

RepRisk Index (RRI)

As at 29 th December	FSEF	MSCI World
Environmental	2.5	5.2
Social	12.8	13.3
Governance	11.6	11.3
Total RRI	26.8	29.9
1 Month RRI Change	-2.6	-0.7
Peak 24 Month RRI	42	41

Innovation

As at 29 th December	FSEF	MSCI World
R&D as % of sales*	6.7%	5.6%
TTM Organic Growth"	8.4%	n/a
Capital Impact™	0.43	0.10

Environmental*

As at 29 th December	FSEF	MSCI World
Waste tns/£m FCF	27	468
Hazard's Waste tns/£m FCF	0.4	15
Water m ³ /£m FCF	1,481	26,257
GHG/CO2 tns/£m FCF	64	336
Energy MWh/£m FCF	378	1,089
Paris Aligned (2°)	59%	n/a
Net Zero commitment	84%	n/a

Social*

As at 29 th December	FSEF	MSCI World
Employees who are women	44%	38%
Management who are women	31%	27%
Executives who are women	24%	15%
Directors who are women	32%	25%

Governance*

As at 29 th December	FSEF	MSCI World
UN Global Compact Sign's.	48%	45%
Independent directors	82%	72%
Executives holding shares	60%	48%
Reporting to CDP	96%	78%
Reporting scope 1&2 GHG emissions	100%	89%
Reporting water withdrawal	72%	65%
Reporting waste generated	74%	62%

Least Reprisk

As at 29 th December	RRI
Waters	0
ADP	0
Fortinet	0
Mettler-Toledo	0

Most Reprisk

As at 29 th December	RRI
Alphabet	65
Johnson & Johnson	56
McDonald's	53
Unilever	52

Proxy Voting

12 Months ending 29 th December	%
Proxies voted	100
Voted against management	10
Voted against remuneration policy	51

December 2023 commentary

Environmental

- ▶ Microsoft made a series of commitments as part of its ongoing efforts to reduce carbon emissions in December:
 - ▶ Microsoft announced it was working with carbon removal startup Mombak on a reforestation project in the Brazilian Amazon. The project aims to re-establish 25 forests in deforested areas of the rainforest, planting at least 30 million native Brazilian species of trees. Microsoft said the project will remove as much as 1.5 million tonnes of carbon.
 - ▶ Microsoft also announced a carbon removal deal with carbon capture startup Inherit Carbon Solutions. The startup specialises in capturing and permanently storing carbon dioxide released while producing renewable natural gas. The amount of carbon the project will remove was not detailed.
 - ▶ Another carbon removal deal was announced with Carbonfuture. The project is a biochar (biological charcoal) carbon removal project aiming to avoid 32,000 tons of carbon emissions generated by forestry waste.
 - ▶ Finally, Microsoft announced a 15-year carbon offtake project with Chestnut Carbon. Chestnut generates carbon offsets through restoring marginal crop and pasture lands in the US with native species. The project represents one of the largest nature-based carbon offtake agreements, potentially removing more than three million tons of carbon.

Social

- ▶ Mastercard partnered with Consumers International to improve protection and empowerment for vulnerable consumers in the digital finance sector. The project seeks to link service providers in the digital finance sector with regulatory bodies, consumer advocates and technology companies to address the increasing complexity of the digital finance ecosystem. The project will accelerate research and development into a global framework for consumer protection.

Governance

- ▶ Waters announced that it had been awarded My Green Lab's Accountability, Consistency, and Transparency (ACT) label for its Waters Xevo TQ Absolute system, which does mass spectrometry. The label represents independent validation for laboratory instruments' sustainable manufacturing, packaging, operation, and end-of-life processes.
- ▶ Waters announced that it had been included in the Dow Jones Sustainability North America Index for the third consecutive year. Waters scored "very high" and beat its industry averages in all three categories: environmental, social, governance and economic.

Last Month RRI Change

Biggest Decrease	Biggest Increase
L'Oréal -13	Johnson & Johnson +14

Johnson & Johnson's (J&J) RepRisk Index increased by 14 in December after a judge in the US allowed a class action lawsuit by shareholders over whether the company fraudulently concealed that its talc products were contaminated with asbestos to continue. The other news story affecting J&J in December was the Puerto Rican authorities announcing that they would receive \$220m from the \$26bn settlement by the US authorities with J&J, AmerisourceBergen, Cardinal Health and McKesson for their involvement in the opioid epidemic.

*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.