

F&C Asset Management plc

# Corporate Responsibility Report 2013



# Contents

<b>2</b>	Introduction
<b>3</b>	Marketplace
<b>6</b>	Community
<b>7</b>	Environment
<b>8</b>	Workplace
<b>9</b>	Five Year Record
<b>12</b>	Targets for 2014

# 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 2013.

## 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 2014.

## 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 £82.1bn (as at 31 December 2013).

The Company is committed to and meets with the Financial Conduct Authority agreed standards for Treating Customers Fairly (TCF) 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
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 become 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 2013 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.

David Logan  
Chief Financial Officer  
April 2014



## Marketplace

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

As the manager of £82.1bn (as at 31 December 2013) of customers' assets, the influence arising from our investment activities is far-reaching. We believe that our obligations to our clients extend over and above delivering a competitive return. F&C aims to build an understanding of the fundamental factors shaping the risks and opportunities for the companies we invest in. We believe that environmental, social and governance (ESG) issues can have a material impact on company performance and on the economy as a whole, and that robust ESG management by companies is an integral part of good risk management.

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 Institutional Investors Group on Climate Change and the Association of British Insurers.

F&C is a market leader in the provision of responsible investment solutions, which we have continued to expand over the past 30 years. Having started with a single ethical fund, our solutions now include a range of sustainable and ethical funds; a comprehensive global engagement and voting service; and the integration of ESG factors across the investment business.

### Ethical and Sustainable Investment funds

F&C has been a leader in sustainable investment since pioneering the UK's first retail ethical investment fund in 1984 with the launch of the Stewardship Growth Fund. Our range of products has broadened since then to include ethical funds covering the UK and global markets, and also sustainability-themed funds, with a total global AUM of £3.4 billion (31 December 2013).

As well as exclusionary screening, our approach also incorporates consideration of companies' sustainability practices and performance and engagement on those ESG issues where companies lag industry best practice.

Our Fund range includes:

- The Stewardship range – equity funds with minimum ethical standards;
- Sharia Sustainable Opportunities Fund, a Sharia-compliant global equity fund with a sustainable investment remit;
- Ethical Bond Fund - applying ethical standards to corporate credit;
- Emerging Markets ESG – focuses on companies driving or benefiting from sustainable development trends within emerging markets through a number of sustainability themes;
- Water & Agriculture – takes both long and short positions in global firms providing solutions to increasing strains on food and water infrastructure; and

- 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 sound management of ESG issues, ultimately helping to underpin long-term growth and company performance. 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 23 investment institutions whose assets, including equities and corporate bonds, totalling £53.8bn as at 31 December 2013.

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 a wide range of ESG risks including such issues as labour standards, climate change, corporate governance human rights and bribery and corruption.
- **Voting:** We believe exercising voting rights is an essential part of good stewardship of capital. We engage with selected companies before and after the 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 interest 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 2013**, available online at [www.fandc.com](http://www.fandc.com) for a comprehensive review of our responsible investment activities throughout the year.

### ESG 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.

During 2013 F&C significantly enhanced its approach to integration across our investment teams, with the introduction of an internally developed quantitative system to flag company-level ESG risks for further analysis by analysts and fund managers. F&C's ESG risk tool blends proprietary analysis with best-in-class



## Marketplace (continued)

externally sourced data to produce a score that can be applied across existing internal systems. The interpretation of risk data by fund managers and analysts is supported by the expertise of our in-house Governance and Sustainable Investment team.

We have fully integrated ESG principles into the portfolio construction methodology across a range of asset classes, including corporate credit and a number of our equity desks. In 2014, our systems will be used to further integrate ESG analysis across F&C's investment-related activities, with a particular focus on equities. 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, 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 Progress

- In 2013 we intensified the use of the ESG Risk Tool to plan our company engagement activities. This led to a more focused approach in which we seek to engage on material ESG issues with companies that present higher ESG risk profiles. As a result, the number of companies engaged during the year decreased in comparison to 2012 figures.
- We engaged 716 companies (909 in 2012) in 47 countries across a wide range of ESG topics. During the year our engagement on social issues (labour standards, human rights, public health and business ethics) was particularly prominent, reflecting in particular high-profile ethics breaches in the pharmaceutical sector in China, as well as labour standards in retail supply chains following the failings of safety policies in Bangladeshi factories.
- Our engagement also covered a range of environmental and corporate governance issues. 2013 highlights include our individual and collaborative efforts to press oil & gas, mining and utility companies to better manage their potential exposure to climate change and fossil fuel demand risks; and our engagement with companies and regulators in markets such as Japan and South Africa to drive better corporate governance practices.

