

F&C Asset Management plc

Corporate responsibility report 2010



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Definitions

“F&C” or “Company” or “Board” F&C Asset Management plc

“F&C group” or “group” F&C and its subsidiary undertakings

Introduction



I am pleased to present an overview of the Company's activity in Corporate Responsibility for 2010.

Our strategy

The Company has two overarching strategic ambitions:

- To enable our clients to respond effectively to changing dynamics in the world economy through our products and by influencing companies to improve business performance; and
- To ensure that we meet the highest practicable standards of corporate responsibility in our own operations.

The Company remains committed to meeting these ambitions in 2011.

Our customers

The Company's customers and clients comprise a wide range of insurance, institutional and retail investors, across multiple geographical locations and jurisdictions. Our clients represent over three million individuals for whom we manage £105.8bn.

The Company is committed to and meets with the FSA agreed standards for Treating Customers Fairly and demonstrates its continued adherence to the TCF principles through the production of management information circulated internally on a quarterly basis, and to the Audit, Risk and Compliance Committee of the Board twice a year.

During 2010, the Company won, for the second year running, the Award for Operational Excellence in the UK Customer Experience Awards and won the Overall Winner Award in the Top 50 Call Centres for Customer Services Awards.

Our reporting categories

We have defined four key categories supporting our CR strategic ambitions: **Marketplace, Environment, Workplace and Community**.

We are committed to monitoring and reporting on progress against the targets set within each category both internally (on a quarterly basis) and externally (at least annually). F&C Corporate Responsibility policies are guided by a number of broadly accepted international standards and benchmarks. Wherever practicable, we will seek external validation of our progress and publish these results.

F&C considers the following key external measures to validate our relative Corporate Responsibility performance.

External Validation	Existing/Previous Position
BITC Corporate Responsibility Index*	Gold status
EIRIS/FTSE4Good	Inclusion
UN Global Compact COP	Member
Carbon Disclosure Project	Signatory Member
Principles for Responsible Investment	Founding Signatory

*In 2010 we narrowly missed out on our aim of obtaining Platinum status and remain committed to achieving Platinum in 2011.

Our governance arrangements

The Company's Corporate Responsibility (CR) Committee (chaired by me and comprising members from key business areas) is responsible for the coordination of our CR activities across the group. The Committee's focus is aligned to the four key CR categories and a member of the Committee has been assigned responsibility for the CR activity within each category. Progress within each category is reported to the Committee on a quarterly basis. A consolidated report on CR activity and progress is a standing agenda item to both the Executive Committee and the Board of the Company.

Our reporting approach

We have, consistent with the Company's desire to use e-communications where appropriate, maintained our web based approach to CR Reporting. We believe that this web based "modular" approach provides more succinct information about the Company's activity in each area supporting our CR strategy. Within each category you will find narrative summarising our approach, our progress and our targets for the coming year.

We have also published, for ease of reference, a key statistics page, drawing together our five year record in the categories on which we report and our combined targets for the coming year. The statistics supporting our Key Performance Indicators have been reviewed by the Company's Internal Audit & Compliance monitoring team. Their review included an inspection of a selection of CR documentation used to produce the report and our internal records used to complete the data.

In summary

As you will read, the CR activity undertaken in 2010 will, we believe, continue to place the Company amongst the leading financial companies in this important area. With our strategic ambitions now embedded within the business activities and good progress made towards their achievement, I look forward to reporting next year how the Company has performed against each of the stretching ambitions we set ourselves.

On 1 September 2010, the Company acquired Thames River Capital (TRC) and whilst the statistics contained within this report exclude data for TRC, Jeremy Charles (an Executive Committee member), has joined the CR Committee and we will work throughout 2011 to capture data from TRC with a view to reporting on the enlarged Group in 2011.

Feedback

I am very interested to hear from you. Please let me know what you think of our reporting approach by addressing any queries or feedback to me at csr.queries@fandc.com.

Thank you and enjoy your reading.

David Logan
10 March 2011



Marketplace

F&C Policies on Responsible Investment

As the manager of £105.8bn (as at 31 December 2010) of customers' assets, the influence arising from our investment activities is far-reaching. As investment managers, we think that our obligations to our clients extend over and above delivering a competitive return to ensuring that the companies in our portfolios pay serious attention to managing business risks over the long term, including those related to environmental, social and governance (ESG) issues.

