

RepRisk Indicators (RRI)

As at 31st October	FSEF	S&P 500
Environmental	3.1	4.7
Social	9.1	12.7
Governance	11.1	12.5
Total RRI	23.3	29.9
1 month RRI Change	+0.8	+0.1

Peak 24 Month RRI	34	42
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RepRisk Rating (RRR)	BBB	BB
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Innovation

As at 31st October	FSEF	S&P 500
R&D as % of sales*	5.6%	4.6%
Organic Growth [†]	6.8%	n/a
Capital Impact [™]	0.71	0.36

Environmental*

As at 31st October	FSEF	S&P 500
Waste tns/£m FCF	15	2,189
Hazard's Waste tns/£m FCF	1.1	148
Water m ³ /£m FCF	3,479	406,492
GHG/CO2 tns/£m FCF	183	4,104
Energy MWh/£m FCF	501	16,116

Social*

As at 31st October	FSEF	S&P 500
Women Executives	30%	18%
Women Directors	30%	25%

Governance*

As at 31st October	FSEF	S&P 500
UN Global Compact Sign'ns.	33%	14%
Independent Directors	78%	85%

Least RepRisk

As at 31st October	RRI
IDEXX	0
Intertek	0
Intuit	0
Sage	0

Most RepRisk

As at 31st October	RRI
Johnson & Johnson	67
Unilever	47
Paypal	46
Microsoft	42

Proxy Voting

12 Months ending 31st October	%
Proxies voted	100
Voted against an item	69
Voted against remuneration policy	58

*Source: Bloomberg and company reports. Mean average numbers.

The Environmental numbers presented above are a guide only as reporting is nascent with only c.50% 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. [†]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 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.

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	21.2	19.5	20.3	21.8	19.9	18.7	21.6	20.0	20.1
2019	19.1	20.1	20.5	21.4	21.3	21.8	20.9	21.8	22.5	23.3		

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

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October Commentary

Environmental

- Reckitt Benckiser announced it will launch a recycling programme in the US called "the Healthy You", which will use TerraCycle to recycle the packaging of most of the products it sells. Sites such as schools, retailers, and medical centres, can sign up to become collection points for the packaging and will receive "TerraCycle points" based on the volume of material collected. These points can be converted into cash donations to charities or schools.
- L'Oréal announced that they have been working with a company called Albea to develop a new squeeze tube in which most of the plastic is replaced with a "bio-based and certified paper-like material."
- Pepsi is offering \$1bn of "senior unsecured green securities" the proceeds of which will be invested in their sustainable development goals including eco-friendly plastics and packaging, cleaner transportation, water efficiency and tree planting.
- As part of its plan to reduce its carbon emissions by 20% by 2030, PepsiCo is updating one of their production facilities in Modesto, California, including replacing all of the factory's existing diesel-powered freight equipment with zero emission and "near zero emission" equipment. The Modesto site, which produces Frito-Lay crisps, sends less than 1% of its waste to landfill and its trucks have driven 300 miles using "alternative fuels".
- Georgia's Attorney General has asked a state judge to order Becton Dickinson to shut down a manufacturing facility in Covington following the accidental release of ethylene-oxide. In this case the gas, which is carcinogenic, was likely to have been used to sterilize medical equipment, though it is also used during the early stages of plastic production, as a precursor chemical for antifreeze and as the main ingredient in thermobaric weapons. The Attorney General said, Becton Dickinson should only be allowed to re-open the factory after its employees are adequately trained to prevent the release of ethylene-oxide. Becton Dickinson said the release was only a fraction of the amount that can be released under existing regulations. The factory is going to reopen at a reduced capacity on 7th November.
- Unilever has added further goals to their program for reducing its plastic use. They say that by 2025 Unilever will:
 - Half its use of virgin plastic, with 1/3 of that reduction due to reducing the absolute amount of the plastic it uses
 - Use no more than 350k tonnes of virgin plastic per year
 - Help collect and process more plastic packaging than it sells annually (~600k tonnes by 2025)

Environmental

- A jury in California found that J&J's baby powder did not cause a woman to develop mesothelioma, a type of cancer linked to asbestos exposure. The case was a retrial as the first jury was unable to reach a verdict last year.
- The attorney general for Indiana said yesterday that Reckitt Benckiser has agreed to settle Suboxone mis-marketing claims brought by a group of states (Indiana, California, Washington, New York, Ohio, and Virginia) for \$700m.
- The PepsiCo Foundation and Injaz Al-Arab, a charity in the Middle East dedicated to reducing the level of unemployment, are developing a programme that will provide professional training, mentorship, and technical skills to 500 female Saudi university students.

Last Month RRI Change

Biggest Decrease	Change	Biggest Increase	Change
Microsoft	-12	McCormick	+18

- McCormick's RepRisk rating increased in October following an article published in the South China Morning Post reporting that Hong Kong's consumer watchdog had found carcinogenic substances in 23 spice products sold in the city, with the amount exceeding local regulatory limits in two nutmeg products, one of which is produced by McCormick. The Consumer Council said that more than half of the 44 dried spice products they tested were found to contain aflatoxins (AFs), ochratoxin A (OTA) or both. AFs and OTA are mycotoxin produced by fungi. An agency representing McCormick argued that the council's findings were abnormal; saying another test report by an independent laboratory suggested the product had less than five micrograms (mcg) of B1-type AFs per 100kg, which would be substantially below the regulatory limit (Hong Kong limit: 15 mcg/kg, EU limit: 5 mcg/kg). McCormick blamed the Consumer Council's result on their small sample size