

RepRisk Index (RRI)

As at 28 th June	FSEF	MSCI World
Environmental	2.8	5.2
Social	14.7	14.1
Governance	14.0	14.1
Total RRI	31.5	33.4
1 Month RRI Change	0.5	1.4
Peak 24 Month RRI	42	42

Innovation

As at 28 th June	FSEF	MSCI World
R&D as % of sales*	6.0%	5.6%
TTM Organic Growth"	6.3%	n/a
Capital Impact™	0.82	0.24

Environmental*

As at 28 th June	FSEF	MSCI World
Waste tns/£m FCF	25.8	625
Hazard's Waste tns/£m FCF	0.5	20
Water m ³ /£m FCF	1,554	23,567
GHG/CO2 tns/£m FCF	165	399
Energy MWh/£m FCF	564	1,332
Paris Aligned (2°)	67%	n/a
Net Zero commitment	82%	n/a

Social*

As at 28 th June	FSEF	MSCI World
Employees who are women	41%	39%
Management who are women	36%	32%
Executives who are women	29%	21%
Directors who are women	37%	33%

Governance*

As at 28 th June	FSEF	MSCI World
UN Global Compact Sign's.	42%	31%
Independent directors	81%	73%
Executives holding shares	61%	48%
Reporting to CDP	92%	77%
Reporting scope 1&2 GHG emissions	96%	93%
Reporting water withdrawal	77%	64%
Reporting waste generated	69%	63%

Least Reprisk

As at 28 th June	RRI
Waters	0
IDEXX	0
Fortinet	0
Mettler-Toledo	0

Most Reprisk

As at 28 th June	RRI
Alphabet	64
Novo Nordisk	64
Microsoft	59
McDonald's	54

Proxy Voting

12 Months ending 28 th June	%
Proxies voted	100
Voted against management	6
Voted against executive remuneration	71

June 2024 commentary

Environmental

- ▶ Waters Corporation announced that over 40 of its liquid chromatography (LC) products received the Accountability, Consistency, and Transparency (ACT) Ecolabels from My Green Lab. My Green Lab is a non-profit group dedicated to improving the sustainability of scientific research and its ACT Ecolabels are designed to make it easier for scientists to choose sustainable products for their laboratories.
- ▶ The Novo Nordisk Foundation, the philanthropic foundation behind Novo Nordisk, announced that it had awarded a grant of up to \$21m to CIMMYT, the International Maize and Wheat Improvement Centre. The grant is to support an innovation research initiative called 'CropSustain', which aims to reduce the nitrogen footprint of wheat cultivation. The Foundation also announced it was making a 10bn DKK (\$1.4bn) donation to support Denmark's new climate plan. The money will be dispersed over the next ten years to help convert farmland into natural areas and to support the adoption of new agricultural technologies.
- ▶ Microsoft announced a series of deals to manage its carbon emissions, including the purchase of 970,000 tons of carbon removal credits generated by improved forest management projects across the US, 8 million tons of carbon removal credits generated through reforestation and forest restoration projects in Latin America, and 40,000 tons of carbon credits generated through the promotion of regenerative agricultural practices by US farmers.
- ▶ Microsoft announced it had signed six 12-year virtual power purchase agreements (PPAs) with Spanish energy company Repsol. The contracts are tied to three wind and three photovoltaic projects with an expected combined capacity of 230 MW. The company also signed a series of PPAs with Danish energy company European Energy. Specific details were not disclosed, but Microsoft expects to receive over 3.6TWh of renewable energy from European Energy's wind and solar farms.

Social

- ▶ Zoetis announced that the Zoetis Foundation will make a \$3m grant to the American Red Cross this year. The grant can be used by the American Red Cross over a period of six years through the Annual Disaster Giving Program (ADGP) and is designed to provide necessary emergency preparedness and relief to families and communities impacted by natural disasters.
- ▶ Marriott International announced that its Marriott Bonvoy travel program will work with the J. Willard and Alice S. Marriott (JWASM) Foundation to donate \$500,000 to World Central Kitchen (WCK). WCK is a non-profit organisation that provides meals in the wake of natural disasters and crises worldwide, including emergency food relief and programs to build food capacity. The donation is in addition to Marriott Bonvoy's commitment to match all point donations made to its philanthropic partners in June.

Last Month RRI Change

Biggest Decrease	Biggest Increase
P&G -12	Visa +11

Visa's RepRisk Index score increased by 11 in June following news that a US judge may reject Visa and Mastercard's proposed antitrust settlement. The companies offered to settle litigation filed by business merchants about what the filers claim are excessive credit and debit card swipe fees. The judge said that the proposal fell short of the "best possible" recovery for the plaintiffs as it kept fees higher than if there was a competitive market. The proposal also maintained the "Honour All Cards" rule, which requires merchants to accept all Visa and Mastercard cards or none. In litigation that has now been going on for almost 20 years, Visa and Mastercard have been accused of illegally preventing merchants from providing customers with cheaper payment options. The rejection of the settlement means the case could lead to trial, though both sides could attempt to reach another settlement.

*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.