Managing in excess of £8.2bn of global property assets for a diverse range of clients, our property asset management business is dedicated to considering Responsible Property Investment practices alongside conventional financial objectives aligned with fund mandates. Our property professionals take every opportunity to engage with stakeholders to identify and understand the material sustainability issues that will both drive or preserve asset value and minimise environmental and social impact. Further details are provided at <http://www.fandcreit.com>.

Andrew Szyman, Head of Sustainability at F&C REIT Asset Management, has been appointed as co-chair of the United Nations Environment Programme Finance Initiative's (UNEPFI) Property Working Group. This group aims to promote and encourage responsible property investment by assembling evidence to show how it can protect or enhance financial returns throughout the lifecycle of a building while simultaneously reducing negative environmental and social impact.

F&C is at the forefront of governance and sustainability issues for the investment community. Our track record dates back to the creation of the UK's first ethical fund in 1984, which allowed individual investors an opportunity to incorporate a clear set of social, environmental and ethical values into the way their assets were managed. Today, we offer a number of different responsible investment products including:

- A range of 17 ethically-screened and thematic investment funds;
- **reo®** (Responsible Engagement Overlay): our engagement and proxy voting programme.

F&C strongly believes that the prudent management of ESG issues is fundamental to creating value for investors. Companies that are successful in avoiding ESG risks, and also at identifying and capitalising on opportunities, will outperform over the longer term. For this reason, our responsible investment approach is integral to our global investment philosophy across all our funds.

At 31 December 2010, F&C had a dedicated Governance & Sustainable Investment (GSI) team of 18 people, with a further 14 specialist fund managers and a wider team of over 200 investment professionals supporting our responsible investment products and services.

Ethically-screened and thematic investment funds

F&C has £3.1bn in its ethically-screened and thematic investment funds (as at 31 December 2010). Our Stewardship range of funds, with £2.9bn under management (as at 31 December 2010), makes F&C one of the largest managers of retail ethically-screened funds in the UK. We also provide a range of investment choices for institutional investors, offering ethically pooled and screened portfolios. These include funds for investors seeking a traditional screened approach based on particular ethical criteria, as well as funds for investors wanting to focus on companies that meet positive sustainability themes.

Although the screening criteria for different funds vary, a rigorous system of checks is in place to ensure all criteria are correctly applied to investment portfolios. F&C uses proprietary and independent external research to assess companies for our ethically-screened funds. An independent committee of experts meets on a quarterly basis to set and review the ethical screening process for the Stewardship funds, and consider how companies compare against our ethical policies. The committee also continually updates Stewardship policies and practices to ensure these remain aligned with developing global best practice.

In recent years, F&C's range of ethical products has expanded to include:

- The F&C Ethical Bond Fund which takes our market-leading screening capability and applies it to corporate bonds;
- The F&C Global Climate Opportunities Fund which invests in companies providing the technologies and solutions to tackle climate change and help deal with its physical impacts; and
- The F&C Emerging Markets Equity ESG Fund which seeks to actively invest in companies that stand to benefit from, or contribute to, sustainability trends, and also meet minimum ESG standards.

Responsible Engagement Overlay (reo®)

F&C believes that good management of ESG issues supports strong long-term corporate performance. Through our **reo®** programme, we use our influence as a major asset manager to encourage better management of ESG risks and opportunities by the companies in which we invest. As well as applying our **reo®** approach to the assets we manage in-house, F&C has also been appointed by a number of pension funds and financial institutions to apply **reo®** to investments that are not managed by F&C. **reo®** is currently applied to £82.8bn of assets, including £53.5bn of externally managed funds (as at 31 December 2010).

There are three core elements to our **reo®** activities:

- **Engagement:** F&C uses its influence to promote the adoption of good ESG practices, where this can enhance returns to investors. We aim to be persuasive and pragmatic in our



Marketplace (continued)

engagement, so that we can achieve change that enhances the bottom line, rather than imposing prescriptive demands on companies.

- **Voting:** F&C operates a policy of considered voting across the whole of our clients' global holdings. We believe that votes should be well-informed, taking into account market and company-specific knowledge, as well as internationally-accepted standards of good corporate governance practice. We take a pragmatic approach, giving due consideration to any explanation put forward by a company for a deviation from international good practice, and avoiding a "box-ticking" mentality.
- **Collaboration and public policy:** F&C's work focuses on one-to-one engagement with companies, but we also actively participate in many collaborative investor networks across the world to pool resources and increase effectiveness on certain issues. We also see participation in the public policy process as essential as often it is only when the playing field is levelled through regulation that a step change occurs. As investors, we can communicate to governments and regulators what type of policies will improve ESG standards in a way that also enhances long-term investor value and competitiveness.

