



**REPRISK INDICATORS (RRI)**

As at 30th September	FSEF	S&P 500
Environmental	3.2	4.8
Social	9.4	12.3
Governance	11.1	11.4
<b>Total RRI</b>	<b>23.7</b>	<b>28.5</b>
1 month RRI Change	-1.0	+0.4

Peak 24 Month RRI	37	41
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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%	4.7%
TTM Organic Growth"	2.5%	n/a
Capital Impact™	0.70	0.20

**ENVIRONMENTAL\***

As at 30th September	FSEF	S&P 500
Waste tns/£m FCF	73	3,621
Hazard's Waste tns/£m FCF	1.6	19
Water m³/£m FCF	3,368	173,732
GHG/CO2 tns/£m FCF	212	3,725
Energy MWh/£m FCF	691	22,168

**SOCIAL\***

As at 30th September	FSEF	S&P 500
Women Executives	37%	18%
Women Directors	33%	26%

**GOVERNANCE\***

As at 30th September	FSEF	S&P 500
UN Global Compact Sign's.	41%	14%
Independent Directors	78%	85%

**LEAST REPRISK**

As at 30th September	RRI
ADP	0
IDEXX	0
Amadeus	0
Kone	4

**MOST REPRISK**

As at 30th September	RRI
Unilever	53
Microsoft	51
PepsiCo	50
Johnson & Johnson	48

**PROXY VOTING**

12 Months ending 30th September	%
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			

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

**SEPTEMBER 2020 COMMENTARY**

**Environmental**

- Unilever announced a €1bn investment in a programme it is calling "Clean Future." The programme will develop ways to reduce Unilever's use of carbon and find ways to achieve the company's goal of net zero emissions by 2039. The programme will also research better ways to reduce waste and biodegradable materials.
- Unilever has also announced a plan to stop using fossil fuels as the raw material for its cleaning products. Unilever's Manager for the Home Care Division disclosed that the company is working with Dow Chemical and other small biotech companies to try and use algae and waste materials to produce the chemicals required for the production of its cleaning products.
- In 2018, L'Oréal and Quantis founded the Sustainable Packaging Initiative for Cosmetics (SPICE). Members of SPICE now include Estée Lauder, LVMH, Coty, Avon, Shiseido and others. SPICE announced it has launched a software that packaging designers can use to review environmental impact data on the materials they might be considering for packaging.
- Coloplast, at its recent investor day, proclaimed that they are aspiring to become a zero-emission company by 2025 from their own operations. This would mean that the company is using 100% renewable energy rather than buying carbon credits. They are also aiming to have 80% of their packaging made from renewable materials and at least half of their production waste recycled.

**Social**

- PepsiCo's Frito-Lay business will provide 250,000 meals and distribute 500,000 pantry staples, school supplies, snacks, books, hand sanitiser and personal care items to kids in underserved communities this month to support their return to school.
- PepsiCo also announced a \$20m, 5-year partnership with the US Agency for International Development under its Women's Global Development and Prosperity Initiative. The money will be used to support women working in agriculture in Asia, the Middle East and Latin America.
- Sage's CEO, Steve Hare, was the highest rated CEO since the start of the coronavirus pandemic on Glassdoor, the website where employees can score and review their company and its management. Based on reviews submitted between the start of March and the end of July, Steve was praised by employees for the "level of communication and employee engagement he and his upper management team have maintained during the crisis."
- In California, a man is suing Starbucks and Pactive Packaging, who make the company's cups. The plaintiff says that in 2018, as he was being passed a hot drink at a drive through, the lid "lost its seal with the cup" and hot tea was spilled in his lap. He went to hospital where he was treated for burns and spent 11 days at a burn unit. He says sex is now "awkward and painful." The plaintiff's lawyer claims that Starbucks "has knowledge of no less than 80 lid-off incidents per day" and has knowledge of other burn incidents caused by "defective cups and lids."
- Colgate is now accepting invitations for its annual 'Make The U' university grant program, which offers grants to help 100 hispanic or latino students attend university in the US.
- ADP has been named the top large company for women technologists in 2020 by AnitaB.org, while the company was also ranked among the 100 best companies for working mothers by Working Mother magazine.

**LAST MONTH RRI CHANGE**

Biggest Decrease	Change	Biggest Increase	Change
Marriott International	-10	Becton Dickinson	+13

- Becton Dickinson's RepRisk Indicator increased in September as a result to its agreement with the US authorities to pay a \$60m settlement to resolve claims that its CR Bard subsidiary, which it bought in 2017, failed to disclose some of the dangers associated with transvaginal pelvic mesh devices. The company allegedly failed to disclose or misled the public about the risks of chronic pain or infection caused by the product. Transvaginal mesh has since been reclassified as "high risk" by the US Food and Drug Administration. As at the end of June, Becton Dickinson is still facing 575 product liability claims involving the mesh.