

RepRisk Index (RRI)

As at 30 th September	FSEF	MSCI World
Environmental	2.3	5.0
Social	13.6	14.2
Governance	11.0	14.0
Total RRI	27.0	33.3
1 Month RRI Change	-0.9	0.0
Peak 24 Month RRI	41	43
RRR	BB	B

Innovation

As at 30 th September	FSEF	MSCI World
R&D as % of sales*	6.2%	5.5%
TTM Organic Growth"	5.5%	n/a
Capital Impact™	0.78	0.23

Environmental*

As at 30 th September	FSEF	MSCI World
Waste tns/£m FCF	27.8	596
Hazard's Waste tns/£m FCF	0.5	19
Water m³/£m FCF	1,666	23,189
GHG/CO2 tns/£m FCF	164	393
Energy MWh/£m FCF	655	1,303
Paris Aligned (2°)	68%	n/a
Net Zero commitment	89%	n/a

Social*

As at 30 th September	FSEF	MSCI World
Employees who are women	42%	39%
Management who are women	38%	31%
Executives who are women	30%	21%
Directors who are women	38%	33%

Governance*

As at 30 th September	FSEF	MSCI World
UN Global Compact Sign's.	40%	38%
Independent directors	80%	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%	65%

Least Reprisk

As at 30 th September	RRI
Waters	0
IDEXX	0
Amadeus	0
Mettler-Toledo	0

Most Reprisk

As at 30 th September	RRI
Alphabet	65
Microsoft	61
Unilever	44
McDonald's	42

Proxy Voting

12 months ending 30 th September	%
Proxies voted	100
Voted against management	6
Voted against executive remuneration	71

September 2024 commentary

Environmental

- ▶ Microsoft announced a series of deals as part of its continuing efforts to reduce its carbon emissions:
 - ▶ A 20-year agreement with EDP Renewables (EDPR) under which Microsoft will purchase 100% of the renewable energy generated by EPDR's SolarNova 8 solar project in Singapore.
 - ▶ The purchase of 234,000 Rainforest Restoration Carbon Removal Credits from Toroto, a Mexico-based company specialising in enhancing and restoring ecosystems.
 - ▶ The purchase of 25,000 tonnes of carbon dioxide removal from California-based company Arbor. Arbor uses technology based partly on rocket engines to remove atmospheric CO2.
 - ▶ A 20-year power purchase agreement with Constellation Energy, enabling the restart of Pennsylvania's Three Mile Island Unit 1 nuclear reactor. Restarting the reactor is estimated to add 835 MW of carbon-free electricity to the grid, all of which Microsoft will purchase.
 - ▶ An agreement to purchase 15,000 tonnes of carbon dioxide removal from London-based UNDO. UNDO specialises in using enhanced rock weathering, a process which accelerates natural geological processes, to remove atmospheric CO2.
- ▶ Microsoft also announced that it had introduced a new supplier decarbonisation team focused on addressing the growing emissions resulting from its cloud and AI operations. The team includes Tim Hopper, who has been at Microsoft for over 20 years as a 'Cloud Supply Chain Sustainability manager'; Ray Waweru, a former Lead for Sustainable Procurement at Google as 'Senior Program Manager, Cloud Services Sustainability'; and Sofia Khan, a former Net Zero Lead at Meta, who will oversee the scope 3 decarbonisation process.
- ▶ Google announced two carbon removal agreements. The first involves purchasing 100,000 tons of carbon removal credits generated via Direct Air Capture (DAC) technology from Holocene. The second involves buying 50,000 credits generated through reforestation projects in the Brazilian Amazon, operated by Mombak.
- ▶ Home Depot announced that it has eliminated expanded polystyrene (EPS) foam and polyvinyl chloride (PVC) film from the packaging for its private-branded products, one of the company's sustainability goals. Between 2017 and 2023, Home Depot redesigned over 1,280 products' packaging to achieve this goal.
- ▶ Atlas Copco announced its intention to develop a climate transition plan by 2026 as part of its non-financial targets update. The company said it would set long-term climate targets beyond 2030 for its scope 1, 2, and 3 greenhouse gas emissions. Atlas Copco already has short-term emission reduction targets approved by the Science Based Targets initiative.

Social

- ▶ L'Oréal was ranked fifth globally and number one in France in the FTSE Diversity & Inclusions Index Top 100 for 2024. FTSE's Diversity & Inclusions Index evaluates business against 24 individual diversity and inclusion indicators across four key pillars: diversity, inclusion, people development, and news and controversies.
- ▶ For the first time, Otis was named in Seramount's Top 80 Companies for Executive Women list. The list is designed to draw attention to the companies doing the most to support women at the top levels of corporate leadership.

Last Month RRI Change

Biggest Decrease P&G -10	Biggest Increase Fortinet +27
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Fortinet's RepRisk Index increased by 27 in September because the company released a statement saying that a hacker had accessed a "limited" number of customer files on a third-party cloud-based shared file drive. The customers affected have been notified, while so far, the breach hasn't caused any malicious activity affecting any of Fortinet's customers. The Index increase was so large, as Fortinet usually has a score of 0, and this was the first negative news story on the company since September 2021.

*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.