F&C was also a founder signatory to the UN Principles for Responsible Investment (PRI)¹, which set the standard for how asset managers and owners should incorporate ESG issues into their investment process.

Our **Responsible Investment Report 2010** will provide a comprehensive review of our responsible investment activities throughout the year, as well as an Outlook for 2011.

Our Marketplace Progress

F&C seek to use the influence of its customers' investments to engage with companies on ESG issues where this will improve business performance.

(i) Engagement

Every year we record "milestones" or instances in which a company improves its sustainability and/or corporate governance policies, procedures or practices following engagement and where F&C's participation has been a major factor². Our engagement activity is captured in our **quarterly reo® reports**, which highlight our work on specific issues, sectors and regions of the world.

Our engagement work covers the following broad key themes:

- Environment: Environmental management, climate change and ecosystems services;
- Social: Public health, human rights and labour standards; and
- Governance: Corporate governance, business ethics, and sustainability management and reporting.

Our Progress

- During 2010, we achieved 432 milestones compared with 376 in 2009.

- We engaged 1,778 companies in 53 countries in 2010, compared with 1,644 in 2009. Of this total, 769 were targeted for in-depth dialogue on a one-to-one basis. Our activity included 289 meetings with companies, 124 of which were at Board level. The issue and geographical spread of our engagement is shown below.

Figure 1:
Engagement by geography 2010 (%) One-to-one basis

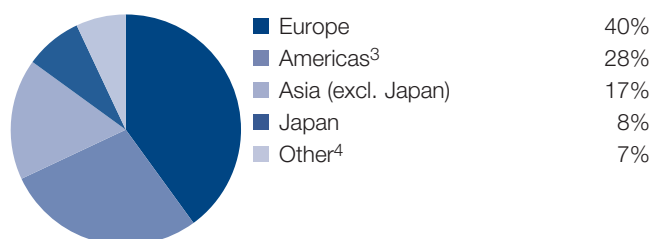


Figure 2:
Engagement by issue 2010 (%) One-to-one basis



Our Targets

- F&C will aim to achieve 435 milestones in 2011.

(ii) Voting

We have voted our global holdings, as well as voting on behalf of external clients, in line with F&C's Corporate Governance Operational Guidelines since 2000. Our Operational Guidelines are updated on an annual basis and set out the overall standards and principles on corporate governance that underpin our voting decisions. They are supplemented by 14 detailed guidelines giving specific policies at a national or regional level.

¹ More information on the PRI can be found at www.unpri.org. Details on how F&C implements the PRI can be found on our website at: www.fandc.com/governance.

² Sometimes companies respond directly to F&C's recommendations; at other times, their actions are a result of pressure from a wide range of stakeholders, including other investors. We report each of these events to clients on a quarterly basis, ranking them according to both the influence of F&C and the perceived implications for shareholder value.

³ Includes North, South and Central America.

⁴ Includes Australia and New Zealand, Russia, the Middle East and Africa.



Marketplace (continued)

Our Progress

- At the start of 2010 we wrote to all 5,987 companies and client portfolios in F&C to explain the standards on ESG management that we expect;
- During 2010, we issued voting instructions on 100% of holdings identified for voting⁶ and we published our voting history in publicly available monthly reports;
- In 2010 we voted on a total of 71,931 proposals, at 5,752 companies in 63 countries; and
- In 2010 we contacted 100% of companies where we opposed management recommendations⁷, resulting in 5,461 letters explaining our voting decisions and, in some instances, providing relevant and explicit recommendations for improvement. Companies are encouraged to contact us should they wish to discuss these recommendations further.

Our Targets

- F&C will issue voting instructions in line with its Corporate Governance Operational Guidelines on 100% of holdings designated and identified for voting and will publish its voting history in publicly available monthly reports; and
- F&C will contact 100% of companies following an abstention or vote against management.

Key Performance Indicators

	2010 Target	2010 Outcome	2011 Targets
Number of resolutions voted on during the year	100%	100%	100%
Proportion of companies contacted following an abstention of vote against management	100%	100%	100%
reo® engagement successes in year	350	432	435

⁶ It should be noted that a small minority of F&C clients have not designated their holding for voting, for example when they wish to vote the shares themselves; and that due to technical difficulties in the custodian chain – experienced throughout the industry and not solely by F&C – from time to time ballots are not identified for voting by the Proxy Voting Services Provider.

