

F&C Asset Management plc

Corporate responsibility report 2011



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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 2011.

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 2012.

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 £100.1bn (as at 31 December 2011).

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.

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	Platinum status
EIRIS/FTSE4Good	Inclusion
UN Global Compact	Member
Carbon Disclosure Project	Signatory Member
Principles for Responsible Investment	Founding Signatory

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.

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. The statistics supporting our Key Performance Indicators have been reviewed by the Company's Internal Audit 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 2011 will, we believe, continue to place the Company amongst the leading financial companies in this important area. This was validated by our achievement of Platinum Status within the BITC Corporate Responsibility Index. 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.

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
23 March 2012



Marketplace

F&C's approach to Responsible Investment

As the manager of £100.1bn (as at 31 December 2011) of customers' assets, the influence arising from our investment activities is far-reaching. 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.

F&C is at the forefront of governance and sustainability issues for the investment community. Today, we offer a number of different responsible investment products and services 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.

Ethically-screened and thematic investment funds

Our track record dates back to the creation of the UK's first ethical fund in 1984, the Stewardship fund, 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, F&C has £2.8bn in its ethically-screened and thematic investment funds (as at 31 December 2011). The Stewardship range of funds, with £2.5bn in assets under management (as at 31 December 2011), 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.

In addition to Stewardship, F&C's range of ethical products includes:

- 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. This fund won the 'Best Climate Change Fund' award at the 2011 Climate Change Investment Awards in London.
- 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 in these markets, and also meet minimum ESG standards.

- The F&C Sharia Sustainable Opportunities Fund, launched in early 2011, is a Sharia-compliant global equity fund with a sustainable investment remit.

Responsible Engagement Overlay (reo®)

In today's volatile and risk-conscious world, F&C sees the principle of investor engagement as more relevant than ever. 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. In total, the **reo®** approach applies to £85.7bn of assets (as at 31 December 2011).

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

- **Engagement:** Gaining a rounded understanding of the entire spectrum of risks facing businesses, including ESG risks, is a crucial part of a robust investment decision-making process. Having identified which issues present the greatest threats to long-term investor value for shareholders and bondholders, we engage in in-depth dialogue with investee companies to encourage them to improve their performance. Our engagement encompasses nine engagement programmes¹, covering the whole range of environmental, social and governance risks.
- **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 engage companies before the vote, to explain our expectations and invite comment, and afterwards to explain our reasons for any votes against management.
- **Collaboration and public policy:** F&C views active participation in the public policy process as a central part of being a responsible investor. On global issues such as corruption or climate change, it is often only when government regulation creates a level playing field that a step-change occurs. F&C works through numerous organisations and networks to promote sustainable investment and strong environmental, social and governance standards. In the interest of transparency, all our policy submissions are available on our website².

F&C was also a founder signatory to the UN Principles for Responsible Investment (PRI)³, which set the standard for how asset managers and owners should incorporate ESG issues into their investment process.

¹ Please refer to our marketplace progress section on engagement for details on these nine engagement programmes.

² www.fandc.com/publicpolicy.

³ More information on the PRI can be found at www.unpri.org



Marketplace (continued)

Our **Responsible Investment Report 2011** will provide a comprehensive review of our responsible investment activities throughout the year, as well as an outlook for 2012.

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 factor⁴. Our engagement activity is captured in our annual responsible investment report, as well as in confidential **quarterly reo® reports** that are handed to our **reo®** clients, and 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

- In 2011 we engaged companies in relation to a number of key ESG topics, including responsible sales in the pharmaceutical industry, nuclear safety post-Fukushima, operations in high-risk and conflict-affected areas, corporate disclosure on climate change risks and opportunities, bank remuneration, and the environmental and social impacts of shale gas development.
- During 2011 we achieved 480 milestones, compared with 432 in 2010.
- We engaged 1,222 companies in 54 countries in 2011, compared with 1,778 in 2010. Of this total, 957 were targeted for in-depth dialogue on a one-to-one basis. Our activity included 289 meetings with companies, 121 of which were at Board level. The issue and geographical spread of our engagement is shown below.

