



# Investor Responsibility?

UK Fund Managers' Performance and Accountability on 'Extra-Financial' Risks

November 2008

**FairPensions**<sup>™</sup>   
The campaign for responsible investment

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# Executive Summary

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The fundamental importance of transparency, accountability and sustainability within financial markets has shot to prominence in the wake of the crisis gripping the global economy in 2008. A myopic focus on short term profitability rather than sustainable long term growth, a failure to realistically assess business risks, along with weak governance structures in banks and financial services companies have together led to painful losses for investors. This failure to correctly understand and price risk is now wreaking havoc on the wider economy.

Fund managers are given delegated authority to make investment decisions on behalf of clients, including pension funds. These managers have the power – and we would argue the responsibility – to monitor carefully the full range of material risks to corporate performance and value. Environmental, social and corporate governance risks are amongst the key ‘extra-financial’ factors which can impact value in the short and long term. The ability of fund managers to carefully and knowledgeably assess ESG risk factors and to engage effectively with investee companies to address such risks is likely to affect their overall performance as managers of other people’s money.

In this context a detailed study of the Responsible Investment (RI) strategies and activities of thirty of the largest asset managers operating in the UK is timely. Clients with a fiduciary duty to ensure long-term returns, including pension funds, need to understand the ability and willingness of different fund managers to be responsible investors. We believe this report will provide pension funds and other clients of UK fund managers with information of real value.

## Leaders and laggards

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There is a striking disparity of observable performance on Responsible Investment amongst the asset managers in this year’s survey. The leaders – F&C, Insight, Hermes and Aviva Investors (formerly Morley) – demonstrate a deep commitment to responsible investment through their engagement activities and public disclosures.

In stark contrast, some of the lowest scoring asset managers give no indication of any coherent approach towards integrating ESG risks and opportunities into investment strategies, and appear to fail to meet industry best practice codes<sup>1</sup>. The low transparency scores of some asset managers highlight a divergence between the expansive corporate social responsibility policies of parent companies and the limited demonstration of any equivalent responsible investment strategy on the part of their asset management divisions<sup>2</sup>.

## Significant year on year improvement

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The survey shows a clear improvement in the combined performance of the 20 asset managers that were surveyed in both 2007 and 2008, as illustrated by a 23% increase in average performance and the fact that no asset manager scored a zero this year (as opposed to two last year). While the leaders continue to display a strong performance, with Baillie Gifford and Standard Life showing significant improvements in this category, last year’s bottom five have also made encouraging progress, with some of the biggest improvements achieved by Goldman Sachs, State Street, Wellington and BlackRock.

1. Best practice codes include the Institutional Shareholders Committee’s Statement of Principles and the UK Combined Code on Corporate Governance

2. For example, Lloyds TSB, Barclays and Credit Suisse all appear to have strong group CSR policy statements, but with a contrastingly low RI performance evidenced by their asset management divisions in our survey.

Emphasis on governance issues masks an absence of focus on environmental and social issues.

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This year we have attempted to assess whether companies which claim to evaluate and engage on the full range of ESG issues do actually focus on environmental and social factors as well as corporate governance.

Our findings suggest that asset managers' focus on ESG more often than not is limited to governance issues such as board structure and remuneration. Of the 22 asset managers that disclosed a policy on ESG issues 19 covered only corporate governance issues, while only F&C, Insight and Standard Life could explain their policy on environmental and social factors in any detail. Similarly, on corporate engagement, although the overall score for the 30 asset managers on ESG engagement was 53%, this fell to a mere 25% when environmental and social issues were considered separately from governance. It appears as though investment analysis of environmental and social risks/opportunities is confined to a small niche in the industry. This is a significant cause for concern as the risks associated with environmental and social mismanagement by companies can be as damaging to value as governance issues both in the short and the long run<sup>3</sup>.

Impact on investee companies remains elusive

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Though many of the asset managers surveyed this year appear to be actively voting and conducting engagement meetings with companies, less than half are able to show any evidence that their engagements have brought about change in corporate behaviour on ESG concerns. Only three, (F&C, Insight and Aviva Investors) show substantial evidence of change in company policy and practice (e.g. through results of benchmarking exercises, or externally corroborated reports). It is notable that, although asset managers are generally cautious to claim any causal effect of their engagements, those who are more

confident in claiming success are the ones who adopt RI in a comprehensive manner, as suggested by their high scores on all sections of the survey.

Public kept in the dark about engagement activities

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More than three quarters of the asset managers in our survey do not reveal their engagement activities other than to clients. Whilst a number state a belief that full public disclosure would undermine their ability to effectively engage with companies, we note that asset managers who lead in terms of public transparency are also those with an impressive track record on effective engagement.

Correlation between dedicated resources and evidence of greater engagement

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Perhaps unsurprisingly, our results suggest that a dedicated team of in-house employees to analyse and engage on ESG issues appears to add significantly to the effectiveness of asset managers as active shareholders, protecting and enhancing the long-term value of companies held.

Positive correlation between UNPRI signatories and higher ESG performance

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There appears to be a strong correlation between signing the UN's Principles for Responsible Investment (UNPRI) and performance on ESG analysis and engagement: three quarters of the asset managers in the top half of our ranking are UNPRI signatories, compared to only one-fifth in the bottom-half. A number of the biggest names in the asset management industry (Barclays Global Investors, State Street, Capital International, Morgan Stanley, and Goldman Sachs) were not UNPRI signatories as at the date of our survey. Institutional clients concerned to ensure that 'extra financial factors' are accounted for in the investment process may find it prudent to encourage their asset managers to commit to the Principles.

3. Impact on value is demonstrated for example by the share price of BP following the explosion in its Texas City oil refinery in 2005, where the stock underperformed the world oil and gas sector by 10.7 per cent, as noted in the Financial Times article "More Fuel for Anti-BP Sentiment", 30 June 2006 available at <http://www.ft.com/cms/s/0/10be2944-07d5-11db-9067-0000779e2340.html>

## Drivers of change

The overall year on year improvement demonstrated by the 20 asset managers who were surveyed last year indicates a growing interest in incorporating material ESG risks and opportunities into the investment process.

This can be attributed to mounting demands from multiple stakeholders – institutional clients such as pension funds<sup>4</sup>, regulators, retail investors and pension beneficiaries. Another significant factor would seem to be increasing public scrutiny of asset managers, of which last year's report was a part.

## UK Asset Manager Responsible Investment Ranking 2008

Asset Manager		Transparency Score	ESG Engagement Score	ES Engagement Score	Total Score	% Score	Rank	UNPRI Signatory
		(max 12)	(max 16)	(max 8)	(max 36)			
Top 5	F&C Asset Mgmt	12	16	8	36	100	1	Yes
	Hermes Fund Managers Ltd.	9	16	6	31	86	2	Yes
	Insight Investment	12	13	6	31	86	2	Yes
	Aviva Investors (Morley)	9	14	7	30	83	4	Yes
	Standard Life Investments	8	12	5	25	69	5	Yes
	Baillie Gifford & Co.	9	12	3	24	66	6	Yes
	HSBC Global Asset Management	6	15	3	24	66	6	Yes
	AXA Investment Managers	6	13	2	21	58	8	Yes
	Fidelity International	7	12	2	21	58	8	No
	Newton Investment Mgmt.	7	11	3	21	58	8	Yes
	Schroder Investment Management	3	12	5	20	55	11	Yes
	Aberdeen Asset Managers Ltd.	5	11	2	18	50	12	Yes
	UBS Global Asset Management	5	11	1	17	47	13	No
	BlackRock	5	10	1	16	44	14	No <sup>5</sup>
	Henderson Global Investors	6	9	1	16	44	14	Yes
	Legal & General Investment Mgmt.	6	8	1	15	41	16	No
	JP Morgan Asset Mgmt.	4	8	0	12	33	17	Yes
	Barclays Global Investors*	6	5	0	11	30	18	No
	M&G Investments*	6	5	0	11	30	18	No
	Wellington Management	1	8	2	11	30	18	No
	AllianceBernstein Institutional Invst.	2	8	0	10	27	21	No
	Capital International	1	9	0	10	27	21	No
	Morgan Stanley Asset Mgmt.	2	8	0	10	27	21	No
	Threadneedle Asset Mgmt.	4	5	1	10	27	21	Yes
	Goldman Sachs Asset Mgmt Intl.	0	8	1	9	25	25	No
Bottom 5	State Street Global Advisors UK	0	6	1	7	19	26	No
	Scottish Widows Invest. Partnership	2	4	0	6	16	27	Yes
	Artemis Investment Management*	2	2	0	4	11	28	No
	Credit Suisse Asset Mgmt.*	1	1	0	2	5	29	No
	INVESCO Perpetual*	1	1	0	2	5	29	No

\* Artemis, BGI, Credit Suisse, INVESCO and M&G Investments did not actively participate in the survey; their scores are based on the information available on their public website

4. FairPensions has received anecdotal evidence from pension funds that confirm their engagement with asset managers on this issue.

5. As at 12th September 2008, BlackRock was not a signatory to the UNPRI, but we are pleased to note that it is now a signatory.

# Main Report – Introduction

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The fundamental importance of transparency, accountability and sustainability within financial markets has shot to prominence in the wake of the crisis gripping the global economy in 2008. A myopic focus on short term profitability rather than sustainable long term growth, a failure to realistically assess business risks, along with weak governance structures in banks and financial services companies have together led to painful losses for investors. This failure to correctly understand and price risk is now wreaking havoc on the wider economy.

In this context a detailed study of the Responsible Investment (RI) strategies and

activities of thirty of the largest asset managers operating in the UK is timely.

Asset managers are given delegated authority to make investment decisions on behalf of clients, including pension funds. These managers have the power – and we would argue the responsibility – to monitor carefully the full range of material risks to corporate performance and value. ESG risks are amongst the key ‘extra-financial’ factors which can impact value in the long term<sup>6</sup>. The ability of asset managers to carefully and knowledgeably assess ESG risk factors and to engage effectively with investee companies to address these risks is likely to

## ‘Ethical Investment’ and ‘Responsible Investment’ (RI)

Ethical investment generally refers to investment strategies based on asset allocation – either screening out ‘bad’ sectors or companies, or specifically seeking ‘good’ companies and sectors to invest in. Responsible Investment (RI) may incorporate an ethical approach, but generally refers to the overarching policy and practices necessary to monitor and manage opportunities and risks arising from ‘extra-financial’ factors including environmental, social and governance (ESG) issues. Transparency and engagement (active ownership) are generally considered to be the key elements of RI.

Transparency, through public disclosure, is imperative for demonstrating and exercising accountability. Lack of transparency makes it difficult for individuals such as pension fund beneficiaries to discern if fund managers making investment decisions on their behalf are addressing any negative social and environmental effects of their investments and the potential risks presented by these concerns.

Active ownership implies that as owners of a corporation, shareholders have the right and the responsibility to influence a firm’s strategy and its management of risks. This is primarily done by exercising voting rights, and in the case of institutional investors, engaging with companies to discuss risks including ESG issues. These methods are less effective in isolation. For example, engagement has more influence if there is the option to exercise a relevant vote, and voting has more impact if it is associated with communication to explain concerns. The ultimate sanction of selling a share may be necessary if the risk is sufficiently large and the company unresponsive.

