

F&C Asset Management plc

Corporate responsibility report 2008



F&C
Investments

Expect excellence

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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 2008. In my 2007 Report we presented our three year strategic ambitions. We have made significant progress towards these in 2008.

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 through 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 by 2010.

We have defined four key categories supporting our 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	3 Year Target
BITC Corporate Responsibility Index	Gold/Silver status	Platinum status
EIRIS/FTSE4Good	Inclusion	Inclusion
UN Global Compact COP	Member	Member
Carbon Disclosure Project	Signatory Member	Signatory Member
Principles for Responsible Investment	Founding Signatory	Founding Signatory

Our governance arrangements

The Company's Corporate Responsibility (CR) Committee (Chaired by me and comprising of 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 reporting progress to the Committee on a quarterly basis. A consolidated report on CR activity and progress is a standing

quarterly 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, adopted again this year a web based approach to CR Reporting. We believe that this web based "modular" approach provides the reader with 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 (supporting our three year plans).

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 2008 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 2009 and continued progress towards the realisation of our ambitions.

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

6 April 2009



Marketplace

Our Approach to Responsible Investment

As the manager of £98.6 billion (as at 31 December 2008) 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.

Our property asset management business, managing £7.5 billion of direct property assets (at 31 December 2008), has a Responsible Property Investment Strategy covering a large proportion of the £7.5 billion assets under management. For these assets, our property professionals engage with suppliers and stakeholders to identify material sustainability issues across our client portfolio to ensure environmental and social impacts are minimised. Further details are provided at www.fandc.com/property.

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

F&C strongly believes that the prudent management of environmental, social and governance (ESG) issues is fundamental to creating value for investors. Companies that are successful in avoiding ESG risks, and also at identifying and capitalising on the 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 2008, F&C had a dedicated Governance & Sustainable Investment (GSI) team of 15 people with a further 9 specialist fund managers and a wider team of 220 investment professionals supporting our responsible investment products and services.

Ethically-screened and thematic investment funds

With £2.4 billion in our Stewardship range of funds (as at 31 December 2008), F&C is 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 pooled and segregated ethically-screened funds. These include funds for investors seeking a traditional screened approach based on particular ethical criteria, as well as funds for investors wanting to combine screening with engagement with companies on ESG issues.

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 research 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 and consider how companies compare against our ethical policies.

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.

In addition, the launch of the F&C Global Climate Opportunities Fund further expanded our range of specialist thematic investment products. The fund invests in companies providing the technologies and solutions to tackle climate change and help deal with its physical impacts.

Responsible Engagement Overlay (reo®)

F&C believes that good management of ESG issues supports strong long-term corporate performance. Through our Responsible Engagement Overlay (**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.

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 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.



Marketplace (continued)

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 2008** provides a comprehensive review of our responsible investment activities throughout the year, as well as an Outlook for 2009.

Our Marketplace Progress

F&C will 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 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;
- **Governance:** Corporate governance, business ethics, sustainability management and reporting.

Our Progress

- During 2008, we achieved 429 milestones³, compared to 224 in 2007.
- We conducted in-depth, one-to-one engagement with 902 companies in 49 countries (Figure 1), an increase from 762 companies in 37 countries in 2007. Engagement regularly occurs at board and senior management level and on a wide range of ESG issues (Figure 2).

Figure 1:
Geographical Spread of Engagement 2008

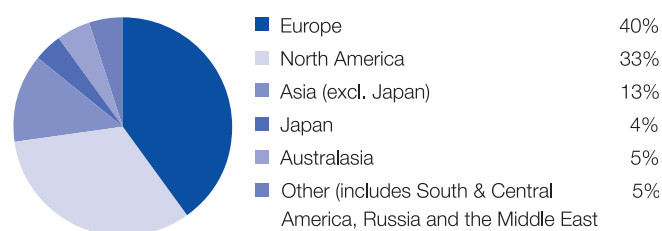


Figure 2:
Engagement by Issue 2008



Our Targets

- F&C will aim to achieve 275 milestones in 2009⁴.

(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 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.

We believe that a sound corporate governance culture is essential in order for companies to function effectively and ultimately to deliver good long-term returns for investors. We engage companies before the vote to explain the standards we expect. It is also our standard practice to contact all companies following a vote against management or abstention, or in cases where we have voted in favour of management recommendations but wish to make an additional comment.

