

**RepRisk Indicators (RRI)**

As at 31st May	FSEF	S&P 500
Environmental	2.3	4.8
Social	9.5	12.5
Governance	9.5	12.6
<b>Total RRI</b>	<b>21.3</b>	<b>30.0</b>
1 month RRI Change	-0.1	+0.6
Peak 24 Month RRI	34	42
RepRisk Rating (RRR)	BBB	BB

**Innovation**

As at 31st May	FSEF	S&P 500
R&D as % of sales*	5.9%	4.7%
Organic Growth"	4.9%	n/a
Capital Impact™	0.73	0.36

**Environmental\***

As at 31st May	FSEF	S&P 500
Waste tns/£m FCF	12	2,240
Hazard's Waste tns/£m FCF	0.6	164
Water m³/£m FCF	3,656	389,529
GHG/CO2 tns/£m FCF	231	5,426
Energy MWh/£m FCF	559	16,033

**Social\***

As at 31st May	FSEF	S&P 500
Women Executives	30%	18%
Women Directors	30%	25%

**Governance\***

As at 31st May	FSEF	S&P 500
UN Global Compact Sign's.	37%	14%
Independent Directors	78%	85%

**Least RepRisk**

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

**Most RepRisk**

As at 31st May	RRI
Johnson & Johnson	64
Unilever	51
Microsoft	47
Marriott Intl.	45

**Proxy Voting**

12 Months ending 31st May	%
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.

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							

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

**May Commentary**

**Environmental**

- The sorting machines at certain recycling plants use infra-red light to identify different materials. Plastic bottles that have been dyed "carbon black" are often undetectable by these sorting machines because the pigment absorbs all of the light, making the bottle invisible to the scanner. Unilever has recently developed a new black pigment to colour plastics that can be detected by the scanners. Unilever will begin using the new pigment in its TRESemmé and Lynx packaging this year. The company will also make the pigment available for use by other companies.
- Estée Lauder said it is working with the Roundtable on Sustainable Palm Oil, BASF, and a "civil society organization" called Solidaridad to promote the use of sustainable palm oil in Indonesia through a program of continuous education and technical support to smallholder farmers.
- Pepsi released an article summarising the recycling efforts made by schools in the United States. In the past academic year, school kids have collected – and thus diverted from landfill – 10 million pounds of waste material. Since 2010, the company's Recycle Rally program has collected 500 million recyclable containers.

**Social**

- McCormick was ranked 41st out of 50 companies on a list published by Diversity Inc, which monitors companies' "practices that promote the growth and advancement of underrepresented groups in the workplace". This is the third year in a row that McCormick has made Diversity's top 50 list. McCormick also announced that it's achieved 8th place in Diversity's 'Top Companies for Executive Women' list.
- In the same Diversity top 50 list, ADP ranked 3rd.
- Unilever's ice cream brand, Wall's, is launching a campaign called 'Vanilla for Change' with Save the Children, a charity called WE and flavour producer Symrise. During the campaign, when consumers purchase Wall's ice cream, a small sum of money will be given to projects benefiting vanilla producing communities in Madagascar.
- Unilever's CEO, Alan Jope, claimed in a recent tweet "I commit to accelerate gender parity at Unilever... I pledge to deliver our goal of 50% women at manager level and significantly increase female representation at the top levels before 2020."
- Residents of the town of Oscoda, Michigan are suing makers of firefighting foam including 3M, DuPont and Chemours. The lawsuit claims that foam used at Wurtsmith air force base contaminated water sources that supply Oscoda. The base was decommissioned in 1993.

**Innovation**

- Waters launched two new high resolution mass spectrometry instruments, the Select Series Cyclic Ion Mobility System (cIMS) and the Synapt XS. Mass spectrometry machines are used to identify and quantify molecules in simple and complex mixtures. Cyclic ion mobility means the traditional linear ion guide has been replaced with a circular one, which forces ions to cycle around the ion guide, passing by sensors several times and allowing higher resolution data related to ion shape and m/z (mass to charge ratio). The cIMS also allows researchers to separate ions by shape or m/z and then to eject, store and reintroduce stored ions into the system. The Synapt XS is not cyclical, however it does allow separation of molecules according to their size, shape, and charge and can be used to determine collisional cross section values (likelihood of certain particles striking one another).

**Last Month RRI Change**

Biggest Decrease	Change	Biggest Increase	Change
Marriott	-10	Estée Lauder	+12

- A convicted banker who collected the largest-ever whistle-blower payout for reporting tax cheats accused actor Kevin Costner and an heir to the Estée Lauder cosmetics empire of tax evasion. In a lawsuit filed early in May, Bradley Birkenfeld, who worked for UBS, alleges Leonard Lauder, chairman emeritus of the Estée Lauder and Mr. Costner were among thousands of Americans who held secret, numbered Swiss bank accounts for the purpose of evading U.S. taxes. Mr. Birkenfeld is seeking \$75k in damages, as he wasn't allowed to include the allegations in a planned book after lawyers representing Mr. Costner and Lauder told the publishing house they were false.