

RepRisk Index (RRI)

As at 31 st July	FSEF	MSCI World
Environmental	2.7	5.3
Social	14.7	14.2
Governance	12.0	13.5
Total RRI	29.4	33.1
1 Month RRI Change	-2.1	-0.3
Peak 24 Month RRI	42	42
RRR	BB	B

Innovation

As at 31 st July	FSEF	MSCI World
R&D as % of sales*	6.2%	5.5%
TTM Organic Growth**	5.7%	n/a
Capital Impact™	0.84	0.23

Environmental*

As at 31 st July	FSEF	MSCI World
Waste tns/£m FCF	25.1	577
Hazard's Waste tns/£m FCF	0.5	19
Water m ³ /£m FCF	1,518	23,067
GHG/CO2 tns/£m FCF	159	388
Energy MWh/£m FCF	540	1,297
Paris Aligned (2°)	67%	n/a
Net Zero commitment	82%	n/a

Social*

As at 31 st July	FSEF	MSCI World
Employees who are women	41%	39%
Management who are women	37%	31%
Executives who are women	29%	21%
Directors who are women	37%	33%

Governance*

As at 31 st July	FSEF	MSCI World
UN Global Compact Sign's.	40%	35%
Independent directors	79%	72%
Executives holding shares	61%	48%
Reporting to CDP	92%	77%
Reporting scope 1&2 GHG emissions	96%	93%
Reporting water withdrawal	76%	65%
Reporting waste generated	68%	64%

Least Reprisk

As at 31 st July	RRI
Waters	0
IDEXX	0
Fortinet	0
Mettler-Toledo	0

Most Reprisk

As at 31 st July	RRI
Alphabet	64
Microsoft	60
Novo Nordisk	56
McDonald's	50

Proxy Voting

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

July 2024 commentary

Environmental

- ▶ Google announced a series of new efforts in Asia to work towards their 24/7 carbon-free energy by 2030 initiative. A new 10-year agreement with power company PacificLight and renewable energy developer RExus Bioenergy will include a wood-to-waste plant in Singapore. The clean energy created will power Google's regional data centres and operations. Google and BlackRock in Taiwan have formed a further clean energy-focused partnership. This includes an investment from Google into New Green Power (NGP), a solar developer owned by BlackRock, to source renewable energy to power the data centres and facilities in the region. Under this partnership, Google is expected to acquire 300 MW of solar energy.
- ▶ Google announced a partnership with DHL, a global leader in logistics, to utilise the GoGreen Plus service and to invest in sustainable aviation fuel. The GoGreen Plus service allows those sending packages the option to offset the emissions while transporting their goods through investments in internationally recognised climate protection projects. Google will use this service for the distribution of devices across the Americas, Asia, and Europe.
- ▶ Microsoft announced its largest-ever Direct Air Capture (DAC) purchase agreement with Occidental's subsidiary, 1PointFive. Under the agreement, Microsoft is expected to receive 500,000 metric tons of CO2 removal credits over the course of six years. The CO2 captured will be stored through subsurface saline sequestration.
- ▶ Unilever's condiments brand, Colman's, attended the Groundswell Regenerative Agriculture and Farming Festival to share details of the trials it has been doing with mustard and mint cultivation. In February this year, Unilever announced it was working in collaboration with the farmers growing the mustard and mint used in its products to trial the application of regenerative agricultural practices, including the use of low-carbon fertiliser, crop nutrition strategies, the planting of cover and companion crops to reduce pesticide use, digital irrigation systems, and reduced cultivation.
- ▶ Mettler Toledo announced it had achieved carbon neutral status for the fifth consecutive year and is on track to achieving its target of sending zero waste to landfills by 2025.

Social

- ▶ Marriott International announced the pilot launch of HotelHelp, an initiative that provides emergency short-term stays for survivors of human trafficking. The scheme is being piloted in Atlanta, Detroit, Phoenix, Seattle, and Washington, DC, and is expected to expand to 25 more cities across North America by January 2025.
- ▶ Procter & Gamble has been imposed with a lawsuit concerning false advertising on their detergent labels. The US District Court for the Northern District of California is claiming that labels used on P&G's Gain Flings detergent packs and Gain Aroma Boost detergent making claims of "50% more" is designed to trick consumers into believing the products can clean more laundry, whereas, in reality, the claim relates to the products having 50% more "freshness".

Innovation

- ▶ The UK's Medicines and Healthcare Products Regulatory Agency (MHRA) approved Novo Nordisk's Wegovy for use in overweight or obese adults to reduce the risk of serious heart problems or strokes. MHRA's approval means that Wegovy has become the first semaglutide-based weight loss drug to be prescribed to prevent cardiovascular events.

Last Month RRI Change

Biggest Decrease	Biggest Increase
L'Oréal -13	Mastercard +5

Mastercard's RepRisk Index score increased by 5 in July following a Bloomberg news report claiming that the company was part of an investigation by the US authorities into companies that supply clients with algorithms that use consumers' data to customise pricing. The US Federal Trade Commission (FTC) is looking into what it calls "surveillance pricing" and issued subpoenas to Mastercard and seven other companies, including JPMorgan, Goldman Sachs, Accenture and McKinsey, for details on what products they offer to help clients optimise pricing, the customer data they collect, and how it is used to target consumers. The FTC can issue subpoenas for market studies as part of its authority under Section 6(b) of the FTC Act. Mastercard said it received the FTC's request and would cooperate with the inquiry. FTC Chair Lina Khan said, "Americans deserve to know whether businesses are using detailed consumer data to deploy surveillance pricing, and the FTC's inquiry will shed light on this shadowy ecosystem of pricing middlemen."

*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.