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. The significant rise in milestones is partly a consequence of a large number of companies improving their reporting on climate change, particularly in response to the Carbon Disclosure Project.

4. This target does not reflect the one-off rise in milestones achieved in 2008 as a result of significant numbers of companies improving their reporting on climate change.



Marketplace (continued)

Our Progress

- During 2008, we issued voting instructions on 100% of holdings designated and identified for voting⁵ and we published our voting history in publicly available monthly reports.
- In 2008, we voted a total of 29,165 proposals, at 2,553 companies in 59 countries.
- In 2008, we contacted 100% of companies⁶, resulting in 1,441 letters explaining our voting decisions.

Figure 3: Voting Activity in 2008

Description	No of Resolutions 2008		For			Abstain			Against			No Vote
			2008	2007	2006	2008	2007	2006	2008	2007	2006	
Board structure/Director elections	15,504	53%	80%	77%	77%	10%	12%	10%	6%	9%	10%	4%
Capital structure	3,419	12%	84%	83%	77%	1%	2%	3%	9%	11%	10%	6%
Remuneration/share schemes	2,924	10%	79%	76%	66%	8%	12%	15%	7%	10%	12%	6%
Routine Business	5,012	17%	89%	84%	80%	4%	7%	7%	2%	2%	3%	5%
Other	1,598	6%	88%	86%	76%	2%	3%	9%	5%	5%	8%	6%
All management proposals	28,457	98%	82%	80%	76%	8%	9%	9%	5%	8%	9%	5%
Total shareholder proposals	708	2%	37%	51%	23%	12%	11%	18%	51%	36%	58%	0%
All proposals	29,165	100%	81%	79%	76%	7%	9%	9%	7%	8%	9%	5%

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.
- F&C will contact 100% of companies following an abstention or vote against management.

Key Performance Indicators

	2008 Progress	2009 Targets
Number of resolutions voted on during the year	29,165	100%
Proportion of companies contacted following an abstention of vote against management	100%	100%
reo® engagement successes in year	429 ³	275 ⁴

³ The significant rise in milestones is partly a consequence of a large number of companies improving their reporting on climate change, particularly in response to the Carbon Disclosure Project.

⁴ This target does not reflect the anticipated one-off rise in milestones achieved in 2008 as a result of significant numbers of companies improving their reporting on climate change.

⁵ It should be noted that a small minority of F&C clients have not designated their holdings 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.

⁶ 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. Our three year targets set during 2007 include:

- F&C will over the next three years, introduce financial support and wherever practicable offer time off work to support employees involved in charitable activities.
- F&C will, over the next three years, target 75% of all employees dedicating at least one working day per year to a Charitable or community programme.
- F&C will target 15% employees participating in the Give As You Earn scheme and will match employee GAYE contributions up to a monthly level.

In 2007 we launched the F&C Charity of the Year to include all locations. We continued this practice in 2008 and from a compiled short list employees were encouraged to vote for their favourite charity and donations totalling £51,000 (2007 £56,000) were made to the charity of the year.

Other charitable partnerships

UK Career Academy

In 2008 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 6 interns from the academy for a period of six to eight weeks. Wherever possible we place these interns in areas of our business that 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 in a multi activity course 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.

What's new for 2009

Looking forward to 2009, F&C has entered into a partnership with Business in The Community to establish a wider community programme offering employees a greater range of volunteering projects. All F&C employees will be encouraged to participate.

Our Progress

351 employees participated in various fundraising activities such as running the London Marathon and the JPMorgan Chase Corporate Challenge, the Back-Up Dragon Boat Race, 2 office coffee & cake mornings and a Quiz Night.

58 employees were involved or volunteered with charities/local projects, to which F&C donated over £5,000 in recognition of the contribution of time that employees gave to the organisation.

93 employees (13%) took advantage of the tax efficient charitable GAYE scheme run by F&C which assisted a wide range of charities.

Target

In 2009 we will target 400 employees to participate in fundraising activities. In 2009 we will target 50% of our employees dedicating one working day to volunteering for various community projects.

We will continue to maintain the Gold Award for charitable giving under the GAYE programme.

Community Statistics

	2008 Progress	2009 Target
Matching employee GAYE contributions	13%	12.5%
Employee participation and fundraising	351	400
Volunteering	58 employees	50%*

* The Company will target 50% of employee volunteering in 2009 rather than an absolute amount.



Environment

Our Approach

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 implement a zero-carbon operation.

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.