- F&C's engagement resulted in many companies adopting our recommendations and in so doing, reducing the ESG risks facing their business. In 2013 we recorded 293 instances of change – which we call milestones – achieved at companies. This is a slight increase from 285 milestones recorded in 2012.

The issue and geographical spread of our engagement is shown below.

Figure 1:

Companies engaged by geography 2013 (%)

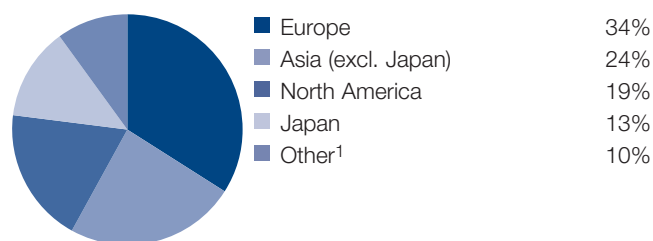


Figure 2:

Companies engaged by issue 2013 (%)



#### (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.

#### Our Progress

- During 2013 we reviewed 100%, and issued voting instructions on 97% of shareholder/bondholder meetings of holdings identified for voting<sup>3</sup>. We published our voting history in publicly available reports.
- In 2013 we voted on 58,342 resolutions at 5,797 company meetings in 66 countries.

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

<sup>2</sup> Includes environmental management, climate change and ecosystem services.

<sup>3</sup> This reflects situations such as shareblocking, no shares available to be voted at the record date and late ballots.



## Marketplace (continued)

- Overall, F&C supported management in 75.6% of all proposals, a slight increase over 2012, when we supported management 74% of the time. This was mostly accounted for by an increase in support for capital structure related proposals.
- In 2013 we contacted companies where we opposed management recommendations 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;
- F&C will contact 100% of companies following an abstention or vote against management; and
- We have not set a milestone target for 2014; however we will continue to record all results from our engagement, and to publish the number of instances of change on both a quarterly and annual basis.

### (iii) Public policy

#### Our Progress

In 2013, F&C's public policy contributions included:

- Responding to the UK's Financial Conduct Authority's request for comment on enhancing the effectiveness of listing standards;
- Participating in a consultation on corporate governance norms in India;
- Contributing to a paper on EU climate and energy policy reform issued by the Institutional Investors Group on Climate Change;
- Signing a joint investor statement supporting Oxfam's "Behind the Brands" project that encourages improved transparency and accountability on the Food and Beverage sector; and
- Signing a joint investor statement to the U.S. Securities and Exchange Commission asking for the introduction of extractives sector reporting standards consistent with the European Union Transparency Directive.



# 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 set monthly level.

## Charity of the Year

In 2007 we launched the F&C Charity of the Year. We continued this practice in 2013 with Brainwave being elected as our Charity until the end of 2013. Donations, raised through a variety of different fundraising activities, to Brainwave during the year exceeded £37,000.

During 2013 a total of 23 members of staff participated in a variety of Brainwave events, including the Walk for Kids and the Santa Dash.

## Other charitable partnerships

### UK Career Academy

In 2013 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 two 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 2013 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 £12,700 being gifted to charities.

## Our Progress

During 2013, 42 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, 19 members of staff (representing 31 staff days) participated in community volunteering projects including the BiTC's Community Games.

56 employees (10%) 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.

## Back Up

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 2013, two members of staff attended the week long volunteering course.

## Target

In 2014 we will:

- Target 475 employees to participate in fundraising activities;
- Target 365 staff days to volunteering for various community projects;
- Target 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

	2013 Target	2013 Outcome	2014 Target
Matching employee GAYE contributions	15%	10%	15%
Employee participation and fundraising	475	354	475
Volunteering	365 staff days	31 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 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.

We remain committed to achieving carbon neutrality in our operations, and reducing our CO<sub>2</sub> 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; and
- A programme of reducing the number of IT Services and the rebalancing of loads within our IT suites has resulted in reduced energy consumption.