⁷ In specific instances where a company structure changed subsequent to our voting, we did not send a follow-up letter explaining our voting decision.



Community

Approach

We define our community as:

- The wider community interests of our employees; and
- The social, environment and ethical areas in which the company's business activities have an impact.

F&C is committed to achieving top quartile status amongst UK companies in terms of CR. We do this by:

- Introducing financial support and wherever practicable offering time off work to support employees involved in charitable activities;
- Targeting 365 staff days per year to a charitable or community programme; and
- Targeting 15% of employees participating in the Give As You Earn scheme and of matching employee GAYE contributions up to a monthly level.

In 2007 we launched the F&C Charity of the Year. We continued this practice in 2010 with The Back Up Trust being nominated as our Charity of the Year and a commitment has been made for this partnership to continue until the end of 2012. Donations, through a variety of different fundraising activities, in excess of £50,000 were made to the charity in 2010.

Other charitable partnerships

UK Career Academy

In 2010 we continued our involvement with the UK Career Academy, both in financial terms and by taking interns. Our financial donation is intended to help students from deprived backgrounds to go into further education and our intern programme is intended to build students' business experience and knowledge by exposing them to real rather than academic projects. In the summer we took 9 interns from the academy for a period of six weeks. Wherever possible we place these interns in areas of our business in which they are most interested in.

Back up Trust

F&C employees provide support and assistance to individuals who have a spinal cord injury by participating as helpers in skiing and multi activity courses with The Back up Trust. Back up offers a range of courses which are fully integrated with spinally injured and able bodied participants. Back up courses help people recover their independence, motivation and confidence after sustaining a spinal injury.

Community Statistics

	2010 Target	2010 Outcome	2011 Target
Matching employee GAYE contributions	15%	12%	15%
Employee participation and fundraising	475	475	475
Volunteering	75%	30%	365 staff days

During 2010, a total of 50 members of staff participated in a variety of Back up Trust courses and events.

Share Gift

During 2010 the Company, through its registrars, offered a low cost dealing facility to ordinary shareholders in the Company with less than 5,000 shares. One of the options available to smaller shareholders was to sell their shares and donate the proceeds to charity through Share Gift. A large number of shareholders took advantage of this facility resulting in over £40,000 being gifted to charities.

Our Progress

During 2010 475 employees participated in various fundraising activities.

12 employees were involved or volunteered with charities/local projects, to which F&C donated £2,850 in recognition of the contribution of time that employees gave to the organisation. In the UK, over 100 members of staff participated in a variety of community volunteering events, ranging from renovating gardens for a housing trust, painting classrooms in local primary schools to regeneration of a children's adventure playground. In 2010 two of our overseas offices participated in their first volunteering projects with 60 Amsterdam staff attending a home for the elderly to assist with painting and gardening, and teaching basic computer skills. 14 members of staff from the Dublin office held their volunteering day at a facility housing vulnerable men wanting to get off the streets, where they cleared and transformed an overgrown garden.

78 employees (12%) took advantage of the tax efficient charitable GAYE scheme run by F&C which assisted a wide range of charities resulting in the Company maintaining its Gold Award for charitable giving under the GAYE programme.

Target

In 2011 we will:

- Target 475 employees to participate in fundraising activities;
- Target 365 staff days to volunteering for various community projects;
- Targeting 15% of employees participating in the Give As You Earn scheme; and
- Continue to maintain the Gold Award for charitable giving under the GAYE programme.



Environment

Our Approach

F&C remains committed to managing the direct impacts of our operations on the environment. Our approach is to do this by being energy and resource efficient wherever we can and having a policy of using resources, wherever possible, that have a reduced impact on the environment.

F&C is a signatory to ClimateWise which was launched in the UK in 2007 by HRH The Prince of Wales. The 6 Principles pledge us to take action on climate change and publicly report on our performance. Our CR Committee leads the Group's efforts to minimise its environmental footprint and implement a zero-carbon operation. In 2010 we will adopt the Climate Principles (a framework for Financial Services).

In addition to our campaign to reduce the amount of paper that is used in the office through our "think before you print campaign", we completed a printer refresh project which replaced our existing printers with more energy efficient printers in 2009. We adopted double sided A4 printing as the default standard as well as A5 printing. This has led to a reduction in the level of paper being utilised and has been adopted by our non-UK offices.

