Fundsmith
Sustainable Equity Fund

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RepRisk Indicators (RRI)

As at 31st March	FSEF	S&P 500
Environmental	2.4	4.2
Social	9.9	11.3
Governance	8.2	10.9
Total RRI	20.5	26.4
1 month RRI Change	+0.4	-1.0
Peak 24 Month RRI	34	38
RepRisk Rating (RRR)	BBB	BB

Innovation

As at 31st March	FSEF	S&P 500
R&D as % of sales*	5.8%	4.7%
Organic Growth"	7.2%	n/a
Capital Impact™	0.73	0.39

Environmental*

As at 31st March	FSEF	S&P 500
Waste tns/£m FCF	18	2,454
Hazard's Waste tns/£m FCF	0.6	122
Water m³/£m FCF	3,608	446,778
GHG/CO2 tns/£m FCF	232	5,174
Energy MWh/£m FCF	538	22,335

Social*

As at 31st March	FSEF	S&P 500
Women Executives	30%	18%
Women Directors	30%	24%

Governance*

As at 31st March	FSEF	S&P 500
UN Global Compact Sign's.	37%	14%
Independent Directors	77%	85%

Least RepRisk

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

Most RepRisk

As at 31st March	RRI
Johnson & Johnson	66
Marriott Intl.	58
Unilever	53
3M	41

Proxy Voting

12 Months ending 31st March	%
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.

March Commentary

- As part of our work to continually improve the ESG metrics reported we have moved to reporting mean average numbers rather than the medians used previously. This has in part become possible as the number of companies for which we have reliable data has increased and we believe mean averages provide a more meaningful comparison.

Environmental

- The Carbon Disclosure Project (CDP) published a ranking of large consumer goods companies by "business readiness for a low carbon economy transition." Unilever was deemed to be most prepared, followed by L'Oréal, Danone, Nestlé, Colgate, Henkel, AB InBev, PepsiCo, Diageo, Reckitt, P&G, Coca-Cola and Estée Lauder tied at 12th, then Mondelez and Kraft Heinz. The CDP said Estée Lauder received a low ranking due to lack of transparency into its sourcing of palm oil.

- The US Environmental Protection Agency and the Michigan Department of Environmental Quality provided updates on March 26th 2019 on their ongoing investigation of local groundwater contaminated with toxic chemicals known as PFAs (perfluoroalkoxy polymers) from Wolverine Worldwide's Tannery and House Street Disposal Site. The contamination was first discovered in April 2017, but the community was only informed in August 2017. As a response to the contamination, Wolverine has reportedly spent $36m and is also suing 3M, its former chemical supplier, whose PFAs-laden product was applied to Wolverine shoe leather at the tannery.

Social

- Unilever has partnered with the Kenya Dentists Association to promote good oral hygiene habits among school children in the country.

- Johnson & Johnson has been ordered to pay around $29m to a dying cancer patient in the US, who claimed that her illness was caused by exposure the company's asbestos-tainted baby powder. Allegedly, the company has been aware since the 1970s that the talc used for its baby powder had been mined in places such as Vermont and Italy, where trace amounts of asbestos were present. Consequently, a State Court in California accused the company of hiding the information and failing to warn consumers about the potential health risks. In 2018, J&J was ordered by another court to pay $4.7bn to 22 women who reportedly developed cancer from using the baby powder. The company was also ordered to pay $27.5m to another woman in a similar litigation. Due to the product's alleged health risks, the company is currently facing 13,000 other compensation lawsuits.

- Tea estates that supply tea leaves to Unilever, Tetley and others, are cited in an exposé on alleged illegal deduction of worker's wages in Sri Lanka.

- Bayer and Johnson & Johnson have agreed to pay $775m to resolve 25,000 claims where they downplayed the risks of its anticoagulant drug called Xarelto, which had apparently led to death, excessive bleeding, stroke, and other injuries. Bayer and Johnson & Johnson will reportedly split the cost of the settlement evenly.

- Purdue Pharma has agreed to pay $270m to settle a lawsuit filed by the State Government of Oklahoma in relation to opioid addiction that has allegedly led to the deaths of thousands of people in the US. The lawsuit, which reportedly asked for around $20bn in damages, has alleged that Purdue Pharma, as well as Johnson & Johnson and Teva, enticed doctors to prescribe OxyContin painkillers, by deceptively understating the product's health risks and overstating its benefits. Massachusetts' State Attorney General has also accused Purdue Pharma's president of blaming painkiller users for the drug addiction while downplaying the painkiller's contribution to the opioid crisis in a separate lawsuit.

Governance

- Microsoft is suing a hacking group that used fake domains to resemble its products, such as LinkedIn, and to steal the private data of targets in the US.

Last Month RRI Change

Biggest Decrease	Change
PepsiCo	-3

Biggest Increase	Change
3M	+14

- New Jersey's Environmental Protection Department has ordered 3M, DuPont, DowDuPont, Chemours and Solvay to finance the multibillion dollar clean-up fund linked to alleged per- and polyfluoroalkyl substance (PFAS) pollution in the US state. The move comes amid efforts to hold the companies accountable for alleged environmental violations linked to the contamination from their manufacturing sites. Specifically, the facilities, which include Solvay's West Deptford site, allegedly used PFAS which eventually found its way to drinking water, groundwater and soil in communities affecting people's health. A PFAS chemical, PFOS, is the key ingredient in 3M's Scotchgard fabric protector.

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									

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