



RepRisk Indicators (RRI)

As at 31st July	FSEF	S&P 500
Environmental	2.3	4.5
Social	9.0	12.0
Governance	10.5	13.6
Total RRI	21.8	30.1
1 month RRI Change	-1	-2

Peak 24 Month RRI	35	42
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RepRisk Rating (RRR)	BBB	BB
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Innovation

As at 31st July	FSEF	S&P 500
R&D as % of sales*	6.9%	4.3%
Organic Growth [†]	4.9%	n/a
Capital Impact [™]	0.77	0.15

Environmental*

As at 31st July	FSEF	S&P 500
Waste tns/£m FCF	29.7	132.2
Hazard's Waste tns/£m FCF	1.5	4.7
Water m ³ /£m FCF	1,623	9,208
GHG/CO2 tns/£m FCF	201	1,163
Energy MWh/£m FCF	0.5	2.4

Social*

As at 31st July	FSEF	S&P 500
Women Executives	19%	15%
Women Directors	28%	22%

Governance*

As at 31st July	FSEF	S&P 500
UN Global Compact Sign's.	33%	8%
Independent Directors	82%	89%

Least RepRisk

As at 31st July	RRI
IDEXX	0
Intertek	0
Sage	0
Waters	0

Most RepRisk

As at 31st July	RRI
Unilever	57
Johnson & Johnson	57
Microsoft	54
PepsiCo	45

Proxy Voting

Last Twelve Months	%
Proxies voted	90
Voted against an item	84
Voted against remuneration policy	79

*Source: Bloomberg. Median numbers except R&D as % of sales which is a mean.
[†]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					

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

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July Commentary

Environmental

- In a recent press release Becton Dickinson announced that 98% of the electric power it uses in the US comes from renewable sources.
- In its latest sustainability Report PepsiCo announced that it has cut its Scope 1 and 2 emissions by 2.2% in 2017, moving them closer to achieving their goal of cutting 2030 emissions by 20% compared to 2015. The main driver of these reductions is due to more efficient vending and cooling equipment, which reduced greenhouse gas emissions by 19% in 2017. Improved logistics reduced diesel fuel consumption by 1m gallons while the company also improved its 'water efficiency' by 2%.
- The Roundtable on Sustainable Palm Oil has reinstated Nestlé's membership after Nestlé submitted a plan to only use palm oil from sustainable sources by 2023.

Social

- Unilever announced during the Essence Music Festival that they would set up a \$50m fund to invest in businesses founded by women of colour. Women of colour raised just 0.0006% of the \$425bn in tech venture funding since 2009. So far the fund has invested \$30m across 8 companies, including a wine maker, a cruelty-free cosmetics company and a chemical-free feminine hygiene products company.
- In their 2017 Transparency Report Johnson & Johnson commented that prices across their pharmaceutical portfolio fell by a net 4.6% after rebates and discounts of nearly \$15bn.
- The US Equal Employment Opportunity Commission (EEOC) has announced that Estée Lauder will pay \$1.1m to settle a lawsuit alleging unequal parental leave benefits to male employees in violation of the Equal Pay Act and Civil Rights Act. The lawsuit, which was filed by the EEOC in August last year, in the District Court for the Eastern District of Pennsylvania, alleged that the company discriminated against 210 male employees by providing new fathers less paid leave benefits for bonding with a new-born or a newly adopted child, compared to new mothers. Furthermore, it is alleged that the company denied new fathers benefits when returning to work, such as modified work schedules, which are offered to new mothers. The company has implemented a revised parental leave policy that provides the same benefits to men and women, as required by the ruling.
- Nestlé has been one of a number of companies, including Unilever, criticised in Germany for misleading consumers about price increases by secretly reducing the amount of products in the same package.

Governance

- Johnson & Johnson's medical device division in Brazil has been linked to a cartel, which was trying to win contracts for the supply of prosthetics and medical equipment to the National Institute of Traumatology and Orthopedics (INTO) in Rio de Janeiro between 2006 and 2017. Allegedly, politicians including the former state Secretary of Health, and the former state governor of Rio de Janeiro, received bribes from the scheme. Reportedly, the cartel included the executives of Maquet, Draeger, Philips, Dixtal, and Stryker, who used fake companies such as Rizzi, Medlopes, and Agamed, to give the appearance of legality to the bids.

Innovation

- In a press release Becton Dickinson announced some of its progress towards its 2020 sustainability goals. The company talked about its development of wearable insulin delivery devices, which greatly increase

Last Month RRI Change

Biggest Decrease	Change	Biggest Increase	Change
Marriott	-3	Johnson & Johnson	+11

- During July, Johnson & Johnson was ordered by a Missouri Circuit Court to pay \$4.7bn (\$4.1bn punitive, \$0.6bn compensatory) in damages to 22 women to resolve disputes linking the company's talc-based products to ovarian cancer. The company allegedly failed to inform consumers about the risks despite the knowledge that its talc had been tainted with asbestos since the 1970s. Along with the US Food and Drug Administration and other laboratories, the company allegedly used faulty testing methods in a study of talc samples commissioned from 2009 to 2010. Johnson & Johnson called the verdict "the product of a fundamentally unfair process" that combined 22 women with few connections to Missouri into a single group of plaintiffs in St. Louis. The company "remains confident that its products do not contain asbestos and do not cause ovarian cancer and intends to pursue all available appellate remedies," it said in a statement. The company has said concerns about talc's being linked to cancer are based on inconclusive research. Asbestos is a carcinogen that sometimes appears in natural talc but was stripped from commercial talc products in the 1970s, according to the American Cancer Society. The National Cancer Institute claims that talc used for feminine hygiene purposes can be absorbed by the reproductive system and cause inflammation in the ovaries are not supported by "the weight of evidence."