

F&C Asset Management plc

# Corporate Responsibility Report 2012



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# Definitions

**“F&C” or “Company”** 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 2012.

## 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 2013.

## 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 £95.2bn (as at 31 December 2012).

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 Risk 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

\* We remain committed to the ten principles of the UN Global Compact across all our activities. As we have done since we first became participants in 2004, we will continue to endeavour to embed these principles in the way we do business.

## 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 2012 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 in 2012. 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](mailto:csr.queries@fandc.com)

Thank you and enjoy your reading.

David Logan  
Chief Financial Officer  
March 2013



## Marketplace

### F&C's approach to Responsible Investment

As the manager of £95.2bn (as at 31 December 2012) 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 investment portfolios effectively manage business risks over the long term, including those related to environmental, social and governance (ESG) issues.

At the same time, we have a clear aim to run our business in line with the principles and practices we expect from the companies in which we invest. We were a founder signatory to the United Nations-backed Principles for Responsible Investment (PRI) and the UK Stewardship Code. We also support responsible business and investment groups, including the UN Global Compact, the Institutional Investors Group on Climate Change and the Carbon Disclosure Project.

F&C is a leader in the provision of sustainable investment solutions and engagement and proxy voting services, which we have continued to expand over the last 28 years. Today, we offer a number of different responsible investment products and services including:

- A range of ethical and thematic equity, corporate bond and private equity funds; and
- **reo®** (Responsible Engagement Overlay), an ESG engagement and proxy voting overlay service, which does not impact on portfolio construction.

### Ethically-screened and thematic investment funds

#### Ethical Funds

The Stewardship range of funds, with £2.8bn in assets under management (as at 31 December 2012), makes F&C one of the largest managers of retail ethically-screened funds in the UK. Fund managers work closely with F&C's expert Governance & Sustainable Investment (GSI) team and with an independent Committee of Reference to identify companies for inclusion in the universe of acceptable investments. F&C also offers a Sharia Sustainable Opportunities Fund, a Sharia-compliant global equity fund with a sustainable investment remit.

Ethical investment at F&C goes beyond simple negative screening. Our approach identifies companies that meet our ethical screens, excludes those that do not, and we engage with companies in which we invest to improve standards and promote industry best practice.

#### Thematic investments

We have also developed a range of sustainability thematic funds through which we seek to provide institutional investors with the flexibility to invest in themes that meet their specific requirements. Thematic funds are grouped within four different strategies, as follows:

- Emerging Markets ESG – focuses on companies driving or benefiting from sustainable development trends within emerging markets through a number of sustainability themes;

- Global Thematic Opportunities – aims to tap into a series of investment themes looking to tackle the economic challenges global changes will present, including clean energy, resource efficiency, social health and infrastructure development;
- Water & Agriculture – takes both long and short positions in global firms providing solutions to increasing strains on food and water infrastructure;
- Climate change (listed equities and private equity) – focusing on companies providing the technologies and solutions to tackle climate change and help deal with its physical impacts.

### Responsible Engagement Overlay (reo®)

**reo®** is F&C's global engagement and proxy voting service that can be applied across equities and corporate credit. Through **reo®** we aim to enhance investor value by encouraging the adoption and development of industry best practice. As well as applying our **reo®** approach to the assets we manage in-house, F&C has been mandated to vote and/or engage in dialogue on behalf of a further 24 investment institutions whose assets, including equities and corporate bonds, total £64.6bn as at 31 December 2012.

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

- **Engagement:** 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 programmes, covering the whole range of environmental, social and governance risks.
- **Voting:** We believe exercising voting rights is essential to good governance and through **reo®** we vote on all companies held in client portfolios. We engage with selected companies before and after any vote to discuss our expectations, invite comment and explain votes against management. Our voting decisions are based on detailed in-house corporate governance guidelines. In the interests of transparency and disclosure we publish all voting reports on our website.
- **Collaboration and public policy:** We play an active role in public policy development as we believe that policy and regulatory change are often the catalysts for improved corporate behaviour. We also believe that participation in the public policy process is a central part of being a responsible investor. We engage with governments and regulators on policies that will improve ESG standards and enhance long-term investor value.