### Our Progress in 2013

- Exchange House, our core London location won the Building Operation Award at the CIBSE awards. All occupiers had reduced their own direct energy consumption by 23% and Broadgate Estates had reduced landlord energy by 31% over four years to March 2013;

### Key Performance Indicators

	2013 Target	2013 Outcome	2014 Targets
Carbon Neutrality	Full <sup>(1)</sup>	Full <sup>(1)</sup>	Full <sup>(1)</sup>
Reducing paper consumption per employee	5%	15% increase	5%
Reducing CO <sub>2</sub> emissions	Reduce levels	Achieved	Reduce levels

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

- In 2013 we were awarded a further three year ISO14001 certification for both our 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;
- The EPT Energy Management System has helped us to achieve a 10% reduction of energy usage in Exchange House; and
- The campaigns to improve recycling in our London and Edinburgh offices continue to pay dividends. We have continued to promote our recycling to three categories (Wet, Dry & Compostable waste) which have led to a reduction in non recycled waste in both London & Edinburgh offices.

### Our Targets & Commitment

- We continue to partner with ClimateCare. F&C makes payments for greenhouse gas-offsets with the aim of becoming climate neutral.
- 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 2014, we will aim to reduce paper consumption by 5% per employee.
- We will aim to keep total 2014 greenhouse gas emissions below 2013 levels





# Workplace

## Our Approach

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

- F&C is committed to respect all human rights. Our practices relevant to the workplace, marketplace and community are aligned with the United Nations Universal Declaration of Human Rights and the International Labour Organisation's core labour standards;
- 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 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.

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 themes of Diversity and Inclusion on a biennial basis, which receive excellent feedback from those UK Managers and Team Leaders attending; and
- F&C encourages share ownership and continues to offer employee share ownership schemes in the UK and long term remuneration awards 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

	2013 Target	2013 Outcome	2014 Targets
Diversity Training for new employees	100%	100%	100%

# Five Year Record 2009 – 2013

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 onward 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	2009		2010		2011		2012		2013	
<b>FINANCIAL &amp; ECONOMIC CONTRIBUTIONS</b>												
<b>FINANCIAL BACKGROUND</b>												
F&C's size at 31 December	Market capitalisation, £m		379		447		349*		567		535	
Profit before tax* (before amortisation of intangible assets and exceptional items)	£m	12	34.8		40.3		41.3		46.1*		64.2	
Corporation taxes	£m		5.8		9.1		12.9*		9.0*		15.2	
*attributable to equity holders of the parent												
<b>Funds managed at 31 December</b>												
Equities	£bn		24.6		28.7		25.5		25.7		28.3	
Fixed interest and cash	£bn		58.3		62.0		59.2		56.3		40.9	
Property	£bn		8.0		8.2		7.9		7.5		7.3	
Other Alternative Investments	£bn		1.6		2.4		1.7		1.2		1	
Money market	£bn		5.1		4.5		5.8		4.5		4.6	
Total	£bn		97.8		105.8		100.1		95.2		82.1	
<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	4,775	6,129	4,345	5,821	4,966	5,748	4,643	6,308	3,622	5,496
Use of electricity by floor space	kWh/m <sup>2</sup>	2, 4	401		366		360		382		367	
Electricity obtained from renewable sources	% total electricity	4	93		93		83		84		91	
Total business travel	km '000 and km '000/employee	2, 4	4,358	5.02	4,314	5.50	6,638	7.64	5,227	7.00	3,516	5.34
<b>Emissions</b>												
CO <sub>2</sub> emissions from gas and electricity	Tonnes, tonnes/employee	2, 4, 5	442	0.57	440	0.54	752	0.87	690	0.94	323	0.49
CO <sub>2</sub> emissions from travel	Tonnes, tonnes/employee	2, 4, 6	667	0.78	661	0.84	1,035	1.19	1,510	2.02	969	1.47
<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	10,719	16.27
<b>Use of other resources</b>												
Office paper consumption	Reams, reams/employee	2, 4, 7	16,885	20.77	14,898	19.01	13,190	15.27	10,354	14.07	10,657	16.17
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	147	81.24	77.7	74.75	56.8	54.34	42.3	51.56	32.81	53.52
Other waste recycled	Tonnes, %	2, 4					16.9	16.14	15.3	18.70	15.39	25.11
Total waste recycled (paper + misc waste)	Tonnes, %						73.7	70.48	57.6	70.26	48.20	78.63
Waste incinerated through CHP facility	Tonnes, %	2, 4, 8	15.3	8.45	10.7	10.25	20.1	19.25	10.9	13.23	8.65	14.11
Waste disposed to landfill	Tonnes, %	2, 4, 8	18.7	10.31	15.6	14.99	10.7	10.26	13.5	16.51	4.45	7.26
<b>Greener transport</b>												
Season ticket loans	Headcount, %	Δ2	179	21	177	18	132	17	155	26	127	18.6
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 ■	868		962		847		723		658	
Of whom – female	Headcount, %	2 ■	309	36	344	36	308	36	268	37	239	36
– ethnic minorities	Headcount, %	2 ■	82	12	97	12	83	12	80	11	69	11
Of whom, managers	Headcount	2 ■ 9	416		482		473		399		371	
Of those managers – female	Headcount, % of managers	2 ■	91	22	116	24	126	27	106	27	96	26
– from ethnic minorities	Headcount, % of managers	2 ■	27	8	36	9	36	9	33	8	28	7
Managers trained in equal opportunities	%	2	–	100	–	100	473	100	100		100	
Average number of employees in year	Headcount	2 ■	876		900		918		798		682	
Employees on temporary contracts	Number, % headcount	2 ■	12	1.4	20	2.1	24	2.8	19	2.6	7	1.1
Employee turnover	Per annum	2 ■	6.1		10.86		12.86		6.82		11.1	
Redundancies	Number	2 ■	62		33.4		30		85.7		38	
Length of service	Mean years	2 ■	6.24		6.35		6.69		7.12		7.56	
Dedicated number of employees in the GSI Team	Number		18		18		16		17		12	

