI World
Waste tns/£m FCF	35.2	600
Hazard's Waste tns/£m FCF	0.6	20
Water m ³ /£m FCF	2,011	22,221
GHG/CO2 tns/£m FCF	181	398
Energy MWh/£m FCF	650	1,432
Paris Aligned (2°)	56%	n/a
Net Zero commitment	82%	n/a

Social*

As at 28 th March	FSEF	MSCI World
Employees who are women	42%	39%
Management who are women	35%	31%
Executives who are women	29%	21%
Directors who are women	37%	32%

Governance*

As at 28 th March	FSEF	MSCI World
UN Global Compact Sign's.	40%	30%
Independent directors	80%	67%
Executives holding shares	61%	48%
Reporting to CDP	92%	77%
Reporting scope 1&2 GHG emissions	96%	92%
Reporting water withdrawal	72%	64%
Reporting waste generated	68%	62%

Least Reprisk

As at 28 th March	RRI
Waters	0
ADP	0
Fortinet	0
Mettler-Toledo	0

Most Reprisk

As at 28 th March	RRI
Alphabet	65
Novo Nordisk	62
Microsoft	60
McDonald's	54

Proxy Voting

12 Months ending 28 th March	%
Proxies voted	100
Voted against management	10
Voted against executive remuneration	88

March 2024 commentary

Environmental

- ▶ Google announced it would contribute at least \$35m towards carbon removal credits over the next 12 months as part of the US Department for Energy's 'Carbon Negative Shot' initiative. The initiative was created to drive innovation in carbon removal pathways to enable carbon capture and storage at large scales for less than \$100 per metric ton of CO2e by 2032.
- ▶ Google has signed a new renewable energy deal with Arizona-based water and electricity provider Salt River Project. The deal will bring at least 430 MW of carbon-free energy capacity to the Arizona grid and will be generated through wind and solar power.
- ▶ Microsoft has signed an agreement to purchase renewable energy credits (RECs) from a new solar project in Illinois. The agreement uses an environmental justice power purchase agreement (PPA) structure developed by Microsoft and Volt Energy. Environmental justice PPAs are used to develop renewable energy projects in communities that are disproportionately impacted by environmental injustices and have yet to benefit from the transition to the 'green economy'.
- ▶ Microsoft has signed a six-year carbon offtake agreement with The Next 150, a Swiss carbon removal venture developer and operator. Under the agreement, Microsoft will purchase 95,000 tons of carbon removal credits generated by a new biochar project in Guanajuato, Mexico.
- ▶ Microsoft signed two PPAs with Leeward Renewable Energy, totalling 400 MW of energy generated by two solar facilities under development in Texas.
- ▶ PepsiCo announced it had reached its 2025 goal of a 25% improvement in how efficiently it uses water in its operations in areas with water stress two years ahead of schedule. The CDP also recognised the company on their 2023 'CDP A List' for leadership in corporate transparency and performance on water security.
- ▶ Procter & Gamble and Dow revealed a joint development agreement to advance plastic recycling technology. The collaboration is focused on finding a solution that efficiently converts hard-to-recycle plastics, such as polythene and post-consumer plastic waste, into high-quality recycled plastics with significantly lower production emissions compared to virgin plastic alternatives.
- ▶ Unilever released its updated Climate Transition Action Plan (CTAP) in March. The new Plan aims to reach net zero scope 1 and 2 emissions by 2030 and net zero emissions across its value chain by 2039. It also sets new targets for the company's scope 3 emissions, including reducing energy and industrial emissions by 42% and forest, land and agriculture emissions by 30.3% by 2030.

Social

- ▶ Unilever recalled several batches of its Magnum ice creams over concerns that the products contained metal pieces. Five batches of the Magnum Classic three-pack were recalled after safety checks found that they may contain small metal fragments, making the ice creams unsafe to eat.

Innovation

- ▶ Mastercard's Mastercard Centre for Inclusive Growth has been named in Fast Company's list of the most innovative social responsibility companies in 2024. The Centre was listed for its efforts to support small businesses' growth into the digital economy.

Last Month RRI Change

Biggest Decrease

Greggs -11

Biggest Increase

Zoetis +28

Zoetis's RepRisk Index increased by 28 in March after the European Commission started an investigation into whether the company violated antitrust regulations. The Commission is investigating whether the company broke competition rules by preventing the launch of a competing pain medicine for dogs with osteoarthritis. In response, Zoetis said that the matter referred to an experimental compound and that "both the acquisition of the compound and our subsequent decision to cease development of it were sound, rigorous, and lawful." At the time of the acquisition, the EU Competition Commission approved it.

*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.