Please refer to our **Responsible Investment Report 2012**, available online at [www.fandc.com](http://www.fandc.com) for a comprehensive review of our responsible investment activities throughout the year.



## Marketplace (continued)

### Integration

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. Over the past year, we have developed an in-house F&C ESG Risk Tool covering more than 3,000 global companies which gives quantitative assessments of performance against environmental, social and governance-related risks. The index, which draws on best-in-class external data providers as well as F&C's own proprietary methodology, covers most constituents of the world's major stock indices as well as major bond-only issuers.

The risk ratings are already being used by F&C's Governance and Sustainable Investment team in order to select target companies for engagement, and as an input to the process of screening companies for investment in sustainable funds. F&C's credit analysts and corporate bond fund managers are already integrating the analysis from this tool into their investment decision-making process; during 2012, this resulted in a number of changes to our internal ratings of company risk.

In 2013, the F&C's risk tool will be used to further integrate ESG analysis across F&C's investment-related activities, with a particular focus on equities, and we will look to publish further details of our approach. This quantitative approach will complement our existing integration processes, which include regular briefings on key ESG issues, active consultation on voting decisions, the sharing of information including through joint company meeting attendance, and addressing specific emerging issues such as cluster bomb investments.

### 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

Our engagement activity is captured in our annual responsible investment report and in **reo@** client reports, which highlight our work on specific issues, sectors and regions of the world. Every year we record "milestones" or instances in which a company improves its sustainability and/or corporate governance policies, procedures or practices following F&C engagement.

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, including bribery and corruption, and sustainability management and reporting.

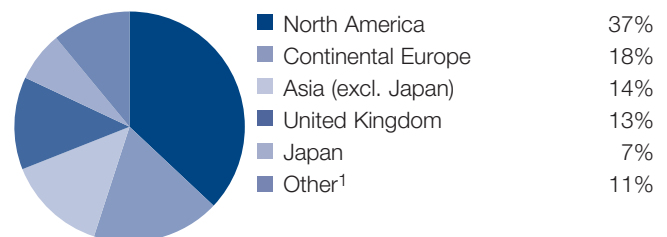
### Our Progress

- In 2012 we engaged more than 900 companies in 47 countries across a wide range of ESG topics. Engagement highlights of

the year included reaching out to companies along the food value chain, from food growers to commodity traders to producers, to call for comprehensive strategies to manage the risks and opportunities related to agricultural commodities at a time of volatile global commodities markets; responding to an alarming series of financial sector scandals, encouraging banks to take action to embed strong business ethics and anti-bribery and anti-corruption practices; calling on companies to respond to allegations of poor labour standards in electronics supply chains and in the mining industry; and visiting high-risk countries such as Colombia and Nigeria to see first-hand the challenges facing extractive companies operating in there.

- Our activity included 362 meetings with companies, 108 of which were at Board level. The issue and geographical spread of our engagement is shown below.

**Figure 1:**  
Companies engaged by geography 2012 (%)



**Figure 2:**  
Companies engaged by issue 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. In 2012, they were supplemented by 15 detailed guidelines giving specific policies at a national or regional level.

<sup>1</sup> Includes Australia and New Zealand, Russia, the Middle East, Latin America and Africa.





## Marketplace (continued)

### Our Progress

- During 2012 we reviewed 100%, and issued voting instructions on 96% of shareholder/bondholder meetings of holdings identified for voting<sup>2</sup>. We published our voting history in publicly available reports.
- In 2012 we voted on a total of 63,561 proposals at 6,188 companies in 69 countries.
- Overall, F&C supported management in 74% of all proposals, a slight decrease over 2011, when we supported management 77% of the time. This was mostly accounted for by a decrease in support for resolutions related to director elections and executive remuneration.
- In 2012 we contacted 100% of companies where we opposed management recommendations<sup>3</sup> to explain 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.

<sup>2</sup> 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.

<sup>3</sup> In specific instances where a company structure changed subsequent to our voting, we did not send a follow-up letter explaining our voting decision.

