

RepRisk Indicators (RRI)

As at 28th February	FSEF	S&P 500
Environmental	2.3	4.3
Social	9.7	11.7
Governance	8.1	11.4
Total RRI	20.1	27.4
1 month RRI Change	+1.0	+0.8

Peak 24 Month RRI	34	41
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RepRisk Rating (RRR)	BBB	BB
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Innovation

As at 28th February	FSEF	S&P 500
R&D as % of sales*	7.0%	4.3%
Organic Growth [†]	4.9%	n/a
Capital Impact [‡]	0.62	0.17

Environmental*

As at 28th February	FSEF	S&P 500
Waste tns/£m FCF	8.6	81.3
Hazard's Waste tns/£m FCF	0.3	13.8
Water m ³ /£m FCF	1,698	9,302
GHG/CO2 tns/£m FCF	113	1059
Energy MWh/£m FCF	0.5	2.4

Social*

As at 28th February	FSEF	S&P 500
Women Executives	19%	17%
Women Directors	29%	20%

Governance*

As at 28th February	FSEF	S&P 500
UN Global Compact Sign's.	30%	10%
Independent Directors	79%	89%

Least RepRisk

As at 28th February	RRI
IDEXX	0
Intertek	0
Sage	0
Waters	0

Most RepRisk

As at 28th February	RRI
Johnson & Johnson	61
Marriott Intl.	60
Unilever	55
Microsoft	41

Proxy Voting

12 Months ending 28th February	%
Proxies voted	100
Voted against an item	72
Voted against remuneration policy	60

*Source: Bloomberg. Median numbers except R&D as % of sales which is a mean.
[†]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. 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										

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

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February Commentary

Environmental

- Novo Nordisk, one of the top ten holding in FSEF, have started including a "sustainability update" in their latest earnings release. The company's diabetes products now reach 29m people, 5m more than in 2014. For every 1m people Novo Nordisk produces/uses:
 - 99k gigajoules compared to 105k in 2014, of which 77% is generated from renewable sources
 - 106k m³ of water compared to 121k in 2014
 - 4k tonnes of CO₂, compared to 7k in 2014
 - Just under 5k tonnes of waste, compared to 6k in 2014
- Marriott's JW Marriott brand has partnered with the \$20bn corporate uniform company Cintas, to launch a new line of "wardrobe essentials" for its staff, and to participate in a new recycling program that re-uses the brand's old uniforms responsibly.
- PepsiCo's new CEO, Ramon Laguarta, announced that the company will have a "sharpened focus" on advancing sustainable agriculture, the creation of a "circular plastic economy," and "striving for positive water impact."
- L'Oreal mentioned that greenhouse gas emissions from its factory and distribution centres have fallen by 77% in absolute terms since 2005, with 31 industrial sites now carbon neutral. Water consumption by factories has fallen by 48% in absolute terms since 2005.
- During their 2018 results, McCormick announced they are targeting to make 100% of their packaging recyclable, reusable or repurposable by 2025.

Social

- Johnson & Johnson (J&J) recently highlighted its support for the LGBTQ+ community in India – where it employs 3,500 people – by participating in the Queer Azaadi Mumbai (QAM) Pride March. The company also launched Open&Out, its 12th Employee Resource Group (ERG). ERGs are voluntary, employee-led groups that focus on shared identities/affinities and experiences, and that look to apply those perspectives to initiatives that create value across the company.
- The US Justice Department and the SEC have subpoenaed Johnson & Johnson seeking documents linked to lawsuits filed against the company questioning the safety of its baby powder and other talc-containing products. In December 2018, Reuters published an article that detailed J&J's alleged effort to conceal the knowledge that its talc products contained asbestos. So far, 13k lawsuits have been filed against the company claiming customers' use of talc products resulted in ovarian cancer and mesothelioma.

Innovation

- Johnson & Johnson announced the launch of a new contact lens in Europe, the TECNIS Eyhance monofocal IOL (intraocular lens), which will be used for patients with cataracts. The company said that the lens is "an important first in the monofocal category" as most competing lenses for cataract patients only correct vision to see things at a long distance whereas the TECNIS product also improves vision for intermediate-distances.
- PackWorld.com, a packaging news website, reported quotes from managers at Unilever discussing new packaging formats. The first, is a steel container for roll-on deodorants, where the consumer keeps the container and buys refills. The second, is "tooth tabs," a replacement for toothpaste. The consumer chews a tab before brushing; the product requires less water to manufacture and consumers will possibly use less water when brushing, while the tabs also come in a recyclable glass jar.
- A retired US Marine officer has filed a lawsuit in a US District Court against 3M claiming its 3M Combat Arms earplugs were defective and directly caused total hearing loss in his right ear. 3M has been supplying the earplugs to millions of member of the US armed forces between 2005 and 2015, which were found to have caused significant hearing damage to 52% of soldiers. Last year, 3M settled with the US government for \$9.1m to resolve allegations that it supplied defective Combat Arms earplugs.

Last Month RRI Change

Biggest Decrease	Change	Biggest Increase	Change
Visa	-6	Amadeus	+13

- Amadeus's RepRisk score increased in February because it was named in a report by Intercom Oxfam which revealed a large wage gap between high-ranking executives and regular staff among the 35 largest companies in Spain. Between 2015 and 2016, the salaries of top executives from these companies increased by 14.5%, compared to only a 0.3% increase for regular staff. Overall, the salaries of the senior executives are reportedly 25 times the average salaries and 47 times larger than the lowest salaries. Amadeus was among the companies with the largest difference.