Energy efficiency is achieved through low energy lighting together with Passive Infra Red controls (PIRs), computer systems with flat screen energy efficiency and enhanced insulation to improve energy efficiency. Wherever possible we purchase energy from renewable sources. We continue to consider options to reduce our energy consumption.

Travel usage is reduced wherever possible by the use of both video and audio conferencing facilities. A ban on all non essential travel was put in place in 2008 and has continued. This has reduced the total travel undertaken by the F&C Group.

Recognising that greenhouse gas emissions cannot be avoided in all cases, we make payments for offsets to ClimateCare¹, with the aim of becoming climate neutral.

Our Progress and our Targets

In 2009 we were awarded ISO 14001 accreditation for one of our London offices and our Edinburgh office. 70% of our employees now work in an ISO 14001 accredited working environment. We have maintained that accreditation for 2010. We have engaged with the majority of our suppliers on the principles of this environmental standard and achieved a dramatic reduction in the number of deliveries being made to our offices. We have also built in ISO 14001 standards in the selection of our suppliers.

In 2009 we commenced measuring the level of water consumption in our UK premises. Water is predominantly for personal use and as such we are not a big user of this resource. However, we continue to engage with our employees on how we can reduce the level of consumption.

We remain committed to achieving carbon neutrality in our operations.

The following activities took place in 2010:

- (i) F&C continued to work to reduce Carbon Dioxide emissions by better energy management, buying energy from renewable sources and cutting unnecessary travel.
 - We continue to use the services of a full time Carbon Reduction Manager provided by the landlord of our London offices to reduce the carbon footprint within our offices;
 - Negotiations continue to improve the level of energy from renewable sources for our non-UK offices;
 - The restricted travel budget and use of video conferencing equipment has led to a reduction in the requirement for business travel; and
 - A programme of reducing the number of IT Services and the rebalancing of loads within our IT Suites have resulted in reduced energy consumption.
- (ii) The fourth full year of our work with ClimateCare⁽¹⁾ saw F&C making payments for greenhouse gas-offsets with the aim of becoming climate neutral.
- (iii) We continue to offer employees the opportunity to enrol with PURE Trust to reduce their personal impact on the environmental through the Company's Flexible Benefits Scheme. This complements the Company's own work with ClimateCare.
- (iv) F&C is committed to the responsible purchasing of paper. We will never knowingly purchase paper from suppliers that are linked to illegal logging operations, nor will we purchase from organisations that source paper from high conservation value forests or protected areas.
- (v) F&C continues to source 100% of its office paper from chlorine free recycled supplies.
- (vi) The campaigns to improve recycling in our London and Edinburgh offices continue to pay dividends. This has reduced the proportion of waste going to landfill by 22%.

¹ Climate Care was established to tackle climate change by reducing greenhouse gases in the atmosphere. They do this by offsetting – making CO₂ reductions on behalf of individuals and companies.



Environment (continued)

Engagement with Policymakers

As well as managing its own impacts, F&C also uses its voice as an investor to call on governments to develop firm, ambitious policies on issues including climate change. In 2009 we supported the Copenhagen Communiqué, a statement from almost 1000 companies calling on policymakers to agree a deal at the UN climate negotiations in Copenhagen, as well as the 2009 Investor Statement on a Global Agreement, which brought together 187 investment institutions to deliver a similar message. A member of F&C's Governance and Sustainable Investment team went to Copenhagen to speak directly to negotiators, and in 2010 F&C continued to engage governments as they consider how to implement the 'Copenhagen Accord' and turn it into a global treaty.

Our Targets

F&C's target remains carbon neutrality. We will obtain 85% of our energy from renewable sources where markets and circumstances exist. We will continue to source 100% of paper used from chlorine free recycled supplies.

In 2011, we will aim to reduce paper consumption by 5% per employee.

Our 2009 target on greenhouse gases related to business travel only and in 2010 this was extended to cover all emissions. We will aim to keep total 2011 greenhouse gas emissions below 2010 levels, and during the year will set more specific quantitative targets for 2012 and beyond.

Key Performance Indicators

	2010 Target	2010 Outcome	2011 Targets
Carbon Neutrality	Full ⁽²⁾	Full ⁽²⁾	Full ⁽²⁾
Reducing paper consumption per employee	5%	11.7%	5%
Reducing CO ₂ emissions	Reduce from 2009 levels	4.3% reduction	Reduce from 2010 levels

⁽²⁾ CO₂ emission from travel, electricity and gas where the information is available.



Workplace

Our Approach

Our approach is to ensure that good management practices are evident in all aspects of our workplace issues.