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 have commenced a printer refresh project which will replace existing printers with printers that have the default set as double sided and come with other paper reduction facilities including A5 documents. When we do use paper we ensure that the paper used is from recycled, chlorine-free supplies.

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.

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 whilst a restricted budget for travel is in place to minimise business travel. Recognising that travel cannot be avoided in all cases, we make payments for greenhouse gas offsets to ClimateCare¹, with the aim of becoming climate neutral.

Our Progress and our Targets

In 2008 we made good progress in our goal to achieve ISO 14001 accreditation in Q3 2009. We have put in place many of the requirements of ISO 14001 and have engaged with the majority of our suppliers on the principles of this environmental standard. We have already 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. We are confident that we will achieve full accreditation in 2009.

We have started to measure the level of water consumption in our UK premises. Although as a Company we are not a big user of this resource, we have already engaged with our employees on how we can reduce the level of consumption. The introduction of water saving flush control systems have already paid for themselves in reduced water costs.

We remain committed to achieving carbon neutrality in our operations.

The following activities took place in 2008:

- (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 completed the introduction of PIRs in all areas of our UK offices;
 - 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 Edinburgh office and our non-UK offices; and
 - The restricted travel budget and use of video conferencing equipment has led to a reduction in the requirement for business travel.*
- (ii) The second full year of our work with ClimateCare 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 continues to source 100% of its office paper from chlorine free recycled supplies.
- (v) F&C is committed to the responsible purchasing of paper, as part of our membership of the WWF Global Forest & Trade Network. 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.
- (vi) F&C launched a major campaign to improve recycling in its London office. Following its success it is due to launch a similar exercise in its Edinburgh office in 2009.

* Although, due to the addition of new non-UK offices, there has been a slight increase in travel.

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 2009, we will aim to reduce paper consumption by 5%.

Key Performance Indicators

	2008 Progress	2009 Targets
Carbon Neutrality	Full	Full ²
Reducing paper consumption	–	5%

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.

- 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; and
- 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.

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.

- Due to the exceptional market conditions in 2008, F&C undertook a UK collective redundancy consultation programme which led to a number of redundancies. This, in addition to the close management of vacant positions within the business has (excluding REIT (our property business acquisition)) reduced headcount in 2008.
- Our annual Employee Survey was delayed until Q2 2009 as a result of the corporate uncertainty surrounding our share ownership. We aim to see participation levels increase to 75% from the 70% achieved in 2007.

Key Performance Indicators

	2008 Progress	2009 Targets
Employee Survey Participation	–	75%
Staff Satisfaction	–	75%
Diversity Training	100%	100%

- 100% of employees are educated on the importance of recognising and embracing diversity 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.
- In 2008 we launched a series of highly interactive workshops on the theme of Diversity and Inclusion which received excellent feedback from those attending. By 2009 all UK people managers will have experienced one of these workshops in which actors show the importance of inclusion in managing teams. This work will be continued with further workshops for our management population on this important theme in 2009.
- 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 will target top decile employee participation levels (in excess of 75% in 2009) with an employee satisfaction score in excess of 75%.

We will continue to run compulsory Diversity 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 2004–2008

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. Please note that F&C underwent a merger in 2004 and hence trend data should be viewed with this in mind. Where practicable overseas offices are included as indicated.