6. UNEP FI’s 2007 report entitled Demystifying Responsible Investment Performance cites detailed academic and brokerage firm studies that show a positive association between the inclusion of ESG criteria and enhanced financial performance. The report is available at [http://www.unepfi.org/fileadmin/documents/Demystifying\\_Responsible\\_Investment\\_Performance\\_01.pdf](http://www.unepfi.org/fileadmin/documents/Demystifying_Responsible_Investment_Performance_01.pdf)

affect their overall performance as managers of other people's money. So long as ESG issues can be material to a company's long term valuation, any prudent risk management and decision making strategy will benefit from integrating ESG analysis into the investment process.

Those with fiduciary duties, including pension funds, need to understand the ability and willingness of different asset managers to be responsible investors<sup>7</sup>. We believe this report provides pension funds and other clients of UK asset managers with information of real value. The report assesses the current RI

policies and practices of asset managers in the UK with approximately US\$ 22 trillion under management<sup>8</sup>. It builds on a similar survey conducted last year, with ten asset managers added in 2008, in addition to the twenty surveyed last year.

The survey findings show a discernible trend, albeit the signs are intermittent, that the asset management industry is increasingly recognizing RI as an integral part of future-proofing investee companies and increasing its integration of ESG factors into mainstream analysis. There is, however, still a long way to go.

7. Since the publication in 2005 of a widely acknowledged legal opinion by Freshfields Bruckhaus Deringer, (commissioned by the UN Environmental Programme Finance Initiative) it has become apparent that institutional asset owners such as pension funds may be in breach of fiduciary duties to their beneficiaries if material ESG considerations are not factored into the investment process. The report is available at [http://www.unepfi.org/fileadmin/documents/freshfields\\_legal\\_resp\\_20051123.pdf](http://www.unepfi.org/fileadmin/documents/freshfields_legal_resp_20051123.pdf)

8. Please see appendix 2. re methodology

# Key findings

## Engagement

1. A wide variation in number of engagement meetings on ESG issues

Eight asset managers confirmed having at least 50 meetings each with companies to exclusively discuss ESG considerations in the most recent quarter before the survey was conducted, while fourteen reported a minimum of 20 meetings, and eight disclosed no information on the scale of engagement with investee companies either publicly or to FairPensions. Some managers maintain that while they do not specifically meet companies on these topics, or maintain records of these, their analysts regularly raise ESG issues in the very many meetings their portfolio managers have. However, it is questionable, and difficult to discern without transparency, whether ESG issues received detailed attention in these meetings which primarily discuss financial performance.

2. Evidence of impact on corporate behaviour is often elusive

Despite the high number of asset managers providing evidence that they request changes in corporate behaviour when ESG risks have been identified, less than half can produce any evidence of success in securing change at company level. Only 3 (F&C, Insight and Aviva Investors – formerly known as Morley) could produce substantial evidence (consisting of internal performance matrices, results of benchmarking exercises, or externally corroborated reports) of engagements that have brought about changes in corporate behaviour on ESG issues.

Understandably many managers are wary of claiming any causal relationship between their engagement and corporate changes. It is notable, though, that managers who are confident in demonstrating at least some success (F&C, Insight, Aviva, Standard Life, HSBC, Hermes and Baillie Gifford) are

also those who integrate ESG analysis into investment decisions at a systematic level, as suggested by their consistently high scores on all sections of the survey.

3. Positive relationship between dedicated resources and evidence of greater engagement  
Perhaps unsurprisingly, the findings suggest that a dedicated team of in-house employees to analyse ESG issues appears to add significantly to the effectiveness of the asset managers as active share holders, as borne out by the finding that out of the 20 asset managers who employed four or more specialist employees, more than half were able to provide at least some evidence of successful engagements, in sharp contrast to only one fifth of the ten who employed less than four ESG staff.

Many asset managers told us that ESG analysis was fully integrated into the work of their portfolio managers, and therefore they had no need for a separate ESG team. However, the survey indicates that the merits of this approach are questionable. Managers with no dedicated ESG resource recorded the least number of engagement meetings and the least success in securing corporate change to eliminate ESG risks.

### Correlation between UNPRI and good performance

The survey suggests a strong correlation between signatories to the UN's Principles for Responsible Investment (UNPRI) and a high score overall, with three quarters of the asset managers in the top-half being UNPRI signatories. These asset managers are better able to demonstrate their capabilities in incorporating ESG issues into their general investment strategies, through their transparent disclosures and evidence of active ownership practices. The UNPRI (a "voluntary and aspirational" code) represents a discernible point of departure and appears as a measure of an asset manager's commitment to responsible investment. As such asset owners, especially pension funds, who delegate the implementation of their ESG policy to their asset manager, would do well to consider UNPRI membership as a key criterion while assessing their asset managers' credentials on RI.

Emphasis on governance masks the absence of a focus on environmental and social issues amongst the surveyed managers

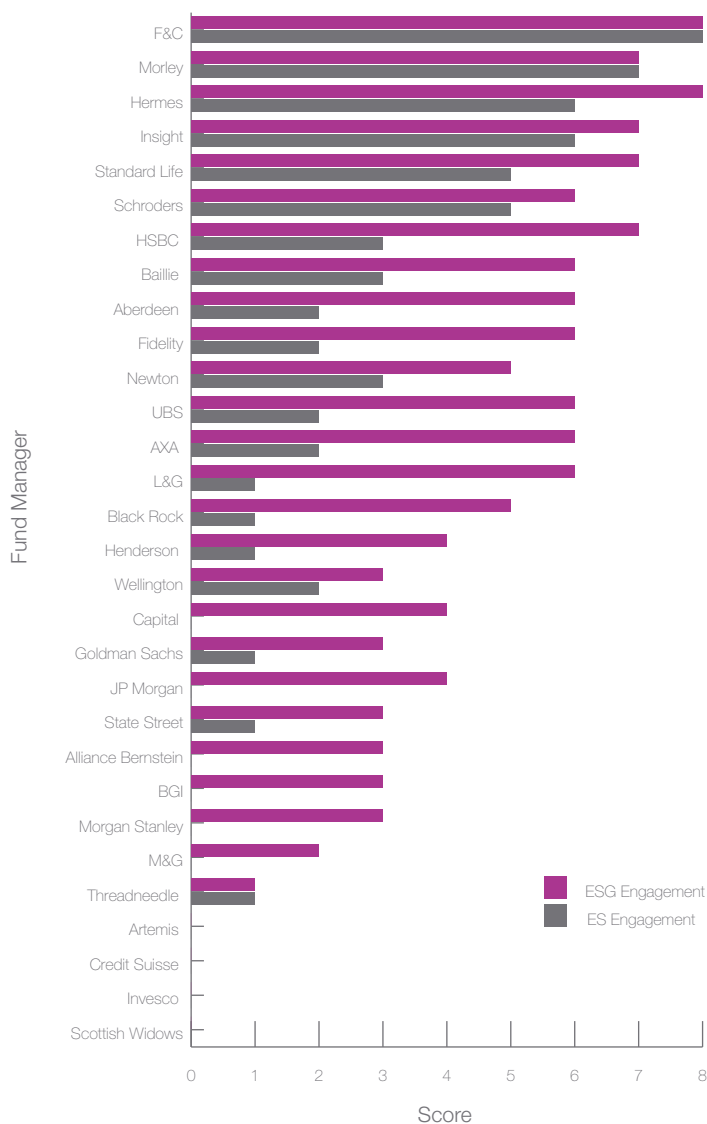
The survey findings suggest that though ESG issues are ‘bundled’ together, this often masks a concentration on corporate governance and a neglect of environmental and social risks by investee companies.

Of the 22 asset managers that disclosed a policy on ESG issues, 19 appeared only to cover corporate governance issues. Only F&C, Insight and Standard Life could explain their policy on environmental and social factors in

any detail. Similarly, on corporate engagement, although the overall score for the 30 asset managers on ESG engagement was 53%, this fell to a mere 25% when environmental and social issues were considered separately from governance. Although two thirds of the asset managers surveyed could demonstrate evidence of over 50 requests for change in company behaviour in relation to ESG issues; only one sixth (F&C, Insight, Aviva Investors, Schroders and Standard Life) could do the same once governance issues were removed. Evidence of success in securing change is also weaker in E&S than in ESG as a whole.

Many asset managers believe that while the risks associated with corporate governance issues are well understood, the long term impacts of environmental and social factors on sustaining strong overall corporate performance are less tangible and more difficult to measure, and therefore receive less attention. However, the risks associated with environmental and social mismanagement could be deemed to be as significant to a company’s value as governance issues over the long term. To quote from a McKinsey study, “Increasingly, a company’s sources of long-term value (for example, its brand, talent, and relationships) are affected by a rising tide of expectations among stakeholders about the social role of business”<sup>9</sup>. It is illogical to discount them from the investment process simply because of the complications involved in calculating their materiality.

### ESG vs ES



### Transparency

1. A sizeable minority does not publicly disclose a policy on ESG  
 One fifth of the asset managers do not have a publicly available policy document that explains how they deal with ESG issues. For the four-fifths who do disclose such a policy on their website, only 3 managers (F&C, Insight and Standard Life) make public a comprehensive policy on how they integrate environmental and social issues, in addition to governance issues, into their overall investment process.

9. Sheila M. Bonini, Lenny T. Mendonca, and Jeremy M. Oppenheim, “When Social Issues Become Strategic: Executives Ignore Sociopolitical Debates at Their Own Peril,” McKinsey Quarterly, April 2006, No. 2., as quoted in the UNEPFI publication, ‘Show me the Money’, available at [http://www.unepfi.org/fileadmin/documents/show\\_me\\_the\\_money.pdf](http://www.unepfi.org/fileadmin/documents/show_me_the_money.pdf)

2. Most asset managers undertake at least some public disclosure of voting, although the extent of disclosure differs greatly. 22 out of 30 asset managers surveyed make public at least some information on their voting records at investee companies' annual general meetings. Alliance Bernstein and Capital International disclose information for selected US funds under requirements from the SEC<sup>10</sup>, while 12 managers published headline statistics, and 5 managers offered additional explanations for votes against management and abstentions. Only a minority, less than one third of asset managers, make a full voting disclosure for their holdings (Baillie Gifford, BGI, F&C, Fidelity, Hermes, Insight, Legal & General and M&G).

A comprehensive public disclosure of voting will allow a better understanding of the stewardship undertaken by asset managers of their investments. Disclosure of how ownership rights are exercised on behalf of clients and their beneficiaries is fundamental to achieving accountability through the investment chain. The low scores of many asset managers strengthen the argument for regulatory action to make voting disclosure mandatory, as enabled by the Companies Act 2006<sup>11</sup>.

3. Engagement disclosure remains low and erratic

More than two thirds of the asset managers do not publicly disclose any detail of engagements with companies, though will report to clients. We could find only 2 managers (F&C and Insight) who regularly publish detailed accounts of their engagement activities, whilst one sixth publically provide selected examples of engagement. In some cases the reporting of engagement activities appeared in the annual CSR reports of their parent companies.

Some asset managers claim that public disclosure of engagement activities would compromise effectiveness of engagement with investee companies. The public disclosure practised by F&C and Insight Investment,

two asset managers having the most complete disclosures of engagement activity, does not appear to damage their ability to influence companies. Indeed, both were able to produce substantial evidence of success in their engagement. Evidence of engagement with investee companies is crucial for public accountability. Unless asset managers report the results of their engagement activities (albeit potentially with a suitable time lag), it will be difficult to refute the suspicion that RI policies could simply be a public relations' exercise for some managers.

