

RepRisk Index (RRI)

As at 31 st December	FSEF	MSCI World
Environmental	2.2	4.8
Social	13.4	14.2
Governance	11.7	14.2
Total RRI	27.3	33.2
1 Month RRI Change	-1.6	-0.6
Peak 24 Month RRI	41	43
RRI	BB	B

Innovation

As at 31 st December	FSEF	MSCI World
R&D as % of sales*	6.5%	5.6%
TTM Organic Growth**	7.0%	n/a
Capital Impact™	0.71	0.23

Environmental*

As at 31 st December	FSEF	MSCI World
Waste tns/£m FCF	19.4	590
Hazard's Waste tns/£m FCF	0.4	18
Water m ³ /£m FCF	1,733	25,856
GHG/CO2 tns/£m FCF	173	384
Energy MWh/£m FCF	683	1,276
Paris Aligned (2°)	67%	n/a
Net Zero commitment	90%	n/a

Social*

As at 31 st December	FSEF	MSCI World
Employees who are women	41%	38%
Management who are women	37%	30%
Executives who are women	30%	21%
Directors who are women	38%	33%

Governance*

As at 31 st December	FSEF	MSCI World
UN Global Compact Sign's.	42%	44%
Independent directors	79%	72%
Executives holding shares	60%	47%
Reporting to CDP	92%	77%
Reporting scope 1&2 GHG emissions	96%	93%
Reporting water withdrawal	75%	66%
Reporting waste generated	71%	66%

Least Reprisk

As at 31 st December	RRI
Waters	0
IDEXX	0
Amadeus	0
Mettler-Toledo	0

Most Reprisk

As at 31 st December	RRI
Alphabet	63
Microsoft	61
Unilever	46
P&G	42

Proxy Voting

12 months ending 31 st December	%
Proxies voted	100
Voted against management	5
Voted against executive remuneration	71

December 2024 commentary

Environmental

- ▶ Google announced that it had joined a new partnership with clean energy developer Intersect Power and alternative asset firm TPG. The partnership plans to invest \$20bn in renewable power infrastructure by 2030, assisting in developing new data centre capacity in the US, which will be powered by renewable energy.
- ▶ Google signed a power purchase agreement (PPA) with Apex Clean Energy for the full capacity of the company's 79.3MW Rocky Forge Wind project. The project is set to become the first onshore wind farm in the state of Virginia. Google signed another PPA with Copenhagen Infrastructure Partners. The agreement covers the purchase of 250MW of renewable power generated by the Zeevonk project in the Netherlands over a 15-year period.
- ▶ Google has agreed to purchase 200,000 tonnes of carbon removal credits from enhanced rock weathering (ERW) startup Terradot. The agreement, which will see the credits delivered in 2029, marks the largest ERW deal to date and Google's largest ever carbon dioxide removal purchase agreement. Google also announced an equity investment in the startup company.
- ▶ Frontier, a coalition of companies including Alphabet, announced that it had facilitated \$80m in carbon offtake agreements on behalf of buyers. These agreements cover the removal of nearly 300,000 tons of CO2 through technologies that integrate carbon removal into existing industrial processes. The offtake agreements were signed with CO280, a Biomass Carbon Removal and Storage (BiCRS) project developer at pulp and paper facilities, and CREW Carbon, which removes CO2 from the wastewater treatment process.
- ▶ Microsoft announced the launch of a new datacentre design that better optimises AI workloads and consumes no fresh water for cooling. The new datacentres recycle water in a closed-loop system, meaning that once the server has been constructed, no additional water is required. Microsoft estimates that the new design will avoid the need for more than 125m litres of water per year per data centre.

Social

- ▶ Mastercard agreed in principle to pay around £200m to settle a UK class action lawsuit brought on behalf of British consumers. The lawsuit claimed that Mastercard's interchange fees broke EU competition law.

Governance

- ▶ Unilever plans to merge its chief sustainability officer (CSO) and global head of communications and corporate affairs into one role and merge the underlying departments. The company's current CSO, Rebecca Marmot, will take on the additional responsibilities.
- ▶ Waters' Board was named 2024 Public Company Board of the Year by the National Association of Corporate Directors, New England Chapter. The award is given to boards that evidence "exceptional corporate knowledge, leadership, and governance of directors" in New England.

Last Month RRI Change

Biggest Decrease	Biggest Increase
Marriott International -13	Coloplast +9

Coloplast's RepRisk Index score increased by 9 in December to 25 after the company's French subsidiary recalled various catheters due to a reported potential sterility failure caused by the packaging, which would pose an infection risk for patients.

*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.