

F&C Asset Management plc

# Corporate responsibility report 2007



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



In this report I set out an overview of the Company's activity in Corporate Responsibility for 2007. In my 2006 Report, I undertook to conduct a review of our CR Strategy. I am pleased to report that we completed this review during 2007 and we have published our three year strategic ambitions.

## 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 is committed to meeting these ambitions over a three year time horizon in line with the broader goals of the business articulated in the group's three year plans.

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

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's 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 Position	3 Year Target
BITC Corporate Responsibility Index	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 publication of our revised strategy led to a number of changes within our CR arrangements. The Company's CR Steering Committee (Chaired by myself 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 categories and a member of the CR Committee

has been assigned responsibility for ensuring that the CR activity within each category is undertaken and that progress reports are submitted to the Committee on a quarterly basis. A consolidated report on CR activity and progress is now a standing quarterly agenda item to the Board of the Company.

## Our reporting approach

We have, consistent with the Company's introduction of e-communications to shareholders, adopted for the first time this year a web based approach to our 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 plan). Further information within each category is contained on the CR section of the Company's website at [www.fandc.com](http://www.fandc.com)

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

## In summary

As you will read within each of our four categories, the CR activity undertaken in 2007 will, we believe, continue to place the Company amongst the leading financial companies in this important area. With our strategic ambitions now published, enhanced and more focussed governance arrangements in place and the continued excellence delivered by our Governance and Sustainable Investment team, I look forward to 2008 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 new 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

4 March 2008



## Marketplace

### Our Approach

As the manager of £103.6 billion 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 £5.3 billion of direct property assets at 31 December 2007, has a Responsible Property Investment Strategy. 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](http://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 to incorporate their values into their investments. Today, we offer a number of sustainable investment products including:

- A range of Ethically-Screened Funds; and
- **reo®**: Shareholder engagement and proxy voting.

F&C strongly believes that prudent management of environmental, social and governance (ESG) issues is fundamental to creating shareholder value. 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 2007, F&C had a dedicated Governance & Sustainable Investment (GSI) team of 17 people with a further 9 specialist fund managers and a wider team of 185 investment professionals supporting our responsible investment products and services.

### Ethically-screened funds

With approximately £3.3 billion in our Stewardship range of funds (as at 31 December 2007), F&C is the largest manager 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.

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 providers 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.

F&C's range of ethical products expanded in 2007, with the launch of two new products. The F&C Ethical Bond Fund takes our market-leading screening capability and applies this to corporate bonds; and the F&C Global Climate Opportunities Fund seeks out investments in companies providing the technologies and solutions to tackle climate change, and to help deal with its physical impacts.

### Responsible Engagement Overlay (reo®)

F&C has a comprehensive programme of engagement with investee companies through its Responsible Engagement Overlay, or **reo®**. Through **reo®**, F&C uses its influence as a major asset manager to encourage better management of environmental, social and governance risks by the companies in which its clients invest. This is done by voting actively on all holdings and through dialogue. As well as applying this approach to the assets it manages in house, F&C has also been appointed by a number of pension funds and financial institutions whose funds it does not manage to engage and vote on their behalf.

F&C was a founder signatory to the UN Principles for Responsible Investment (PRI), which set the standard for how asset managers and owners should incorporate environmental, social and corporate governance issues into their investment process. We believe that the PRI is proving an important catalyst in promoting this integrated approach across the investment management industry and have published our own guide to how we are implementing the 6 principles. The guide can be found within the relevant links section of the Governance & Sustainable Investment pages on our website.

### Our Progress

F&C will use the influence of its customers' assets to engage with companies on all relevant CR matters, where this will improve business performance.

#### (i) Shareholder Engagement

We aim to be persuasive and pragmatic in our engagement, so that we achieve change that enhances the bottom line, rather than imposing prescriptive demands on companies. Usually we will work in private on a one-to-one basis with companies, as this tends to produce the best results.

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 factor<sup>1</sup>.

<sup>1</sup> 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 shareholders value.



## Marketplace (continued)

### Our Progress

- During 2007, we achieved 224 milestones, compared to 268 in 2006.
- We conducted in-depth, one-to-one engagement with 762 companies in 37 countries (figure 1), often at senior management level and on a number of different ESG issues\* (figure 2).

Our engagement work covered the following key themes:

- **Governance:** Corporate governance, transparency and performance, and bribery and corruption.
- **Social:** Human rights and labour standards.
- **Environment:** Environmental management, climate change and biodiversity.

