

REPRISK INDICATORS (RRI)

| As at 31st December | FSEF | S&P 500 |
|---------------------|-------------|-------------|
| Environmental | 3.8 | 4.7 |
| Social | 8.9 | 12.6 |
| Governance | 9.2 | 12.0 |
| Total RRI | 21.9 | 29.3 |
| 1 month RRI Change | -1.5 | -0.5 |

| | | |
|-------------------|----|----|
| Peak 24 Month RRI | 33 | 42 |
|-------------------|----|----|

| | | |
|----------------------|-----|----|
| RepRisk Rating (RRR) | BBB | BB |
|----------------------|-----|----|

INNOVATION

| As at 31st December | FSEF | S&P 500 |
|-----------------------------|------|---------|
| R&D as % of sales* | 5.7% | 4.7% |
| Organic Growth [†] | 6.9% | n/a |
| Capital Impact [‡] | 0.71 | 0.37 |

ENVIRONMENTAL*

| As at 31st December | FSEF | S&P 500 |
|------------------------------|-------|---------|
| Waste tns/£m FCF | 15 | 1,573 |
| Hazard's Waste tns/£m FCF | 1.3 | 49 |
| Water m ³ /£m FCF | 3,418 | 312,823 |
| GHG/CO2 tns/£m FCF | 219 | 4,035 |
| Energy MWh/£m FCF | 489 | 14,439 |

SOCIAL*

| As at 31st December | FSEF | S&P 500 |
|---------------------|------|---------|
| Women Executives | 31% | 18% |
| Women Directors | 31% | 25% |

GOVERNANCE*

| As at 31st December | FSEF | S&P 500 |
|---------------------------|------|---------|
| UN Global Compact Sign's. | 37% | 14% |
| Independent Directors | 78% | 85% |

LEAST REPRISK

| As at 31st December | RRI |
|---------------------|-----|
| ADP | 0 |
| IDEXX | 0 |
| Intuit | 0 |
| Sage | 0 |

MOST REPRISK

| As at 31st December | RRI |
|---------------------|-----|
| Johnson & Johnson | 58 |
| Microsoft | 57 |
| Unilever | 46 |
| Marriott Intl. | 41 |

PROXY VOTING

| 12 Months ending 31st December | % |
|-----------------------------------|-----|
| 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 | 21.9 |

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

DECEMBER 2019 COMMENTARY

Environmental

- Novo Nordisk recently announced that it's aiming for "zero environmental impact" by 2030.
- L'Oréal and Unilever – amongst others – were noted in December as members of The Renewable Thermal Collective. This group of companies serves as the leading coalition for organisations that are committed to scaling up renewable methods for heating and cooling at their facilities and dramatically cutting down their carbon emissions.
- Intuit is starting this year to replace plastic water bottles with reusable aluminium ones at their sites in the US and Canada.

Social

- During their investor day, Novo Nordisk announced that they are continuing to expand their access programmes which allow uninsured diabetics in the US to access drugs at an affordable price. Novo is also currently working with UNICEF developing programmes that aim reduce childhood obesity around the world.
- Visa in collaboration with China Women's Development Foundation and Beijing Sport University announced the launch of the "Olympics and Women" program. The 2022 Beijing Winter Olympics are being touted as an opportunity for small Chinese businesses in general, but this program is seeking to have a "particular focus on empowering women for sustainable development and economic benefit."
- Reckitt Benckiser is extending its paid leave for new mothers from 16 to 26 weeks in all markets except the US where the policy is being reviewed. Mothers will also have the option to take another 6 months unpaid after their leave.
- In a new press release, Johnson & Johnson (J&J) has reiterated that its baby powder is free from asbestos and that the asbestos found in the sample tested by the FDA's contracted lab – AMA Analytical Services – was likely the result of "either test sample contamination and/or analyst error." J&J says two other labs have now completed 155 tests on samples from the same bottle tested by AMA as well as tests on lots manufactured before and after the recalled lot. All tests "confirm there is no asbestos in our talc."
- During December, a jury in California concluded that a woman's mesothelioma was not caused by Johnson & Johnson's baby powder and that the company has not mislead consumers about the risks of their talc-based products.

Innovation

- Johnson & Johnson (J&J) has launched a new sealant to help surgeons manage bleeding during surgery. The product, called Vistaseal, contains some of the same clotting proteins as found in human blood plasma (fibrinogen and thrombin).
- PepsiCo has announced another round of its Greenhouse programme in North America. The programme seeks to collaborate with up to 10 food and beverage start-ups which will each receive mentorship and \$20k cash. At the end of the 6-month programme one of the start-ups will be awarded \$100k prize and "an opportunity to continue partnering with PepsiCo to further their growth." The first Greenhouse programme was conducted in Europe in 2017, the second in North America in 2018.

LAST MONTH RRI CHANGE

| Biggest Decrease | Change | Biggest Increase | Change |
|------------------|--------|------------------|--------|
| PepsiCo | -13 | Microsoft | +14 |

- Microsoft's RepRisk Indicator rose in December because a representative of International Rights Advocates is suing Dell, Microsoft and three other US companies alleging that the companies knowingly sourced cobalt from mines in the DRC that employ underage workers. Cobalt is the main component of rechargeable lithium-ion batteries. The lawsuit seeks damages and medical care for the workers, and a clean-up of the environmental damages the mines are causing. In 2016, Amnesty International accused companies, including Samsung and Sony, of sourcing cobalt from producers who employ underage miners.