

About this report

The PRI Reporting Framework is a key step in the journey towards building a common language and industry standard for reporting responsible investment (RI) activities. This RI Transparency Report is one of the key outputs of this Framework. Its primary objective is to enable signatory transparency on RI activities and facilitate dialogue between investors and their clients, beneficiaries and other stakeholders. A copy of this report will be publicly disclosed for all reporting signatories on the [PRI website](#), ensuring accountability of the PRI Initiative and its signatories.

This report is an export of the individual Signatory organisation's response to the PRI during the 2013-14 reporting cycle. It includes their responses to mandatory indicators, as well as responses to voluntary indicators the signatory has agreed to make public. The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information. As a result, the reports can be extensive. However, to help easily locate information, there is a **Principles index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

Understanding the Principles Index

The Principles Index summarises the response status for the individual indicators and modules and shows how these relate to the six [Principles for Responsible Investment](#). It can be used by stakeholders as an 'at-a-glance' summary of reported information and to identify particular themes or areas of interest.

Indicators can refer to one or more Principles. Some indicators are not specific to any Principle. These are highlighted in the 'General' column. When multiple Principles are covered across numerous indicators, in order to avoid repetition, only the main Principle covered is highlighted. This results in some Principles not being explicitly highlighted. For instance, Principle 1 and 2 cannot be implemented without implementing Principle 3, but there are cases when Principle 3 is not explicitly highlighted.

All indicators within a module are presented below. The status of indicators is shown with the following symbols:

Symbol	Status
✓	The signatory has completed all mandatory parts of this indicator
☑	The signatory has completed some parts of this indicator
🔒	This indicator was not relevant for this signatory
-	The signatory did not complete any part of this indicator
Ⓜ	The signatory has flagged this indicator for internal review

Within the table, indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.

PRI disclaimer

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Principles Index

Organisational Overview				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OO 01	Signatory category and services	✓	Public							✓
OO 02	Headquarters and operational countries	✓	Public							✓
OO 03	Subsidiaries that are separate PRI signatories	✓	Public							✓
OO 04	Reporting year and AUM	✓	Public							✓
OO 05	Breakdown of AUM by asset class	✓	n/a							✓
OO 06	How would you like to disclose your asset class mix	✓	Public							✓
OO 07	Segregated mandates or pooled funds	✓	Private							✓
OO 08	Breakdown of AUM by market	✓	Private							✓
OO 09	Additional information about organisation	✓	Private							✓
OO 10	RI activities for listed equities	✓	Public							✓
OO 11	RI activities in other asset classes	✓	Public							✓
OO 12	Modules and sections required to complete	✓	Public							✓

Overarching Approach				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OA 01	RI policy and other guidance documents	✓	Public							✓
OA 02	Publicly available policies / documents	✓	Public						✓	
OA 03	Policy components and coverage	✓	Public	✓	✓					
OA 04	Conflicts of interest	✓	Public							✓
OA 05	RI goals and objectives	✓	Public							✓
OA 06	Main goals/objectives this year	✓	Private							✓
OA 07	Governance, management structures and RI processes	✓	Public							✓
OA 08	RI roles and responsibilities	✓	Public							✓
OA 09	RI in performance management, reward and/or personal development	✓	Private							✓
OA 10	Collaborative organisations / initiatives	✓	Public				✓	✓		
OA 11	Promoting RI independently	✓	Public				✓			
OA 12	Dialogue with public policy makers or standard setters	✓	Private				✓	✓	✓	
OA 13	ESG issues in strategic asset allocation	✓	Private	✓						
OA 14	Allocation of assets to environmental and social themed areas	✓	Private	✓						
OA 15	ESG issues for internally managed assets not reported in framework	✓	Public							✓
OA 16	ESG issues for externally managed assets not reported in framework	🔒	n/a							✓
OA 17	RI/ESG in execution and/or advisory services	🔒	n/a	✓	✓					
OA 18	Innovative features of approach to RI	✓	Private							✓
OA 19	Internal and external review and assurance of responses	✓	Private							✓

Direct - Listed Equity Incorporation				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEI 01	Breakdown by passive, quantitative, fundamental and other active strategies	✓	Private	✓						
LEI 02	Description of ESG incorporation	✓	Private	✓						
LEI 03	Percentage of each incorporation strategy	✓	Public	✓						
LEI 04	Type of ESG information used in investment decision	✓	Private	✓						
LEI 05	Information from engagement and/or voting used in investment decision-making	✓	Private	✓						
LEI 06	Types of screening applied	✓	Public	✓						
LEI 07	Processes to ensure screening is based on robust analysis	✓	Public	✓						
LEI 08	Processes to ensure fund criteria are not breached	✓	Private	✓						
LEI 09	Types of sustainability thematic funds/mandates	✓	Public	✓						
LEI 10	Description of ESG integration	✓	Private	✓						
LEI 11	Review ESG issues while researching companies/sectors	✓	Public	✓						
LEI 12	Processes to ensure integration is based on robust analysis	✓	Private	✓						
LEI 13	Aspects of analysis ESG information is integrated into	✓	Private	✓						
LEI 14	ESG issues in index construction	🔒	n/a	✓						
LEI 15	How ESG incorporation has influenced portfolio composition	✓	Private	✓						
LEI 16	Incorporation of ESG issues has improved financial/ESG performance and reduced risk	✓	Private	✓						
LEI 17	Examples of ESG issues that affected your investment view / performance	✓	Private	✓						
LEI 18	Disclosure of approach to ESG incorporation	✓	Public		✓					✓

Direct - Listed Equity Active Ownership				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEA 01	Description of approach to engagement	✓	Private		✓					
LEA 02	Reasoning for interaction on ESG issues	✓	Public	✓	✓	✓				
LEA 03	Process for identifying and prioritising engagement activities	✓	Public		✓					
LEA 04	Objectives for engagement activities	✓	Public		✓					
LEA 05	Process for identifying and prioritising engagement activities	✓	Public		✓					
LEA 06	Objectives for engagement activities	✓	Public		✓					
LEA 07	Role in engagement process	🔒	n/a		✓		✓			
LEA 08	Monitor / discuss service provider information	🔒	n/a		✓				✓	
LEA 09	Share insights from engagements with internal/external managers	✓	Private	✓	✓					
LEA 10	Tracking number of engagements	✓	Public		✓					
LEA 11	Number of companies engaged with, intensity of engagement and effort	✓	Private		✓					
LEA 12	Engagements on E, S and/or G issues	✓	Private		✓					
LEA 13	Companies changing practices / behaviour following engagement	✓	Private		✓					
LEA 14	Examples of ESG engagements	✓	Private		✓					
LEA 15	Disclosure of approach to ESG engagements	✓	Public		✓				✓	
LEA 16	Description of approach to (proxy) voting	✓	Private		✓					
LEA 17	Typical approach to (proxy) voting decisions	✓	Public		✓					
LEA 18	Percentage of voting recommendations reviewed	✓	Public		✓					
LEA 19	Confirmation of votes	✓	Private		✓					
LEA 20	Securities lending programme	✓	Private		✓					
LEA 21	Informing companies of the rationale of abstaining/voting against management	✓	Public		✓					
LEA 22	Percentage of (proxy) votes cast	✓	Public		✓					
LEA 23	Proportion of ballot items that were for/against/abstentions	✓	Private		✓					
LEA 24	Shareholder resolutions	✓	Private		✓					
LEA 25	Examples of (proxy) voting activities	✓	Private		✓					
LEA 26	Disclosing voting activities	✓	Public		✓				✓	