Year on year comparison

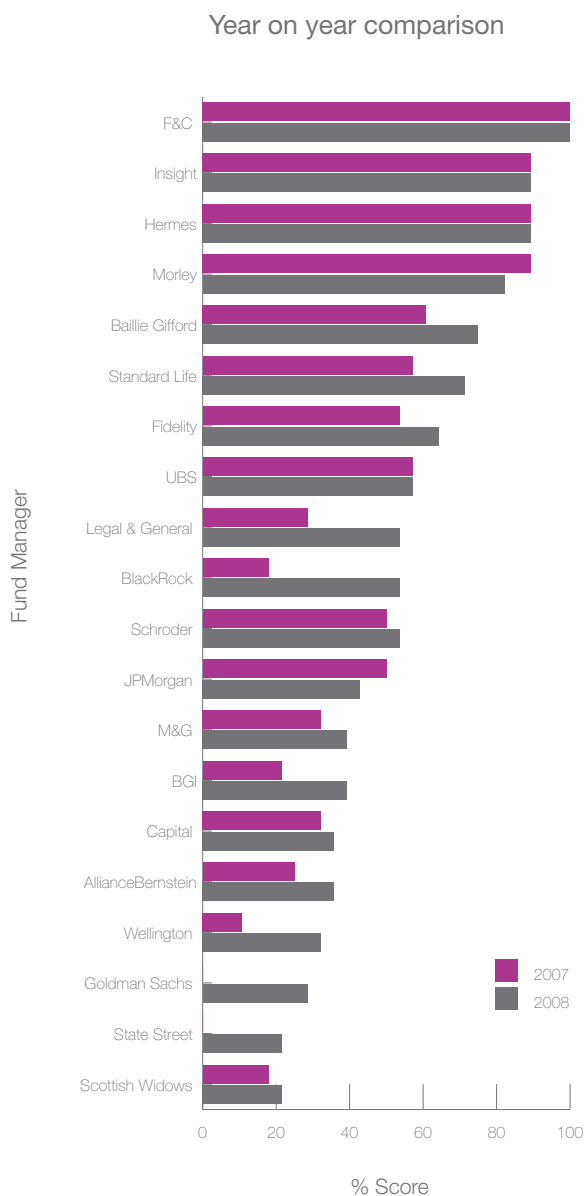
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This year's survey demonstrates a clear improvement in the performance of the 20 asset managers who were also surveyed last year. The average performance increased by 23%. These 20 asset managers appeared keen to articulate their responsible investment capabilities, as seen from the increase in this year's survey response rate – only 2 of the 20 asset managers refrained from participating actively in the survey. While the leaders from last year continue to display a strong performance, with Baillie Gifford and Standard Life showing significant improvements in this category, it is encouraging to see asset managers with low scores in 2007 also making significant progress – the minimum score for the group of twenty managers this year is 21% (Scottish Widows Investment Partnership, and State Street) as opposed to 0% that Goldman Sachs and State Street scored in 2007. BlackRock improved impressively from 18 points last year to 54 in 2008.

1. Level of engagement reported by the asset managers has increased. The overall engagement scores for the 20 managers increased by 22% this year, with every criterion showing some improvement. Whilst last year's survey found that 6 asset managers had no dedicated ESG staff, this year's results show that all 20 have at least one person in such a role.

<sup>10</sup>. US Securities and Exchange Commission implements a mandatory requirement that mutual funds disclose their proxy votes to the general public as well as investors.

<sup>11</sup>. The Companies Act, 2006 gives the government power to require institutional investors to disclose how they have voted. The government has stated that it will only use this power if a voluntary regime fails to improve public disclosure.



The extent to which engagement activities are recorded and evaluated also appears to have improved since last year. The number of asset managers providing evidence of at least 50 face-to-face meetings with companies in the last quarter increased by 50% from four to six. Encouragingly, the number of managers who recorded demonstrable success in influencing

companies (an area of considerable difficulty and ambiguity as noted above) also increased from 40% to 55%. There is a clear relationship between substantial resources devoted to ESG issues, enhanced activism – such as meeting with companies on ESG issues – and the ability to show significant influence on these companies.

## 2. Asset managers have become more transparent

The overall transparency score for the twenty managers improved by 25%, with ten asset managers disclosing more information than they did last year. Most notably, BlackRock, who had no disclosures on its website last year, now publishes an ESG policy along with detailed voting analysis. Engagement disclosures have also improved, with BGI, Baillie Gifford and L&G now publishing details of a sample of engagements.

## 3. Asset managers show progress in proxy voting disclosure

Voting disclosure has also improved: last year half of the managers did not disclose any information on voting, whereas this year only a quarter of the same group disclosed nothing. The quality of disclosure – the proportion of asset managers publishing a full, resolution-by-resolution voting record, as opposed to only headline statistics – increased from a quarter to a little less than half.

A quarter of the asset managers did not provide any substantiation of their voting activities last year, whereas this year all twenty asset managers provided information on their voting policies: all are voting their shares in the UK and the number of asset managers voting overseas holdings, in addition to the UK, has increased from 11 to 13. This represents a positive step forward. The voting rights that accompany share ownership are an important asset in influencing corporate behaviour and enhancing long term value. It is encouraging to see that asset managers are moving beyond national boundaries in exercising these rights.

# Conclusion

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The overall improvement demonstrated by the 20 asset managers surveyed in both 2007 and 2008 is clearly encouraging. Many leading asset managers now appear to accept that integrating ESG issues into investment decision making is financially relevant and requires substantial effort and attention to be carried out effectively. This progress is stimulated by the intersecting demands of various stakeholders. Most notably, there has been a growing interest from pension fund clients in ESG issues, and the value to be derived from taking account of these factors. Initiatives including the UNPRI have catalysed asset owners to start setting out these factors explicitly in investment mandates. Rising RI expectations among asset owners, especially pension funds, suggests that ignoring ESG issues will become increasingly ill-advised from a commercial perspective for the UK's leading asset managers.

Despite the year on year improvement uncovered by our survey, the extent and quality of RI practices amongst asset managers does not yet inspire confidence overall. The spread of RI

thinking into the fund management industry is slow. In particular there remains a narrow focus on governance issues rather than a broader engagement on environmental and social considerations. It is our contention that a failure to develop an RI approach brings a higher level of long term risk to an investment strategy. The current financial crisis acts as a salient reminder of the need to pay close attention to the operations and risk management practices of investee companies.

The findings of this report indicate that asset managers have some way to go in reassuring clients and society more broadly that they are capable of protecting and enhancing value in connection with environmental, social and corporate governance factors. It is hoped that increasing scrutiny of asset managers in relation to responsible investment, of which this report forms one part, will lead to continued improvement in the practices of these investors to secure the level of protection deserved by the millions of citizens on whose behalf assets are ultimately managed.

# Appendix 1 – Fund Manager Scorecards

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## Aberdeen Asset Management

		Score	
		2007	2008
<b>Transparency</b>			
1	Does the fund manager publicly disclose a clear policy on how ESG issues are incorporated into all of its equity investment activities (i.e. not just for "SRI" funds)? (2 points)		
	Fairly detailed on governance issues but no detail on specific environmental or social issues	n/a	1
2	Does the fund manager publicly disclose its voting record for its investment holdings, at least annually? (2 points)		
	Voting records for US funds not disclosed	n/a	1
3	Does the fund manager publicly disclose engagement activities, at least annually? (2 points)		
	Not found on website	n/a	0
4	Is the fund manager's website(s) clear and accessible on ESG issues, and is this information prominently featured and easily available? (6 points)		
	Corporate governance is on the main menu in 'About Us' Section on group home (1 point) RI policy and voting disclosure are RI page menu items (2 points) Shareholder engagement activities not disclosed	n/a	3
<b>Engagement/Integration</b>			
5	How many people (FTE) are exclusively dedicated to analysis and engagement on ESG issues (excluding dedicated SRI fund managers)? (3 points)		
	Four to six employees	n/a	2
6	Across which geographical areas does fund manager actively vote <i>all</i> its shares? (2 points)		
	All shares worldwide	n/a	2
7	Is fund manager a member of any of the following? – UNPRI, EAI, IIGCC (3 points)		
	UNPRI only as of 12th September 2008	n/a	1
8	How many company meetings on ESG issues did manager attend in last quarter? (3 points)		
	50 or more meetings	n/a	3
9	Evidence the manager is seeking specific changes in ESG corporate behaviour (3 points)		
	Over 50 requests for change	n/a	3
10	Evidence the manager has achieved specific changes in ESG corporate behaviour (2 points)		
	Not found on the website or otherwise disclosed	n/a	0
<b>Engagement/Integration of Environmental and Social Issues</b>			
11	How many company meetings on ES issues did manager attend during last quarter? (3 points)		
	20-50 meetings	n/a	2
12	Evidence the manager is seeking specific changes in ES corporate behaviour (3 points)		
	Not found on website or otherwise disclosed	n/a	0
13	Evidence the manager has achieved specific changes in ES corporate behaviour (2 points)		
	Not found on website or otherwise disclosed	n/a	0
<b>Total Score</b>		<b>n/a</b>	<b>18/36</b>

**Recommendations to Aberdeen Asset Management:**

## Transparency:

- Disclose a detailed policy on environmental and social issues in addition to governance issues.
- Full disclosure of voting records
- Disclose engagement activities

## Website:

- Create a dedicated section/page for responsible investment on the fund's website, easily accessible to all
- Such a page should offer RI policy, voting disclosure and engagement activities as RI-page menu items

## Engagement:

- Commit to joint investor initiatives such as IIGCC and EAI
- Increase size and resources of RI team
- Increase engagement activities such as meetings on ESG issues and requests for change
- Measure and evaluate the success of engagement activities

## AllianceBernstein Institutional Investments

		Score	
		2007	2008
<b>Transparency</b>			
1	Does the fund manager publicly disclose a clear policy on how ESG issues are incorporated into all of its equity investment activities (i.e. not just for "SRI" funds)? (2 points)		
	Fairly detailed on governance issues but no detail on specific environmental or social issues	1	1
2	Does the fund manager publicly disclose its voting record for its investment holdings, at least annually? (2 points)		
	Proxy vote records available on US website for certain funds only	1	1
3	Does the fund manager publicly disclose engagement activities, at least annually? (2 points)		
	Not found on website	0	0
4	Is the fund manager's website(s) clear and accessible on ESG issues, and is this information prominently featured and easily available? (6 points)		
	Not found on website	0	0
<b>Engagement/Integration</b>			
5	How many people (FTE) are exclusively dedicated to analysis and engagement on ESG issues (excluding dedicated SRI fund managers)? (3 points)		
	More than seven employees	0	3
6	Across which geographical areas does fund manager actively vote <i>all</i> its shares? (2 points)		
	All shares worldwide	2	2
7	Is fund manager a member of any of the following? – UNPRI, EAI, IIGCC (3 points)		
	None of these as of 12th September 2008	0	0
8	How many company meetings on ESG issues did manager attend in last quarter? (3 points)		
	Not found on website or otherwise disclosed	0	0
9	Evidence the manager is seeking specific changes in ESG corporate behaviour (3 points)		
	Over 50 requests for change	3	3
10	Evidence the manager has achieved specific changes in ESG corporate behaviour (2 points)		
	Not found on the website or otherwise disclosed	0	0
<b>Engagement/Integration of Environmental and Social Issues</b>			
11	How many company meetings on ES issues did manager attend during last quarter? (3 points)		
	Not found on website or otherwise disclosed	n/a	0
12	Evidence the manager is seeking specific changes in ES corporate behaviour (3 points)		
	Not found on website or otherwise disclosed	n/a	0
13	Evidence the manager has achieved specific changes in ES corporate behaviour (2 points)		
	Not found on website or otherwise disclosed	n/a	0
<b>Total Score</b>		<b>7/28</b>	<b>10/36</b>

