

RepRisk Indicators (RRI)

As at 30th September	FSEF	S&P 500
Environmental	1.9	4.2
Social	7.7	11.2
Governance	9.1	12.0
Total RRI	18.7	27.3
1 month RRI Change	-2	-3

Peak 24 Month RRI	35	42
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RepRisk Rating (RRR)	BBB	BB
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Innovation

As at 30th September	FSEF	S&P 500
R&D as % of sales*	7.0%	4.3%
Organic Growth [†]	4.9%	n/a
Capital Impact [™]	0.84	0.15

Environmental*

As at 30th September	FSEF	S&P 500
Waste tns/£m FCF	22.2	88.5
Hazard's Waste tns/£m FCF	1.3	5.4
Water m ³ /£m FCF	1,710	8,345
GHG/CO2 tns/£m FCF	167	1,110
Energy MWh/£m FCF	0.5	2.9

Social*

As at 30th September	FSEF	S&P 500
Women Executives	20%	15%
Women Directors	29%	22%

Governance*

As at 30th September	FSEF	S&P 500
UN Global Compact Sign's.	43%	10%
Independent Directors	82%	89%

Least RepRisk

As at 30th September	RRI
IDEXX	0
Intertek	0
Sage	0
Waters	0

Most RepRisk

As at 30th September	RRI
Johnson & Johnson	61
Microsoft	45
Unilever	44
PepsiCo	31

Proxy Voting

Last Twelve Months	%
Proxies voted	100
Voted against an item	82
Voted against remuneration policy	82

*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 endangering 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			

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

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September Commentary

Environmental

- Silviu Popovici, PepsiCo's Chairman and Chief Executive of the company's operations in Europe and sub-Saharan Africa, said that by 2030 half of the material used in the company's packaging in Europe will be recycled plastic. Currently only 13% of packaging material is from recycled plastics, which the company aims to increase to 45% by 2025 and 50% by 2030.
- In order to achieve these goals PepsiCo has joined NaturALL Bottle Alliance, which is developing 100% "bio-based" bottles. The Alliance, whose founder members include Danone and Nestlé, has already produced 80% bio-based PET at pilot scale and is currently working on a 95% version. The aim is to use materials such as cardboard and sawdust so resources which could be used for human or animal consumption are not diverted.
- Staying with PepsiCo and plastic packaging, the company announced its plans to install "reverse vending machines" in all 36 districts of the state of Maharashtra in India. The machines will take and crush plastic bottles, rewarding the user with points depending on the amount of plastic deposited. These points can be subsequently redeemed, although the article did not state where or for what.
- Unilever mentioned at a recent conference that they were committed to 100% recyclable, reusable or compostable packaging by 2025. They also revealed that the weight of the plastic that Unilever produced was equivalent to the weight of the entire global population and that only 25% is currently recyclable.
- At the Global Climate Action Summit (GCAS) in San Francisco, Unilever said it will help the World Wildlife Fund, and some local organisations "sustainably certify" palm oil operations in Sabah, Malaysia that will cover 60k ha. Walmart said it "commends Unilever on helping implement this model in Sabah and we invite other suppliers to join us in working to reduce deforestation."
- Greenpeace has a new report on palm oil claiming that:
 - 25 palm oil groups have cut down 130k ha of rainforest since the end of 2015
 - Approximately 40% of the deforestation was in Papua, Indonesia
 - Several consumer goods companies (including Unilever, Colgate, General Mills, Kellogg's, Kraft Heinz, L'Oréal, Mondelez, Nestlé, Reckitt, and PepsiCo) are/were buying palm oil from the firms which Greenpeace claims are involved in rainforest destruction since the end of 2015

Social

- Visa announced a new relationship with New York Fashion Week which will entail, among other things, contactless-enabled vending machines full of famous designers' products, some of the proceeds of which will go towards Women's World Banking, a charity providing funds for female entrepreneurs around the world.

Innovation

- Strkyer's Mako robot for joint replacement surgery can improve patient satisfaction metrics and recovery times because it can install implants more precisely and with less soft tissue damage than a surgeon—this partly comes down to the robot's ability to cut through bone and tissue without the extra motion/tremors produced by a surgeon's hand. About 20% of the patients who receive traditional (i.e. not robot-assisted) joint implants are dissatisfied. Satisfaction scores from patients who received a Mako (~150k procedures completed so far) assisted implant are significantly higher.
- Kone, the Finnish elevator and escalator company, has started offering "people flow" planning and consulting services to building owners. These services seem to be geared towards tenants of buildings with shared workspaces with elevators moving frequently between the various shared workspace floors that increases wait times for people that need to enter/exit the building. Kone monitor the activities of the elevators and then determine where to position meeting rooms to minimize wait times. They are also offering to set up programmes that instruct certain elevators to avoid the shared workspace floors when specific conditions are met.
- Intertek has launched its new Sustainability service, marketing its bespoke assurance and supply chain auditing business, which gives companies oversight into the impact of their supply chains.

Last Month RRI Change

Biggest Decrease	Change	Biggest Increase	Change
3M	-15	n/a	n/a

- It was notable in the month that none of our portfolio companies' RRI increased.