Direct - Fixed Income				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
FI 01	Breakdown by passive, quantitative, fundamental and other active strategies	✓	Private	✓						
FI 02	Breakdown of investments by credit quality	✓	Private							✓
FI 03	Description of ESG incorporation	✓	Private	✓						
FI 04	Percentage of each incorporation strategy	✓	Public	✓						
FI 05	Type of ESG information used in investment decision	✓	Private	✓						
FI 06	Types of screening applied	✓	Public	✓						
FI 07	Processes to ensure screening is based on robust analysis	✓	Public	✓						
FI 08	Processes to ensure fund criteria are not breached	✓	Private	✓						
FI 09	Types of sustainability thematic funds/mandates	🔒	n/a	✓						
FI 10	Description of ESG integration	✓	Private	✓						
FI 11	Review of ESG issues while researching companies/sectors	✓	Public	✓						
FI 12	Processes to ensure integration is based on robust analysis	✓	Private	✓						
FI 13	Incorporation of ESG issues into analysis and decision making	✓	Public	✓						
FI 14	ESG issues in index construction	✓	Private	✓						
FI 15	How ESG incorporation has influenced portfolio composition	✓	Private	✓						
FI 16	Incorporation of ESG issues has improved financial/ESG performance and reduced risk	-	n/a	✓						
FI 17	Examples of ESG issues that affected your investment view / performance	-	n/a	✓						
FI 18	Disclosure of approach to ESG incorporation	✓	Public		✓					✓
FI 19	Engagement with corporate issuers	✓	Private		✓					
FI 20	Engagement with government issuers	✓	Private		✓					

F&C Asset Management

Reported Information

Public version

Organisational Overview

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Basic Information

OO 01

Mandatory

Gateway/Peering

General

OO 01.1 Select the services you offer.

Fund management

% of assets under management (AUM) in ranges

- <10%
- 10-50%
- >50%

Fund of funds, manager of managers, sub-advised products

% of assets under management (AUM) in ranges

- <10%
- 10-50%
- >50%

Other, specify

Execution and advisory only services

OO 02

Mandatory

Peering

General

OO 02.1 Select the location of your organisation's headquarters.

United Kingdom

OO 02.2 Indicate the number of countries in which you have offices (including your headquarters).

- 1
- 2-5
- 6-10
- >10

OO 02.3 Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).

FTE

719

OO 03

Mandatory

Descriptive

General

OO 03.1

Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.

- Yes
 No

OO 04**Mandatory****Gateway/Peering****General****OO 04.1**

Indicate the year end date for your reporting year.

31/12/2013

OO 04.2

Indicate your total AUM at the end of your reporting year.

	trillions	billions	millions	thousands	hundreds
Total AUM		82	114	000	000
Currency	GBP				
Assets in USD		127	892	402	724

OO 04.3

Indicate the level of detail you would like to provide about your asset class mix.

- Approximate percentage breakdown to the nearest 5% (e.g. 45%)
 Broad ranges breakdown (i.e. <10%; 10-50%; >50%)

OO 06**Mandatory****Descriptive****General****OO 06.1**

To contextualise your responses to the public, indicate how you would like to disclose your asset class mix.

- Publish our asset class mix as percentage breakdown

	Internally managed (%)	Externally managed (%)
Listed equity	30	4
Fixed income – corporate	15	1
Fixed income – government	27	0
Fixed income – other	6	0
Private debt	0	0
Private equity	1	0
Property	9	0

Infrastructure	0	0
Commodities	0	0
Hedge funds	0	0
Forestry	0	0
Farmland	0	0
Inclusive finance	0	0
Cash	6	0
Other (1), specify	1	0
Other (2), specify	0	0

'Other (1)' specified

Alternative Investments includes non-UCITs Alternative Investment Funds, Funds of Alternative Investments Funds, and fund-based products with active derivative overlay strategies

- Publish our asset class mix as broad ranges
- Publish our asset class mix as per attached file (the following image formats can be uploaded: .jpg, .jpeg, .png, .bmp and .gif)

Gateway asset class implementation indicators

OO 10	Mandatory	Gateway	General
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OO 10.1 Select the responsible investment activities your organisation implemented, directly and/or indirectly, for listed equities in the reporting year.

- We incorporate ESG issues into investment decisions on our internally managed assets
- We address ESG incorporation, engagement and/or (proxy) voting in our external manager selection, appointment and/or monitoring processes
- We engage with companies on ESG issues via our staff, collaborations or service providers
- We cast our (proxy) votes directly or via service providers
- None of the above

OO 10.2 Indicate if your combined internally and externally managed listed equities are 10% or more of your total AUM.

- Yes, our total listed equities are 10% or more of our total AUM
- No, our total listed equities are less than 10% of our total AUM

OO 11	Mandatory	Gateway	General
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OO 11.1 Indicate if in the reporting year you incorporated ESG issues into your investment decisions and/or your active ownership practices in the following internally managed asset classes.

- Fixed income – corporate
- Fixed income – government
- Fixed Income – other
- Private equity
- Property
- Cash
- Other (1)
- None of the above

'Other (1)' [as defined in OO 05]

Alternative Investments includes non-UCITs Alternative Investment Funds, Funds of Alternative Investments Funds, and fund-based products with active derivative overlay strategies

OO 11.2 Indicate if in the reporting year you addressed ESG incorporation and/or active ownership in your external manager selection, appointment and/or monitoring processes in the following externally managed asset classes.

- Fixed income – corporate
- None of the above

OO 12	Mandatory	Gateway	General
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OO 12.1 The modules and sections that you will be required to complete are listed below. They are based on the percentages provided in your AUM breakdown and your responses to the gateway indicators. Note, you are only required to report on asset classes that represent 10% or more of your AUM. You may report voluntarily on any applicable modules or sections by selecting them from the list. Direct - Fixed Income and Infrastructure are always voluntary.

Core modules

- Organisational Overview
- Overarching Approach (including assets which do not have a separate module)

RI implementation directly or via service providers

Direct - Listed Equity incorporation

- Listed Equity incorporation

Direct - Listed Equity active ownership

- Engagements
- (Proxy) voting

Direct - Fixed Income

- Fixed Income - Corporate
- Fixed Income - Government

Direct - Other asset classes with dedicated modules

- Private Equity
- Property

Closing module

- Closing module

Note: Please make sure your response to this indicator is complete and confirmed before you progress. Your response will determine which tailored modules and sections you will be presented with.

