

RepRisk Indicators (RRI)

As at 30th November	FSEF	S&P 500
Environmental	3.3	4.8
Social	8.9	12.7
Governance	11.1	12.2
Total RRI	23.4	29.8
1 month RRI Change	+0.1	-0.1

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

As at 30th November	FSEF	S&P 500
R&D as % of sales*	5.6%	4.7%
Organic Growth [†]	6.8%	n/a
Capital Impact [™]	0.69	0.37

Environmental*

As at 30th November	FSEF	S&P 500
Waste tns/£m FCF	15	2,197
Hazard's Waste tns/£m FCF	1.1	148
Water m ³ /£m FCF	3,461	401,516
GHG/CO2 tns/£m FCF	181	4,008
Energy MWh/£m FCF	498	15,913

Social*

As at 30th November	FSEF	S&P 500
Women Executives	30%	18%
Women Directors	30%	25%

Governance*

As at 30th November	FSEF	S&P 500
UN Global Compact Sign's.	33%	14%
Independent Directors	78%	85%

Least RepRisk

As at 30th November	RRI
IDEXX	0
Intuit	0
Sage	0
ADP	1

Most RepRisk

As at 30th November	RRI
Johnson & Johnson	67
Unilever	52
Microsoft	43
PepsiCo	41

Proxy Voting

12 Months ending 30th November	%
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	23.4	

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

November Commentary

Environmental

- Mike Pompeo, US Secretary of State, presented PepsiCo India with the Award for Corporate Excellence for its efforts to save water through community water programmes.
- Estée Lauder claimed in its recently released Sustainability Report that it expects to achieve net zero carbon emissions by the end of 2020. To this end, the company has signed an agreement with the Ponderosa wind farm in Oklahoma to purchase renewable energy that will cover more than half of its global energy footprint.
- Reckitt Benckiser announced two years ago that it was starting to work with Veolia to "increase the use of post-consumer recycled plastic in RB's packaging". As a result of the collaboration, last week RB launched the new packaging they've developed together for Finish Quantum. This new packaging contains 30% recycled plastic and is grey in colour. RB also said that a group of 20 employees from RB and Veolia are looking at ways to change consumer behaviour to increase recycling efforts and are also designing "enhanced collection systems." RB aims to make 100% of its plastic recyclable by 2025 and for its plastic to contain at least 25% recycled content.
- Greenpeace has criticised several companies, including Mondelez, Unilever, Nestlé and others for sourcing palm oil from suppliers allegedly associated with forest fires in Indonesia. Many of these suppliers were members of the Roundtable on Sustainable Palm Oil (RSPO), a not-for-profit organisation trying to improve environmental and labour standards in the palm oil industry. The fires reportedly destroyed 3,304 square miles of land, an area as large as Puerto Rico, which also had a negative impact on public health in surrounding communities. Indonesia's forest fires are estimated to have released c.465 megatonnes (Mt) CO2 for the period 1 January to 22 October 2019. This places 2019 as the third-worst year for fire-related emissions in the last decade, and the worst since 2015. To give an idea of the scale of the crisis, this means that by 22 October Indonesia's 2019 fire emissions alone were approaching the United Kingdom's total annual greenhouse gas (GHG) emissions.

Social

- In August, Microsoft started a 5 week test of a 4 day working week in Japan. Microsoft said that whilst working time declined by 20%, employees were 40% more productive during their working hours. The increase in efficiency was partly because employees reduced the length of meetings, cancelled them or conducted more meetings remotely to reduce travel time.
- A judge in Australia ruled that Johnson & Johnson failed to inform patients of the dangers of its vaginal mesh products and had published promotional material, which had the potential to mislead doctors. The judge deferred a ruling on what damages the company will have to pay until at least February 2020.

Innovation

- Unilever and Goop-Loop are trialling "ethical ad-tech" where people who watch an ad online can pick one of the charity names displayed at the end of the ad and Unilever will donate to that charity. Unilever is going to start showing such ads on Instagram.

Last Month RRI Change

Biggest Decrease	Change	Biggest Increase	Change
Paypal	-11	Coloplast	+11

- Coloplast's RepRisk increased in November after they reported that they had set aside a further 400m DKK (£45.7m) as a legal provision for future settlements over problems with their mesh products in the US which has been ongoing since 2011. Mesh products, which help hold in organs in cases of vaginal prolapse amongst other conditions, have had safety issues after doctors started implanting them in women's pelvic cavity in 2002. Reported complications include pain and infection which can even be fatal on rare occasions. The US Food and Drug Administration ordered Coloplast and Boston Scientific earlier this year to immediately stop the distribution and sale of the products in the US because there isn't enough evidence that they are safe or effective. Around 95% of the known cases are now settled. Including the latest provision Coloplast has paid 5.7bn DKK (£651m) since 2013 in settlements. Coloplast's CEO, Lars Rasmussen, said that patients could feel safe when buying the products. "Before a product is marketed it must be approved by the authorities, and Coloplast has provided all the necessary data for the respective national regulatory authorities. Our products are effective and safe to use when they are implanted by competent surgeons in the right patients." During the past few years, the FDA has increased its requirements for pelvic organ prolapse implants. The products are now categorised as Class III products - high-risk medical devices. This has meant that the mesh net market has shrunk and today there are only three products to choose from compared to 131 from 34 manufactures previously.