

RepRisk Indicators (RRI)

As at 30th September	FSEF	S&P 500
Environmental	2.4	4.7
Social	8.7	12.6
Governance	11.4	12.5
Total RRI	22.5	29.8
1 month RRI Change	+0.7	+0.4

Peak 24 Month RRI	34	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*	5.6%	4.6%
Organic Growth [†]	6.8%	n/a
Capital Impact [™]	0.71	0.36

Environmental*

As at 30th September	FSEF	S&P 500
Waste tns/£m FCF	18	2,452
Hazard's Waste tns/£m FCF	1.4	233
Water m ³ /£m FCF	3,253	440,709
GHG/CO2 tns/£m FCF	169	3,355
Energy MWh/£m FCF	468	16,673

Social*

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

Governance*

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

Least RepRisk

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

Most RepRisk

As at 30th September	RRI
Johnson & Johnson	65
Microsoft	54
Pepsico	44
Marriott Intl.	43

Proxy Voting

12 Months ending 30th September	%
Proxies voted	100
Voted against an item	73
Voted against remuneration policy	62

*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			

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

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September Commentary

Environmental

- Unilever published a press release claiming it has achieved "100% renewable electricity across five continents" (North and South America, Asia, Africa, and Europe), with its factories, offices, R&D facilities, data centres, warehouses, and distribution centres "now powered by 100% renewable grid electricity." They also noted that the amount of carbon emissions it produces per tonne of goods has halved compared to 2008.
- PepsiCo announced that it's planning to reduce the amount of new plastic they use in their drinks portfolio by 35% by 2025.
- Microsoft committed to start reporting more information on its scope 3 emissions (which covers "indirect carbon emissions" i.e. emissions by its suppliers for manufacturing, for operations such as employee air travel, or emissions related to consumer use of their devices).
- Intuit has said that it will be relatively easy for the company to become carbon neutral by 2030, so it will pursue another goal: using its 2018 carbon emissions number as a baseline, they will try to remove carbon emissions by 50x that amount by 2030 though helping "employees, customers, partners, and communities" to reduce their emissions.
- L'Oréal announced that it is committed to reducing its absolute amount of scope 1, 2 and 3 greenhouse gas emissions by 25% by 2030 (vs. 2016). To help achieve this goal L'Oréal says it will reduce scope 1 and 2 emissions for all its industrial, administrative and research sites by 100% by 2025 (vs. 2016).

Social

- New Reckitt Benckiser CEO Laxman Narasimhan spent his first few days in the job in China, where he announced the company will donate \$10m between now and 2025 to a foundation related to its infant nutrition business in China.
- The latest issue of Diabetes Therapy published results from a study by Novo Nordisk on the impacts of diabetes on sufferers' families. The study found that:
 - 64% of family members of people with diabetes are worried or anxious about the risks of hypoglycaemic episodes.
 - 75% of the non-diabetic respondents that were helping their relative with diabetes to manage low blood sugar said they spend less time on, or completely miss out on, other activities such as hobbies.
- Microsoft announced that it will make a \$60m low-interest 15 year loan to the King County Housing Authority in Washington state to enable the purchase of five residential apartment complexes by the Authority.
- As the pharmaceutical industry grapples with 2,500 lawsuits alleging they helped fuel widespread opioid addiction in the US, Allergan, Endo, Johnson & Johnson, Mallinckrodt and Teva Pharmaceutical Industries are said to be exploring the possibility of settling the cases by participating in the bankruptcy case of Purdue Pharma. It would reportedly allow the companies to be released from liability completely by contributing money into a trust established through the bankruptcy plan. The litigation is reportedly one of the largest and most complex of its kind in US history and it involves cities, counties, Native American tribes and other communities seeking to recover money to pay for medical costs and expenses incurred in providing care for babies with opioid dependence. There is precedent for this; in 2014 Walmart participated in Blitz USA's bankruptcy plan and paid \$162m in exchange for a release of liability over dangerous plastic cans made by Blitz USA and sold in its stores.

Last Month RRI Change

Biggest Decrease	Change	Biggest Increase	Change
Novo Nordisk	-5	Paypal	+17

- Australia's financial regulator ordered an investigation of PayPal this month amid concerns the software has been used by sex offenders to purchase child abuse material from Asia. The Australian Transaction Reports and Analysis Centre (AUSTRAC) demanded an external auditor investigate "ongoing concerns" about breaches of the country's anti-money laundering and counter-terrorism financing laws. A PayPal Australia spokesperson said, the review was prompted when the company realised it had not been fully reporting international payments in line with its obligations. "These reporting obligations are important protections in the international fight against financial crime and the misuse of payment platforms, which PayPal takes very seriously," they declared in a statement. The company clarified that the audit was not in response to the discovery of child sex exploitation connections.