## Recommendations to AllianceBernstein:

## Transparency:

- Disclose a detailed policy on environmental and social issues in addition to governance issues.
- Full disclosure of voting records
- Disclose engagement activities

## Website:

- Create a dedicated section/page for responsible investment on the fund's website, easily accessible to all
- Such a page should offer RI policy, voting disclosure and engagement activities as RI-page menu items

## Engagement:

- Commit to joint investor initiatives such as IIGCC and EAI
- Increase engagement activities such as meetings on ES issues and requests for change
- Measure and evaluate the success of engagement activities

## Artemis Investment Management \*

		Score	
		2007	2008
<b>Transparency</b>			
1	Does the fund manager publicly disclose a clear policy on how ESG issues are incorporated into all of its equity investment activities (i.e. not just for "SRI" funds)? (2 points)		
	Policy is clear on governance issues of concern, but does not include details on environmental or social issues	n/a	1
2	Does the fund manager publicly disclose its voting record for its investment holdings, at least annually? (2 points)		
	Not found on website	n/a	0
3	Does the fund manager publicly disclose engagement activities, at least annually? (2 points)		
	Not found on website	n/a	0
4	Is the fund manager's website(s) clear and accessible on ESG issues, and is this information prominently featured and easily available? (6 points)		
	Governance is a menu item on the home page institutional investors website (1 point) RI policy, voting disclosure and engagement activities are not disclosed	n/a	1
<b>Engagement/Integration</b>			
5	How many people (FTE) are exclusively dedicated to analysis and engagement on ESG issues (excluding dedicated SRI fund managers)? (3 points)		
	Not found on website or otherwise disclosed	n/a	0
6	Across which geographical areas does fund manager actively vote <i>all</i> its shares? (2 points)		
	All shares worldwide	n/a	2
7	Is fund manager a member of any of the following? – UNPRI, EAI, IIGCC (3 points)		
	None of these as of 12th September 2008	n/a	0
8	How many company meetings on ESG issues did manager attend in last quarter? (3 points)		
	Not found on website or otherwise disclosed	n/a	0
9	Evidence the manager is seeking specific changes in ESG corporate behaviour (3 points)		
	Not found on website or otherwise disclosed	n/a	0
10	Evidence the manager has achieved specific changes in ESG corporate behaviour (2 points)		
	Not found on the website or otherwise disclosed	n/a	0
<b>Engagement/Integration of Environmental and Social Issues</b>			
11	How many company meetings on ES issues did manager attend during last quarter? (3 points)		
	Not found on website or otherwise disclosed	n/a	0
12	Evidence the manager is seeking specific changes in ES corporate behaviour (3 points)		
	Not found on website or otherwise disclosed	n/a	0
13	Evidence the manager has achieved specific changes in ES corporate behaviour (2 points)		
	Not found on website or otherwise disclosed	n/a	0
<b>Total Score</b>		<b>n/a</b>	<b>4/36</b>

\* Artemis did not actively participate in the survey

### Recommendations to Artemis:

#### Transparency:

- Disclose a detailed policy on environmental and social issues
- Disclose voting records
- Disclose engagement activities

#### Website:

- Create a dedicated section/page for responsible investment on the fund's website, easily accessible to all
- Such a page should offer RI policy, voting disclosure and engagement activities as RI-page menu items

#### Engagement:

- Increase size and resources of RI team
- Commit to joint investor initiatives
- Increase engagement activities such as meetings on ESG issues and requests for change
- Measure and evaluate the success of engagement activities.

## Aviva Investors (Morley)

		Score	
		2007	2008
<b>Transparency</b>			
1	Does the fund manager publicly disclose a clear policy on how ESG issues are incorporated into all of its equity investment activities (i.e. not just for "SRI" funds)? (2 points)		
	Fairly detailed on governance issues but no detail on specific environmental or social issues	2	1
2	Does the fund manager publicly disclose its voting record for its investment holdings, at least annually? (2 points)		
	Headline statistics with explanations on votes against management disclosed quarterly	1	1
3	Does the fund manager publicly disclose engagement activities, at least annually? (2 points)		
	Details on sample engagements	1	1
4	Is the fund manager's website(s) clear and accessible on ESG issues, and is this information prominently featured and easily available? (6 points)		
	RI is a home page menu item (3 points); RI policy, voting disclosure and engagement disclosures are RI page menu items (3 points)	6	6
<b>Engagement/Integration</b>			
5	How many people (FTE) are exclusively dedicated to analysis and engagement on ESG issues (excluding dedicated SRI fund managers)? (3 points)		
	More than seven employees	3	3
6	Across which geographical areas does fund manager actively vote <i>all</i> its shares? (2 points)		
	UK, Europe and US, selected resolutions elsewhere	1	1
7	Is fund manager a member of any of the following? – UNPRI, EAI, IIGCC (3 points)		
	UNPRI and IIGCC as on 12th September 2008 Spending on ESG sell-side broker research is equivalent to EAI	3	3
8	How many company meetings on ESG issues did manager attend in last quarter? (3 points)		
	20 - 50 meetings	3	2
9	Evidence the manager is seeking specific changes in ESG corporate behaviour (3 points)		
	Over 50 requests for change	3	3
10	Evidence the manager has achieved specific changes in ESG corporate behaviour (2 points)		
	Substantial evidence on reporting on ES disclosures	2	2
<b>Engagement/Integration of Environmental and Social Issues</b>			
11	How many company meetings on ES issues did manager attend during last quarter? (3 points)		
	20 - 50 meetings	n/a	2
12	Evidence the manager is seeking specific changes in ES corporate behaviour (3 points)		
	Over 50 requests for change	n/a	3
13	Evidence the manager has achieved specific changes in ES corporate behaviour (2 points)		
	Substantial evidence with respect to reporting on ES disclosures	n/a	2
<b>Total Score</b>		<b>25/28</b>	<b>30/36</b>

## Recommendations to Aviva Investors:

## Transparency:

- Disclose a detailed policy on environmental and social issues
- Full disclosure of voting records
- Full disclosure of engagement activities

## Engagement:

- Increase engagement activities such as meetings on ESG issues and requests for change
- Commit to voting all shares worldwide

## AXA Investment Managers

		Score	
		2007	2008
<b>Transparency</b>			
1	Does the fund manager publicly disclose a clear policy on how ESG issues are incorporated into all of its equity investment activities (i.e. not just for "SRI" funds)? (2 points)		
	Fairly detailed on governance issues but no detail on specific environmental or social issues	n/a	1
2	Does the fund manager publicly disclose its voting record for its investment holdings, at least annually? (2 points)		
	Headline statistics, with details provided on votes against management	n/a	1
3	Does the fund manager publicly disclose engagement activities, at least annually? (2 points)		
	Not found on website	n/a	0
4	Is the fund manager's website(s) clear and accessible on ESG issues, and is this information prominently featured and easily available? (6 points)		
	RI is a menu item under 'about AXA' section on home page (2 points) RI policy and voting disclosure are RI page items (2 points) Engagement activities not disclosed	n/a	4
<b>Engagement/Integration</b>			
5	How many people (FTE) are exclusively dedicated to analysis and engagement on ESG issues (excluding dedicated SRI fund managers)? (3 points)		
	Seven or more employees	n/a	3
6	Across which geographical areas does fund manager actively vote <i>all</i> its shares? (2 points)		
	All shares worldwide	n/a	2
7	Is fund manager a member of any of the following? – UNPRI, EAI, IIGCC (3 points)		
	UNPRI and EAI as of 12th September 2008	n/a	2
8	How many company meetings on ESG issues did manager attend in last quarter? (3 points)		
	20 - 50 meetings	n/a	2
9	Evidence the manager is seeking specific changes in ESG corporate behaviour (3 points)		
	Over 50 requests for change	n/a	3
10	Evidence the manager has achieved specific changes in ESG corporate behaviour (2 points)		
	Some evidence of change on governance issues	n/a	1
<b>Engagement/Integration of Environmental and Social Issues</b>			
11	How many company meetings on ES issues did manager attend during last quarter? (3 points)		
	20 - 50 meetings	n/a	2
12	Evidence the manager is seeking specific changes in ES corporate behaviour (3 points)		
	Not found on website or otherwise disclosed	n/a	0
13	Evidence the manager has achieved specific changes in ES corporate behaviour (2 points)		
	Not found on website or otherwise disclosed	n/a	0
<b>Total Score</b>		<b>n/a</b>	<b>21/36</b>

### Recommendations to AXA Investment Managers:

#### Transparency:

- Disclose a detailed policy on environmental and social issues
- Disclose full voting records
- Disclose engagement activities

#### Website:

- Create a dedicated section/page for responsible investment on the fund's website, easily accessible to all
- Such a page should offer RI policy, voting disclosure and engagement activities as RI-page menu items

#### Engagement:

- Increase engagement activities such as meetings on ESG issues and requests for change

## Baillie Gifford &amp; Co.

		Score	
		2007	2008
<b>Transparency</b>			
1	Does the fund manager publicly disclose a clear policy on how ESG issues are incorporated into all of its equity investment activities (i.e. not just for "SRI" funds)? (2 points)		
	Fairly detailed on governance issues but no detail on specific environmental or social issues	1	1
2	Does the fund manager publicly disclose its voting record for its investment holdings, at least annually? (2 points)		
	Full voting records available for each quarter	0	2
3	Does the fund manager publicly disclose engagement activities, at least annually? (2 points)		
	A list of companies engaged with is available for every quarter	0	1
4	Is the fund manager's website(s) clear and accessible on ESG issues, and is this information prominently featured and easily available? (6 points)		
	Corporate governance and SRI are on institutional investor home page (2 points) RI policy, voting disclosure and engagement disclosure are menu items on RI page (3 points)	4	5
<b>Engagement/Integration</b>			
5	How many people (FTE) are exclusively dedicated to analysis and engagement on ESG issues (excluding dedicated SRI fund managers)? (3 points)		
	Four to seven employees	2	2
6	Across which geographical areas does fund manager actively vote <i>all</i> its shares? (2 points)		
	All shares worldwide	2	2
7	Is fund manager a member of any of the following? – UNPRI, EAI, IIGCC (3 points)		
	UNPRI as of 12th September 2008 Spending on ESG sell-side broker research is equivalent to EAI	2	2
8	How many company meetings on ESG issues did manager attend in last quarter? (3 points)		
	20 - 50 meetings	2	2
9	Evidence the manager is seeking specific changes in ESG corporate behaviour (3 points)		
	Over 50 requests for change	3	3
10	Evidence the manager has achieved specific changes in ESG corporate behaviour (2 points)		
	Some evidence of success	1	1
<b>Engagement/Integration of Environmental and Social Issues</b>			
11	How many company meetings on ES issues did manager attend during last quarter? (3 points)		
	10-20 meetings	n/a	1
12	Evidence the manager is seeking specific changes in ES corporate behaviour (3 points)		
	10-20 requests for change	n/a	1
13	Evidence the manager has achieved specific changes in ES corporate behaviour (2 points)		
	Some evidence of success	n/a	1
<b>Total Score</b>		<b>17/28</b>	<b>24/36</b>

## Recommendations to Baillie Gifford &amp; Co.:

## Transparency:

- Disclose a detailed policy on environmental and social issues
- Include more details in engagement disclosures

