

REPRISK INDICATORS (RRI)

As at 30th November	FSEF	S&P 500
Environmental	2.7	5.1
Social	10.6	12.8
Governance	10.6	11.6
<b>Total RRI</b>	<b>24.0</b>	<b>29.4</b>
1 month RRI Change	+1.6	+0.4

Peak 24 Month RRI	36	41
RepRisk Rating (RRR)	BBB	BB

INNOVATION

As at 30th November	FSEF	S&P 500
R&D as % of sales*	5.7%	5.1%
TTM Organic Growth"	-1.1%	n/a
Capital Impact™	0.68	0.19

ENVIRONMENTAL\*

As at 30th November	FSEF	S&P 500
Waste tns/£m FCF	85	2,992
Hazard's Waste tns/£m FCF	4.8	18
Water m³/£m FCF	13,787	325,621
GHG/CO2 tns/£m FCF	222	3,209
Energy MWh/£m FCF	762	46,884

SOCIAL\*

As at 30th November	FSEF	S&P 500
Women Executives	38%	18%
Women Directors	32%	27%

GOVERNANCE\*

As at 30th November	FSEF	S&P 500
UN Global Compact Sign's.	41%	14%
Independent Directors	79%	85%

LEAST REPRISK

As at 30th November	RRI
ADP	0
IDEXX	0
Kone	1
Waters	3

MOST REPRISK

As at 30th November	RRI
Johnson & Johnson	51
Microsoft	49
Unilever	46
Marriott International	42

PROXY VOTING

12 Months ending 31st October	%
Proxies voted	100
Voted against an item	75
Voted against remuneration policy	63

\*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 trailing twelve month, reported, weighted average sales growth excluding M&A and FX, pre Sept 2020 unweighted, last reported. 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](http://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
2020	23.7	24.1	24.9	24.8	22.9	22.9	22.0	24.7	23.7	22.4		

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

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NOVEMBER 2020 COMMENTARY

Environmental

- Estée Lauder announced this month that it has "achieved net zero emissions and sourced 100% renewable electricity globally for its direct operations." This involves the use of a "virtual power purchase agreement" for 22 MWs of wind power from a wind farm in Oklahoma (representing about half of the company's electricity needs), the purchase of renewable energy certificates and an "offset" agreement with the Massachusetts Tri-City Forestry project. Under this offset agreement, Estée Lauder pays the forestry project to not harvest trees for timber.
- Estée Lauder also announced this month that it plans to reduce its absolute scope 1 and 2 greenhouse gas emissions by 50% by 2030 from a 2018 base year and plans to reduce scope 3 emissions from purchased goods and services, upstream transportation/distribution and business travel by 60% per unit of revenue over the same timeframe.
- The President of Unilever's food division reported to the Financial Times that she aims to increase sales of fake meat and alternative dairy products to €1b within 5-7 years, compared to €200m this year. Unilever's alternative dairy products will focus on milk-free ice cream and mayonnaise. She explained, "I think we are at the very beginning, for meat and dairy substitutes, of their market growth — they are still tiny compared to the overall meat and dairy markets. In the most developed countries it's 5% of meat or dairy — some predictions say it could go to 50%."

Social

- During a webinar to market 2020 World Diabetes Day (November 14<sup>th</sup>) a Novo Nordisk manager in West Africa announced that all diabetic children in Nigeria and Ghana will be eligible for free insulin from 2021. The manager also said that the company is also working on ways to provide insulin at a highly subsidised price to seniors who cannot currently afford insulin.

Innovation

- Johnson & Johnson has submitted an application to the FDA for the use of a subcutaneous formulation of Darazlex in combination with other drugs (Bortezomib, Cyclophosphamide, and Dexamethasone) as a treatment for the protein folding disorder, light-chain amyloidosis.
- Johnson & Johnson revealed the two start-ups (DC Medical and Deepmedi) that won its innovation competition in South Korea. Both start-ups will receive grants of \$125,000 and access to labs and mentors. DC Medical is developing a portable device that uses Electrical Impedance Spectroscopy to detect the risk of premature birth. Deepmedi is developing a health app for smartphones.
- Novo Nordisk released data from a phase two trial of semaglutide combined with one or two Gilead drugs (Cilofexor and/or Gilead's Acetyl-CoA Carboxylase inhibitor) as a treatment for NASH (non-alcoholic fatty liver disease). The trial demonstrated that the drug combinations were "well tolerated." The companies said that across all trial groups 5-14% of people discontinued treatment because of adverse events. After 24 weeks, "analyses showed statistically significant improvements in hepatic steatosis and liver injury."

LAST MONTH RRI CHANGE

Biggest Decrease	Change	Biggest Increase	Change
PepsiCo	-12	Amadeus	+21

- The RepRisk Indicator of Amadeus rose by 21 this month after a potential data breach at Prestige Software could have put customers' data at risk. The exposed data was uncovered by Website Planet, which found that Prestige Software, the company responsible for the hotel reservation system, Cloud Hospitality, which is used by booking.com and Expedia, had been storing years' worth of credit card data from hotel guests and travel agents without any protections in place. Amadeus is one of many companies that use Cloud Hospitality, so the assumption is that some of its data has also been exposed, but there has been no confirmation either way from the company. There is also no indication that any data has been obtained by anyone intending to do harm with it.