

RepRisk Indicators (RRI)

As at 31st December	FSEF	S&P 500
Environmental	2.4	4.2
Social	8.9	11.2
Governance	8.7	11.1
Total RRI	20.1	26.5
1 month RRI Change	+0.1	+0.2

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

As at 31st December	FSEF	S&P 500
R&D as % of sales*	6.7%	4.3%
Organic Growth [†]	4.9%	n/a
Capital Impact [‡]	0.64	0.15

Environmental*

As at 31st December	FSEF	S&P 500
Waste tns/£m FCF	29.6	86.3
Hazard's Waste tns/£m FCF	1.7	4.8
Water m ³ /£m FCF	2,312	12,151
GHG/CO2 tns/£m FCF	154	1,398
Energy MWh/£m FCF	0.5	3.1

Social*

As at 31st December	FSEF	S&P 500
Women Executives	20%	15%
Women Directors	29%	22%

Governance*

As at 31st December	FSEF	S&P 500
UN Global Compact Sign's.	35%	10%
Independent Directors	82%	89%

Least RepRisk

As at 31st December	RRI
IDEXX	0
Intertek	0
Sage	0
Waters	0

Most RepRisk

As at 31st December	RRI
Johnson & Johnson	65
Marriott Intl.	56
Unilever	48
PepsiCo	44

Proxy Voting

12 Months ending 31st December	%
Proxies voted	100
Voted against an item	72
Voted against remuneration policy	60

*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 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

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

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December Commentary

Environmental

- In Indonesia, Unilever has collected 450 tonnes of single-use plastic sachets that would have otherwise ended up on local beaches and inevitably the ocean. The collected plastic will be recycled and re-used in Unilever products.

Social

- Unilever's Indian subsidiary, Hindustan Unilever (HUL), has been fined 3.8bn rupees (£43m) by the National Anti-Profitteering Authority (NAA) for manipulating the maximum retail price of its products following the reduction in the goods and services tax (GST). The reduction in GST was meant to benefit consumers, but HUL allegedly failed to reduce its prices and instead manipulated the base prices of 12k items forcing customers to pay more.
- Visa announced that it's "thrilled" to have been named one of Greater Toronto's Top Employers.
- Acerta, a Canadian AI company and Mental Canvas, a digital drawing company, have been announced as the winners of Microsoft's annual "Female Founders" awards. They will both get \$2m. The percent of start-ups in 2017 with at least 1 female partner/founder was 17%, a number which was growing sharply but has plateaued of late according to Crunchbase.
- In the latest update to the Johnson & Johnson (J&J) talcum powder scandal, the company could potentially face 12k lawsuits from across the US. This summer 22 women who had apparently developed ovarian cancer from using the powder successfully sued J&J in the US, with a \$4.7bn jury award. The main ingredient in the powder, talc, could have contained asbestos, which is a known carcinogen. Reportedly, research on asbestos in powders was conducted by specialists at Mount Sinai Medical Centre, now known as Mount Sinai Health System, and Cardiff University, which culminated in the detection of asbestos in several powders and the publishing of a report by Mount Sinai scientists in 1976. Allegedly, then-President of Mount Sinai claimed that the tests were conducted on old powders and that new ones were safe - a claim refuted by another Mount Sinai doctor. In the early 1970s, a US Food and Drug Administration (FDA) chemist apparently found asbestos in more than 5 out of 11 J&J baby powder samples. After alleged threats from J&J, a final report was published that contradicted initial findings. Memos have apparently shown an FDA official assuring J&J that research linking talc to asbestos would not be published.
- In a related story, Johnson & Johnson and its talc supplier Imerys America have reportedly agreed to pay over \$1.5m to resolve a woman's lawsuit alleging she contracted mesothelioma from using J&J's baby powder. Mesothelioma is a cancer of the lining of internal organs that is associated with asbestos.

Governance

- This month, L'Oréal announced that it has been ranked first worldwide across all industries by the Covalence EthicalQuote reputation index. This ranking covers the world's 581 largest listed companies and reflects the perception of stakeholders, media and companies' communication on environmental, social, governance and human rights issues.

Innovation

- In December PepsiCo completed the purchase of SodaStream. Commenting on the deal, new Pepsi CEO Ramon Laguarta said, "Together with SodaStream, I'm confident we can accelerate progress on our shared goal of curbing plastic waste and building a more sustainable future."
- Microsoft, in tandem with National Geographic, has given 11 awards of between \$45k and \$200k to "changemakers" who are applying AI to help better understand and protect the planet. One of these is an early warning system for algae, while another, will use the grant "to develop a machine-learning algorithm for detecting and classifying the songs of insects in rainforests to monitor species composition and spatial distribution."

Last Month RRI Change

Biggest Decrease	Change	Biggest Increase	Change
Microsoft	-16	Marriott Intl.	+28

- Marriott's RepRisk Indicator increased this month because of the news it had been the victim of a hack on its Starwood brand which meant that credit card and passport data of 500m people was exposed. According to the New York Times, the hack was part of a Chinese intelligence-gathering effort that also hacked health insurers and the security clearance files of millions more Americans. Since 2014, the Chinese have reportedly been trying to build a database of American government officials and executives with security clearance. Marriott is the largest hotel provider for the American government and the military, the hack of which will have added data, such as travel habits, to their database.