## Website:

- Create a dedicated section/page for responsible investment on the fund's website, easily accessible to all

## Engagement:

- Increase the size and resources of the RI team
- Increase engagement activities such as meetings on ESG issues and requests for change

## Barclays Global Investors \*

		Score	
		2007	2008
<b>Transparency</b>			
1	Does the fund manager publicly disclose a clear policy on how ESG issues are incorporated into all of its equity investment activities (i.e. not just for "SRI" funds)? (2 points)		
	Fairly detailed on governance issues but no detail on specific environmental or social issues	1	1
2	Does the fund manager publicly disclose its voting record for its investment holdings, at least annually? (2 points)		
	Full voting records available for each quarter	2	2
3	Does the fund manager publicly disclose engagement activities, at least annually? (2 points)		
	Sample case studies only	0	1
4	Is the fund manager's website(s) clear and accessible on ESG issues, and is this information prominently featured and easily available? (6 points)		
	Corporate governance is a menu item under Products and Services section (1 point) No specific RI policy (0 point) Voting disclosure is a corporate governance page item (1 point) Regular disclosure of engagement activities for clients only (0 points)	0	2
<b>Engagement/Integration</b>			
5	How many people (FTE) are exclusively dedicated to analysis and engagement on ESG issues (excluding dedicated SRI fund managers)? (3 points)		
	One to three employees	0	1
6	Across which geographical areas does fund manager actively vote <i>all</i> its shares? (2 points)		
	All UK shares and leading European indices	1	1
7	Is fund manager a member of any of the following? – UNPRI, EAI, IIGCC (3 points)		
	None of these as of 12th September 2008	0	0
8	How many company meetings on ESG issues did manager attend in last quarter? (3 points)		
	Not found on website or otherwise disclosed	0	0
9	Evidence the manager is seeking specific changes in ESG corporate behaviour (3 points)		
	Over 50 requests for change	2	3
10	Evidence the manager has achieved specific changes in ESG corporate behaviour (2 points)		
	Not found on website or otherwise disclosed	0	0
<b>Engagement/Integration of Environmental and Social Issues</b>			
11	How many company meetings on ES issues did manager attend during last quarter? (3 points)		
	Not found on website or otherwise disclosed	n/a	0
12	Evidence the manager is seeking specific changes in ES corporate behaviour (3 points)		
	Not found on website or otherwise disclosed	n/a	0
13	Evidence the manager has achieved specific changes in ES corporate behaviour (2 points)		
	Not found on website or otherwise disclosed	n/a	0
<b>Total Score</b>		<b>6/28</b>	<b>11/36</b>

\* BGI did not actively participate in the survey

### Recommendations to Barclays Global Investors:

#### Transparency:

- Disclose a detailed policy on environmental and social issues
- Disclose engagement activities in greater details and at regular intervals.

#### Website:

- Create a dedicated section/page for responsible investment on the fund's website, easily accessible to all
- Such a page should offer RI policy, voting disclosure and engagement activities as RI-page menu items

#### Engagement:

- Increase size and resources of RI team
- Commit to joint investor initiatives
- Commit to voting all shares worldwide
- Increase engagement activities such as meetings on ESG issues
- Measure and evaluate the success of engagement activities

## BlackRock

		Score	
		2007	2008
<b>Transparency</b>			
1	Does the fund manager publicly disclose a clear policy on how ESG issues are incorporated into all of its equity investment activities (i.e. not just for "SRI" funds)? (2 points)		
	Fairly detailed on governance issues but no detail on specific environmental or social issues	0	1
2	Does the fund manager publicly disclose its voting record for its investment holdings, at least annually? (2 points)		
	Headline statistics, with details provided on abstentions or votes against management	0	1
3	Does the fund manager publicly disclose engagement activities, at least annually? (2 points)		
	Not found on website	0	0
4	Is the fund manager's website(s) clear and accessible on ESG issues, and is this information prominently featured and easily available? (6 points)		
	SRI and corporate governance policies are in the Literature section of some Institutional websites (1 point); RI policy and voting disclosure are RI – page items (2 points) Shareholder engagement activities are not disclosed	0	3
<b>Engagement/Integration</b>			
5	How many people (FTE) are exclusively dedicated to analysis and engagement on ESG issues (excluding dedicated SRI fund managers)? (3 points)		
	Four to six employees	1	2
6	Across which geographical areas does fund manager actively vote <i>all</i> its shares? (2 points)		
	All shares worldwide	0	2
7	Is fund manager a member of any of the following? – UNPRI, EAI, IIGCC (3 points)		
	IIGCC only as of 12th September 2008	1	1
8	How many company meetings on ESG issues did manager attend in last quarter? (3 points)		
	10 -20 meetings	1	1
9	Evidence the manager is seeking specific changes in ESG corporate behaviour (3 points)		
	Over 50 requests for change	2	3
10	Evidence the manager has achieved specific changes in ESG corporate behaviour (2 points)		
	Some evidence of success	0	1
<b>Engagement/Integration of Environmental and Social Issues</b>			
11	How many company meetings on ES issues did manager attend during last quarter? (3 points)		
	10 -20 meetings	n/a	1
12	Evidence the manager is seeking specific changes in ES corporate behaviour (3 points)		
	Not found on website or otherwise disclosed	n/a	0
13	Evidence the manager has achieved specific changes in ES corporate behaviour (2 points)		
	Not found on website or otherwise disclosed	n/a	0
<b>Total Score</b>		<b>5/28</b>	<b>16/36</b>

**Recommendations to BlackRock:**

## Transparency:

- Disclose a detailed policy on environmental and social issues
- Disclose full voting records
- Disclose engagement activities

## Website:

- Create a dedicated section/page for responsible investment on the fund's website, easily accessible to all
- Such a page should offer RI policy, voting disclosure and engagement activities as RI-page menu items

## Engagement:

- Increase size and resources of RI team
- Increase engagement activities such as meetings on ESG issues and requests for change

## Capital International Ltd.

		Score	
		2007	2008
<b>Transparency</b>			
1	Does the fund manager publicly disclose a clear policy on how ESG issues are incorporated into all of its equity investment activities (i.e. not just for "SRI" funds)? (2 points) Not found on UK website	0	0
2	Does the fund manager publicly disclose its voting record for its investment holdings, at least annually? (2 points) Proxy voting records available on US website for certain funds only	0	1
3	Does the fund manager publicly disclose engagement activities, at least annually? (2 points) Not found on website	0	0
4	Is the fund manager's website(s) clear and accessible on ESG issues, and is this information prominently featured and easily available? (6 points) Not found on UK website.	0	0
<b>Engagement/Integration</b>			
5	How many people (FTE) are exclusively dedicated to analysis and engagement on ESG issues (excluding dedicated SRI fund managers)? (3 points) Seven or more employees	3	3
6	Across which geographical areas does fund manager actively vote <i>all</i> its shares? (2 points) All shares worldwide	2	2
7	Is fund manager a member of any of the following? – UNPRI, EAI, IIGCC (3 points) None of these as of 12th September 2008	0	0
8	How many company meetings on ESG issues did manager attend in last quarter? (3 points) 10 -20 meetings	1	1
9	Evidence the manager is seeking specific changes in ESG corporate behaviour (3 points) Over 50 requests for change	3	3
10	Evidence the manager has achieved specific changes in ESG corporate behaviour (2 points) Not found on website or otherwise disclosed	0	0
<b>Engagement/Integration of Environmental and Social Issues</b>			
11	How many company meetings on ES issues did manager attend during last quarter? (3 points) Not found on website or otherwise disclosed	n/a	0
12	Evidence the manager is seeking specific changes in ES corporate behaviour (3 points) Not found on website or otherwise disclosed	n/a	0
13	Evidence the manager has achieved specific changes in ES corporate behaviour (2 points) Not found on website or otherwise disclosed	n/a	0
<b>Total Score</b>		<b>9/28</b>	<b>10/36</b>

## Recommendations to Capital International Ltd.:

## Transparency:

- Disclose a detailed policy on environmental, social and governance issues
- Disclose voting records for all holdings
- Disclose engagement activities

## Website:

- Create a dedicated section/page for responsible investment on the fund's website, easily accessible to all
- Such a page should offer RI policy, voting disclosure and engagement activities as RI-page menu items

## Engagement:

- Commit to joint investor initiatives
- Increase engagement activities such as meetings on ESG issues and requests for change
- Measure and evaluate the success of engagement activities.

## Credit Suisse Asset Management Ltd.

		Score	
		2007	2008
<b>Transparency</b>			
1	Does the fund manager publicly disclose a clear policy on how ESG issues are incorporated into all of its equity investment activities (i.e. not just for "SRI" funds)? (2 points)		
	Some information available on how ESG is integrated into risk management strategies	n/a	1
2	Does the fund manager publicly disclose its voting record for its investment holdings, at least annually? (2 points)		
	Not found on website	n/a	0
3	Does the fund manager publicly disclose engagement activities, at least annually? (2 points)		
	Not found on website	n/a	0
4	Is the fund manager's website(s) clear and accessible on ESG issues, and is this information prominently featured and easily available? (6 points)		
	RI not found on the UK website	n/a	0
<b>Engagement/Integration</b>			
5	How many people (FTE) are exclusively dedicated to analysis and engagement on ESG issues (excluding dedicated SRI fund managers)? (3 points)		
	One to three employees	n/a	1
6	Across which geographical areas does fund manager actively vote <i>all</i> its shares? (2 points)		
	Not found on website or otherwise disclosed	n/a	0
7	Is fund manager a member of any of the following? – UNPRI, EAI, IIGCC (3 points)		
	None of these as of 12th September 2008	n/a	0
8	How many company meetings on ESG issues did manager attend in last quarter? (3 points)		
	Not found on website or otherwise disclosed	n/a	0
9	Evidence the manager is seeking specific changes in ESG corporate behaviour (3 points)		
	Not found on website or otherwise disclosed	n/a	0
10	Evidence the manager has achieved specific changes in ESG corporate behaviour (2 points)		
	Not found on website or otherwise disclosed	n/a	0
<b>Engagement/Integration of Environmental and Social Issues</b>			
11	How many company meetings on ES issues did manager attend during last quarter? (3 points)		
	Not found on website or otherwise disclosed	n/a	0
12	Evidence the manager is seeking specific changes in ES corporate behaviour (3 points)		
	Not found on website or otherwise disclosed	n/a	0
13	Evidence the manager has achieved specific changes in ES corporate behaviour (2 points)		
	Not found on website or otherwise disclosed	n/a	0
<b>Total Score</b>		<b>n/a</b>	<b>2/36</b>

**Recommendations to Credit Suisse Asset Management:**

## Transparency:

- Disclose a detailed policy on environmental, social and governance issues
- Disclose voting records
- Disclose engagement activities

## Website:

- Create a dedicated section/page for responsible investment on the fund's website, easily accessible to all
- Such a page should offer RI policy, voting disclosure and engagement activities as RI-page menu items

## Engagement:

- Increase size and resources of RI team
- Commit to voting all shares worldwide
- Commit to joint investor initiatives
- Increase engagement activities such as meetings on ESG issues and request for change
- Measure and evaluate the success of engagement activities.