- The Group has a code of ethics which includes amongst other policies, a detailed whistleblowing policy;
- We measure employee opinion annually to gauge employee satisfaction and identify areas that require improvement as we know that improved employee satisfaction drives lower employee turnover and higher engagement annually;
- We are committed to providing professional development and training opportunities. All employees are required to complete 50 hours Continuing Professional Development;
- We will always employ the best person for the job and ensure that we do not discriminate on the grounds of gender, race, ethnicity, religion, sexual orientation, age or physical ability;
- We will encourage employee share ownership so that employees are aligned with the financial interests of shareholders and have a direct interest in the success of F&C;
- Group wide health and safety policies, sponsored by an Executive Director, are available to all staff on the Company's Intranet; and
- We communicate, through the Company's monthly newsletter issued to all staff, relevant CR activity such as volunteering opportunities and environmental management initiatives.

Our Progress

F&C is committed to ensuring good practices in managing its own workplace issues.

F&C will target top decile employee participation levels and satisfaction scores.

- Our annual Employee Survey saw participation levels maintained at 76% against a benchmark of 60% for private companies. Our employee satisfaction score was 67% which was a significant achievement against continuing uncertainty within the Company in 2010;

- 100% of employees are educated on the importance of recognising and embracing diversity and inclusion in the workplace and community;
- We ensure that all new employees undertake and pass the interactive on line diversity training programme which was launched in 2007;
- We have the annual highly interactive workshops on the theme of Diversity and Inclusion which receive excellent feedback from those UK Managers and Team Leaders attending. Further workshops are scheduled for the second quarter of 2011; and
- F&C encourages share ownership and continues to offer employee share ownership schemes in the UK and long term remuneration awards in F&C Asset Management plc shares to its senior professionals and executives.

Our Targets

F&C targets top decile employee participation levels in the employee survey (76% against a target for 2010 of 75%). The employee satisfaction score achieved was 67% compared to the target of 75%.

We will continue to run compulsory Diversity and Inclusion Training Programmes to promote diversity and inclusion in the workplace for all employees with people management responsibilities, in addition to the biennial Diversity Training Module undertaken by all employees.

F&C will continue to target employee participation at 50% in all employee share schemes.

We aim for employee turnover to be less than 12% and there to be no accidents or health and safety fines.

Key Performance Indicators

	2010 Target	2010 Outcome	2011 Targets
Employee Survey Participation	75%	76%	75%
Staff Satisfaction	75%	67%	75%
Diversity Training	100%	100%	100%

Five Year Record 2006 – 2010

This section brings together all of the statistical data relevant to this report. To the extent they are available, it also includes comparative data for the whole five-year period. Where practicable overseas offices are included as indicated.

Where appropriate, targets are tabulated in the next section of this report.

