

**REPRISK INDICATORS (RRI)**

As at 31st December	FSEF	S&P 500
Environmental	3.2	5.0
Social	12.0	12.6
Governance	10.6	11.5
<b>Total RRI</b>	<b>25.8</b>	<b>29.1</b>
1 month RRI Change	+1.8	+0.4

Peak 24 Month RRI	38	41
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RepRisk Rating (RRR)	BBB	B
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**INNOVATION**

As at 31st December	FSEF	S&P 500
R&D as % of sales*	5.6%	4.7%
TTM Organic Growth"	0.8%	n/a
Capital Impact™	0.56	0.19

**ENVIRONMENTAL \***

As at 31st December	FSEF	S&P 500
Waste tns/£m FCF	91	3,371
Hazard's Waste tns/£m FCF	3.9	48
Water m³/£m FCF	14,176	483,420
GHG/CO2 tns/£m FCF	218	2,839
Energy MWh/£m FCF	827	8,145

**SOCIAL \***

As at 31st December	FSEF	S&P 500
Women Executives	37%	14%
Women Directors	32%	27%

**GOVERNANCE \***

As at 31st December	FSEF	S&P 500
UN Global Compact Sign's.	41%	14%
Independent Directors	79%	85%

**LEAST REPRISK**

As at 31st December	RRI
Kone	0
IDEXX	0
Waters	1
Undisclosed Position	4

**MOST REPRISK**

As at 31st December	RRI
Microsoft	54
Johnson & Johnson	53
Unilever	49
Visa	49

**PROXY VOTING**

12 Months ending 31st December	%
Proxies voted	100
Voted against an item	73
Voted against remuneration policy	64

\*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

**DECEMBER 2020 COMMENTARY**

**Environmental**

- P&G announced that its Crest, Oral-B and Blend-a-med toothpaste brands would be available in HDPE recyclable tubes. HDPE stands for high-density polyethylene and it is one of the easiest plastic polymers to recycle.
- Unilever has teamed up with animal protection organisations, cruelty-free brands and other companies to co-sign an open letter calling for the EU Cosmetics Animal Testing Ban to be upheld as intended. The letter claims that a series of regulatory decisions made by the European Chemicals Agency and other EU branches have effectively 'shredded' the original legislation, leaving thousands of rats and rabbits at the mercy of cosmetics companies.
- L'Oréal, for the fifth year in a row, has received a "triple A" score from the Climate Disclosure Project (CDP) in all the three areas they assess – climate change, protecting forests and ensuring water security.

**Social**

- Starbucks has appointed Mellody Hobson as its new Chairperson. She is the President of Chicago investment firm, Ariel Investments, and with her appointment, she becomes the only African American Chair of an S&P 500 company.
- A former female executive of Johnson & Johnson has filed a lawsuit alleging discrimination and retaliation by her male superiors, which includes the company's CEO. The lawsuit alleges that she was verbally abused, and that one male superior was potentially grooming her for a sexual relationship. She also alleged that she was excluded from collaborations and meetings after a male colleague discovered that she was gay.
- In December, Brazilian labour inspectors reportedly rescued 18 workers from alleged slave labour at the Sao Bento orange farm, owned by Valmi Blanco Machado in Lucianopolis. The workers had reportedly been working for eight days without pay, had accumulated debts for food and lacked safety equipment and sanitary facilities. The farm reportedly supplies to Citrosuco who PepsiCo have reportedly been a customer of in the past.

**Innovation**

- Novo Nordisk signed a research contract with Procyon Technologies to develop an implantable device that can be used to deliver insulin-producing cells to type 1 diabetics. Procyon specialises in "implantable cell encapsulation devices." Novo Nordisk will pay an upfront fee to license the device technology from Procyon and Procyon will be eligible for milestone/royalty payments. The Procyon cell encapsulation device is "a small, flat, thin, highly durable and flexible implantable chamber. It mitigates foreign body response, promoting the formation of vascular structures on its surface, enabling the rapid diffusion of nutrients to the cells inside and the rapid absorption of insulin (or other therapeutic molecules) secreted by the encapsulated cells while providing a barrier protecting them from attacks by the body's immune system without the need for immunosuppressive drugs."

**LAST MONTH RRI CHANGE**

Biggest Decrease	Change	Biggest Increase	Change
Proctor & Gamble	-11	Visa	+15

- Visa's RepRisk Indicator has increased to a new record high in December, as – along with Mastercard - it cut ties with Mindgeek's Pornhub, amid allegations of rape scenes, child abuse and private videos being shown on the website without participants' consent. American Express and PayPal had already stopped processing payments on the website.

