



**REPRISK INDICATORS (RRI)**

As at 30th April	FSEF	S&P 500
Environmental	3.7	4.8
Social	10.4	12.7
Governance	10.7	11.7
<b>Total RRI</b>	<b>24.8</b>	<b>29.3</b>
1 month RRI Change	-0.1	+0.3

Peak 24 Month RRI	35	41
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RepRisk Rating (RRR)	BBB	BB
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**INNOVATION**

As at 30th April	FSEF	S&P 500
R&D as % of sales*	5.7%	4.6%
Organic Growth*	7.0%	n/a
Capital Impact™	0.59	0.23

**ENVIRONMENTAL\***

As at 30th April	FSEF	S&P 500
Waste tns/£m FCF	11	969
Hazard's Waste tns/£m FCF	0.6	78
Water m³/£m FCF	3,212	432,536
GHG/CO2 tns/£m FCF	166	4,893
Energy MWh/£m FCF	462	42,308

**SOCIAL\***

As at 30th April	FSEF	S&P 500
Women Executives	32%	18%
Women Directors	31%	26%

**GOVERNANCE\***

As at 30th April	FSEF	S&P 500
UN Global Compact Sign's.	37%	14%
Independent Directors	78%	85%

**LEAST REPRISK**

As at 30th April	RRI
ADP	0
IDEXX	0
Intuit	0
Sage	0

**MOST REPRISK**

As at 30th April	RRI
Microsoft	57
Johnson & Johnson	53
Undisclosed Holding	49
PepsiCo	46

**PROXY VOTING**

12 Months ending 30th April	%
Proxies voted	100
Voted against an item	71
Voted against remuneration policy	58

**APRIL 2020 COMMENTARY**

**Environmental**

- SodaStream, which is owned by PepsiCo, said that by early 2021 the containers of all of its flavour additive products will be made of metal rather than plastic. SodaStream sells around 30m bottles of flavouring a year.

**Social**

- Marriott reported a data breach in which they believe the details of 5.2m guests have been accessed. The information, potentially acquired by cybercriminals, includes contact details, loyalty point balances, personal details, partnerships and affiliations and preferences. Marriott says the data breach may have started in mid-January and they flagged an issue at the end of February when they noticed that an unexpected amount of guest information had been accessed using the login credentials of two employees at a franchise property in Russia. This is Marriott's 3<sup>rd</sup> data breach in 18 months.
- Intuit announced the award of a multi-year grant (of up to \$1m) to Virtual Enterprises International, a charity that provides students with "career-readiness skills through a year-long programme in simulated business ownership and management." Following the donation, Virtual Enterprises International noted "curriculum improvements" which will "centre around the integration of Intuit's QuickBooks and TurboTax." In 2021 another round of curriculum improvements will include the integration of Mint. 20,000 students will participate in the VEI programme over the next academic year.
- Johnson & Johnson requested the New Jersey judge, who is overseeing the multi-district litigation of some 16,000 talc case, to bar expert witnesses for the plaintiffs from testifying. The judge said that some of what the experts intended to say was not scientifically sound and decided there will be limitations in the plaintiffs' expert testimony. The judge did not put any limits on Johnson & Johnson's expert witnesses. Johnson & Johnson notes that all talc verdicts against the company that have been through the appeal process have been overturned.

**Coronavirus**

- PepsiCo is donating \$45m to coronavirus relief efforts. They also noted that 1.7bn children were struggling to be fed due to school closures, as they would normally be receiving school meals. The company separately announced that its Indian business would donate 5m meals and 25,000 COVID-19 testing kits to those in need.
- Microsoft is offering 12 weeks of paid leave to parents to help them accommodate working from home schedules and their children's home-schooling.
- Microsoft also announced that it won't pursue patent litigation in cases where its technology is being used in efforts to end the coronavirus outbreak. The company is granting "to every person and entity that wishes to accept it, a non-exclusive, royalty-free, worldwide, fully paid-up license (without the right to sublicense)" to use Microsoft's patented IP "to make, have made, use, sell, and import any patented invention, solely for the purpose of diagnosing, preventing, containing, and treating COVID-19." The license lasts until one year after the world health organization declares the COVID-19 pandemic to have ended or until January 1 2023, whichever comes first.
- Novo Nordisk declared that diabetics who have lost insurance coverage due to a "change in job status" as a result of the coronavirus outbreak, may be eligible for the company's Diabetes Patient Assistance Programme (PAP). Through PAP diabetics can receive their insulin free of charge for 90 days. To be eligible, participants must provide documents showing loss of healthcare benefits and a valid prescription for a Novo Nordisk insulin.
- UNAIDS reported that it is collaborating with Reckitt Benckiser to distribute 195,000 "hygiene packs" to people living with HIV in Eastern and Southern Africa. 25,000 additional packs will be distributed in Nigeria and Egypt. The packs have 3 months' supply of Dettol soap and JIK surface cleaner.
- ADP donated over \$2m to Coronavirus relief efforts including a dedicated fund for ADP associates that need assistance, as well as donations of medical supplies for hospitals, food banks and their workers.

**LAST MONTH RRI CHANGE**

Biggest Decrease	Change	Biggest Increase	Change
Clorox	-10	Intertek	+9

- Intertek's RepRisk score increased in April because some of its employees are being subject to "strenuous working hours" and are being "constantly threatened" while working at Lukoil's refinery in the Augusta-Priolo Petrochemical Complex in Italy.

\*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.

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								

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