Figure 1:
Engagement by geography 2011 (%) – One-to-one basis

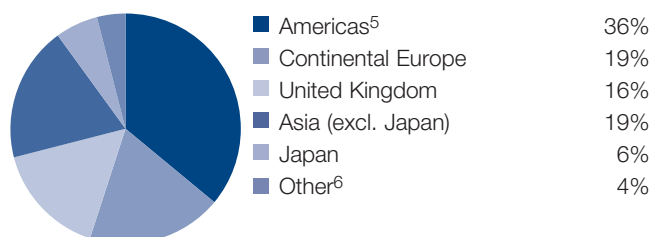
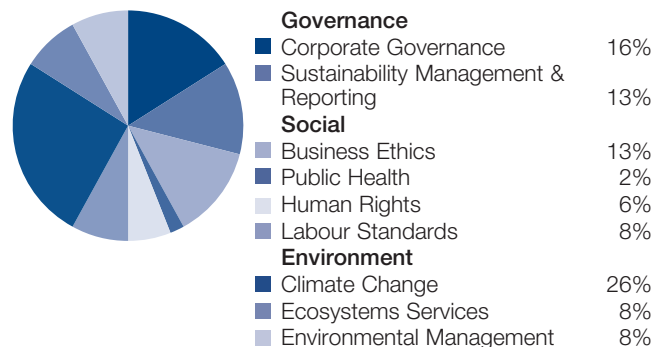


Figure 2:
Engagement by issue 2011 (%) – One-to-one basis



Our Targets

- F&C will aim to achieve 435 milestones in 2012.

(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 15 detailed guidelines giving specific policies at a national or regional level.

Our Progress

- 2011 saw corporate governance issues take centre stage across the world. Shareholders and governments ratcheted up the pressure on boards, with a far less forgiving attitude on payments for failure than had been the case in the past. The calls for firms to become more accountable have been fuelled by rising public anger, especially towards financial institutions – a constant and explosive feature of the news in 2011. As ever, F&C exercised its voting rights, on behalf of its in-house holdings and those of its **reo®** clients, to encourage good governance.
- At the start of 2011 we wrote to all 7,740 companies and client portfolios in F&C to explain the standards on ESG management that we expect.
- During 2011 we issued voting instructions on 100% of holdings identified for voting⁷ and we published our voting history in publicly available monthly reports.

⁴ 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.

⁵ Includes North, South and Central America.

⁶ Includes Australia and New Zealand, Russia, the Middle East and Africa.

⁷ 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.



Marketplace (continued)

- In 2011 we voted on a total of 73,263 proposals, at 5,381 companies in 64 countries.
- Overall, F&C supported management in 77% of all proposals, a slight increase over 2010. This was mostly accounted for by an increase in support for resolutions related to Board elections, where we saw an improvement in practices in a number of markets including Brazil, China, South Korea and Japan.
- In 2011 we contacted 100% of companies where we opposed management recommendations⁸ to explaining our voting decisions and, in some instances, provide 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.

(iii) Public policy

Our Progress

In 2011, F&C actively contributed to thought processes relevant to a number of initiatives in the public policy arena, including:

- The United Nations Guiding Principles on Business and Human Rights
- The UK Bribery Act
- UK Listing Standards
- The Independent Commission on Banking (ICB) report

Key Performance Indicators

	2011 Target	2011 Outcome	2012 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	435	480	435

⁸ 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.

Back up

In 2007 we launched the F&C Charity of the Year. We continued this practice in 2011 with Back Up 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 £48,000 were made to the charity in 2011.

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 Back up. 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.

During 2011, a total of 32 members of staff participated in a variety of Back Up courses and events.

Other charitable partnerships

UK Career Academy

In 2011 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 7 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.

Share Gift

During 2011 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 £22,000 being gifted to charities.