Figure 1:  
Geographical Spread of Engagement

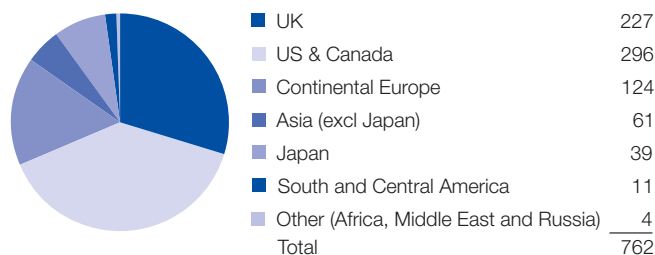


Figure 2:

Engagement by issue 2007		
Issue	Companies* engaged	% of engagement
Board structure, remuneration, capital, internal controls, shareholder rights	285	16%
Transparency & Performance	265	15%
Human Rights	250	14%
Labour Standards	232	13%
Bribery & Corruption	179	10%
Environmental Management	127	8%
Climate Change	216	12%
Biodiversity	215	12%
<b>Total</b>	<b>762</b>	<b>100%</b>

Our engagement activity is captured in our quarterly *reo*® report, which highlights our work on specific issues, sectors and regions of the world. Our latest Annual Responsible Investment Report provides a summary of our work during 2007.

### Our Targets

F&C will increase the number of milestones achieved to 250 in 2008.

#### (ii) Voting

F&C votes on its global holdings in line with its Corporate Governance Operational Guidelines as well as voting on behalf of external clients. Our Corporate Governance Operational Guidelines set out the overall standards and principles on

corporate governance that underpin our voting decisions. They are supplemented by detailed guidelines giving specific policies at a national or regional level.

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 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 shareholders. We engage companies both before the vote, to explain the standards we expect, and afterwards, to explain the reasons for any votes against management.



## Marketplace (continued)

### Our Progress

F&C has issued voting instructions on its global holdings in line with its Corporate Governance Operational Guidelines since 2000. During 2007, we issued voting instructions on 100% of holdings designated and identified for voting\* and we published our voting history in publicly available monthly reports.

In 2007, we voted a total of 34,889 proposals, comprising 34,238 management proposals and 651 shareholder proposals, at 3,279 companies in 52 countries.

Figure 3:

Description	No of Resolutions		For			Abstain			No Vote	Against		
			2007	2006	2005	2007	2006	2005	2007	2007	2006	2005
Board structure/Director elections	16,201	46%	77%	77%	84%	12%	10%	5%	2%	9%	10%	10%
Capital structure	3,784	11%	83%	77%	81%	2%	3%	2%	4%	11%	10%	11%
Remuneration/share schemes	3,412	10%	76%	66%	65%	12%	15%	14%	2%	10%	12%	17%
Routine Business	7,922	23%	84%	80%	88%	7%	7%	3%	7%	2%	3%	1%
Other	2,919	8%	86%	76%	64%	3%	9%	6%	6%	5%	8%	12%
<b>All management proposal</b>	<b>34,238</b>	<b>98%</b>	<b>80%</b>	<b>76%</b>	<b>82%</b>	<b>9%</b>	<b>9%</b>	<b>5%</b>	<b>4%</b>	<b>8%</b>	<b>9%</b>	<b>8%</b>
<b>Total shareholder proposals</b>	<b>651</b>	<b>2%</b>	<b>51%</b>	<b>23%</b>	<b>36%</b>	<b>11%</b>	<b>18%</b>	<b>11%</b>	<b>3%</b>	<b>36%</b>	<b>58%</b>	<b>53%</b>
<b>All proposals</b>	<b>34,889</b>	<b>100%</b>	<b>79%</b>	<b>76%</b>	<b>81%</b>	<b>9%</b>	<b>9%</b>	<b>5%</b>	<b>4%</b>	<b>8%</b>	<b>9%</b>	<b>9%</b>

### Our Targets

- F&C will issue voting instructions in line with its Corporate Governance Operational Guidelines on 100% of global resolutions that it is mandated to on behalf of clients and will publish its voting history.
- F&C will contact 100% of companies following an abstention or vote against management.

### Key Performance Indicators

	2007 Progress	2008 Targets
Number of resolutions voted on during the year	34,889	100%
Proportion of companies contacted following an abstention of vote against management	100%	100%
reo® engagement successes in year	224	250

It is 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. This resulted in 2,200 letters relating to our voting decisions being sent in 2007

\* 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.