F&C Asset Management

Reported Information

Public version

Overarching Approach

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Responsible investment policy

OA 01	Mandatory	Gateway/Core Assessed	General
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OA 01.1 Indicate if you have a responsible investment policy.

- Yes
- No

OA 01.2 Indicate if you have other guidance documents or more specific policies related to responsible investment.

- Yes
- No

OA 01.3

Provide a brief description of the key elements of your responsible investment policy or, if you do not have a policy, of your overall approach to responsible investment. [Optional]

Proper management is fundamental for creating shareholder value over the long-term. F&C believes that shareholders have a responsibility to use their influence to promote the prudent management of significant environmental, social and governance (ESG) issues.

F&C is committed to:

- Engaging in on-going dialogue with companies on significant matters related to ESG issues, so as to encourage good practice;
- Integrating ESG issues into its investment process;
- Voting in line with its corporate governance guidelines across global holdings;
- Communicating its concerns to companies wherever its votes do not support directors' recommendations; and
- Reporting on its votes and engagement to clients and to the wider public.

Our approach is underpinned by the following guiding principles:

Pragmatism and consistency

Our approach recognises that legal or cultural differences across markets may give rise to differing interpretations of appropriate practice. While F&C takes account of a company's compliance with industry norms, national and international regulations and global best practice, it seeks to understand each company individually, and will consider departures from established standards on a case-by-case basis where a proper explanation is provided. F&C does not subscribe to a "box-ticking" approach.

Effective use of influence

F&C seeks to develop dialogue with companies in order to better understand individual market circumstances and company practices and to encourage improvements. F&C also co-operates, where appropriate, with like-minded investors or other stakeholders in order to emphasise shared concerns.

Transparency and accountability

F&C considers itself accountable to all its customers and investee companies. For this reason, F&C provides regular reports to its clients and to the public, outlining its engagement activities and detailing its voting record. It also shares its voting policies with investee companies, and systematically informs companies when and why it has voted against, or abstained on, directors' recommendations.

OA 02

Mandatory

Core Assessed

PRI 6

OA 02.1

Indicate if your responsible investment policy is publicly available.

Yes

No

OA 02.3 Indicate if your other policies or guidance documents related to responsible investment are publicly available.

- Yes
 - Yes, all
 - Yes, some

OA 02.4 List these other policies or guidance documents related to responsible investment that are publicly available and their URLs.

Policy or document name	URL
Annual Responsible Investment Report	http://www.fandc.com/documents/responsible-investment-report-2013/
Global Corporate Governance Guidelines	http://www.fandc.com/documents/global-corporate-governance-guidelines-2013/
ESG Integration at F&C	http://www.fandc.com/documents/esg-integration-at-f-c-creating-value-managing-risk/
Stewardship Investment Criteria	http://www.fandc.com/documents/stewardship-investment-criteria/

- No

OA 02.5 Additional information. [Optional]

F&C's responsible investment policy is currently being updated. Once finalised it will be made public through our website.

OA 03 Mandatory Core Assessed PRI 1,2

OA 03.1 Indicate the components/types and coverage of your responsible investment policy and guidance documents.

Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input checked="" type="checkbox"/> (Proxy) voting policy <input checked="" type="checkbox"/> Engagement/active ownership policy <input checked="" type="checkbox"/> Specific guidelines on corporate governance <input type="checkbox"/> Specific guidelines on environmental issues <input type="checkbox"/> Specific guidelines on social issues <input type="checkbox"/> Asset class-specific guidelines <input checked="" type="checkbox"/> Screening/exclusion policy <input type="checkbox"/> Other, specify <input type="checkbox"/> Other, specify	<input type="radio"/> Applicable policies cover all AUM <input checked="" type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM

OA 03.2 Comment on any variations or exceptions in the coverage of your responsible investment policy. [Optional]

- Limitations on data coverage
- Alternative investments
- RI strategies tailored per asset class

OA 04	Mandatory	Core Assessed	General
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OA 04.1 Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.

Yes

OA 04.2 Describe your policy on managing potential conflicts of interest in the investment process. [Optional]

The conflicts of interest policy for responsible investment activities can be found at <http://www.fandc.com/WorkArea/DownloadAsset.aspx?id=8589937354>

No

Objectives and strategies

OA 05	Mandatory	Gateway/Core Assessed	General
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OA 05.1 Indicate if your organisation sets objectives for its responsible investment activities.

Yes

OA 05.2 Indicate how frequently your organisation sets or revises objectives for responsible investment.

- At least once per year
- Less than once per year

OA 05.3 Indicate how frequently your organisation formally reviews performance against its objectives for responsible investment.

- Quarterly
- Biannually
- Annually
- Every two years or less
- It is not reviewed
- No

Governance and human resources

OA 07	Voluntary	Descriptive	General
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OA 07.1 Provide a brief description of your organisation's governance, management structures and processes related to responsible investment.

F&C has in place a Corporate Governance Committee comprised of senior company managers. This committee is responsible for reviewing annually F&C's policies and guidelines for responsible ownership, as well as monitoring the effectiveness of F&C's voting and engagement procedures. The F&C board has also set up a Corporate Responsibility Committee to oversee F&C's management of social, ethical and environmental issues within its sphere of influence, including leveraging our customers' assets to engage with companies on relevant ESG matters that will have an effect on business performance.

The implementation of F&C's responsible investment strategy is the responsibility of our specialist in-house Governance & Sustainable Investment (GSI) team. The team, which reports directly to the co-heads of Investments, works across three main workstreams:

- Sustainable investments: responsible for the management of the screening process for stocks being considered for our range of ethical and sustainability-themed funds.
- Engagement: responsible for carrying out company engagement and voting activities via F&C's *reo@* (Responsible Engagement overlay) service, a global engagement and proxy voting service that can be applied across equities and corporate credit. *reo@* is applied to all of F&C's internally managed assets, as well as to the portfolios of institutional clients that contract our engagement and proxy voting services.
- Integration: responsible for implementing F&C's ESG integration strategy

I would like to attach an organisation chart (the following image formats can be uploaded: .jpg, .jpeg, .png, .bmp and .gif)

OA 08	Mandatory	Gateway/Core Assessed	General
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OA 08.1

Indicate the roles present in your organisation and for each, indicate whether they have oversight and/or implementation responsibilities for responsible investment.

Roles present in your organisation

- Board members or trustees
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Other Chief-level staff or head of department, specify
- Portfolio managers
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Investment analysts
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Dedicated responsible investment staff
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- External managers or service providers
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Other role, specify
- Other role, specify

OA 08.2

Indicate the number of dedicated responsible investment staff your organisation has. [Optional]

Number

13

Promoting responsible investment

OA 10	Mandatory	Core Assessed	PRI 4,5
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OA 10.1 Indicate if your organisation is a member of and/or participant in any collaborative organisation or initiatives that promote responsible investment.

Yes

OA 10.2 Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played.