### (iii) Public policy

#### Our Progress

In 2012, F&C actively contributed to thought processes relevant to a number of initiatives in the public policy arena, including:

- Contributed to the European Commission's consultation on gender imbalance in corporate boards;
- As a member of the institutional Investors Group on Climate Change, developed a statement urging revisions to the EU emissions trading scheme;
- Responded to the UK Listing Authority's consultation on ways to strengthen listing requirements and ensure adequate protection of minority shareholder rights;
- Provided feedback on Guiding Principles for Freedom of Expression and Privacy in the Telecommunications sector, and
- Joined 20 other institutional investors to comment to the US State Department's new Reporting Requirements on Responsible Investment in Burma.



# 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 2012 with The Back Up Trust ("Back Up") re-elected as our Charity until the end of 2012. Donations, raised through a variety of different fundraising activities, to Back Up during the year exceeded £65,000.

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 2012, a total of 83 members of staff participated in a variety of Back Up courses and events, including week long volunteering courses and dragon boat racing on the River Thames.

## Other charitable partnerships

### UK Career Academy

In 2012 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 2 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 2012 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 number of shareholders took advantage of this facility resulting in over £13,000 being gifted to charities.

## Our Progress

During 2012 34 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. 12 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, 58 members of staff participated in community volunteering projects including the BiTC's Community Games and providing Christmas parcels for the homeless.

61 employees (11%) 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 2013 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.

## Community Statistics

	2012 Target	2012 Outcome	2013 Target
Matching employee GAYE contributions	15%	11%	15%
Employee participation and fundraising	475	509	475
Volunteering	365 staff days	58 staff days	365 staff days



## Environment

### Our Approach

At F&C we accept and recognise the importance of environmental protection. We will ensure that environmental management is incorporated into all of our office practices. It is our intention to manage effectively and improve our environmental performance and minimise the impacts of our business to the environment. We will ensure that we have identified our environmental impacts and implement an Environmental Management Systems in accordance with ISO14001. Continual improvement in our environmental performance will be achieved via our ISO14001 Environmental Management System and a programme of Objectives and Targets.

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).

We remain committed to achieving carbon neutrality in our operations, and reducing our Co2 emissions by introducing a number of measures such as:

- Wherever possible we purchase energy from renewable sources. (Negotiations continue to improve the level of energy from renewable sources for our non-UK offices).
- Installation of solar film within the London office, reducing solar gain and air conditioning requirements.
- Installation of low energy lighting together with Passive Infra Red controls (PIRs).
- We continue to review options to reduce our energy consumption. We have signed up to the EPT Energy Management System where we have the capability of closely monitoring our energy consumption in real time.
- Travel usage is reduced; we champion the use of both video and audio conferencing facilities. Recognising that greenhouse gas emissions cannot be avoided in all cases, we make payments for offsets to ClimateCare, with the aim of becoming climate neutral.
- A programme of reducing the number of IT Services and the rebalancing of loads within our IT suites has resulted in reduced energy consumption.

### Key Performance Indicators

	2012 Target	2012 Outcome	2013 Targets
Carbon Neutrality	Full <sup>(1)</sup>	Full <sup>(1)</sup>	Full <sup>(2)</sup>
Reducing paper consumption per employee	5%	8% reduction	5%
Reducing CO <sub>2</sub> emissions	Reduce from 2011 levels	Not achieved	Reduce levels

<sup>(1)</sup> CO<sub>2</sub> emission from travel, electricity and gas where the information is available.

### Our Progress in 2012

- In 2012 we were awarded a further three year ISO14001 certification for both London & Edinburgh offices. We have engaged with the majority of our suppliers on the principles of this environmental standard and achieved a material reduction in the number of deliveries being made to our offices. We have also built in ISO14001 standards in the selection of our suppliers.
- In 2012 we reduced our London office portfolio and as a consequence saw a reduction in our utility usage.
- The EPT Energy Management System has helped us to achieve a 10% reduction of electrical energy usage in Exchange House.
- We have reduced the office air conditioning run times which has shown a positive impact on our energy consumption.
- The campaigns to improve recycling in our London and Edinburgh offices continue to pay dividends. We have adapted our recycling to 3 categories (Wet, Dry & Compostable waste) which have seen a reduction in non recycled waste in both London & Edinburgh offices.
- Water meters have been installed in the London office; we now have the capability to monitor our consumption.