## F&amp;C Asset Management

		Score	
		2007	2008
<b>Transparency</b>			
1	Does the fund manager publicly disclose a clear policy on how ESG issues are incorporated into all of its equity investment activities (i.e. not just for "SRI" funds)? (2 points)		
	F&C publicly discloses specific ESG issues of concern and explains in detail how it deals with each.	2	2
2	Does the fund manager publicly disclose its voting record for its investment holdings, at least annually? (2 points)		
	Full voting records available every month	2	2
3	Does the fund manager publicly disclose engagement activities, at least annually? (2 points)		
	Quarterly engagement reports published with detailed case studies and a full list of companies with corresponding ESG issues	2	2
4	Is the fund manager's website(s) clear and accessible on ESG issues, and is this information prominently featured and easily available? (6 points)		
	There are links to RI from home page (3 points) RI policy, voting records and engagement disclosure are on RI page (3 points)	6	6
<b>Engagement/Integration</b>			
5	How many people (FTE) are exclusively dedicated to analysis and engagement on ESG issues (excluding dedicated SRI fund managers)? (3 points)		
	More than seven employees	3	3
6	Across which geographical areas does fund manager actively vote <i>all</i> its shares? (2 points)		
	All shares worldwide	2	2
7	Is fund manager a member of any of the following? – UNPRI, EAI, IIGCC (3 points)		
	UNPRI and IIGCC as of 12th September 2008 Spending on ESG sell-side broker research is equivalent to EAI	3	3
8	How many company meetings on ESG issues did manager attend in last quarter? (3 points)		
	Over 50 meetings	3	3
9	Evidence the manager is seeking specific changes in ESG corporate behaviour (3 points)		
	Over 50 requests for change	3	3
10	Evidence the manager has achieved specific changes in ESG corporate behaviour (2 points)		
	Substantial evidence of success recorded using an internal matrix	2	2
<b>Engagement/Integration of Environmental and Social Issues</b>			
11	How many company meetings on ES issues did manager attend during last quarter? (3 points)		
	Over 50 meetings	n/a	3
12	Evidence the manager is seeking specific changes in ES corporate behaviour (3 points)		
	Over 50 requests for change	n/a	3
13	Evidence the manager has achieved specific changes in ES corporate behaviour (2 points)		
	Substantial evidence of success recorded using an internal matrix	n/a	2
<b>Total Score</b>		<b>28/28</b>	<b>36/36</b>

**Overall comment:**

F&C scores 100% and should be commended for their commitment to transparency and engagement on Responsible Investment.

## Fidelity International

		Score	
		2007	2008
<b>Transparency</b>			
1	Does the fund manager publicly disclose a clear policy on how ESG issues are incorporated into all of its equity investment activities (i.e. not just for "SRI" funds)? (2 points)		
	Fairly detailed on governance issues but no detail on specific environmental or social issues	1	1
2	Does the fund manager publicly disclose its voting record for its investment holdings, at least annually? (2 points)		
	Full disclosure for all holdings published annually	2	2
3	Does the fund manager publicly disclose engagement activities, at least annually? (2 points)		
	Not found on website	0	0
4	Is the fund manager's website(s) clear and accessible on ESG issues, and is this information prominently featured and easily available? (6 points)		
	CG is available from home page (1 point) RI policy, voting records and engagement policy (stewardship) are corporate governance – page items (3 points)	4	4
<b>Engagement/Integration</b>			
5	How many people (FTE) are exclusively dedicated to analysis and engagement on ESG issues (excluding dedicated SRI fund managers)? (3 points)		
	More than seven employees	1	3
6	Across which geographical areas does fund manager actively vote <i>all</i> its shares? (2 points)		
	All shares worldwide	2	2
7	Is fund manager a member of any of the following? – UNPRI, EAI, IIGCC (3 points)		
	Spending on ESG sell-side broker research is equivalent to EAI	0	1
8	How many company meetings on ESG issues did manager attend in last quarter? (3 points)		
	Over 50 meetings	2	3
9	Evidence the manager is seeking specific changes in ESG corporate behaviour (3 points)		
	Over 50 requests for change	3	3
10	Evidence the manager has achieved specific changes in ESG corporate behaviour (2 points)		
	Not found on website or otherwise disclosed	0	0
<b>Engagement/Integration of Environmental and Social Issues</b>			
11	How many company meetings on ES issues did manager attend during last quarter? (3 points)		
	20 – 50 meetings	n/a	2
12	Evidence the manager is seeking specific changes in ES corporate behaviour (3 points)		
	Not found on website or otherwise disclosed	n/a	0
13	Evidence the manager has achieved specific changes in ES corporate behaviour (2 points)		
	Not found on website or otherwise disclosed	n/a	0
<b>Total Score</b>		<b>15/28</b>	<b>21/36</b>

**Recommendations to Fidelity International:**

## Transparency:

- Disclose a detailed policy on environmental and social issues
- Disclose engagement activities

## Website:

- Create a dedicated section/page for responsible investment on the fund's website, with link from home page all

## Engagement:

- Commit to joint investor initiatives
- Increase engagement activities such as meetings on ES issues and request for change
- Measure and evaluate the success of engagement activities.

## Goldman Sachs Asset Management International

		Score	
		2007	2008
<b>Transparency</b>			
1	Does the fund manager publicly disclose a clear policy on how ESG issues are incorporated into all of its equity investment activities (i.e. not just for "SRI" funds)? (2 points)		
	Not found on website	0	0
2	Does the fund manager publicly disclose its voting record for its investment holdings, at least annually? (2 points)		
	Not found on website	0	0
3	Does the fund manager publicly disclose engagement activities, at least annually? (2 points)		
	Not found on website	0	0
4	Is the fund manager's website(s) clear and accessible on ESG issues, and is this information prominently featured and easily available? (6 points)		
	Not found on website	0	0
<b>Engagement/Integration</b>			
5	How many people (FTE) are exclusively dedicated to analysis and engagement on ESG issues (excluding dedicated SRI fund managers)? (3 points)		
	More than seven employees	0	3
6	Across which geographical areas does fund manager actively vote <i>all</i> its shares? (2 points)		
	All shares worldwide	0	2
7	Is fund manager a member of any of the following? – UNPRI, EAI, IIGCC (3 points)		
	None of these as of 12th September 2008	0	0
8	How many company meetings on ESG issues did manager attend in last quarter? (3 points)		
	Over 50 meetings	0	3
9	Evidence the manager is seeking specific changes in ESG corporate behaviour (3 points)		
	Not found on website or otherwise disclosed	0	0
10	Evidence the manager has achieved specific changes in ESG corporate behaviour (2 points)		
	Not found on website or otherwise disclosed	0	0
<b>Engagement/Integration of Environmental and Social Issues</b>			
11	How many company meetings on ES issues did manager attend during last quarter? (3 points)		
	10-20 meetings	n/a	1
12	Evidence the manager is seeking specific changes in ES corporate behaviour (3 points)		
	Not found on website or otherwise disclosed	n/a	0
13	Evidence the manager has achieved specific changes in ES corporate behaviour (2 points)		
	Not found on website or otherwise disclosed	n/a	0
<b>Total Score</b>		<b>0/28</b>	<b>9/36</b>

## Recommendations to Goldman Sachs Asset Management:

## Transparency:

- Disclose a detailed policy on environmental, social and governance issues
- Disclose voting records
- Disclose engagement activities

## Website:

- Create a dedicated section/page for responsible investment on the fund's website, easily accessible to all
- Such a page should offer RI policy, voting disclosure and engagement activities as RI-page menu items

## Engagement:

- Commit to joint investor initiatives
- Increase engagement activities such as meetings on ESG issues and request for change
- Measure and evaluate the success of engagement activities.

## Henderson Global Investors

		Score	
		2007	2008
<b>Transparency</b>			
1	Does the fund manager publicly disclose a clear policy on how ESG issues are incorporated into all of its equity investment activities (i.e. not just for "SRI" funds)? (2 points)		
	Fairly detailed on governance issues but no detail on specific environmental or social issues	n/a	1
2	Does the fund manager publicly disclose its voting record for its investment holdings, at least annually? (2 points)		
	Headline statistics available for vote against / abstain on management proposals for retail funds only	n/a	1
3	Does the fund manager publicly disclose engagement activities, at least annually? (2 points)		
	Not found on website	n/a	0
4	Is the fund manager's website(s) clear and accessible on ESG issues, and is this information prominently featured and easily available? (6 points)		
	RI is on the home page of RI website (2 points) RI policy and voting records are on RI page (2 points) Engagement activities not disclosed	n/a	4
<b>Engagement/Integration</b>			
5	How many people (FTE) are exclusively dedicated to analysis and engagement on ESG issues (excluding dedicated SRI fund managers)? (3 points)		
	Four to six employees	n/a	2
6	Across which geographical areas does fund manager actively vote <i>all</i> its shares? (2 points)		
	All shares in UK and on a fund / market specific basis outside	n/a	1
7	Is fund manager a member of any of the following? – UNPRI, EAI, IIGCC (3 points)		
	UNPRI and IIGCC as of 12th September 2008	n/a	2
8	How many company meetings on ESG issues did manager attend in last quarter? (3 points)		
	10 -20 meetings	n/a	1
9	Evidence the manager is seeking specific changes in ESG corporate behaviour (3 points)		
	Over 50 requests for change	n/a	3
10	Evidence the manager has achieved specific changes in ESG corporate behaviour (2 points)		
	Not found on website	n/a	0
<b>Engagement/Integration of Environmental and Social Issues</b>			
11	How many company meetings on ES issues did manager attend during last quarter? (3 points)		
	10 -20 meetings	n/a	1
12	Evidence the manager is seeking specific changes in ES corporate behaviour (3 points)		
	Less than 10 requests for change	n/a	0
13	Evidence the manager has achieved specific changes in ES corporate behaviour (2 points)		
	Not found on website or otherwise disclosed	n/a	0
<b>Total Score</b>		<b>n/a</b>	<b>16/36</b>

## Recommendations to Henderson Global Investors:

## Transparency:

- Disclose a detailed policy on environmental and social issues
- Disclose voting records for all holdings
- Disclose engagement activities.

## Website:

- Create a dedicated section/page for responsible investment on the fund's website, easily accessible to all
- Such a page should offer RI policy, voting disclosure and engagement activities as RI-page menu items

## Engagement:

- Increase size and resources of RI team
- Commit to voting all shares worldwide
- Increase engagement activities such as meetings on ESG issues and measure and evaluate their success

## Hermes Fund Managers Ltd.

		Score	
		2007	2008
<b>Transparency</b>			
1	Does the fund manager publicly disclose a clear policy on how ESG issues are incorporated into all of its equity investment activities (i.e. not just for "SRI" funds)? (2 points)		
	Policy clear on governance issues, but does not include details on specific environmental or social issues	1	1
2	Does the fund manager publicly disclose its voting record for its investment holdings, at least annually? (2 points)		
	Full voting records disclosed every quarter	2	2
3	Does the fund manager publicly disclose engagement activities, at least annually? (2 points)		
	Not found on website	0	0
4	Is the fund manager's website(s) clear and accessible on ESG issues, and is this information prominently featured and easily available? (6 points)		
	There are links to RI from home page (3 points) RI policy, voting records and engagement disclosure are on RI page (3 points)	6	6
<b>Engagement/Integration</b>			
5	How many people (FTE) are exclusively dedicated to analysis and engagement on ESG issues (excluding dedicated SRI fund managers)? (3 points)		
	More than seven employees	3	3
6	Across which geographical areas does fund manager actively vote <i>all</i> its shares? (2 points)		
	All shares worldwide	2	2
7	Is fund manager a member of any of the following? – UNPRI, EAI, IIGCC (3 points)		
	UNPRI, IIGCC and EAI	3	3
8	How many company meetings on ESG issues did manager attend in last quarter? (3 points)		
	Over 50 meetings	3	3
9	Evidence the manager is seeking specific changes in ESG corporate behaviour (3 points)		
	Over 50 requests for change	3	3
10	Evidence the manager has achieved specific changes in ESG corporate behaviour (2 points)		
	Substantial evidence of success on governance issues	2	2
<b>Engagement/Integration of Environmental and Social Issues</b>			
11	How many company meetings on ES issues did manager attend during last quarter? (3 points)		
	Over 50 meetings	n/a	3
12	Evidence the manager is seeking specific changes in ES corporate behaviour (3 points)		
	20 - 50 requests for change	n/a	2
13	Evidence the manager has achieved specific changes in ES corporate behaviour (2 points)		
	Some evidence of success	n/a	1
<b>Total Score</b>		<b>25/28</b>	<b>31/36</b>

**Recommendations to Hermes Fund Manager:**

## Transparency:

- Disclose a detailed policy on environmental and social issues
- Disclose engagement activities.