# Community

## Our 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. In order to achieve this F&C established KPI's and set various targets during 2007. We will, over the next 3 years:

- Introduce financial support and, wherever practicable, offer time off work to support employees involved in charitable activities;
- Target 75% of all employees dedicating at least one working day per year to a charitable or community programme; and
- Target 15% of employees, participating in the Give As You Earn scheme and will match employee GAYE contributions up to a monthly level.

At the end of 2007, F&C sought employee opinion across all locations in connection with a Charity of the Year. From a compiled short list employees were encouraged to vote for their favourite charity and donations were made in January 2008.

## UK Career Academy

Our involvement with the UK Career Academy goes further than just making a financial donation to help students from deprived backgrounds to go into further education. We also contribute in terms of time and resources. In particular, we provide a number of trained mentors to work one-to-one with individual students.

Each summer we take a number of interns from the academy for a six to eight week period. The purpose of this is to build their business experience and knowledge, and where possible we place interns in the business area that they are most interested in, to give them exposure to real, as opposed to academic projects.

## 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 participants and able bodied taking part. Back up courses help people recover their independence, motivation and confidence after sustaining a spinal injury.

## Camden EBP

Looking forward to 2008, F&C has entered into a partnership with Camden EBP to establish a schools volunteering programme, for which all employees will be encouraged to participate.

## Our Progress

In 2007 272 employees participated in various fundraising activities ranging from running the London and Edinburgh Marathons to being locked up!

28 employees were involved or volunteered with charities/local projects, to which F&C donated over £25,000 in recognition of the contribution of time that employees gave to the organisation.

52 employees took advantage of the tax efficient charitable GAYE scheme run by F&C which assisted a wide range of charities.

## Our Targets

In 2008, we aim to assist and encourage 350 employees to participate in fundraising activities along with a further 50 employees volunteering for various community projects.

F&C will through a programme of communication aim to encourage 10% of employees to participate in GAYE.

## Key Performance Indicators

	2007 Progress	2008 Targets
Matching employee GAYE contributions	6%	10%
Employee participation and fundraising	272	350
Volunteering	28	50



## Environment

### Our Approach

F&C is committed to managing the direct impacts of its 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. For example we have a campaign to reduce the amount of paper that is used in the office through our “think before you print campaign”. 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 will purchase energy from renewable sources.

Travel usage is reduced wherever possible by the use of both video and audio conferencing facilities and a restricted budget for travel to minimise business travel. Recognising that travel cannot be avoided in all cases, we make payments for greenhouse gas offsets to ClimateCare<sup>1</sup>, with the aim of becoming climate neutral.

### Our Progress

F&C is committed to achieving carbon neutrality in its operations. The following activities took place in 2007:

- (i) F&C continued to work to reduce Carbon Dioxide emissions by better energy management, buying energy from renewable sources and cutting unnecessary travel.
  - PIRs have been introduced in further areas of our UK buildings with the aim that by the end of 2008 all lights in UK buildings are operated by PIRs;
  - The services of a full time Carbon Reduction Manager provided by the landlord of our London offices, were employed at the end of the year to work 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
  - Additional video conferencing equipment was purchased in 2007 which increased the number of units to 15 across Europe. This, in addition to the new audio conferencing facilities purchased in December 2006, has led to a reduction in the requirement for business travel.
- (ii) The first full year of our work with ClimateCare saw F&C making payments for greenhouse gas-offsets with the aim of becoming climate neutral.
- (iii) For the first time we were able to offer employees the opportunity to enrol with PURE Trust to reduce their personal impact on the environmental through the Company’s Flexible

Benefits Scheme. This complements the Company’s own work with ClimateCare to repair the damage to the environment by purchasing greenhouse gas offsets.

- (iv) F&C published its guide to carbon offsetting to help the broader business community understand this issue. This publication helped our own Managers develop policies to tackle this.

F&C will source 100% of its office paper from chlorine free recycled supplies

- (i) F&C is committed to the responsible purchasing of paper, as part of our membership of the WWF 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.
- (ii) F&C continues to achieve this target and has an active programme promoted by employees to reduce the amount of paper being used in the first place through its “think before you print campaign”.

F&C will reduce like for like waste by 20% and increase its own recycling by 20% from 60% to 72%.