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

	Measure	Notes	2004	2005	2006	2007	2008					
FINANCIAL & ECONOMIC CONTRIBUTIONS												
FINANCIAL BACKGROUND												
F&C's size at 31 December	Market capitalisation, £'m		1,186.2	856.9	1,022	954	286					
Profit before tax (before amortisation of goodwill and exceptional items)	£'m		43.8	107.8	88.7	77.4	52.9					
Corporation taxes	£'m		5.6	(29.1)	(8.0)	7.2	(16.7)					
Funds managed at 31 December												
Equities	£'b		39.9	45.2	38.2	37.0	24.3					
Fixed interest and cash	£'b		77.5	78.1	59.4	53.5	60.6					
Property	£'b		6.0	6.5	5.2	5.3	7.9					
Venture capital	£'b		0.5	—	—	—	—					
Other Alternative Investments	£'b		0.9	1.2	1.3	1.9	2.4					
Money market	£'b		—	—	—	5.9	3.4					
Total	£'b		124.8	131.0	104.1	103.6	98.6					
ENVIRONMENTAL OPPORTUNITIES & IMPACTS												
ENVIRONMENT												
Use of energy												
Use of electricity per employee	kWh '000, kWh/employee	11, 3	2,859	5,870	3,636	4,686	4,672	6,752	5,186	*6,009	4,997	6,274
Use of electricity by floorspace	kWh/m ²	11, 3	230	—	287	—	429	—	463	—	446	—
Electricity obtained from renewable sources	% total electricity	△	13	—	100	—	85	—	*82.5	—	86.3	—
Total business travel	km '000 and km '000/employee	□11, 4	—	—	7,332	9.4	4,995	6.5	5,891	6.42	6,075	7.06
Emissions												
CO ₂ emissions from gas and electricity	Tonnes, tonnes/employee	11, 3, 5	853	1.75	1,563	2.0	523	0.76	*765	*0.89	681	0.85
CO ₂ emissions from travel	Tonnes, tonnes/employee	□11, 6	—	—	982	1.26	600	0.78	851	0.92	938**	1.09**
Use of water												
Water	m ³ , m ³ /employee		3,457	7.10	—	—	—	—	—	—	—	—
Use of other resources												
Office paper consumption	Reams, reams/employee	□11, 4, 7	18,359	27.7	29,676	38.2	19,537	24.67	16,277	*18.15	20,463	24.64
Office paper source – recycled	%	□11, 4, 7	100	—	100	—	96	—	100	—	100	—
Office paper manufacture – chlorine-free	%	□11, 4, 7	100	—	100	—	100	—	100	—	100	—
Waste disposal												
Paper recycled	Tonnes, %	11 □	55.10	43.54	52.02	20.1	89.1	60.1	157	78.96	154	76.71
Waste incinerated through CHP facility	Tonnes, %	11 □ 8	29.55	23.35	3.89	1.5	15.8	10.7	12.2	6.14	17.4	8.68
Waste disposed to landfill	Tonnes, %	11 □ 8	41.90	33.11	193.67	74.9	43.3	29.2	29.6	14.89	29.2	14.61
Greener transport												
Season ticket loans	Headcount, %	△12	84	17	161	20	202	30	191	20	205	22
Employees in receipt of company cars who are not "essential users"	Headcount, %	△	0	0	0	0	0	0	0	0	0	0
SOCIAL ENGAGEMENT												
EMPLOYEES												
Number and diversity												
Total number of employees at year end	Headcount	12 ■	456	—	776	—	804	—	917	—	933	—
Of whom – female	Headcount, %	12 ■	184	40.3	317	41	295	37	343	37	338	36
– ethnic minorities	Headcount, %	12 △	25	5.4	43	6.6	74	11	84	9	87	12
Of whom, managers	Headcount	12 ■ 9	138	—	195	—	331	—	396	—	445	—
Of those managers – female	Headcount, % of managers	12 ■	58	42	48	25	76	23	92	23	103	23
– from ethnic minorities	Headcount, % of managers	12 △	10	7.2	2	1.2	29	10	32	8	30	9
Managers trained in equal opportunities	%	12	100	100	0	0	0	0	396	100	—	100
Average number of employees in year	Headcount	12 ■	487	—	800	—	775	—	850	—	928	—
Employees on temporary contracts	Number, % headcount	12 ■	3	0.6	43	5.54	27	3	25	3	14	1.5
Employee turnover	Per annum	12 ■	16	—	18.4	—	13.5	—	12.5	—	10.7	—
Redundancies	Number	12 ■	45	—	70	—	36	—	11	—	51	—
Length of service	Mean years	12 ■	5.99	—	5.81	—	4.48	—	5.33	—	5.75	—
Dedicated number of employees in the GSI Team	Number		13	—	14	—	15	—	17	—	15	—

△ – UK only.

■ – Groupwide.

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

* Restated 2007 figure.

** Whilst every effort is made to restrict travel across the Group through greater use of video conferencing and reductions in travel budgets, the Group, in 2008 expanded its distribution capabilities and as such more long-haul travel for consulting and client servicing professionals was required.