## HSBC Global Asset Management

		Score	
		2007	2008
<b>Transparency</b>			
1	Does the fund manager publicly disclose a clear policy on how ESG issues are incorporated into all of its equity investment activities (i.e. not just for "SRI" funds)? (2 points)		
	Fairly detailed on governance issues but no detail on specific environmental or social issues	n/a	1
2	Does the fund manager publicly disclose its voting record for its investment holdings, at least annually? (2 points)		
	Headline statistics disclosed annually	n/a	1
3	Does the fund manager publicly disclose engagement activities, at least annually? (2 points)		
	Not found on website	n/a	0
4	Is the fund manager's website(s) clear and accessible on ESG issues, and is this information prominently featured and easily available? (6 points)		
	Corporate governance and RI are menu items in the 'about us' section on asset management home page (2 points) RI policy and voting record is a corporate governance page item (2 points) Engagement disclosures not found	n/a	4
<b>Engagement/Integration</b>			
5	How many people (FTE) are exclusively dedicated to analysis and engagement on ESG issues (excluding dedicated SRI fund managers)? (3 points)		
	Seven or more employees	n/a	3
6	Across which geographical areas does fund manager actively vote <i>all</i> its shares? (2 points)		
	All shares worldwide	n/a	2
7	Is fund manager a member of any of the following? – UNPRI, EAI, IIGCC (3 points)		
	UNPRI and IIGCC as of 12th September 2008 Spending on ESG sell-side broker research is equivalent to EAI	n/a	3
8	How many company meetings on ESG issues did manager attend in last quarter? (3 points)		
	Over 50 meetings	n/a	3
9	Evidence the manager is seeking specific changes in ESG corporate behaviour (3 points)		
	Over 50 requests for change	n/a	3
10	Evidence the manager has achieved specific changes in ESG corporate behaviour (2 points)		
	Some evidence of success	n/a	1
<b>Engagement/Integration of Environmental and Social Issues</b>			
11	How many company meetings on ES issues did manager attend during last quarter? (3 points)		
	Over 50 meetings	n/a	3
12	Evidence the manager is seeking specific changes in ES corporate behaviour (3 points)		
	Not found on website or otherwise disclosed	n/a	0
13	Evidence the manager has achieved specific changes in ES corporate behaviour (2 points)		
	Not found on website or otherwise disclosed	n/a	0
<b>Total Score</b>		<b>n/a</b>	<b>24/36</b>

**Recommendations to HSBC Global Asset Management:**

## Transparency:

- Disclose a detailed policy on environmental and social issues
- Disclose full voting records for all holdings
- Disclose engagement activities.

## Website:

- Create a dedicated section/page for responsible investment on the fund's website, easily accessible to all
- Such a page should offer RI policy, voting disclosure and engagement activities as RI-page menu items

## Engagement:

- Increase engagement activities such as meetings on ES issues such as requests for change

## Insight Investment

		Score	
		2007	2008
<b>Transparency</b>			
1	Does the fund manager publicly disclose a clear policy on how ESG issues are incorporated into all of its equity investment activities (i.e. not just for "SRI" funds)? (2 points)		
	Publicly discloses specific ESG issues of concern and explains in detail how it deals with each.	2	2
2	Does the fund manager publicly disclose its voting record for its investment holdings, at least annually? (2 points)		
	Full disclosure of voting record for all holdings	2	2
3	Does the fund manager publicly disclose engagement activities, at least annually? (2 points)		
	Detailed engagement reports are publicly disclosed every quarter	2	2
4	Is the fund manager's website(s) clear and accessible on ESG issues, and is this information prominently featured and easily available? (6 points)		
	Investor responsibility is a home page item (3 points) RI policy, voting disclosure and engagement activities are RI page items (3 points)	6	6
<b>Engagement/Integration</b>			
5	How many people (FTE) are exclusively dedicated to analysis and engagement on ESG issues (excluding dedicated SRI fund managers)? (3 points)		
	Four to six employees	2	2
6	Across which geographical areas does fund manager actively vote <i>all</i> its shares? (2 points)		
	All shares in UK and specific issues Ex UK	1	1
7	Is fund manager a member of any of the following? – UNPRI, EAI, IIGCC (3 points)		
	UNPRI and IIGCC Spending on ESG sell-side broker research is equivalent to EAI	3	3
8	How many company meetings on ESG issues did manager attend in last quarter? (3 points)		
	20 -50 meetings	2	2
9	Evidence the manager is seeking specific changes in ESG corporate behaviour (3 points)		
	Over 50 requests for change	3	3
10	Evidence the manager has achieved specific changes in ESG corporate behaviour (2 points)		
	Substantial evidence available on the website, especially for the NextGeneration benchmarking project for 2007	2	2
<b>Engagement/Integration of Environmental and Social Issues</b>			
11	How many company meetings on ES issues did manager attend during last quarter? (3 points)		
	10 -20 meetings	n/a	1
12	Evidence the manager is seeking specific changes in ES corporate behaviour (3 points)		
	Over 50 requests for change	n/a	3
13	Evidence the manager has achieved specific changes in ES corporate behaviour (2 points)		
	Substantial evidence of success	n/a	2
<b>Total Score</b>		<b>25/28</b>	<b>31/36</b>

**Recommendations to Insight Investment:**

## Engagement:

- Increase size and resources of RI team
- Commit to voting all shares worldwide
- Increase engagement activities such as meetings on ESG issues and requests for change

**INVESCO Perpetual \***

		Score	
		2007	2008
<b>Transparency</b>			
1	Does the fund manager publicly disclose a clear policy on how ESG issues are incorporated into all of its equity investment activities (i.e. not just for "SRI" funds)? (2 points)		
	Policy is clear on governance issues of concern, but does not include details on environmental or social issues	n/a	1
2	Does the fund manager publicly disclose its voting record for its investment holdings, at least annually? (2 points)		
	Not found on website	n/a	0
3	Does the fund manager publicly disclose engagement activities, at least annually? (2 points)		
	Not found on website	n/a	0
4	Is the fund manager's website(s) clear and accessible on ESG issues, and is this information prominently featured and easily available? (6 points)		
	Not found on UK website	n/a	0
<b>Engagement/Integration</b>			
5	How many people (FTE) are exclusively dedicated to analysis and engagement on ESG issues (excluding dedicated SRI fund managers)? (3 points)		
	Not found on website or otherwise disclosed	n/a	0
6	Across which geographical areas does fund manager actively vote <i>all</i> its shares? (2 points)		
	All UK and European shares, selective non UK/European	n/a	1
7	Is fund manager a member of any of the following? – UNPRI, EAI, IIGCC (3 points)		
	None of these as of 12th September 2008	n/a	0
8	How many company meetings on ESG issues did manager attend in last quarter? (3 points)		
	Not found on website or otherwise disclosed	n/a	0
9	Evidence the manager is seeking specific changes in ESG corporate behaviour (3 points)		
	Not found on website or otherwise disclosed	n/a	0
10	Evidence the manager has achieved specific changes in ESG corporate behaviour (2 points)		
	Not found on website or otherwise disclosed	n/a	0
<b>Engagement/Integration of Environmental and Social Issues</b>			
11	How many company meetings on ES issues did manager attend during last quarter? (3 points)		
	Not found on website or otherwise disclosed	n/a	0
12	Evidence the manager is seeking specific changes in ES corporate behaviour (3 points)		
	Not found on website or otherwise disclosed	n/a	0
13	Evidence the manager has achieved specific changes in ES corporate behaviour (2 points)		
	Not found on website or otherwise disclosed	n/a	0
<b>Total Score</b>		<b>n/a</b>	<b>2/36</b>

\*INVESCO Perpetual did not actively participate in the survey

**Recommendations to INVESCO Perpetual:**
**Transparency:**

- Disclose a detailed policy on environmental and social issues
- Disclose voting records
- Disclose engagement activities.

**Website:**

- Create a dedicated section/page for responsible investment on the fund's website, easily accessible to all
- Such a page should offer RI policy, voting disclosure and engagement activities as RI-page menu items

**Engagement:**

- Increase size and resources of RI team
- Commit to joint investor initiatives
- Commit to voting all shares worldwide
- Increase engagement activities such as meetings with companies on ESG issues
- Measure and evaluate the success of engagement activities

## JP Morgan Asset Management

		Score	
		2007	2008
<b>Transparency</b>			
1	Does the fund manager publicly disclose a clear policy on how ESG issues are incorporated into all of its equity investment activities (i.e. not just for "SRI" funds)? (2 points)		
	Fairly detailed on governance issues but no detail on specific environmental or social issues	1	1
2	Does the fund manager publicly disclose its voting record for its investment holdings, at least annually? (2 points)		
	Headline statistics, with details provided on abstentions or votes against management	1	1
3	Does the fund manager publicly disclose engagement activities, at least annually? (2 points)		
	Not found on website	0	0
4	Is the fund manager's website(s) clear and accessible on ESG issues, and is this information prominently featured and easily available? (6 points)		
	Corporate governance is a menu item under commentary and analysis' section of institutional investor website (1 point) Voting disclosure is on corporate responsibility page (1 point) RI policy and shareholder engagement not found	2	2
<b>Engagement/Integration</b>			
5	How many people (FTE) are exclusively dedicated to analysis and engagement on ESG issues (excluding dedicated SRI fund managers)? (3 points)		
	One to three employees	3	1
6	Across which geographical areas does fund manager actively vote <i>all</i> its shares? (2 points)		
	All shares worldwide	2	2
7	Is fund manager a member of any of the following? – UNPRI, EAI, IIGCC (3 points)		
	UNPRI only as of 12th September 2008	1	1
8	How many company meetings on ESG issues did manager attend in last quarter? (3 points)		
	10 - 20 meetings	1	1
9	Evidence the manager is seeking specific changes in ESG corporate behaviour (3 points)		
	Over 50 requests for change	3	3
10	Evidence the manager has achieved specific changes in ESG corporate behaviour (2 points)		
	Not found on website or otherwise disclosed	0	0
<b>Engagement/Integration of Environmental and Social Issues</b>			
11	How many company meetings on ES issues did manager attend during last quarter? (3 points)		
	Less than 10 meetings	n/a	0
12	Evidence the manager is seeking specific changes in ES corporate behaviour (3 points)		
	Not found on website or otherwise disclosed	n/a	0
13	Evidence the manager has achieved specific changes in ES corporate behaviour (2 points)		
	Not found on website or otherwise disclosed	n/a	0
<b>Total Score</b>		<b>n/a</b>	<b>12/36</b>

## Recommendations to JP Morgan Asset Management:

## Transparency:

- Disclose a detailed policy on environmental and social issues
- Disclose full voting records
- Disclose engagement activities.