- (i) Further improvements in our recycling targets were achieved. However, it is recognised that further investment is required in this area in 2008.

### 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.

We will reduce like for like waste by 20% and increase recycling by 20% from 60% to 72% by:

- Introducing a major initiative in 2008 to reduce the level of waste and water usage in our UK premises;
- Embarking on an internal education programme on the effect that water and other waste management has on the environment; and
- Radically overhauling our recycling facilities in our London premises.

### Key Performance Indicators

	2007 Progress	2008 Targets
Carbon Neutrality	Partial <sup>2</sup>	Full <sup>3</sup>
Paper Recycling	75%	85%
Reduction in Waste	–	20%

<sup>1</sup> Climate Care was established to tackle climate change by reducing greenhouse gases in the atmosphere. They do this by offsetting – making CO<sub>2</sub> reductions on behalf of individuals and companies.

<sup>2</sup> CO<sub>2</sub> offsetting in all travel expensed by the Company.

<sup>3</sup> CO<sub>2</sub> emission from travel, electricity and gas where the information is available.





# Workplace

## Our Approach

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

- We will measure employee opinion at least annually to gauge employee satisfaction and identify areas that require improvement as we know that improved employee satisfaction drives employee turnover and higher engagement;
- 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.

- Employee participation levels declined from 74% (2006) to 70% (2007) following an increase in employee numbers following a TUPE transfer. The target for 2008 is 75%.
- The employee satisfaction score increased from 70% to 72%.

F&C will educate 100% of employees on the importance of recognising and embracing diversity in the workplace and community.

- An interactive on line diversity training programme was launched in 2007 which all employees were required to take and pass. This has been evidenced in an improvement in Ipsos-Mori survey ("I believe F&C values diversity") from 65% to 79% against the industry benchmark score of 39%.

F&C encourages share ownership.

- F&C continues to offer all employee share ownership schemes in the UK and to offer 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 80% in 2009) with an employee satisfaction score in excess of 75%.

We will run a compulsory Diversity Training Programme to promote diversity in the workplace for all employees with people management responsibilities in addition to the bi-annual Diversity Training Module.

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 no accidents or health and safety fines.

## Key Performance Indicators

	2007 Progress	2008 Targets
Employee Survey Participation	70%	75%
Staff Satisfaction	72%	75%
Diversity Training	100%	100%

## Five Year Record 2003–2007

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, also where practice overseas offices are included where indicated.