	Measure	Notes	2006		2007		2008		2009		2010	
FINANCIAL & ECONOMIC CONTRIBUTIONS												
FINANCIAL BACKGROUND												
F&C's size at 31 December	Market capitalisation, £m		1,022		954		286		379		447	
Profit before tax* (before amortisation of intangible assets and exceptional items)	£m	14	88.7		77.4		52.9		34.8		40.3	
Corporation taxes	£m		22.7		22.6		8.9		5.8		9.1	
*attributable to equity holders of the parent												
Funds managed at 31 December												
Equities	£bn		38.2		37.0		24.3		24.6		28.7	
Fixed interest and cash	£bn		59.4		53.5		60.6		58.3		62.0	
Property	£bn		5.2		5.3		7.9		8.0		8.2	
Other Alternative Investments	£bn		1.3		1.9		2.4		1.6		2.4	
Money market			-		5.9		3.4		5.1		4.5	
Total	£bn		104.1		103.6		98.6		97.8		105.8	
ENVIRONMENTAL OPPORTUNITIES & IMPACTS												
ENVIRONMENT												
Use of energy												
Use of electricity per employee	kWh '000, kWh/employee	11, 3	4,672	6,752	5,186	*6,009	4,997	6,274	4,775	6,129	4,345	5,821
Use of electricity by floor space	kWh/m ²	11, 3	429		463		446		401		366	
Electricity obtained from renewable sources	% total electricity	3	85		*82.5		86.3		93		93	
Total business travel	km '000 and km '000/employee	□11, 4	4,995	6.5	5,891	6.42	6,075	7.06	4,358	5.02	4,314	5.50
Emissions												
CO ₂ emissions from gas and electricity	Tonnes, tonnes/employee	11, 3, 5	523	0.76	*765	*0.89	681	0.85	442	0.57	400	0.54
CO ₂ emissions from travel	Tonnes, tonnes/employee	□11, 6	600	0.78	851	0.92	938	1.09	667	0.78	661	0.84
Use of water												
Water	m ³ ,m ³ /employee	□	-	-	-	-	-	-	19,198	23.6	12,116	15.53
Use of other resources												
Office paper consumption	Reams, reams/employee	□11, 7	19,537	24.67	16,277	*18.15	20,463	24.64	16,885	20.77	14,898	19.01
Office paper source – recycled	%	□11, 7	96		100		100		100		100	
Office paper manufacture – chlorine-free	%	□11, 7	100		100		100		100		100	
Waste disposal												
Paper recycled	Tonnes, %	11□	89.1	60.1	157	78.96	154	76.71	147	81.24	77.7	74.75
Waste incinerated through CHP facility	Tonnes, %	11□8	15.8	10.7	12.2	6.14	17.4	8.68	15.3	8.45	10.7	10.25
Waste disposed to landfill	Tonnes, %	11□8	43.3	29.2	29.6	14.89	29.2	14.61	18.7	10.31	15.6	14.99
Greener transport												
Season ticket loans	Headcount, %	△12	202	30	191	20	205	22	179	21	177	18
Employees in receipt of company cars who are not "essential users"	Headcount, %	△	-	-	-	-	-	-	-	-	-	-
SOCIAL ENGAGEMENT												
EMPLOYEES												
Number and diversity												
Total number of employees at year end	Headcount	12 ■	804		917		933		868		962	
Of whom – female	Headcount, %	12 ■	295	37	343	37	338	36	309	36	344	36
– ethnic minorities	Headcount, %	12 △	74	11	84	9	87	12	82	12	97	12
Of whom, managers	Headcount	12 ■ 9	331		396		445		416		482	
Of those managers – female	Headcount, % of managers	12 ■	76	23	92	23	103	23	91	22	116	24
– from ethnic minorities	Headcount, % of managers	12 △	2	1.2	29	10	32	8	27	8	36	9
Managers trained in equal opportunities	%	12	-	-	396	100	-	100	-	100	-	100
Average number of employees in year	Headcount	12 ■	775		850		928		876		900	
Employees on temporary contracts	Number, % headcount	12 ■	27	3	25	3	14	1.5	12	1.4	20	2.1
Employee turnover	Per annum	12 ■	13.5		12.5		10.7		6.1		10.86	
Redundancies	Number	12 ■	36		11		51		62		33.4	
Length of service	Mean years	12 ■	4.48		5.33		5.75		6.24		6.35	
Dedicated number of employees in the GSI Team	Number		15		17		15		18		18	

△ – UK only.

■ – Groupwide.

□ – Major sites (UK, Portugal, Eire & The Netherlands).

*Restated 2007 figure.

	Measure	Notes	2006		2007		2008		2009		2010	
Satisfaction												
Employee participating in annual opinion survey	%	13 ■	74		70		–			76		76
Employee satisfaction scores in opinion survey	%	13 ■	70		72		–			70		67
Remuneration and benefits												
Proportion of employees provided with membership of pension schemes	%		100		100		100		100			100
Employee Share Incentive Plan	Headcount	12 △	426		413		362		332			321
Employee Share Save Scheme	Headcount	12 △	321		332		218		135			42
Wellbeing												
Illness	Days/employee	11	3.73		3.68		4.9		4.7			3.5
Employees eligible to receive free medical insurance	%	11 ■	86		100		100		100			100
Accidents	Number, employee days lost	11	5	0	2	0	1	0	8	3.5		2
Health and Safety fines	Number, £	11	0	0	0	0	0	0	0	0		0
Floor area	m ² ,m ² /year end headcount	□11	11,646	14.49	11,868	*13.23	11,868	14.30	12,576	15.49		12,576
Whistleblowing	Number of incidents			0		1		0		0		0
MARKETPLACE												
CORPORATE GOVERNANCE – VOTING												
Number of resolutions voted on during the year	Number		36,210		34,889		29,165		57,728			71,931
Proportion of companies contacted following an abstention or vote against management	%		100		100		100		100			100
CUSTOMERS												
Ethically-screened funds												
£'b, % equity funds managed			3.2	8	3.4	9.3	2.4	9.9	3.0	12.10		3.1
Responsible engagement overlay												
Full reo@ service provided	£'b		21.9	–	22.3	–	24	–	81	–		82.8
reo@ provided as standalone service	£'b		42.6		42.7		60		55			53.5
Companies engaged with during year	Number		640		762		902		1,644			1778
reo@ engagement successes in year	Number	10	268		224		429		376			432
COMMUNITY												
Stakeholder engagement												
Tendering for office refurbishment	% refurbishments		100		100		100		100			100
Payment of suppliers	Creditor days		13		10		5.5		6.4			9
Charitable												
Matching employee GAYE contributions	£'000	△	18		14		20		23			19
Total charitable donations	£'000, % profit before tax		94	0.1	245	0.3	143	0.3	86	1.0		111
Volunteering	%	△		–		–		–		34		30