Select all that apply

Asian Corporate Governance Association

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

F&C has participated in advancing the initiative across the responsible investment industry, and has also contributed to the organisation of investor engagement trips to a number of Asian countries.

- Association for Sustainable & Responsible Investment in Asia
- Australian Council of Superannuation Investors
- CDP Climate Change

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

- F&C encourages companies to sign up to the CDP and prepare and publish responses to the annual CDP survey
- F&C actively participates in collaborative engagements, e.g. Carbon Action

CDP Forests

CDP Water

Your organisation's role in the initiative during the reporting period (see definitions)

Basic

Moderate

Advanced

CFA Institute Centre for Financial Market Integrity

Council of Institutional Investors (CII)

Your organisation's role in the initiative during the reporting period (see definitions)

Basic

Moderate

Advanced

Eumedion

Your organisation's role in the initiative during the reporting period (see definitions)

Basic

Moderate

Advanced

Extractive Industries Transparency Initiative (EITI)

Your organisation's role in the initiative during the reporting period (see definitions)

Basic

Moderate

Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

- F&C actively encourages extractive companies to join the EITI
- F&C participates in EITI Investor calls
- F&C acted as co-lead investor in collaborative engagement project with Canadian and US regulators

Global Investors Governance Network (GIGN)

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

- F&C actively participates in bi-weekly GIGN calls
- F&C regularly proposes collaborative engagement opportunities, and joins collaborative engagements proposed by other members.

Global Real Estate Sustainability Benchmark (GRESB)

Institutional Investors Group on Climate Change (IIGCC)

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

- In 2013 F&C prepared position papers, helped organise meetings - ie provided operational support, and acted as a public spokesman for the initiative through leading a number of meetings at the Warsaw COP.
- Representative of F&C has a seat on the board of the initiative.

Interfaith Center on Corporate Responsibility (ICCR)

International Corporate Governance Network (ICGN)

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

- F&C representative chaired Business Ethics Committee in 2013
- F&C representative member of Shareholder Rights Committee in 2013
- Actively promotes ICGN
- Participated in panels organised as part of ICGN annual events

- Investor Group on Climate Change, Australia/New Zealand (IGCC)
- Investor Network on Climate Risk (INCR)/CERES

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

- Regular interaction with the initiative
- Co-led collaborative engagement on stranded assets

- Local Authority Pension Fund Forum
- Principles for Responsible Investment

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

- Participated in a number of collaborative engagements led by the PRI, including as a leading investor on some.
- Attended PRI annual event as a participant
- Actively encourage investee companies to join the PRI
- Member of Steering Committees - Clearinghouse and Human Capital

Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify

UKSIF

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Shareholder Association for Research and Education (Share)

United Nations Environmental Program Finance Initiative (UNEP FI)

United Nations Global Compact

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Other collaborative organisation/initiative, specify

Association of British Insurers (ABI)

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

- F&C representative active member of the ABI Investment Committee
- Active promotion of ABI
- Participation in collaborative engagements

Other collaborative organisation/initiative, specify

Other collaborative organisation/initiative, specify

Other collaborative organisation/initiative, specify

No

OA 11	Mandatory	Core Assessed	PRI 4
-------	-----------	---------------	-------

OA 11.1 Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.

Yes

OA 11.2 Indicate which of the following actions your organisation has taken to promote responsible investment, independently of collaborative initiatives.

Provided or supported education or training programmes for clients, investment managers, broker/dealers, investment consultants, legal advisers or other investment organisations

Provided financial support for academic or industry research on responsible investment

Encouraged better transparency and disclosure of responsible investment practices across the investment industry

Spoke publicly at events and conferences to promote responsible investment

Wrote and published in-house research papers on responsible investment

Encouraged the adoption of the PRI

Other, specify

No

Asset class implementation not reported in other modules

OA 15	Voluntary	Descriptive	General
-------	-----------	-------------	---------

OA 15.1 Describe how you address ESG issues for internally managed assets for which a specific PRI asset class module has yet to be developed or for which you are not required to report because your assets are below the minimum threshold.

Asset Class	Describe what processes are in place and the outputs or outcomes achieved
Private equity	<p>As part of F&C Private Equity's ongoing monitoring of the fund investments we manage on behalf of our clients, we engage with the managers of the funds on their management of ESG issues. In the private equity asset class many managers are at an early stage in terms of explicitly incorporating the management of ESG into their process. Therefore F&C Private Equity, supported by F&C's Governance and Sustainable Investment team, is working to encourage progress in this area. We are also in process of formulating an annual ESG report specifically for F&C Private Equity, which we should have completed by April 2014.</p>
Property	<p>Property sustainability issues are considered alongside conventional investment criteria and fully integrated into the investment process. We believe sustainability is fundamentally about risk management, about ensuring that investment returns and portfolio performance are not compromised by new and emerging trends and conditions being presented by the global sustainability landscape. For us, it's about anticipating and understanding the potential impacts that these global issues create for real estate, and about making informed judgement on how to respond in an appropriate manner within the context of our fiduciary obligation to protect and enhance our client's assets.</p> <p>This approach to sustainability falls into 3 broad categories:</p> <p>Engagement: Liaising with key occupiers and suppliers to establish aligned interests with a view to operating buildings with optimal efficiency and to best practice principles.</p> <p>Property management: Undertaking regular maintenance, improvements and monitoring to ensure we operate environmentally responsible buildings that offer safe and healthy working environments to the benefit of both clients and tenants, using natural resources efficiently and procuring items and materials that have low environmental and social impacts.</p> <p>Governance: We aim to implement our responsible property investment (RPI) through a range of activities including assessing the materiality of our impacts, framing appropriate policies, setting targets for improvement and monitoring performance, as well as complying with all relevant legal and regulatory requirements.</p> <p>RPI issues are addressed on a quarterly basis by the Property Green steering group which is led by our Sustainability Manager, who is responsible for the ongoing review and implementation of the RPI strategy, and for quarterly reporting to F&C's CSR Committee.</p> <p>We are founding members and former co-chair of the Property Working Group formed under the auspices of the United Nations Environment Program Finance Initiative and we are also active members of the Institutional Investors Group on Climate Changes Property Workstream and the Investment Property Forum.</p>

F&C Asset Management

Reported Information

Public version

Direct - Listed Equity Incorporation

PRI disclaimer

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ESG incorporation in actively managed listed equities

Implementation processes

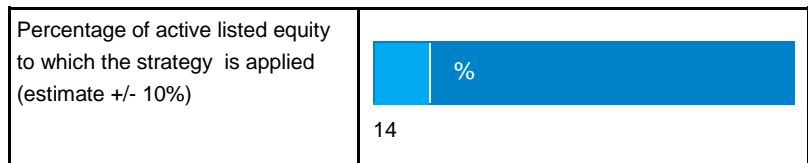
LEI 03	Mandatory	Gateway/Core Assessed	PRI 1
--------	-----------	-----------------------	-------

LEI 03.1

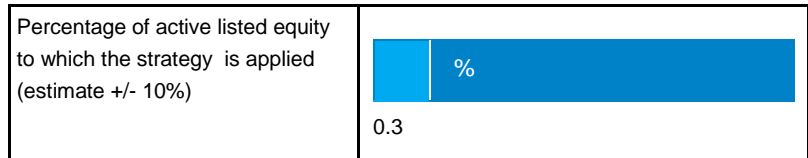
Indicate (1) which ESG incorporation strategy and/or combination of strategies you apply to your actively managed listed equities and (2) the breakdown of your actively managed listed equities by strategy or combination of strategies.