### Our Targets & Commitment

- We continue to partner with ClimateCare. F&C make payments for greenhouse gas-offsets with the aim of remaining climate neutral.
- 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.
- F&C are 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.
- F&C continues to source 100% of its office paper from chlorine free recycled supplies.
- F&C's target remains carbon neutrality.
- We will obtain 85% of our total energy from renewable sources.
- In 2013, we will aim to reduce paper consumption by 5% per employee.
- We will aim to keep total 2013 greenhouse gas emissions below 2012 levels.





## Workplace

### Our Approach

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

- The Group has a code of ethics which includes amongst other policies, a detailed whistleblowing policy;
- The Group adopts a zero-tolerance approach to bribery and corruption, and has in place a dedicated Anti Fraud, Bribery & Corruption strategy and policy;
- We generally 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.

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 run highly interactive workshops on the theme of Diversity and Inclusion which receive excellent feedback from those UK Managers and Team Leaders attending;
- 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 selected 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.

### Key Performance Indicators

	2012 Target	2012 Outcome	2013 Targets
Employee Survey Participation	75%	–	–
Staff Satisfaction	75%	–	–
Diversity Training	100%	100%	100%

We have not undertaken an employee survey in 2012 and this is not part of our plans for 2013 and so no target has been set.

# Five Year Record 2008 – 2012

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. 2012 figures now include our Thames River offices for the first time. This explains the adverse variation in our achievements in CO<sub>2</sub> emissions from travel, electricity from renewable sources to recycling.

