

RepRisk Index (RRI)

As at 31 st January	FSEF	MSCI World
Environmental	2.4	5.5
Social	11.2	12.2
Governance	13.4	10.6
Total RRI	27.0	28.3
1 month RRI Change	-0.4	0.4
Peak 24 Month RRI	40	39

Innovation

As at 31 st January	FSEF	MSCI World
R&D as % of sales*	6.4%	5.0%
TTM Organic Growth"	11.9%	n/a
Capital Impact™	0.43	0.20

Environmental*

As at 31 st January	FSEF	MSCI World
Waste tns/£m FCF	28	586
Hazard's Waste tns/£m FCF	0.4	20
Water m³/£m FCF	1,402	30,595
GHG/CO2 tns/£m FCF	61	321
Energy MWh/£m FCF	325	4,864
Paris Aligned (2°)	69%	n/a
Net Zero commitment	82%	n/a

Social*

As at 31 st January	FSEF	MSCI World
Employees who are women	45%	38%
Management who are women	34%	29%
Executives who are women	27%	17%
Directors who are women	34%	28%

Governance*

As at 31 st January	FSEF	MSCI World
UN Global Compact Sign's.	44%	41%
Independent directors	80%	72%
Executives holding shares	65%	48%
Reporting to CDP	92%	72%
Reporting scope 1&2 GHG emissions	100%	91%
Reporting water withdrawal	76%	64%
Reporting waste generated	78%	62%

Least Reprisk

As at 31 st January	RRI
Waters	0
ADP	0
Amadeus	7
McCormick	9

Most Reprisk

As at 31 st January	RRI
Alphabet	67
Microsoft	58
Procter & Gamble	49
Johnson & Johnson	47

Proxy Voting

12 Months ending 30 th December	%
Proxies voted	100
Voted against management	9
Voted against remuneration policy	63

January 2023 commentary

Environmental

▶ In January PepsiCo CEO Ramon Laguarta spoke at the meeting of the World Economic Forum in Davos focusing on what the company can do to make its operations and products more sustainable. Ramon said a bag of Lay's potato chips can be made with potatoes grown on a sustainable farm, processed in a factory with almost no carbon emissions, transported on an electric truck and be sold at a price no higher than a bag of chips made in a conventional way. He said, "we can transform end-to-end a particular supply chain without really incurring a meaningful cost", adding that "there is a cost in some elements of that supply chain...maybe my transportation is more expensive, but maybe I can save money by using less water in the factories". PepsiCo buys 26 crops from 200 countries. The company's top climate-related priority is to make agriculture more sustainable by helping farmers lower their carbon emissions and use less water and fertilizer. He said "if we don't make farming sexy, there will be no next generation of farmers".

Social

▶ The European Commission has dropped its investigation into whether an advertising agreement between Meta and Alphabet violated antitrust rules. The commission said "following a careful assessment of all relevant evidence, including information received from Google, Meta and other companies active in the tech sector, the Commission concluded that the evidence did not confirm its initial concerns and has therefore decided to close its investigation". The Commission is still investigating Google's "possible abuse of dominance in the ad tech sector".

▶ Staying with antitrust news, the German antitrust regulator dropped its investigation of Google's News Showcase in Germany after the company agreed to make some changes to the service.

▶ L'Oréal has donated €1m to the UN Refugee Agency. The money will be used to provide emergency support for flood-affected communities in Pakistan as well as help rebuild community infrastructures such as schools, hospitals and shelters.

▶ Visa and Uber have said they will donate \$1m to small restaurant businesses that use Uber Eats to encourage them to use more sustainable packaging.

Innovation

▶ Estée Lauder has launched its Voice-Enabled Makeup Assistant (VMA) application in the UK. The VMA is a first-of-its-kind, artificial intelligence-powered mobile app to help visually impaired users more easily and confidently apply makeup. Using AI, the VMA identifies makeup applied on a user's face and assesses the uniformity and boundaries of application and coverage. VMA identifies any areas on the face that may require more accurate application and audibly describes where touch ups may be needed to user's lipstick, eyeshadow, or foundation.

▶ Johnson & Johnson announced that the Phase 3 CARTITUDE-4 study evaluating CARVYKTI® (cilta-cel) versus pomalidomide, bortezomib, and dexamethasone (PVD) or daratumumab, pomalidomide, and dexamethasone (DPd) for the treatment of patients with relapsed and lenalidomide-refractory multiple myeloma (cancer of plasma cells) met its primary endpoint of significant improvement in progression-free survival (PFS). Lenalidomide refractory means the disease does not respond to lenalidomide which is the common chemotherapy used to treat multiple myeloma.

Last Month RRI Change

Biggest Decrease	Biggest Increase
Unilever -7	Estée Lauder +8

Estée Lauder's RepRisk Index increased by 8 in January. This followed reports in a German newspaper that the company lost an appeal against a ruling in Switzerland that the company was illegally sharing market information with competitors, decreasing competition.

*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.