ESG incorporation strategy (select all that apply)

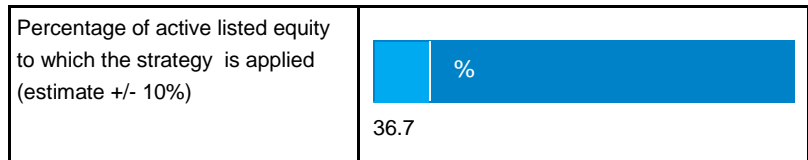
- Screening alone (i.e. not combined with any other strategies)



- Thematic alone (i.e. not combined with any other strategies)



- Integration alone (i.e. not combined with any other strategies)

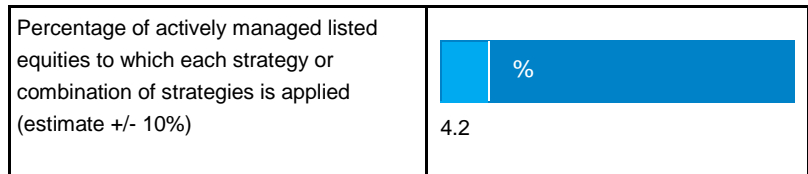


- Screening + Integration strategies

- Thematic + integration strategies

- Screening + thematic strategies

- All three strategies combined



- No incorporation strategies applied

Percentage of active listed equity to which no incorporation strategy is applied (estimate +/- 10%)	<table border="1"> <tr> <td style="background-color: #0070C0; color: white;">%</td> </tr> <tr> <td>44.8</td> </tr> </table>	%	44.8
%			
44.8			

Total actively managed listed equities

100%

LEI 03.2 Describe your primary reasons for choosing a particular ESG incorporation strategy.

Screening: F&C offers a range of ethically-screened funds for clients who wish to link investment performance to a clear set of ethical principles.

Thematic: F&C also offers funds that have no absolute negative ethical screens, but focus instead on companies fitting defined sustainability-related themes.

Integration: F&C believes integration of ESG factors in the investment process can reduce investment risk and underpin long-term returns.

LEI 03.3 If assets are managed using a combination of ESG incorporation strategies, describe briefly how these are used in combination. [Optional]

A range of F&C funds, including some of the ethically-screened funds, take a thematic approach to idea generation, finding attractive long-term growth opportunities in companies contributing to solutions to sustainability challenges. Companies are selected from a screened universe that uses a combination of negative and positive criteria. Fund managers also consider companies' management of ESG risks as indicator of management quality and long-term sustainable performance.

(A) Implementation: Screening

LEI 06	Mandatory	Descriptive	PRI 1
---------------	------------------	--------------------	--------------

LEI 06.1 Indicate and describe the type of screening you apply to your internally managed active listed equities.

Type of screening

Negative/exclusionary screening

Screened by

- Product
- Activity
- Sector
- Country/geographic region
- Environmental and social practices and performance
- Corporate governance

	Description
--	-------------

Our range of ethically-screened funds have a set of key negative criteria, including for tobacco, gambling, harmful or offensive materials, weapons, nuclear power, and unnecessary exploitation of animals. Additionally, these and other thematic funds will exclude from their investment universe companies that have poor ESG practices and performance.

- Positive/best-in-class screening
- Norms-based screening

LEI 06.2	Describe how the screening criteria are established, how often the criteria are reviewed and how you notify clients and/or beneficiaries when changes are made.
-----------------	---

The screening criteria of F&C's ethically-screened funds are overseen by an external ethical committee, the Committee of Reference. This committee comprises eight experts drawn from a diverse range of fields. The Committee meets quarterly to review the ethical criteria and to decide whether individual companies meet these. We notify clients on an ongoing basis, via newsletters and through F&C's website about significant changes to the criteria. We have also undertaken consultations with clients as we modify or incorporate criteria on issues they have a particular interest in.

LEI 07	Mandatory	Core Assessed	PRI 1
---------------	------------------	----------------------	--------------

LEI 07.1	Indicate which processes your organisation uses to ensure that screening is based on robust analysis.
-----------------	---

- Comprehensive ESG research is undertaken or sourced to determine companies' activities and products.
- Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- External research and data used to identify companies to be excluded/included is subject to internal audit by ESG/RI staff, the internal audit function or similar
- Company ESG information/ratings are updated regularly to ensure that portfolio holdings comply with fund policies
- A committee or body with representatives independent of the individuals who conduct company research reviews some or all screening decisions
- A periodic review of the quality of the research undertaken or provided is carried out
- Other, specify
- None of the above

(B) Implementation: Thematic

LEI 09	Mandatory	Descriptive	PRI 1
---------------	------------------	--------------------	--------------

LEI 09.1	Indicate the type of sustainability thematic funds or mandates that your organisation manages.
-----------------	--

- Environmentally themed funds
- Socially themed funds
- Combination of themes

(C) Implementation: Integration of ESG issues

LEI 11	Mandatory	Core Assessed	PRI 1
---------------	------------------	----------------------	--------------

LEI 11.1	Indicate if E, S and G issues are reviewed while researching companies and/or sectors in active strategies.
-----------------	---

ESG issues	Coverage/extent of review on these issues
Environmental	<input checked="" type="radio"/> We systematically review the potential significance of environmental issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of environmental issues and investigate them accordingly <input type="radio"/> We do not review environmental issues
Social	<input checked="" type="radio"/> We systematically review the potential significance of social issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of social issues and investigate them accordingly <input type="radio"/> We do not review social issues
Corporate Governance	<input checked="" type="radio"/> We systematically review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We do not review corporate governance issues

Communication

LEI 18

Mandatory

Core Assessed

PRI 2,6

LEI 18.1

Indicate if your organisation proactively discloses information on your approach to ESG incorporation in listed equity.

We disclose it publicly

Provide URL

<http://www.fandc.com/documents/stewardship-investment-criteria/>

Provide URL

<http://www.fandc.com/documents/esg-integration-at-f-c-creating-value-managing-risk/>

LEI 18.2

Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.

Yes

No

LEI 18.3

Indicate the information your organisation proactively discloses to clients/ beneficiaries and/or the public regarding your approach to ESG incorporation.

Reporting to public	Reporting to clients/beneficiaries
<input checked="" type="radio"/> Broad approach to ESG incorporation <input type="radio"/> Detailed explanation of ESG incorporation strategy used	<input type="radio"/> Broad approach to ESG incorporation <input checked="" type="radio"/> Detailed explanation of ESG incorporation strategy used

**LEI
18.4**

Indicate how frequently you typically report this information.

