

**RepRisk Index (RRI)**

| As at 28 <sup>th</sup> February | FSEF | MSCI World |
|---------------------------------|------|------------|
| Environmental                   | 2.3  | 5.1        |
| Social                          | 13.4 | 15.1       |
| Governance                      | 13.7 | 15.0       |
| Total RRI                       | 29.4 | 35.2       |
| 1 Month RRI Change              | 1.6  | 1.3        |
| Peak 24 Month RRI               | 40   | 40         |
| RRR                             | BB   | B          |

**Innovation**

| As at 28 <sup>th</sup> February | FSEF | MSCI World |
|---------------------------------|------|------------|
| R&D as % of sales*              | 6.8% | 2.9%       |
| TTM Organic Growth**            | 8.3% | 3.8%       |
| Capital Impact™                 | 0.70 | 0.19       |

**Environmental\***

| As at 28 <sup>th</sup> February | FSEF  | MSCI World |
|---------------------------------|-------|------------|
| Waste tns/£m FCF                | 12.1  | 318        |
| Hazard's Waste tns/£m FCF       | 0.5   | 44         |
| Water m <sup>3</sup> /£m FCF    | 1,774 | 33,980     |
| GHG/CO2 tns/£m FCF              | 98    | 274        |
| Energy MWh/£m FCF               | 669   | 1,186      |
| SBTi validated 1.5° aligned     | 69%   | 44%        |
| SBTi net zero aligned           | 51%   | 26%        |

**Social\***

| As at 28 <sup>th</sup> February | FSEF | MSCI World |
|---------------------------------|------|------------|
| Employees who are women         | 45%  | 38%        |
| Management who are women        | 36%  | 31%        |
| Executives who are women        | 31%  | 21%        |
| Directors who are women         | 38%  | 34%        |

**Governance\***

| As at 28 <sup>th</sup> February   | FSEF | MSCI World |
|-----------------------------------|------|------------|
| Compliance with GRI               | 71%  | 53%        |
| Independent directors             | 74%  | 72%        |
| Executives holding shares         | 61%  | 41%        |
| Reporting to CDP                  | 92%  | 73%        |
| Reporting scope 1&2 GHG emissions | 79%  | 58%        |
| Reporting water withdrawal        | 67%  | 58%        |
| Reporting waste generated         | 67%  | 49%        |

**Least Reprisk**

| As at 28 <sup>th</sup> February | RRI |
|---------------------------------|-----|
| Waters                          | 0   |
| IDEXX                           | 0   |
| Amadeus                         | 0   |
| Mettler-Toledo                  | 0   |

**Most Reprisk**

| As at 28 <sup>th</sup> February | RRI |
|---------------------------------|-----|
| Alphabet                        | 63  |
| Microsoft                       | 60  |
| Novo Nordisk                    | 57  |
| Mastercard                      | 52  |

**Proxy Voting**

| 12 months ending 31 <sup>st</sup> December | %   |
|--|-----|
| Proxies voted                              | 100 |
| Voted against management                   | 5   |
| Voted against executive remuneration       | 71  |

**February 2025 commentary**

**Environmental**

- ▶ Microsoft and carbon removal startup Chestnut Carbon announced a new 25-year offtake agreement. Chestnut Carbon will provide Microsoft with more than seven million tons of carbon removal credits generated through forest restoration and reforestation projects in the Southern US. The deal is the largest voluntary corporate investment in forestry conservation in the Southern US, aiming to restore approximately 60,000 acres of land by planting more than 35 million native trees.
- ▶ Microsoft also announced an agreement to purchase 389 MW of renewable energy via long-term virtual power purchase agreements (VPPAs) from clean energy developer EDP Renewables North America (EDPR NA). The renewable energy will be generated by three new solar power projects in the US states of Illinois and Texas. The three projects include the 140 MW Wolf Run Solar Project and 110 MW Hickory Solar Project, located in southern Illinois, and the 150 MW Cattlemen II Solar Project near Austin, Texas.
- ▶ Google announced it had contracted more than \$100 million worth of carbon removal credits during 2024, investing in a broad range of carbon removal technologies, including the restoration of natural carbon sinks, enhanced rock weathering (ERW), biomass capture and biochar, and direct air capture (DAC). The company's investments total roughly three times the \$35 million it committed to making in March 2024 as part of its involvement with the US Department of Energy's initiative to develop the carbon removal sector.

**Social**

- ▶ Microsoft and EY announced the launch of an 'AI Skills Passport' (AISP), a free program aimed at closing the AI skills gap by providing young people with experience in using AI tools. The program is designed to support the re-entry of millions of people into the workforce and to build new businesses focusing on sustainability and science, technology, engineering, and mathematics (STEM). The collaboration aims to enrol more than five million people on the program by 2025.
- ▶ Zoetis announced that the US Department of Agriculture, Centre for Veterinary Biologics issued the company a conditional license for its Avian Influenza Vaccine for use in chickens, vaccinating against Highly Pathogenic Avian Influenza (HPAI). More than 150 million birds in the US have been affected by HPAI, commonly known as bird flu, since February 2022. A conditional license is issued to meet an emergency condition, limited market, local situation, or other exceptional circumstances and is issued for a finite period of time.

**Innovation**

- ▶ Texas Instruments announced a new family of space-grade power products, enabling engineers to design satellite power systems for all types of space missions using one chip supplier. Satellite systems are becoming increasingly complex as demands grow for data transmission, higher-resolution imaging, and more precise sensing. Texas Instruments' new power products, called gate drivers, are designed to improve satellites' power-supply size and density, allowing more effective and efficient use of the power generated by a satellite's solar cells.

**Last Month RRI Change**

| Biggest Decrease | Biggest Increase   |
|------------------|--------------------|
| Visa -9          | The Home Depot +19 |

The Home Depot's RepRisk Index (RRI) increased by 16 in February after it sold LG electric cookers that were recalled in the US by LG Electronics due to alleged risk of fire and injuries. There were reportedly dozens of incidents, including fires, that have injured at least eight people and resulted in the deaths of pets.

\*Source: Bloomberg and company reports. Environmental numbers are weighted averages, others are simple averages except "R&D as a % of sales," which is a median. The Environmental numbers presented above are a guide only as 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](http://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.