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

	Measure	Notes	2003	2004	2005	2006	2007					
<b>FINANCIAL &amp; ECONOMIC CONTRIBUTIONS</b>												
<b>FINANCIAL BACKGROUND</b>												
F&C's size at 31 December	Market capitalisation, £'m		375.6	1,186.2	856.9	1,022	954					
Profit before tax (before amortisation of goodwill and exceptional items)	£'m		24.8	43.8	107.8	88.7	77.4					
Corporation taxes	£'m		3.1	5.6	(29.1)	(8.0)	7.2					
<b>Funds managed at 31 December</b>												
Equities	£'b		20.3	39.9	45.2	38.2	37.0					
Fixed interest and cash	£'b		38.2	77.5	78.1	59.4	53.5					
Property	£'b		4.6	6.0	6.5	5.2	5.3					
Venture capital	£'b		0.4	0.5	—	—	—					
Other Alternative Investments	£'b		—	0.9	1.2	1.3	1.9					
Money market	£'b		—	—	—	—	5.9					
Total	£'b		63.5	124.8	131.0	104.1	103.6					
<b>ENVIRONMENTAL OPPORTUNITIES &amp; IMPACTS</b>												
<b>ENVIRONMENT</b>												
<b>Use of energy</b>												
Use of electricity per employee	kWh '000, kWh/employee	3	4,653	8,966	2,859	5,870*	3,636	4,686	4,672	6,752	5,186	5,655
Use of electricity by floorspace	kWh/m <sup>2</sup>	3	519	230	287	287	429	429	85	85	463	463
Electricity obtained from renewable sources	% total electricity	△	6	13	100	100	85	85	85	85	85	85
Total business travel	km '000 and km '000/employee	4	4,772	9.2	—	—	7,332	9.4	4,995	6.5	5,891	6.42
<b>Emissions</b>												
CO <sub>2</sub> emissions from gas and electricity	Tonnes, tonnes/employee	3, 5	1,671	3.2	853	1.75	1,563	2.0	523	0.76	943	1.02
CO <sub>2</sub> emissions from travel	Tonnes, tonnes/employee	6	696	1.34	—	—	982	1.26	600	0.78	851	0.92
<b>Use of water</b>												
Water	m <sup>3</sup> , m <sup>3</sup> /employee		3,797	7.3	3,457	7.10	—	—	—	—	—	—
<b>Use of other resources</b>												
Office paper consumption	Reams, reams/employee	4, 7	14,367	27.7	18,359	27.7	29,676	38.2	19,537	24.67	16,277	17.75
Office paper source – recycled	%	4, 7	91.7	100	100	100	100	96	100	100	100	100
Office paper manufacture – chlorine-free	%	4, 7	91.7	100	100	100	100	100	100	100	100	100
<b>Waste disposal</b>												
Paper recycled	Tonnes, %	△	52.5	41.7	55.10	43.54	52.02	20.1	89.1	60.1	157	78.96
Waste incinerated through CHP facility	Tonnes, %	△ 8	38.3	30.4	29.55	23.35	3.89	1.5	15.8	10.7	12.2	6.14
Waste disposed to landfill	Tonnes, %	△ 8	35.0	27.8	41.90	33.11	193.67	74.9	43.3	29.2	29.6	14.89
<b>Greener transport</b>												
Season ticket loans	Headcount, %		120	24	84	17	161	20	202	30	191	20
Employees in receipt of company cars who are not "essential users"	Headcount, %		0	0	0	0	0	0	0	0	0	0
<b>SOCIAL ENGAGEMENT</b>												
<b>EMPLOYEES</b>												
<b>Number and diversity</b>												
Total number of employees at year end	Headcount	■	496	456	776	804	917	917	37	37	37	37
Of whom – female	Headcount, %	■	204	40.7	184	40.3	317	41	295	37	343	37
– ethnic minorities	Headcount, %	△	23	4.6	25	5.4	43	6.6	74	11	84	9
Of whom, managers	Headcount	■ 9	154	138	195	331	396	396	23	23	23	23
Of those managers – female	Headcount, % of managers	■	39	26.0	58	42	48	25	76	23	92	23
– from ethnic minorities	Headcount, % of managers	△	6	3.9	10	7.2	2	1.2	29	10	32	8
Number of managers trained in equal opportunities	Number, %		154	100	100	100	0	0	0	0	396	100
Average number of employees in year	Headcount	■	519	487	800	775	850	850	27	27	25	25
Employees on temporary contracts	Number, % headcount	■	3	0.6	3	0.6	43	5.54	27	3	25	3
Employee turnover	Per annum	■	10	16	18.4	13.5	12.5	12.5	11	11	11	11
Redundancies	Number	■	77	45	70	36	36	36	5.33	5.33	5.33	5.33
Length of service	Mean years	■	6.0	5.99	5.81	4.48	4.48	4.48	17	17	17	17
Dedicated number of employees in the GSI Team	Number		12	13	14	15	17	17	17	17	17	17

△ – UK only.

■ – Groupwide

# Five Year Record 2003–2007

	Measure	Notes	2003		2004		2005		2006		2007	
<b>Satisfaction</b>												
Employee participating in annual opinion survey	%	■	66		n/a		72		74		70	
Employee satisfaction scores in opinion survey	%	■	60		n/a		62		70		72	
<b>Remuneration and benefits</b>												
Proportion of employees provided with membership of pension schemes	%		100		100		100		100		100	
Employee Share Incentive Plan	Headcount, % capital	△	115	0.0	121	0.01	548	0.03	426	0.04	413	0.04
Employee Share Save Scheme	Headcount	△	259		319		327		321		332	
<b>Wellbeing</b>												
Illness	Days/employee		3.3		2.8		2.31		3.73		3.68	
Employees eligible to receive free medical insurance	%	■	100		100		100		86		100	
Accidents	Number, employee days lost		15	11	0	0	0	0	5	0	2	0
Health and Safety fines	Number, £		0	0	0	0	0	0	0	0	0	0
Floor area	m <sup>2</sup> , m <sup>2</sup> /year end headcount		6,665	12.08	6,665	13.68	10,183	13.12	11,646	14.49	11,868	12.94
<b>MARKETPLACE</b>												
<b>CORPORATE GOVERNANCE – VOTING</b>												
Number of resolutions voted on during the year	Number		15,253		22,830		29,374		36,210		34,889	
Proportion of companies contacted following an abstention or vote against management	%		n/a		>99		>99		100		100	
<b>CUSTOMERS</b>												
<b>Ethically-screened funds</b>												
	£b, % equity funds managed		1.4	6.9	1.9	1.5	2.3	5.0	3.2	8	3.4	9.3
<b>Responsible engagement overlay</b>												
Full <i>reo</i> <sup>®</sup> service provided	£b, % equity funds managed		19.3	95.1	20.2	50.6	27	59.7	21.9	57.0	22.3	60
<i>reo</i> <sup>®</sup> provided as standalone service	£b		3.1		5.6		8.9		42.6		42.7	
Companies engaged with during year	Number		713		944		834		640		762	
<i>reo</i> <sup>®</sup> engagement successes in year	Number	10	49		93		272		268		224	
<b>COMMUNITY</b>												
<b>Stakeholder engagement</b>												
Tendering for office refurbishment	% refurbishments		100		100		100		100		100	
Payment of suppliers												
Creditor days	Days		31		20		15		13		10	
<b>Charitable</b>												
Matching employee GAYE contributions	£'000	△	20		17		18		18		14	
Total charitable donations	£'000, % profit before tax		58	0.2	85	n/a	75	0.07	94	0.1	245	0.3