Reporting to public	Reporting to clients/beneficiaries
<input type="radio"/> Quarterly or more frequently <input checked="" type="radio"/> Between quarterly and annually <input type="radio"/> Less frequently than annually <input type="radio"/> Other, specify	<input type="radio"/> Quarterly or more frequently <input checked="" type="radio"/> Between quarterly and annually <input type="radio"/> Less frequently than annually <input type="radio"/> Other, specify

- We disclose it to clients and/or beneficiaries only
 We do not proactively disclose it to the public and/or clients/beneficiaries

F&C Asset Management

Reported Information

Public version

Direct - Listed Equity Active Ownership

PRI disclaimer

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Engagement

Overview

LEA 02	Mandatory	Gateway	PRI 1,2,3
--------	-----------	---------	-----------

LEA 02.1	Indicate your reasons for interacting with companies on ESG issues and indicate who carries out these interactions.
----------	---

Type of engagement	Reason for interaction
Individual/Internal staff engagements	<input checked="" type="checkbox"/> To support investment decision-making (e.g. company research) <input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input checked="" type="checkbox"/> To encourage improved ESG disclosure <input type="checkbox"/> Other, specify <input type="checkbox"/> We do not engage via internal staff
Collaborative engagements	<input type="checkbox"/> To support investment decision-making (e.g. company research) <input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input checked="" type="checkbox"/> To encourage improved ESG disclosure <input type="checkbox"/> Other, specify <input type="checkbox"/> We do not engage via collaborative engagements
Service provider engagements	<input type="checkbox"/> To support investment decision-making (e.g. company research) <input type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input type="checkbox"/> To encourage improved ESG disclosure <input type="checkbox"/> Other, specify <input checked="" type="checkbox"/> We do not engage via service providers

Process

Process for engagements run internally

LEA 03	Mandatory	Core Assessed	PRI 2
--------	-----------	---------------	-------

LEA 03.1	Indicate whether your organisation has a formal process for identifying and prioritising engagement activities carried out by internal staff.
----------	---

☉ Yes

LEA
03.2

Describe how you identify and prioritise engagements.

- We have developed an in-house 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. Each company is given a series of numerical ESG-related scores and an overall rating. These risk ratings are then used by F&C's Governance and Sustainable Investment (GSI) team to select target companies for engagement.
- We make use of our in-house expertise, as well as that of specialised brokers and research providers, to identify general, and sometimes cross-industry, ESG issues that we will consider to engage selected companies and/or policy makers on.
- We run an annual consultation process with our responsible engagement overlay (*reo*®) clients to help us identify those areas and companies for engagement that they want us to prioritise.
- The GSI team also consults internally with fund managers to select companies for engagement. These are usually companies in which they hold large positions and where ESG risks have been identified, or those where significant ESG risks have been identified regardless of their holding.
- Engagement priorities are systematically reviewed and updated on an annual basis. However, the emergence of significant ESG risks and opportunities can lead to engagement priorities being reviewed or updated at any time during the year. A dedicated engagement team also meets regularly.

No

LEA 04

Mandatory

Core Assessed

PRI 2

LEA
04.1

Indicate if you define specific objectives for your engagement activities.

- Yes
- Yes, for all engagement activities
 - Yes, for the majority of engagement activities
 - Yes, for a minority of engagement activities
- No

LEA
04.2

Indicate if you monitor the actions that companies take following your engagements.

- Yes
- Yes, in all cases
 - Yes, in the majority of cases
 - Yes, in the minority of cases

LEA 04.3	Describe how you monitor and evaluate the progress of your engagement activities.
-----------------	---

- Engagement objectives for each company are, to a large extent, determined by the ESG risks identified as having the largest potential impact on shareholder value.
- We monitor actions taken by companies as a result of our engagement. This is done by either reaching out directly to companies following the engagement activity, or via our own follow-up research. The latter includes reading through companies' annual or sustainability reports; voting at annual and extraordinary shareholders' meetings; and reading reports by specialist brokers and our ESG research providers.
- We record and report on successful engagement outcomes, which we call milestones.
- If, after a period of time, a company remains unresponsive to our engagement or fails to implement any suggested changes in corporate ESG behaviour, we will make an assessment of whether the engagement should be escalated or terminated.
- Insights gained from engagement activities are fed back to fund managers on an ad-hoc basis, which they then may choose to incorporate into investment decision-making. We are currently developing a strategy to make this feedback loop systematic.
- Lessons learned from engagement activities are recorded and integrated into future engagements with the same company, or with other companies facing similar issues.

No

Process for engagements conducted via collaborations			
---	--	--	--

LEA 05	Mandatory	Core Assessed	PRI 2
---------------	------------------	----------------------	--------------

LEA 05.1	Indicate whether your organisation has a formal process for identifying and prioritising collaborative engagements.
-----------------	---

Yes

**LEA
05.2**

Describe how you identify and prioritise collaborative engagements.

We follow the same process that we have in place for identifying and prioritising engagements run internally. As we think about developing and leading, or joining, a collaborative engagement effort, we take into account a number of additional considerations, including (but not limited to):

- Our knowledge of the issue, company or market.
- The potential impacts of an individual vs. a collaborative engagement.
- Interest from other like-minded investors in a particular issue, company or market.

No

LEA 06

Mandatory

Core Assessed

PRI 2

**LEA
06.1**

Indicate if the collaborative engagements in which you are involved have defined objectives.

Yes

Yes, for all collaborative engagement activities

Yes, for the majority of collaborative engagement activities

Yes, for a minority of collaborative engagement activities

No

**LEA
06.2**

Indicate if you monitor the actions companies take following your collaborative engagements.

Yes

Yes, in all cases

Yes, in the majority of cases

Yes, in the minority of cases

**LEA
06.3**

Describe how you monitor and evaluate the progress of your collaborative engagement activities.

We follow a very similar process to the one described for internally run engagements. Some of the collaborative engagements we take part in have structured approaches to monitor and evaluate progress that are overseen by the lead investor or organisation. We greatly value these, and therefore seek to ensure they are in place in every collaborative effort we participate in.

