

RepRisk Indicators (RRI)

As at 31st March	FSEF	S&P 500
Environmental	3.3	4.5
Social	9.6	11.0
Governance	9.1	13.5
Total RRI	22.1	29.0
1 month RRI Change	-2	-2
Peak 24 Month RRI	37	42
RepRisk Rating (RRR)	BBB	BB

Innovation

As at 31st March	FSEF	S&P 500
R&D as % of sales*	7.0%	4.3%
Organic Growth [†]	4.9%	n/a
Capital Impact [‡]	0.35	0.15

Environmental*

As at 31st March	FSEF	S&P 500
Waste tns/£m FCF	14.4	78.0
Hazard's Waste tns/£m FCF	0.3	4.7
Water m ³ /£m FCF	1,819	5,196
GHG/CO2 tns/£m FCF	175	818
Energy MWh/£m FCF	0.5	1.9

Social*

As at 31st March	FSEF	S&P 500
Women executives	17%	15%
Women directors	27%	20%

Governance*

As at 31st March	FSEF	S&P 500
UN Global Compact Sign's.	48%	7%
Independent Directors	82%	89%

Least RepRisk

As at 31st March	RRI
IDEXX	0
Intertek	0
Waters	0
Sage	1

Most RepRisk

As at 28th February	RRI
Nestle	60
Unilever	52
Microsoft	48
PepsiCo	44

Proxy Voting

Last Twelve Months	%
Proxies voted	90
Voted against an item	84
Voted against remuneration policy	79

March Commentary

Environmental

- L'Oréal reported it is going to start buying landfill gas from a site near its facility in Kentucky. L'Oréal says the deal will eliminate the CO2 equivalent of using 1.8m gallons of gasoline a year. L'Oréal aims to be carbon neutral at all of its 21 manufacturing and distribution facilities in the US by 2019.
- Microsoft has announced that it will buy all of the electricity produced by a planned 60MW solar plant in Singapore. The project, in tandem with Sunseap Group, will involve hundreds of rooftops across Singapore. The agreement runs for 20 years. Microsoft has also agreed to buy energy from two solar power projects in Virginia. This is all part of the company's goal to source 60% of the electricity for its data centres from renewable sources by 2020 compared to ~50% now.
- Unilever's Vice President of procurement, commodities and ingredients in Asia says the company is targeting using 100% certified palm oil by the end of 2019. This would be compared to 50% in 2017.
- InterContinental Hotels has announced a set of "responsible business targets" for 2020, which follows its previous set of targets for 2017. Between 2013 and 2017 the company achieved its targeted reduction in carbon emissions per occupied room by at least 12% (achieved 15%), but failed in its target to reduce water use per occupied room by 12% in water-stressed areas. They managed a 5% reduction across all IHG hotels and managed a 15% reduction in hotels they manage.
- PepsiCo's Manager of Environmental Sustainability told Packaging World that by 2025 PepsiCo aims to have 100% of its packaging recyclable, compostable or biodegradable.
- Nestlé made some sustainability announcements as part of its 2018 Investor Day: Since 2010 water use per tonne of product has fallen by 25%; All waste has been eliminated at 39% of the company's facilities; Total annual waste has been reduced by 77% since 2006; 17% of Nestlé's energy comes from renewable energy; 35% of packaging is made using renewable materials. By 2020 the company wants to: Eliminate all waste disposal at its factories; Eliminate 150k tonnes of packaging (vs. 2015); Reduce annual greenhouse gas emissions by 35% (vs. 2010); Reduce water use per tonne of product by 35% (vs. 2010); Use natural refrigerants in all new cold drink dispensers.

Social

- ADP has been ranked 21st on the Forbes "America's Best Employers for Diversity" list.
- Intertek reported that total recordable incident rate fell by 13% in 2017. They did however have one fatality, compared to 0 last year, after a grain silo at the port in Veracruz Mexico fell onto an employee who was working there.

Governance

- Intertek reported in its 2017 Sustainability Report that there were 202 reports of non-compliance with their Code Ethics made to their hotline. Of those reported, 36 were substantiated and required remedial action. Of those substantiated claims there no grievances related to human rights, labour practices or societal impact breaches. There were also no environmental incidents or cases of discrimination.

Innovation

- Nestlé is going to launch a Milkybar product across the UK and Ireland in the next few weeks that will be the first to use the company's new hollow sugar technology, which the company is now calling "structured sugar". This increases the surface area of the sugar molecules so products taste as sweet but use 30% less sugar.
- Kone has launched new versions of its MonoSpace and MiniSpace elevators for the Indian market, which are 35% more energy efficient than the previous versions.

Last Month RRI Change

Biggest Decrease	Change	Biggest Increase	Change
Johnson & Johnson	-12	Unilever	+9

- The Organic Consumers Association (OCA) has called for an international boycott against Unilever-owned Ben & Jerry's over its alleged link to the water pollution crisis in Vermont, in the United States. The company apparently uses pesticides and synthetic fertilizers that end up in Vermont's water supply. This includes Monsanto's glyphosate herbicide, which OCA reportedly found in Ben & Jerry's products in 2017. Moreover, Ben & Jerry's also allegedly sources its milk from St. Albans Cooperative Creamery, which in turn sources from Pleasant Valley Farms, a concentrated animal feeding operation (CAFO). CAFOS have allegedly resulted in polluted waterways, wildlife devastation and adverse social impact.

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. RepRisk Rating (RRR) takes the RRI and combines it with the ratings of the countries/sectors it is involved in to calculate the rating, which is ranked AAA to D.

*Source: Bloomberg. Median numbers except R&D as % of sales which is a mean.

†Organic Growth is the mean sales growth excluding M&A and FX.

‡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

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2017	-	-	-	-	-	-	-	-	21.7	23.3	21.8	23.7
2018	22.9	21.6	22.1									

Data/factsheets prior to Nov 2017 relate to the Comic Relief Segregated Account

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