	Measure	Notes	2004		2005		2006		2007		2008	
Satisfaction												
Employee participating in annual opinion survey	%	13 ■	n/a		72		74		70		—	
Employee satisfaction scores in opinion survey	%	13 ■	n/a		62		70		72		—	
Remuneration and benefits												
Proportion of employees provided with membership of pension schemes	%		100		100		100		100		100	
Employee Share Incentive Plan	Headcount, % capital	12 △	121	0.01	548	0.03	426	0.04	413	0.04	100	0.04
Employee Share Save Scheme	Headcount	12 △	319		327		321		332		362	218
Wellbeing												
Illness	Days/employee	11	2.8		2.31		3.73		3.68		4.9	
Employees eligible to receive free medical insurance	%	11 ■	100		100		86		100		100	
Accidents	Number, employee days lost	11	0	0	0	0	5	0	2	0	1	0
Health and Safety fines	Number, £	11	0	0	0	0	0	0	0	0	0	0
Floor area	m ² , m ² /year end headcount	□ 11	6,665	13.68	10,183	13.12	11,646	14.49	11,868	*13.23	11,868	14.30
MARKETPLACE												
CORPORATE GOVERNANCE – VOTING												
Number of resolutions voted on during the year	Number		22,830		29,374		36,210		34,889		29,165	
Proportion of companies contacted following an abstention or vote against management	%		>99		>99		100		100		100	
CUSTOMERS												
Ethically-screened funds												
	£'b, % equity funds managed		1.9	1.5	2.3	5.0	3.2	8	3.4	9.3	2.4	9.9
Responsible engagement overlay												
Full <i>reo</i> [®] service provided	£'b, % equity funds managed		20.2	50.6	27	59.7	21.9	57.0	22.3	60	24	59
<i>reo</i> [®] provided as standalone service	£'b		5.6		8.9		42.6		42.7		60	
Companies engaged with during year	Number		944		834		640		762		902	
<i>reo</i> [®] engagement successes in year	Number	10	93		272		268		224		429	
COMMUNITY												
Stakeholder engagement												
Tendering for office refurbishment	% refurbishments		100		100		100		100		100	
Payment of suppliers	Days		20		15		13		10		5.5	
Charitable												
Matching employee GAYE contributions	£'000	△	17		18		18		14		20	
Total charitable donations	£'000, % profit before tax		85	n/a	75	0.07	94	0.1	245	0.3	143	0.3

△ – 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.
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. 31 December 2008 figure excludes our REIT offices.
12. 31 December 2008 figure includes REIT employees.
13. Annual opinion survey since 2007 was not completed in 2008.

Targets for 2009

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	2008 (target)	2008 (actual)	F/A*	2009 (target)
ENVIRONMENT					
Energy sourcing					
Energy obtained from renewable sources where markets exist	△ % total electricity	85	86.3	F	85
Carbon offset – gas and electricity	%	100	100	F	100
Emissions					
CO ₂ emissions from travel	□ Tonnes/employee	0.85	1.09	A**	0.85
Carbon offset – travel	%	100	100	F	100
Use of other resources					
Office paper source – recycled	□ %	100	100	F	100
Office paper manufacture – chlorine-free	□ %	100	100	F	100
Waste disposal					
Paper recycled	□ %	85	76.7	A	85
WORKPLACE					
Employees					
Number and diversity					
Proportion of managers trained in equal opportunities	%	100	100	F	100
Employee turnover	% per annum	>10 <12	10.7	F	>10 <12
Satisfaction					
Employee participating in annual opinion survey	%	75	—	A	75
Remuneration and benefits					
Proportion of employees provided with membership of pension schemes	%	100	100	F	100
Employee share save scheme	△ % total staff at year end	50	30	A	50
Wellbeing					
Accidents	Employee days lost	0	0	F	0
Health and safety fines	Number	0	0	F	0
Upheld complaints alleging harassment of any sort not acted upon	Number	0	0	F	0
MARKETPLACE					
Customers					
Number of ombudsman complaints referred and upheld		0	1	A	0
Payment of suppliers					
Creditor days	Days	<30	5.5	F	<30
Responsible engagement overlay					
reo [®] engagement milestones in year:	Number	250	429	F	275
Proportion of companies contacted following an abstention or vote against management	%	>99	100	F	100
COMMUNITY					
Charitable					
Matching employee GAYE contributions	△ % of employees participating	10	13	F	12.5
Employee participation and fundraising		350	351	F	400
Employee volunteering	employees	50	58	F	50% of employees

* F – Favourable result against target. A – Adverse result against target.

△ – UK only.

** Whilst every effort is made to restrict travel across the Group through greater use of video conferencing and reductions in travel budgets, the Group, in 2008 expanded its distribution capabilities and as such more long-haul travel for consulting and client servicing professionals was required.

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

