

RepRisk Indicators (RRI)

As at 31st August	FSEF	S&P 500
Environmental	2.1	4.5
Social	8.2	11.7
Governance	9.6	12.8
<b>Total RRI</b>	<b>19.9</b>	<b>28.9</b>
1 month RRI Change	-2	-2
Peak 24 Month RRI	34	42
RepRisk Rating (RRR)	BBB	BB

Innovation

As at 31st August	FSEF	S&P 500
R&D as % of sales*	7.0%	4.3%
Organic Growth <sup>†</sup>	4.9%	n/a
Capital Impact <sup>™</sup>	0.83	0.15

Environmental\*

As at 31st August	FSEF	S&P 500
Waste tns/£m FCF	22.2	86.6
Hazard's Waste tns/£m FCF	1.3	4.9
Water m <sup>3</sup> /£m FCF	1,726	8,091
GHG/CO2 tns/£m FCF	178	1,095
Energy MWh/£m FCF	0.5	2.6

Social\*

As at 31st August	FSEF	S&P 500
Women Executives	20%	15%
Women Directors	29%	22%

Governance\*

As at 31st August	FSEF	S&P 500
UN Global Compact Sign's.	43%	10%
Independent Directors	82%	89%

Least RepRisk

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

Most RepRisk

As at 31st August	RRI
Johnson & Johnson	61
Microsoft	50
Unilever	46
PepsiCo	41

Proxy Voting

Last Twelve Months	%
Proxies voted	100
Voted against an item	82
Voted against remuneration policy	82

\*Source: Bloomberg. Median numbers except R&D as % of sales which is a mean.  
<sup>†</sup>Organic Growth is the mean sales growth excluding M&A and FX.  
 Capital Impact<sup>™</sup> 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				

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

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August Commentary

Environmental

- Campaigners are threatening to boycott Walkers Crisps because it still uses plastic packs that cannot be recycled. The PepsiCo owned brand produces 11m bags a day at its Leicester factory, made out of layers of polypropylene and aluminium that cannot be separated for recycling, so must be burnt or buried in landfill.
- 3M has been criticised by the US Department of Natural Resources for air pollution at its factory in Wausau. In 2016 the company was also criticised but was allowed to upgrade their equipment rather than pay a financial penalty by the US Justice Department. In 2016, 3M spent \$665k at its two sites in Wausau to upgrade air pollution control equipment, which had stopped working and went undetected by employees for 26 days. Wausau is 3M's oldest factory the company owns and makes the granules used for roof shingles.

Social

- Johnson & Johnson has announced that it will disclose 100% of the ingredients used in its baby products, including in fragrances, which were previously considered a trade secret. Other initiatives include the removal of all sulphates and dyes, a 50% reduction in the overall roster of ingredients used, and a more ergonomic design for the bottles.
- Visa issued a press release praising the success of an incubator program in conjunction with Filene Research Institute and the Ford Foundation, aimed at increasing minority households' access to financial products and services, which reached 18,000 'underbanked households' over an 18 month period. Products tested included 'immigrant lending', small business lending, auto loans and payday loans – weekly collected credit, as the UK refers to the practice. The FDIC reckons that 50% of African-American and Hispanic households are underbanked. Visa contributed \$1.2m to the program which issued 58,000 loans totalling \$80m over the period.
- A panel set up by the Indian Ministry of Health and Family Welfare has suggested that Johnson & Johnson pay \$28,500 in compensation to every patient in India who allegedly suffered from its ASR hip implants, which were recalled in 2010. In 2013, the company reportedly agreed to pay around \$2.5bn in settlements related to the implants in the US. In India, Johnson & Johnson paid \$2.25m for patient surgeries and to cover diagnostic costs, but apparently never offered any compensation. The total amount of patients who received the ASR hip implants worldwide is about 93,000, with around 4,700 of these implants reportedly used in India.
- Microsoft announced that any contractor with 50 or more employees who perform "substantial" work for the company will have to offer 12 weeks of paid parental leave. Microsoft General Council Dev Stahlkopf said "companies like us are in a unique position to create positive impact within our broader ecosystem."

Governance

- Paypal received criticism in the past month over their small Bluetooth devices that read bank cards, which can reportedly be hacked as hackers from Positive Technologies proved. However, there is little likelihood of this happening in practice as a successful attack where the firmware was downgraded and exploited would take somewhere between five to ten minutes.

Last Month RRI Change

Biggest Decrease	Change	Biggest Increase	Change
Unilever	-11	Johnson & Johnson	+4

- In August, the US President ordered the Attorney General to file a federal lawsuit against opioid makers and distributors that have been linked to the US opioid epidemic. It comes amid thousands of state and local-level lawsuits that have already been filed against Purdue Pharma, Johnson & Johnson, Endo International, Teva Pharma as well as distributors including Amerisource Bergen, Cardinal Health and McKesson. Apparently, some of the companies have been accused of misrepresenting the addictive risks of the drugs while the distributors allegedly failed to control shipments of the opioids to pharmacies.