

RepRisk Index (RRI)

| As at 28 th February | FSEF | MSCI World |
|---------------------------------|------|------------|
| Environmental | 2.3 | 5.6 |
| Social | 11.1 | 12.5 |
| Governance | 13.6 | 10.8 |
| Total RRI | 27.0 | 28.8 |
| 1 month RRI Change | 0.0 | 0.5 |
| Peak 24 Month RRI | 40 | 39 |

Innovation

| As at 28 th February | FSEF | MSCI World |
|---------------------------------|-------|------------|
| R&D as % of sales* | 7.4% | 5.4% |
| TTM Organic Growth [†] | 11.4% | n/a |
| Capital Impact [™] | 0.55 | 0.23 |

Environmental*

| As at 28 th February | FSEF | MSCI World |
|---------------------------------|-------|------------|
| Waste tns/£m FCF | 30 | 583 |
| Hazard's Waste tns/£m FCF | 0.4 | 20 |
| Water m ³ /£m FCF | 1,436 | 27,948 |
| GHG/CO2 tns/£m FCF | 61 | 321 |
| Energy MWh/£m FCF | 330 | 4,843 |
| Paris Aligned (2°) | 69% | n/a |
| Net Zero commitment | 82% | n/a |

Social*

| As at 28 th February | FSEF | MSCI World |
|---------------------------------|------|------------|
| Employees who are women | 44% | 38% |
| Management who are women | 34% | 29% |
| Executives who are women | 27% | 18% |
| Directors who are women | 41% | 29% |

Governance*

| As at 28 th February | FSEF | MSCI World |
|-----------------------------------|------|------------|
| UN Global Compact Sign's. | 44% | 39% |
| Independent directors | 73% | 70% |
| Executives holding shares | 60% | 49% |
| Reporting to CDP | 92% | 72% |
| Reporting scope 1&2 GHG emissions | 100% | 91% |
| Reporting water withdrawal | 76% | 64% |
| Reporting waste generated | 78% | 61% |

Least Reprisk

| As at 28 th February | RRI |
|---------------------------------|-----|
| Waters | 0 |
| ADP | 0 |
| Amadeus | 5 |
| Church & Dwight | 11 |

Most Reprisk

| As at 28 th February | RRI |
|---------------------------------|-----|
| Alphabet | 67 |
| Microsoft | 59 |
| Johnson & Johnson | 51 |
| Home Depot | 49 |

Proxy Voting

| 12 Months ending 30 th December | % |
|--|-----|
| Proxies voted | 100 |
| Voted against management | 9 |
| Voted against remuneration policy | 63 |

February 2023 commentary

Environmental

- ▶ L'Oréal has signed agreements with EDF to provide it with renewable energy from two new solar parks. Under the new power purchase agreement (PPA), EDF will supply L'Oréal with all the energy generated by solar parks located in the Corrèze and Vosges regions of France which are being built and operated by EDF Renewables. The parks will have a combined installed capacity of 27 MWp (Megawatt Peak), covering 25% of L'Oréal's electricity consumption in France. The Corrèze and Vosges plants are expected to be commissioned in late 2024 and early 2025, respectively.
- ▶ The energy used to power Unilever's 3 million chest-like freezers containing its ice cream products accounts for about 10% of the company's greenhouse gas emissions. The Wall Street Journal reported last month that the company is trialling making ice cream that won't melt when kept at -12°C as opposed to the usual -18°C. This would reduce emissions by 20-30% per freezer.

Social

- ▶ 53 hair relaxer lawsuits against L'Oréal have been combined into a multi-district litigation in Chicago. The plaintiffs claim hair relaxer products sold by L'Oréal cause cancer.
- ▶ P&G Australia has announced a new sponsorship of the 2023 Sydney WorldPride and its second year as the lead sponsor of the Sydney Gay and Lesbian Mardi Gras.
- ▶ Unilever has issued a statement about its decision to operate in Russia. "Since March 2022, we have ceased all imports and exports of our products into and out of Russia, and we have stopped all media and advertising spend. We have also ceased all capital flows into and out of the country. We continue to supply our everyday food and hygiene products made in Russia to people in the country". The company said that while one option is to sell the business in Russia "to date we have not been able to find a solution which avoids the Russian state potentially gaining further benefit, and which safeguards our people". Unilever said that if it were to abandon the business in Russia the facilities and brands would be "appropriated – and then operated – by the Russian state. In addition, we do not think it is right to abandon our people in Russia". A 3rd option, and the one they have selected, is to continue operating the business "with the strict constraints that we put in place last March".

Governance

- ▶ The UK Prescriptions Medicines Code of Practice Authority has reprimanded Novo Nordisk for not revealing that it was sponsoring weight loss webinars in which it promoted its pre-Wegovy weight loss drug Saxenda. The CEO of Novo Nordisk has apologised for the mistake.

Last Month RRI Change

| | |
|---|--|
| Biggest Decrease Procter & Gamble -13 | Biggest Increase Home Depot +9 |
|---|--|

Home Depot's RepRisk Index increased by 9 in February. The company, as well as other retailers, sold Cosori-branded air fryers which were recalled by Etekcitcity after they were found to be at risk of catching on fire and potentially causing burns to users.

*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.