No

General processes for all three groups of engagers

LEA 10	Mandatory	Gateway/Core Assessed	PRI 2
--------	-----------	-----------------------	-------

LEA 10.1	Indicate if you track the number of companies you engage with.
-----------------	--

Type of engagement	Tracking engagements
Individual / Internal staff engagements	<input checked="" type="radio"/> Yes, we track the number of our engagements in full <input type="radio"/> Yes, we partially track the number of our engagements <input type="radio"/> No, we do not track our engagements but can provide a reasonable estimate of our engagement numbers <input type="radio"/> No, we do not track and cannot estimate our engagements
Collaborative engagements	<input checked="" type="radio"/> Yes, we track the number of our engagements in full <input type="radio"/> Yes, we partially track the number of our engagements <input type="radio"/> No, we do not track our engagements but can provide a reasonable estimate of our engagement numbers <input type="radio"/> No, we do not track and cannot estimate our engagements

Communication

LEA 15	Mandatory	Core Assessed	PRI 2,6
--------	-----------	---------------	---------

LEA 15.1	Indicate whether your organisation proactively discloses information on its engagements.
-----------------	--

- We disclose it publicly

	please provide URL
--	--------------------

<http://www.fandc.com/documents/responsible-investment-report-2013/>

LEA 15.2	Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.
-----------------	---

- Yes
 No

LEA 15.3	Indicate what engagement information your organisation proactively discloses to clients/beneficiaries and/or the public.
-----------------	--

Reporting to the public	Reporting to clients/beneficiaries
Engagement information disclosed	Engagement information disclosed
<input type="checkbox"/> Details of the selections, priorities and specific goals of engagement <input checked="" type="checkbox"/> Number of engagements <input checked="" type="checkbox"/> Breakdown of engagements by type/topic <input checked="" type="checkbox"/> Breakdown of engagements by region <input type="checkbox"/> An assessment of the current status of the engagement <input type="checkbox"/> Outcomes that have been achieved from the engagement <input type="checkbox"/> Other information	<input checked="" type="checkbox"/> Details of the selections, priorities and specific goals of engagement <input checked="" type="checkbox"/> Number of engagements <input checked="" type="checkbox"/> Breakdown of engagements by type/topic <input checked="" type="checkbox"/> Breakdown of engagements by region <input checked="" type="checkbox"/> An assessment of the current status of the engagement <input checked="" type="checkbox"/> Outcomes that have been achieved from the engagement <input type="checkbox"/> Other information

LEA 15.4	Indicate how frequently you typically report engagements information.
-----------------	---

Reporting to the public	Reporting to clients/beneficiaries
<input type="radio"/> Disclosed continuously (prior and post engagements) <input type="radio"/> Disclosed quarterly <input checked="" type="radio"/> Disclosed annually <input type="radio"/> Disclosed every two years or less <input type="radio"/> Other, specify	<input checked="" type="radio"/> Disclosed continuously (prior and post engagements) <input type="radio"/> Disclosed quarterly <input type="radio"/> Disclosed annually <input type="radio"/> Disclosed every two years or less <input type="radio"/> Other, specify

- We disclose it to clients and/or beneficiaries only
- We do not proactively disclose it to the public and/or clients/beneficiaries.

(Proxy) voting and shareholder resolutions

Process

LEA 17	Mandatory	Descriptive	PRI 2
--------	-----------	-------------	-------

LEA 17.1	Indicate how you typically make your (proxy) voting decisions and what this approach is based on.
-----------------	---

Approach

- We use our own research or voting team and make our own voting decisions without the use of service providers.
- We hire service provider(s) which make voting recommendations or provide research that we use to inform our voting decisions.
- We hire service provider(s) which make voting decisions on our behalf, except for some pre-defined scenarios for which we review and make voting decisions.

Based primarily on

- the service provider voting policy signed off by us
 - our own voting policy
 - our clients requests or policy
 - other, explain
- We hire service provider(s) which make voting decisions on our behalf.

LEA 18

Mandatory

Descriptive

PRI 2

LEA 18.1

Of the voting recommendations that your service provider made in the reporting year, indicate what percentage your organisation reviewed, and the reasons for the review.

Percentage of voting recommendations your organisation reviewed

- >20%
- 5-20%
- 1-5%
- <1%

Reasons for review

- Specific ESG issues
- Votes where a significant level of ownership is held
- Votes against management or abstentions
- Conflicts of interest
- Corporate actions such as M&A, disposal, etc.
- Other, explain

Policy referrals, i.e. circumstances where our service provider found difficult to apply our in-house policy. Quality checks to ensure our in-house policy is applied correctly

LEA 21

Mandatory

Core Assessed

PRI 2

LEA 21.1	Indicate if you ensure that companies are informed of the rationale when you and/or the service providers acting on your behalf abstain or vote against management recommendations.
-----------------	---

- Yes, in most cases
- Sometimes, in the following cases:
- No
- Not applicable as we and/or our service providers do not abstain or vote against management recommendations

Outputs and outcomes

LEA 22	Mandatory	Core Assessed	PRI 2
---------------	------------------	----------------------	--------------

LEA 22.1	For listed equities where you and/or your service provider has the mandate to issue (proxy) voting instructions, indicate the percentage of votes cast during the reporting year.
-----------------	---

- We do track or collect this information

	Votes cast (to the nearest 1%)
--	--------------------------------

	%
--	---

97

	Specify the basis on which this percentage is calculated
--	--

- of the total number of ballot items on which you could have issued instructions
- of the total number of company meetings at which you could have voted
- of the total value of your listed equity holdings on which you could have voted

LEA 22.2	If there are specific reasons why you did not vote certain holdings, explain these, and if possible, indicate the percentage of holdings affected by these factors. [Optional]
-----------------	--

- Shareblocking
- Zero shares at the record date
- Late ballots

- We do not track or collect this information

Communication

LEA 26	Mandatory	Core Assessed	PRI 2,6
---------------	------------------	----------------------	----------------

LEA 26.1 | Indicate if your organisation proactively discloses information on your voting activities.

We disclose it publicly

provide URL

<http://vds.issproxy.com/SearchPage.php?CustomerID=3660%20>

LEA 26.2 | Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.

Yes

No

LEA 26.3 | Indicate the voting information your organisation proactively discloses to the public and/or to clients/beneficiaries.

Reporting to the public	Reporting to clients/beneficiaries
<p>Indicate how much of your voting record you disclose</p> <p><input checked="" type="radio"/> All voting decisions</p> <p><input type="radio"/> Some voting decisions</p> <p><input type="radio"/> Only abstentions and opposing vote decisions</p> <p><input type="radio"/> Summary of votes only</p>	<p>Indicate how much of your voting record you disclose</p> <p><input checked="" type="radio"/> All voting decisions</p> <p><input type="radio"/> Some voting decisions</p> <p><input type="radio"/> Only abstentions and opposing vote decisions</p> <p><input type="radio"/> Summary of votes only</p>
<p>Indicate what level of explanation you provide</p> <p><input type="radio"/> Explain all voting decisions</p> <p><input type="radio"/> Explain some voting decisions</p> <p><input checked="" type="radio"/> Only explain abstentions and votes against management</p> <p><input type="radio"/> No explanations provided</p>	<p>Indicate what level of explanation you provide</p> <p><input type="radio"/> Explain all voting decisions</p> <p><input type="radio"/> Explain some voting decisions</p> <p><input checked="" type="radio"/> Only explain abstentions and votes against management</p> <p><input type="radio"/> No explanations provided</p>

LEA 26.4 | Indicate how frequently you typically report voting information.