Δ – UK only.

■ – Groupwide.

\*Restated 2011 figure.

\*Restated 2012 figure.

	Measure	Notes	2009		2010		2011		2012		2013	
<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△	332		321		269		112		84	
Employee Share Save Scheme	Headcount	2△	135		42		18		0		0	
<b>Wellbeing</b>												
Illness	Days/employee	2	4.7		3.5		3.4		3.7		4.0	
Employees eligible to receive free medical insurance	%	2 ■	100		100		100		100		100	
Accidents	Number, employee days lost	2	8	3.5	2	0	2	0	2	1	1	0
Health and Safety fines	Number, £	2	0	0	0	0	0	0	0	0	0	
Floor area	m <sup>2</sup> ,m <sup>2</sup> /year end headcount	2, 4	12,576	15.49	12,576	16.11	13,786	15.96	10,141	15.24	9,611	14.88
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		57,728		71,931		73,263		63,561		58,342	
Proportion of companies contacted following an abstention or vote against management	%		100		100		100		100		100	
<b>CUSTOMERS</b>												
<b>Ethically-screened funds</b>												
£'bn, % of total equities			3.0	12.10	3.1	10.80	2.8	11	3.1	12	3.4	12
<b>Responsible engagement overlay</b>												
Full reo@ service provided	£'bn		81	-	82.8	-	85.7	-	91.0		83.4	
reo@ provided as standalone service	£'bn			55		53.5		59.8		64.6		53.8
Companies engaged with during year	Number			1,644		1,778		1,222		909		716
reo@ engagement successes in year	Number			376		432		480		285		293
<b>COMMUNITY</b>												
<b>Stakeholder engagement</b>												
Tendering for office refurbishment	% refurbishments		100		100		100		100		100	
Payment of suppliers	Days		6.4		9		3		6		5	
Creditor days												
<b>Charitable</b>												
Matching employee GAYE contributions	£'000	△	23		19		22		21		21	
Total charitable donations	£'000		86		111		110		133		121	
Volunteering	% staff days	△		34%		30%		90 days		58 days		31 days

△ – 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. 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.
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.
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 2011, 2012 and 2013.
12. The profit before tax figures exclude foreign exchange gains and losses.

# Targets for 2014

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	2013 (target)	2013 (actual)	Y/N*	2014 (target)
<b>ENVIRONMENT</b>					
<b>Energy sourcing</b>					
Energy obtained from renewable sources where markets exist	□ % total electricity	85	91	Y	85
Carbon offset – gas and electricity	□ %	100	100	Y	100
<b>Emissions</b>					
CO <sub>2</sub> emissions from travel	□ Tonnes/employee	0.85	1.47	N	0.85
Carbon offset – travel	□ %	100	100	Y	100
CO <sub>2</sub> emissions (total)		Reduction on 2012 levels	Y	Y	Reduction on 2013 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	54	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%	11	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
<b>Wellbeing</b>					
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
<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	5	Y	<30
<b>Responsible engagement overlay</b>					
reo® engagement milestones in year:	Number	435	293	N	–
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	△ % of employees participating	15	10	N	15
Employee participation and fundraising	Number	475	354	N	475
Employee volunteering	Staff days	365 staff days	31	N	365 staff days

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

△ – UK only.

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