Our Progress

During 2011 61 employees participated in fundraising activities for a number of charities and in each case F&C matched the fundraising achieved up to a maximum of £500. 13 employees were involved with or volunteered for charities/local projects qualifying, in each case, for a £500 volunteering grant from the Company. These grants recognised the contributions made by employees to the relevant organisations. In the UK, 38 members of staff participated in community volunteering projects that involved renovating classrooms and outdoor space. In Dublin, 5 members of staff attended the home of a previously homeless single parent to assist with painting and decorating.

69 employees¹ (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 2012 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.

¹ Thames River Capital employees are excluded from this calculation.

Community Statistics

	2011 Target	2011 Outcome	2012 Target
Matching employee GAYE contributions	15%	12%	15%
Employee participation and fundraising	475	230	475
Volunteering	365 staff days	90 staff days	365 staff days



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 adopted 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 continues. 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. We have maintained that accreditation since 2009. 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 2011:

- (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 continues to lead to a reduction in the requirement for business travel on a like for like basis. However, the inclusion of Thames River figures with its focus on investments and sales worldwide shows an overall increase; 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 fifth 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 environment 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. We are introducing initiatives to reduce the level of incineration of waste at our Thames River offices which is being reported for the first time.
- (vii) 100% of the paper used is from recycled material. The amount of paper used has fallen to 56.8 tonnes as a result of our printer refresh project and staff reductions.

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)

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 2012, we will aim to reduce paper consumption by 5% per employee.

Our 2009 target on greenhouse gases related to business travel only and since 2010 has been extended to cover all emissions. We will aim to keep total 2012 greenhouse gas emissions below 2011 levels.

Key Performance Indicators

	2011 Target	2011 Outcome	2012 Targets
Carbon Neutrality	Full ⁽²⁾	Full ⁽²⁾	Full ⁽²⁾
Reducing paper consumption per employee	5%	20% reduction	5%
Reducing CO ₂ emissions	Reduce from 2010 levels	Not achieved	Reduce from 2011 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 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.

Key Performance Indicators

	2011 Target	2011 Outcome	2012 Targets
Employee Survey Participation	75%	–	–
Staff Satisfaction	75%	–	–
Diversity Training	100%	100%	100%

We have not undertaken an employee survey in 2011 and this is not part of our plans for 2012 and so no target has been set.

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

- 100% of employees are educated on the importance of recognising and embracing diversity and inclusion in the workplace and community;
- Since 2007 we have ensured that all new employees undertake and pass the interactive on line diversity training programme;
- 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 2012; 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

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.

Five Year Record 2007 – 2011

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. 2011 figures now include our Thames River offices for the first time. This explains the adverse variation in our achievements in CO₂ emissions from travel, Electricity from renewable sources to recycling.