Reporting to the public	Reporting to clients/beneficiaries
<input type="radio"/> Continuously (primarily before meetings) <input checked="" type="radio"/> Continuously (soon after votes are cast) <input type="radio"/> Quarterly or more frequently <input type="radio"/> Between quarterly and annually <input type="radio"/> Less frequently than annually <input type="radio"/> Other, specify	<input type="radio"/> Continuously (primarily before meetings) <input type="radio"/> Continuously (soon after votes are cast) <input checked="" type="radio"/> Quarterly or more frequently <input type="radio"/> Between quarterly and annually <input type="radio"/> Less frequently than annually <input type="radio"/> Other, specify

- We disclose it to clients/beneficiaries only
- We do not proactively disclose our voting activities to the public and/or to clients/beneficiaries

F&C Asset Management

Reported Information

Public version

Direct - Fixed Income

PRI disclaimer

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ESG incorporation in actively managed fixed income

Fixed Income - Corporate

Implementation processes

FI 04	Mandatory	Gateway/Core Assessed	PRI 1
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FI 04.1

Indicate (1) which ESG incorporation strategy and/or combination of strategies you apply to your actively managed corporate fixed income investments; and, (2) the breakdown of your actively managed corporate fixed income investments by incorporation strategy or combination of strategies.

ESG incorporation strategy (select all that apply)

- Screening alone (i.e. not combined with any other strategies)
- Thematic alone (i.e. not combined with any other strategies)
- Integration alone (i.e. not combined with any other strategies)

Percentage of active corporate fixed income to which the strategy is applied (estimate +/- 10%)	% 97.9
---	-----------

- Screening + Integration strategies

Percentage of active corporate fixed income to which the strategy is applied (estimate +/- 10%)	% 2.1
---	----------

- Thematic + integration strategies
- Screening + thematic strategies
- All three strategies combined
- No incorporation strategies applied

Total actively managed fixed income - corporate

100%

FI 04.2

Describe your primary reasons for choosing a particular incorporation strategy.

Screening: F&C offers an ethically-screened fixed income product, the Ethical Bond Fund. This fund aims to maximise returns through investment primarily in investment grade fixed interest securities from ethically screened companies. the Fund is subject to a strict ethical screening process

Integration: F&C believes integration of ESG factors in the investment process can reduce investment risk and underpin long-term returns.

(A) Implementation: Screening

FI 06

Mandatory

Descriptive

PRI 1

FI 06.1

Indicate and describe the type of screening you apply to your internally managed active corporate fixed income investments.

Type of screening

Negative/exclusionary screening

Screened by

Product

Activity

Sector

Country/geographic region

Environmental and social practices and performance

Corporate governance

Description

Screening criteria for the ethical bond fund include negative screening criteria (e.g. weapons, gambling, tobacco, alcohol), as well as an assessment of the companies' environmental and social practices and performance.

Positive/best-in-class screening

Norms-based screening

FI 06.2	Describe how the screening criteria are established, how often the criteria are reviewed and how you notify clients and/or beneficiaries when changes are made.
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The ethical criteria of F&C's Ethical Bond Fund are overseen by an independent ethical committee, the Committee of Reference. This committee comprises eight experts drawn from a diverse range of fields. The Committee meets quarterly to review the ethical criteria and to decide whether individual companies meet these. We notify clients on an ongoing basis, via newsletters and through F&C's website about significant changes to the criteria. We have also undertaken consultations with clients as we modify or incorporate criteria on issues they have a particular interest in.

FI 07	Mandatory	Core Assessed	PRI 1
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FI 07.1	Indicate which processes your organisation uses to ensure that screening in corporate fixed income is based on robust analysis.
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- Comprehensive research is undertaken or sourced to determine issuers' ESG performance
- Issuers are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- External research and data used to identify issuers to be excluded/included is subject to internal audit by ESG/RI staff, the internal audit function or similar
- Information on ESG issues and/or ratings is updated regularly to ensure that portfolio holdings comply with fund policies
- A committee or body with representatives independent of the individuals who conduct ESG research reviews some or all screening decisions
- A periodic review of the quality of the research undertaken or provided is carried out
- Other, specify
- None of the above

(C) Implementation: Integration of ESG factors

FI 11	Mandatory	Core Assessed	PRI 1
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FI 11.1	Indicate if E, S and G issues are reviewed while researching companies and/or sectors in active strategies.
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ESG issues	Coverage/extent of review on these issues
Environmental	<input checked="" type="radio"/> We systematically review the potential significance of environmental issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of environmental issues and investigate them accordingly <input type="radio"/> We do not review environmental issues
Social	<input checked="" type="radio"/> We systematically review the potential significance of social issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of social issues and investigate them accordingly <input type="radio"/> We do not review social issues
Corporate Governance	<input checked="" type="radio"/> We systematically review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We do not review corporate governance issues

Fixed income - Government

FI 13

Mandatory

Core Assessed

PRI 1

FI 13.1

Indicate if you incorporate ESG issues in investment analysis and decision making for your government fixed income investments.

Yes

FI 13.2

Indicate for what percentage of your government fixed income investments you incorporate ESG issues in investment analysis and decision making.

- <10%
 10-50%
 51-90%
 >90%

FI 13.3

Indicate if in active strategies, E, S and G issues are reviewed while researching government issuers.

ESG issues	Coverage/extent of review on these issues
Environmental	<input checked="" type="radio"/> We systematically review the potential significance of environmental issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of environmental issues and investigate them accordingly <input type="radio"/> We do not review environmental issues
Social	<input checked="" type="radio"/> We systematically review the potential significance of social issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of social issues and investigate them accordingly <input type="radio"/> We do not review social issues
Corporate Governance	<input checked="" type="radio"/> We systematically review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We do not review corporate governance issues

FI 13.4 Describe your approach to incorporating ESG issues in government fixed income investments. [Optional]

Proprietary analysis by our GSI team has determined credible sources for environmental, social and governance criteria to obtain ESG scores for European sovereigns.

ESG scores are:

- Calibrated to give overall ESG score
- Analysed relative to credit rating and spreads.
- Updated on an annual basis. Credit rating and spread updates are on-going
- Back-tested to compare with spread developments

Analysis is reviewed as part of our dynamic government bond investment process, evaluating ESG relative to credit rating and spread levels.

No

Communication

FI 18

Mandatory

Core Assessed

PRI 2,6

FI 18.1

Indicate if your organisation proactively discloses information on your approach to ESG incorporation in all fixed income investments.

We disclose it publicly

Provide URL

<http://www.fandc.com/documents/esg-integration-at-f-c-creating-value-managing-risk/>

FI 18.2

Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.

Yes

FI 18.3

Indicate the information your organisation proactively discloses to clients/ beneficiaries and the public regarding your approach to ESG incorporation.

- Broad approach to ESG incorporation
 Detailed explanation of ESG incorporation strategy used

FI 18.4

Indicate how frequently you typically report this information.

- Quarterly or more frequently
 Between quarterly and annually
 Less frequently than annually
 Other, specify

No

- We disclose it to clients/beneficiaries only
 We do not proactively disclose it to the public and/or clients/beneficiaries