	Measure	Notes	2008		2009		2010		2011		2012	
<b>FINANCIAL &amp; ECONOMIC CONTRIBUTIONS</b>												
<b>FINANCIAL BACKGROUND</b>												
F&C's size at 31 December	Market capitalisation, £m		286		379		447		349		567	
Profit before tax* (before amortisation of intangible assets and exceptional items)	£m	12	52.9		34.8		40.3		41.3		46.6	
Corporation taxes	£m		8.9		5.8		9.1		12.9		9.1	
*attributable to equity holders of the parent												
<b>Funds managed at 31 December</b>												
Equities	£bn		24.3		24.6		28.7		25.5		25.7	
Fixed interest and cash	£bn		60.6		58.3		62.0		59.2		56.3	
Property	£bn		7.9		8.0		8.2		7.9		7.5	
Other Alternative Investments	£bn		2.4		1.6		2.4		1.7		1.2	
Money market	£bn		3.4		5.1		4.5		5.8		4.5	
Total	£bn		98.6		97.8		105.8		100.1		95.2	
<b>ENVIRONMENTAL OPPORTUNITIES &amp; IMPACTS</b>												
<b>ENVIRONMENT</b>												
<b>Use of energy</b>												
Use of electricity per employee	kWh '000, kWh/employee	2, 4	4,997	6,274	4,775	6,129	4,345	5,821	4,966	5,748	4,643	6,308
Use of electricity by floor space	kWh/m <sup>2</sup>	2, 4	446		401		366		360		382	
Electricity obtained from renewable sources	% total electricity	4	86.3		93		93		83		84	
Total business travel	km '000 and km '000/employee	2, 4	6,075	7.06	4,358	5.02	4,314	5.50	6,638	7.64	5,227	7.00
<b>Emissions</b>												
CO <sub>2</sub> emissions from gas and electricity	Tonnes, tonnes/employee	2, 4, 5	681	0.85	442	0.57	440	0.54	752	0.87	690	0.94
CO <sub>2</sub> emissions from travel	Tonnes, tonnes/employee	2, 4, 6	938	1.09	667	0.78	661	0.84	1,035	1.19	1,510	2.02
<b>Use of water</b>												
Water	m <sup>3</sup> ,m <sup>3</sup> /employee	4	–	–	19,198	23.6	12,116	15.53	12,662	14.7	12,278	16.68
<b>Use of other resources</b>												
Office paper consumption	Reams, reams/employee	2, 4, 7	20,463	24.64	16,885	20.77	14,898	19.01	13,190	15.27	10,354	14.07
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	
<b>Waste disposal</b>												
Paper recycled	Tonnes, %	2, 4	154	76.71	147	81.24	77.7	74.75	56.8	54.34	42.3	51.56
Other waste recycled	Tonnes, %	2, 4							16.9	16.14	15.3	18.70
Total waste recycled (paper + misc waste)	Tonnes, %								73.7	70.48	57.6	70.26
Waste incinerated through CHP facility	Tonnes, %	2, 4, 8	17.4	8.68	15.3	8.45	10.7	10.25	20.1	19.25	10.9	13.23
Waste disposed to landfill	Tonnes, %	2, 4, 8	29.2	14.61	18.7	10.31	15.6	14.99	10.7	10.26	13.5	16.51
<b>Greener transport</b>												
Season ticket loans	Headcount, %	Δ2	205	22	179	21	177	18	132	17	155	26
Employees in receipt of company cars who are not "essential users"	Headcount, %	Δ	–	–	–	–	–	–	–	–	–	–
<b>SOCIAL ENGAGEMENT</b>												
<b>EMPLOYEES</b>												
<b>Number and diversity</b>												
Total number of employees at year end	Headcount	2 ■	933		868		962		847		723	
Of whom – female	Headcount, %	2 ■	338	36	309	36	344	36	308	36	268	37
– ethnic minorities	Headcount, %	2 ■	87	12	82	12	97	12	83	12	80	11
Of whom, managers	Headcount	2 ■ 9	445		416		482		473		399	
Of those managers – female	Headcount, % of managers	2 ■	103	23	91	22	116	24	126	27	106	27
– from ethnic minorities	Headcount, % of managers	2 ■	32	8	27	8	36	9	36	9	33	8
Managers trained in equal opportunities	%	2	–	100	–	100	–	100	473	100	–	100
Average number of employees in year	Headcount	2 ■	928		876		900		918		798	
Employees on temporary contracts	Number, % headcount	2 ■	14	1.5	12	1.4	20	2.1	24	2.8	19	2.6
Employee turnover	Per annum	2 ■	10.7		6.1		10.86		12.86		6.82	
Redundancies	Number	2 ■	51		62		33.4		30		85.7	
Length of service	Mean years	2 ■	5.75		6.24		6.35		6.69		7.12	
Dedicated number of employees in the GSI Team	Number		15		18		18		16		17	

Δ – UK only.

■ – Groupwide.

\*Restated 2011 figure.