	Measure	Notes	2007		2008		2009		2010		2011	
FINANCIAL & ECONOMIC CONTRIBUTIONS												
FINANCIAL BACKGROUND												
F&C's size at 31 December	Market capitalisation, £m		954		286		379		447		354	
Profit before tax* (before amortisation of intangible assets and exceptional items)	£m	12	77.4		52.9		34.8		40.3		41.3	
Corporation taxes	£m		22.6		8.9		5.8		9.1		9.3	
*attributable to equity holders of the parent												
Funds managed at 31 December												
Equities	£bn		37.0		24.3		24.6		28.7		59.2	
Fixed interest and cash	£bn		53.5		60.6		58.3		62.0		25.5	
Property	£bn		5.3		7.9		8.0		8.2		7.9	
Other Alternative Investments	£bn		1.9		2.4		1.6		2.4		1.7	
Money market	£bn		5.9		3.4		5.1		4.5		5.8	
Total	£bn		103.6		98.6		97.8		105.8		100.1	
ENVIRONMENTAL OPPORTUNITIES & IMPACTS												
ENVIRONMENT												
Use of energy												
Use of electricity per employee	kWh '000, kWh/employee	2, 4	5,186	*6,009	4,997	6,274	4,775	6,129	4,345	5,821	4,966	5,748
Use of electricity by floor space	kWh/m ²	2, 4	463		446		401		366		360	
Electricity obtained from renewable sources	% total electricity	4	*82.5		86.3		93		93		83	
Total business travel	km '000 and km '000/employee	2, 4	5,891	6.42	6,075	7.06	4,358	5.02	4,314	5.50	6,638	7.64
Emissions												
CO ₂ emissions from gas and electricity	Tonnes, tonnes/employee	2, 4, 5	*765	*0.89	681	0.85	442	0.57	440	0.54	752	0.87
CO ₂ emissions from travel	Tonnes, tonnes/employee	2, 4, 6	851	0.92	938	1.09	667	0.78	661	0.84	1,035	1.19
Use of water												
Water	m ³ ,m ³ /employee	4	–	–	–	–	19,198	23.6	12,116	15.53	12,662	14.7
Use of other resources												
Office paper consumption	Reams, reams/employee	2, 4, 7	16,277	*18.15	20,463	24.64	16,885	20.77	14,898	19.01	13,190	15.27
Office paper source – recycled	%	2, 4, 7	100		100		100		100		100	
Office paper manufacture – chlorine-free	%	2, 4, 7	100		100		100		100		100	
Waste disposal												
Paper recycled	Tonnes, %	2, 4	157	78.96	154	76.71	147	81.24	77.7	74.75	56.8	54.34
Other waste recycled	Tonnes, %	2, 4									16.9	16.14
Total waste recycled (paper + misc waste)	Tonnes, %										73.7	70.48
Waste incinerated through CHP facility	Tonnes, %	2, 4, 8	12.2	6.14	17.4	8.68	15.3	8.45	10.7	10.25	20.1	19.25
Waste disposed to landfill	Tonnes, %	2, 4, 8	29.6	14.89	29.2	14.61	18.7	10.31	15.6	14.99	10.7	10.26
Greener transport												
Season ticket loans	Headcount, %	Δ2	191	20	205	22	179	21	177	18	132	17
Employees in receipt of company cars who are not "essential users"	Headcount, %	Δ	–	–	–	–	–	–	–	–	–	–
SOCIAL ENGAGEMENT												
EMPLOYEES												
Number and diversity												
Total number of employees at year end	Headcount	2 ■	917		933		868		962		847	
Of whom – female	Headcount, %	2 ■	343	37	338	36	309	36	344	36	308	36
– ethnic minorities	Headcount, %	2 Δ	84	9	87	12	82	12	97	12	83	12
Of whom, managers	Headcount	2 ■ 9	396		445		416		482		473	
Of those managers – female	Headcount, % of managers	2 ■	92	23	103	23	91	22	116	24	126	27
– from ethnic minorities	Headcount, % of managers	2 Δ	29	10	32	8	27	8	36	9	36	9
Managers trained in equal opportunities	%	2	396	100	–	100	–	100	100	100	473	100
Average number of employees in year	Headcount	2 ■	850		928		876		900		918	
Employees on temporary contracts	Number, % headcount	2 ■	25	3	14	1.5	12	1.4	20	2.1	24	2.8
Employee turnover	Per annum	2 ■	12.5		10.7		6.1		10.86		12.86	
Redundancies	Number	2 ■	11		51		62		33.4		30	
Length of service	Mean years	2 ■	5.33		5.75		6.24		6.35		6.69	
Dedicated number of employees in the GSI Team	Number		17		15		18		18		16	

Δ – UK only.

■ – Groupwide.

*Restated 2007 figure.