△ – UK only.

■ – Groupwide.

□ – Major sites (UK, Portugal, Eire & The Netherlands).

*Restated 2007 figure.

Notes on Statistics

1. Information included in the report is unaudited. However, wherever possible, statistics have been taken from the group's annual report and accounts, its accounting records and its routinely produced management information.
2. All statistics relate to F&C Asset Management plc and its subsidiary companies (excluding Thames River Capital that was acquired in September 2010).
3. Figure includes our UK, Netherlands and Ireland offices.
4. Figure includes our UK, Netherlands, Portugal and Ireland offices.
5. Emissions of CO₂ arising from office usage of gas and electricity have been calculated using conversion rates from ClimateCare since 2007. Previously conversion rates from DEFRA had been used.
6. Calculation of kilometres travelled on business and the attributable emissions of CO₂ have been estimated based on analyses of suppliers' statements on air travel and extrapolation of individual expenses claims. Emissions of CO₂ have been calculated using conversion rates provided by ClimateCare since 2007. Previous years statistics are based on DEFRA conversion rates.
7. "Office paper" comprises all paper used in photocopiers and computer printers. Quantities of paper consumed for marketing purposes have not been measured. (All paper used for marketing purposes is 100% post consumer waste recycled paper).
8. Waste has been calculated by converting estimated volumes of waste in litres into weight using appropriate guidance.
9. For the purposes of this report managers are defined as employees earning a base salary of £50,000 or more.
10. **reo**[®] engagement successes refer to milestones relating to environmental, social and governance issues. Since 2007 this figure includes successes relating to governance.
11. From 31 December 2009 these figures include our REIT offices.
12. From 31 December 2008 figures includes REIT employees.
13. Annual opinion survey was not completed in 2008.
14. The profit before tax figures for 2008, 2009 and 2010 exclude foreign exchange gains and losses.

Targets for 2011

Wherever reasonably practicable, the Board has agreed quantitative targets on CR matters for the coming year. Where appropriate, these have been budgeted and built into the annual objectives of the line managers responsible. Bases of calculation and comparative figures used in the table below have been repeated from the previous section and are subject to the same notes.

	Measure	2010 (target)	2010 (actual)	Y/N*	2011 (target)
ENVIRONMENT					
Energy sourcing					
	□ % total electricity	85	93	Y	85
	□ % total electricity	85	93	Y	85
	□ Carbon offset – gas and electricity	100	100	Y	100
Emissions					
	□ Tonnes/employee	0.85	0.84	Y	0.85
	%	100	100	Y	100
	%	Reduction on 2009 levels	4.3	Y	Reduction on 2010 levels
Use of other resources					
	□ %	100	100	Y	100
	□ %	100	100	Y	100
Waste disposal					
	□ %	85	74.7	N	85
WORKPLACE					
Employees					
Number and diversity					
	%	100	100	Y	100
	% per annum	>10 <12	10.8	Y	>10 <12
Satisfaction					
	%	75	76	Y	75
Remuneration and benefits					
	%	100	100	Y	100
	△ Employees	50	42	N	50
Wellbeing					
	Employee days lost	0	0	Y	0
	Number	0	0	Y	0
	Number	0	0	Y	0
MARKETPLACE					
Customers					
		0	0	Y	0
Payment of suppliers					
	Days	<30	9	Y	<30
Responsible engagement overlay					
	Number	360	432	Y	435
	%	100	100	Y	100
COMMUNITY					
Charitable					
	△ % of employees participating	15	12	N	15
	% of employees participating and fundraising	475	475	Y	475
	% of employees volunteering or staff days	75	30	N	365 staff days

*Yes – Favourable result against target. No – Adverse result against target.

△ – UK only.

□ – Major sites (UK, Portugal, Eire & The Netherlands).