△ – 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.
3. Figure includes our UK, Netherlands and Ireland offices.
4. Figure includes our UK, Netherlands, Portugal and Ireland offices.
5. For 2007 emissions of CO<sub>2</sub> arising from office usage of gas and electricity have been calculated using conversion rates from ClimateCare. 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 for 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 DEFRA's guidance of 1 litre of uncompacted office waste weighing 0.1 kilogrammes.
9. For the purposes of this report in 2007 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. For 2007 this figure includes successes relating to governance.

# Targets for 2008

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	2007 (target)	2007 (actual)	F/A*	2008 (target)
<b>ENVIRONMENT</b>					
<b>Energy sourcing</b>					
Energy obtained from renewable sources where markets exist	△ % total electricity	85	85	F	<b>85</b>
Carbon offset – gas and electricity	%	15	0	A	<b>100</b>
<b>Emissions</b>					
CO <sub>2</sub> emissions from travel	Tonnes/employee	1	0.9	F	<b>0.85</b>
Carbon offset – travel	%	75	100	F	<b>100</b>
<b>Use of other resources</b>					
Office paper source – recycled	△ %	100	100	F	<b>100</b>
Office paper manufacture – chlorine-free	△ %	100	100	F	<b>100</b>
<b>Waste disposal</b>					
Paper recycled	△ %	65	78	F	<b>85</b>
<b>WORKPLACE</b>					
<b>Employees</b>					
<b>Number and diversity</b>					
Proportion of managers trained in equal opportunities	%	100	100	F	<b>100</b>
Employee turnover	% per annum	>10, <12	12.5	A	<b>&gt;10, &lt;12</b>
<b>Satisfaction</b>					
Employee participating in annual opinion survey	%	75	70	A	<b>75</b>
<b>Remuneration and benefits</b>					
Proportion of employees provided with membership of pension schemes	%	100	100	F	<b>100</b>
Employee share save scheme	△ % total staff at year end	50	43	A	<b>50</b>
<b>Wellbeing</b>					
Accidents	Employee days lost	0	0	F	<b>0</b>
Health and safety fines	Number	0	0	F	<b>0</b>
Upheld complaints alleging harassment of any sort not acted upon	Number	0	0	F	<b>0</b>
<b>MARKETPLACE</b>					
<b>Customers</b>					
Number of ombudsman complaints referred and upheld		0	0	F	<b>0</b>
<b>Payment of suppliers</b>					
Creditor days	Days	<30	10	F	<b>&lt;30</b>
<b>Responsible engagement overlay</b>					
reo <sup>®</sup> engagement milestones in year:	Number	240	224	A	<b>250</b>
Proportion of companies contacted following an abstention or vote against management	%	>99	100	F	<b>&gt;99</b>
<b>COMMUNITY</b>					
<b>Charitable</b>					
Matching employee GAYE contributions	△ £'000	18,000	14,000	A	<b>18,000</b>
Matching employee GAYE contributions	△ % of employees participating	10	6	A	<b>10</b>
Employee participation and fundraising		n/a	272	–	<b>350</b>
Employee volunteering		n/a	28	–	<b>50</b>

\* F – Favourable result against target

A – Adverse result against target

△ – UK only.