	Measure	Notes	2008		2009		2010		2011		2012	
<b>Satisfaction</b>												
Employee participating in annual opinion survey	%	11 ■	–		76		76		–		–	
Employee satisfaction scores in opinion survey	%	11 ■	–		70		67		–		–	
<b>Remuneration and benefits</b>												
Proportion of employees provided with membership of pension schemes	%		100		100		100		100		100	
Employee Share Incentive Plan	Headcount	2 Δ	362		332		321		269		112	
Employee Share Save Scheme	Headcount	2 Δ	218		135		42		18		0	
<b>Wellbeing</b>												
Illness	Days/employee	2	4.9		4.7		3.5		3.4		3.7	
Employees eligible to receive free medical insurance	%	2 ■	100		100		100		100		100	
Accidents	Number, employee days lost	2	1	0	8	3.5	2	0	2	0	2	1
Health and Safety fines	Number, £	2	0	0	0	0	0	0	0	0	0	0
Floor area	m <sup>2</sup> ,m <sup>2</sup> /year end headcount	2, 4	11,868	14.30	12,576	15.49	12,576	16.11	13,786	15.96	10,141	15.24
Whistleblowing	Number of incidents		0		0		0		0		0	
<b>MARKETPLACE</b>												
<b>CORPORATE GOVERNANCE – VOTING</b>												
Number of resolutions voted on during the year	Number		29,165		57,728		71,931		73,263		63,561	
Proportion of companies contacted following an abstention or vote against management	%		100		100		100		100		100	
<b>CUSTOMERS</b>												
<b>Ethically-screened funds</b>												
	£'b, % of total equities		2.4	9.9	3.0	12.10	3.1	10.80	2.8	11	3.1	12
<b>Responsible engagement overlay</b>												
Full reo@ service provided	£'b		24	–	81	–	82.8	–	85.7	–	91.0	
reo@ provided as standalone service	£'b		60			55				59.8	64.6	
Companies engaged with during year	Number		902			1,644		1,778		1,222	909	
reo@ engagement successes in year	Number	10	429			376		432		480	285	
<b>COMMUNITY</b>												
<b>Stakeholder engagement</b>												
Tendering for office refurbishment	% refurbishments		100		100		100		100		100	
Payment of suppliers	Creditor days		5.5		6.4		9		3		6	
<b>Charitable</b>												
Matching employee GAYE contributions	£'000	Δ	20		23		19		22		21	
Total charitable donations	£'000, % profit before tax		143	0.3	86	1.0	111		110		133	
Volunteering	% staff days	Δ		–		34%		30%		90 days		58 days

Δ – UK only.  
■ – Groupwide.

## 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 CO<sub>2</sub> 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 CO<sub>2</sub> have been estimated based on analyses of suppliers' statements on air travel and extrapolation of individual expenses claims. Emissions of CO<sub>2</sub> 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**<sup>®</sup> engagement successes refer to milestones relating to environmental, social and governance issues.
11. Annual opinion survey was not completed in 2008, 2011 and 2012.
12. The profit before tax figures for 2008, 2009 and 2012 exclude foreign exchange gains and losses.

# Targets for 2013

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	2012 (target)	2012 (actual)	Y/N*	2013 (target)
<b>ENVIRONMENT</b>					
<b>Energy sourcing</b>					
Energy obtained from renewable sources where markets exist	□ % total electricity	85	84	N	85
Carbon offset – gas and electricity	□ %	100	100	Y	100
<b>Emissions</b>					
CO <sub>2</sub> emissions from travel	□ Tonnes/employee	0.85	2.02	N	0.85
Carbon offset – travel	□ %	100	100	Y	100
CO <sub>2</sub> emissions (total)		Reduction on 2011 levels	N	N	Reduction on 2012 levels
<b>Use of other resources</b>					
Office paper source – recycled	□ %	100	100	Y	100
Office paper manufacture – chlorine-free	□ %	100	100	Y	100
<b>Waste disposal</b>					
Paper recycled	□ %	85	52	N	85
<b>WORKPLACE</b>					
<b>Employees</b>					
<b>Number and diversity</b>					
Proportion of managers trained in equal opportunities	%	100	100	Y	100
Employee turnover	% per annum	>12	7	Y	>12
<b>Satisfaction</b>					
Employee participating in annual opinion survey	%	–	–	–	–
<b>Remuneration and benefits</b>					
Proportion of employees provided with membership of pension schemes	%	100	100	Y	100
Employee share schemes	△ Employees	50	30	N	50
<b>Wellbeing</b>					
Accidents	Employee days lost	0	1	N	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
<b>MARKETPLACE</b>					
<b>Customers</b>					
Number of ombudsman complaints referred and upheld		0	0	Y	0
<b>Payment of suppliers</b>					
Creditor days	Days	<30	6	Y	<30
<b>Responsible engagement overlay</b>					
reo@ engagement milestones in year:	Number	435	285	N	435
Proportion of companies contacted following an abstention or vote against management	%	100	100	Y	100
<b>COMMUNITY</b>					
<b>Charitable</b>					
Matching employee GAYE contributions <sup>1</sup>	△ % of employees participating	15	11	N	15
Employee participation and fundraising	Number	475	509	Y	475
Employee volunteering	Staff days	365 staff days	58	N	365 staff days

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

△ – UK only.

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