	Measure	Notes	2007		2008		2009		2010		2011	
Satisfaction												
Employee participating in annual opinion survey	%	11 ■	70		–			76		76		–
Employee satisfaction scores in opinion survey	%	11 ■	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	2 Δ	413		362			332		321		269
Employee Share Save Scheme	Headcount	2 Δ	332		218			135		42		18
Wellbeing												
Illness	Days/employee	2	3.68		4.9			4.7		3.5		3.4
Employees eligible to receive free medical insurance	%	2 ■	100		100			100		100		100
Accidents	Number, employee days lost	2	2	0	1	0		8	3.5	2	0	2
Health and Safety fines	Number, £	2	0	0	0	0		0	0	0	0	0
Floor area	m ² ,m ² /year end headcount	2, 4	11,868	*13.23	11,868	14.30		12,576	15.49	12,576	16.11	13,786
Whistleblowing	Number of incidents			1		0		0		0		0
MARKETPLACE												
CORPORATE GOVERNANCE – VOTING												
Number of resolutions voted on during the year	Number		34,889		29,165			57,728		71,931		73,263
Proportion of companies contacted following an abstention or vote against management	%		100		100			100		100		100
CUSTOMERS												
Ethically-screened funds												
	£'b, % equity funds managed		3.4	9.3	2.4	9.9	3.0	12.10	3.1	10.80		2.8
Responsible engagement overlay												
Full reo@ service provided	£'b		22.3	–	24	–		81	–	82.8		85.7
reo@ provided as standalone service	£'b		42.7		60			55		53.5		59.8
Companies engaged with during year	Number		762		902			1,644		1,778		1,222
reo@ engagement successes in year	Number	10	224		429			376		432		480
COMMUNITY												
Stakeholder engagement												
Tendering for office refurbishment	% refurbishments		100		100			100		100		100
Payment of suppliers	Days		10		5.5			6.4		9		3
Creditor days	Days											
Charitable												
Matching employee GAYE contributions	£'000	Δ	14		20			23		19		22
Total charitable donations	£'000, % profit before tax		245	0.3	143	0.3		86	1.0	111		110
Volunteering	% staff days	Δ		–		–		34		30		90 days

Δ – UK only.

■ – Groupwide.

*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 (F&C Reit employee figures were incorporated from 2008, F&C Reit office data was incorporated from 2009 and Thames River Capital employee and office data is incorporated from 2011).
3. Figure includes our UK, Netherlands and Ireland offices.
4. Figure includes our UK, Netherlands, Portugal and Ireland offices (Portugal data for electricity use has been incorporated with effect from 2011).
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. Annual opinion survey was not completed in 2008 and 2011.
12. The profit before tax figures for 2008 and 2009 exclude foreign exchange gains and losses.

Targets for 2012

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	2011 (target)	2011 (actual)	Y/N*	2012 (target)
ENVIRONMENT					
Energy sourcing					
Energy obtained from renewable sources where markets exist	□ % total electricity	85	83	N	85
Carbon offset – gas and electricity	□ %	100	100	Y	100
Emissions					
CO ₂ emissions from travel	□ Tonnes/employee	0.85	1.19	N	0.85
Carbon offset – travel	□ %	100	100	Y	100
CO ₂ emissions (total)		Reduction on 2010 levels	N	N	Reduction on 2011 levels
Use of other resources					
Office paper source – recycled	□ %	100	100	Y	100
Office paper manufacture – chlorine-free	□ %	100	100	Y	100
Waste disposal					
Paper recycled	□ %	85	57	N	85
WORKPLACE					
Employees					
Number and diversity					
Proportion of managers trained in equal opportunities	%	100	100	Y	100
Employee turnover	% per annum	>10 <12	13	N	>12
Satisfaction					
Employee participating in annual opinion survey	%	75	–	N	–
Remuneration and benefits					
Proportion of employees provided with membership of pension schemes	%	100	100	Y	100
Employee share schemes	△ Employees	50	18	N	50
Wellbeing					
Accidents	Employee days lost	0	0	Y	0
Health and safety fines	Number	0	0	Y	0
Upheld complaints alleging harassment of any sort not acted upon	Number	0	0	Y	0
MARKETPLACE					
Customers					
Number of ombudsman complaints referred and upheld		0	0	Y	0
Payment of suppliers					
Creditor days	Days	<30	3	Y	<30
Responsible engagement overlay					
reo@ engagement milestones in year:	Number	435	480	Y	435
Proportion of companies contacted following an abstention or vote against management	%	100	100	Y	100
COMMUNITY					
Charitable					
Matching employee GAYE contributions ¹	△ % of employees participating	15	12	N	15
Employee participation and fundraising	Number	475	230	N	475
Employee volunteering	Staff days	365 staff days	90	N	365 staff days

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

△ – UK only.

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

¹ Thames River Capital employees are excluded from this calculation.