## Website:

- Create a dedicated section/page for responsible investment on the fund's website, easily accessible to all
- Such a page should offer RI policy, voting disclosure and engagement activities as RI-page menu items

## Engagement:

- Increase size and resources of RI team
- Commit to joint investor initiatives
- Increase engagement activities such as meetings on ESG issues and measure and evaluate their success

## Legal & General Investment Management

		Score	
		2007	2008
<b>Transparency</b>			
1	Does the fund manager publicly disclose a clear policy on how ESG issues are incorporated into all of its equity investment activities (i.e. not just for "SRI" funds)? (2 points)		
	Policy is clear on governance issues, but does not include details on specific environmental or social issues	2	1
2	Does the fund manager publicly disclose its voting record for its investment holdings, at least annually? (2 points)		
	Full voting records available monthly	0	2
3	Does the fund manager publicly disclose engagement activities, at least annually? (2 points)		
	Sample case studies in the annual CSR report 2007	0	1
4	Is the fund manager's website(s) clear and accessible on ESG issues, and is this information prominently featured and easily available? (6 points)		
	Corporate governance is a menu item in the 'about us' section of the LGIM website (1 point) There is no specific RI policy as of 12th September 2008 Voting records are corporate governance page items (1 point) Engagement disclosures are a part of CSR report (0 point)	3	2
<b>Engagement/Integration</b>			
5	How many people (FTE) are exclusively dedicated to analysis and engagement on ESG issues (excluding dedicated SRI fund managers)? (3 points)		
	One to three employees	1	1
6	Across which geographical areas does fund manager actively vote <i>all</i> its shares? (2 points)		
	All shares in UK and selected shares in Europe	1	1
7	Is fund manager a member of any of the following? – UNPRI, EAI, IIGCC (3 points)		
	None of these as of 12th September 2008	0	0
8	How many company meetings on ESG issues did manager attend in last quarter? (3 points)		
	20-50 meetings	0	2
9	Evidence the manager is seeking specific changes in ESG corporate behaviour (3 points)		
	Over 50 requests for change	0	3
10	Evidence the manager has achieved specific changes in ESG corporate behaviour (2 points)		
	Some evidence of success	1	1
<b>Engagement/Integration of Environmental and Social Issues</b>			
11	How many company meetings on ES issues did manager attend during last quarter? (3 points)		
	Not found on website or otherwise disclosed	n/a	0
12	Evidence the manager is seeking specific changes in ES corporate behaviour (3 points)		
	Not found on website or otherwise disclosed	n/a	0
13	Evidence the manager has achieved specific changes in ES corporate behaviour (2 points)		
	Some evidence of success	n/a	1
<b>Total Score</b>		<b>8/28</b>	<b>15/36</b>

### Recommendations to Legal & General Investment Management:

#### Transparency:

- Disclose a detailed policy on environmental and social issues
- Disclose engagement activities regularly and include more details.

#### Website:

- Create a dedicated section/page for responsible investment on the fund's website, easily accessible to all
- Such a page should offer RI policy, voting disclosure and engagement activities as RI-page menu items

#### Engagement:

- Increase size and resources of RI team
- Commit to voting all shares worldwide
- Commit to joint investor initiatives
- Increase engagement activities such as meetings on ESG issues and measure and evaluate their success

## M&amp;G Investments \*

		Score	
		2007	2008
<b>Transparency</b>			
1	Does the fund manager publicly disclose a clear policy on how ESG issues are incorporated into all of its equity investment activities (i.e. not just for "SRI" funds)? (2 points)		
	Fairly detailed on governance issues but no detail on specific environmental or social issues	1	1
2	Does the fund manager publicly disclose its voting record for its investment holdings, at least annually? (2 points)		
	Full voting records disclosed every month	2	2
3	Does the fund manager publicly disclose engagement activities, at least annually? (2 points)		
	Not found on website	0	0
4	Is the fund manager's website(s) clear and accessible on ESG issues, and is this information prominently featured and easily available? (6 points)		
	Corporate responsibility is a home page item on the corporate website (2 points) Voting records are a corporate governance page item (1 point) Does not disclose specific RI policy or engagement activities	0	3
<b>Engagement/Integration</b>			
5	How many people (FTE) are exclusively dedicated to analysis and engagement on ESG issues (excluding dedicated SRI fund managers)? (3 points)		
	One to three employees	1	1
6	Across which geographical areas does fund manager actively vote <i>all</i> its shares? (2 points)		
	UK only	1	1
7	Is fund manager a member of any of the following? – UNPRI, EAI, IIGCC (3 points)		
	IIGCC only as of 12th September 2008	1	1
8	How many company meetings on ESG issues did manager attend in last quarter? (3 points)		
	Not found on website or otherwise disclosed	0	0
9	Evidence the manager is seeking specific changes in ESG corporate behaviour (3 points)		
	20 - 50 requests for change	3	2
10	Evidence the manager has achieved specific changes in ESG corporate behaviour (2 points)		
	Not found on website or otherwise disclosed	0	0
<b>Engagement/Integration of Environmental and Social Issues</b>			
11	How many company meetings on ES issues did manager attend during last quarter? (3 points)		
	Not found on website or otherwise disclosed	n/a	0
12	Evidence the manager is seeking specific changes in ES corporate behaviour (3 points)		
	Not found on website or otherwise disclosed	n/a	0
13	Evidence the manager has achieved specific changes in ES corporate behaviour (2 points)		
	Some evidence of success	n/a	0
<b>Total Score</b>		<b>9/28</b>	<b>11/36</b>

\*M&G did not actively participate in the survey

### Recommendations to M&G Investments:

#### Transparency:

- Disclose a detailed policy on environmental and social issues
- Disclose engagement activities regularly and include more details.

#### Website:

- Create a dedicated section/page for responsible investment on the fund's website, easily accessible to all
- Such a page should offer RI policy, voting disclosure and engagement activities as RI-page menu items

#### Engagement:

- Increase size and resources of RI team
- Commit to voting all shares worldwide
- Commit to joint investor initiatives
- Increase engagement activities such as meetings on ESG issues
- Measure and evaluate the success of engagement activities

## Morgan Stanley Investment Management

		Score	
		2007	2008
<b>Transparency</b>			
1	Does the fund manager publicly disclose a clear policy on how ESG issues are incorporated into all of its equity investment activities (i.e. not just for "SRI" funds)? (2 points)		
	Policy is clear on governance issues of concern, but does not include details on environmental or social issues	n/a	1
2	Does the fund manager publicly disclose its voting record for its investment holdings, at least annually? (2 points)		
	Records available for certain US funds	n/a	1
3	Does the fund manager publicly disclose engagement activities, at least annually? (2 points)		
	Not found on website	n/a	0
4	Is the fund manager's website(s) clear and accessible on ESG issues, and is this information prominently featured and easily available? (6 points)		
	RI not found on the UK website	n/a	0
<b>Engagement/Integration</b>			
5	How many people (FTE) are exclusively dedicated to analysis and engagement on ESG issues (excluding dedicated SRI fund managers)? (3 points)		
	More than seven employees	n/a	3
6	Across which geographical areas does fund manager actively vote <i>all</i> its shares? (2 points)		
	All shares worldwide	n/a	2
7	Is fund manager a member of any of the following? – UNPRI, EAI, IIGCC (3 points)		
	None of these as of 12th September 2008	n/a	0
8	How many company meetings on ESG issues did manager attend in last quarter? (3 points)		
	Not found on website or otherwise disclosed	n/a	0
9	Evidence the manager is seeking specific changes in ESG corporate behaviour (3 points)		
	Over 50 requests for change	n/a	3
10	Evidence the manager has achieved specific changes in ESG corporate behaviour (2 points)		
	Not found on website or otherwise disclosed	n/a	0
<b>Engagement/Integration of Environmental and Social Issues</b>			
11	How many company meetings on ES issues did manager attend during last quarter? (3 points)		
	Not found on website or otherwise disclosed	n/a	0
12	Evidence the manager is seeking specific changes in ES corporate behaviour (3 points)		
	Not found on website or otherwise disclosed	n/a	0
13	Evidence the manager has achieved specific changes in ES corporate behaviour (2 points)		
	Not found on website or otherwise disclosed	n/a	0
<b>Total Score</b>		<b>n/a</b>	<b>10/36</b>

## Recommendations to Morgan Stanley Investment Management:

## Transparency:

- Disclose a detailed policy on environmental and social issues
- Disclose voting records for all holdings
- Disclose engagement activities.

## Website:

- Create a dedicated section/page for responsible investment on the fund's website, easily accessible to all
- Such a page should offer RI policy, voting disclosure and engagement activities as RI-page menu items

## Engagement:

- Commit to joint investor initiatives
- Increase engagement activities such as meetings on ESG issues
- Measure and evaluate the success of engagement activities

## Newton Investment Management

		Score	
		2007	2008
<b>Transparency</b>			
1	Does the fund manager publicly disclose a clear policy on how ESG issues are incorporated into all of its equity investment activities (i.e. not just for "SRI" funds)? (2 points)		
	Fairly detailed on governance issues but no detail on specific environmental or social issues	n/a	1
2	Does the fund manager publicly disclose its voting record for its investment holdings, at least annually? (2 points)		
	Voting analysis disclosed every quarter with explanations provided on votes against management and controversial resolutions	n/a	1
3	Does the fund manager publicly disclose engagement activities, at least annually? (2 points)		
	Detailed case studies are included in quarterly report	n/a	1
4	Is the fund manager's website(s) clear and accessible on ESG issues, and is this information prominently featured and easily available? (6 points)		
	RI is in literatures section of UK institutional investors website (1 point) RI policy, voting disclosure and engagement disclosures are on RI page (3 points)	n/a	4
<b>Engagement/Integration</b>			
5	How many people (FTE) are exclusively dedicated to analysis and engagement on ESG issues (excluding dedicated SRI fund managers)? (3 points)		
	Four to six employees	n/a	2
6	Across which geographical areas does fund manager actively vote <i>all</i> its shares? (2 points)		
	All shares worldwide	n/a	2
7	Is fund manager a member of any of the following? – UNPRI, EAI, IIGCC (3 points)		
	UNPRI as of 12th September 2008 Spending on ESG sell-side broker research is equivalent to EAI	n/a	2
8	How many company meetings on ESG issues did manager attend in last quarter? (3 points)		
	10 – 20 meetings	n/a	1
9	Evidence the manager is seeking specific changes in ESG corporate behaviour (3 points)		
	Over 50 requests for change	n/a	3
10	Evidence the manager has achieved specific changes in ESG corporate behaviour (2 points)		
	Some evidence of success	n/a	1
<b>Engagement/Integration of Environmental and Social Issues</b>			
11	How many company meetings on ES issues did manager attend during last quarter? (3 points)		
	Less than 10 meetings	n/a	0
12	Evidence the manager is seeking specific changes in ES corporate behaviour (3 points)		
	20 - 50 requests for change	n/a	2
13	Evidence the manager has achieved specific changes in ES corporate behaviour (2 points)		
	Some evidence of success	n/a	0
<b>Total Score</b>		<b>n/a</b>	<b>21/36</b>

### Recommendations to Newton Investment Management:

#### Transparency:

- Disclose a detailed policy on environmental and social issues
- Disclose voting records for all holdings
- Disclose a list of companies engaged with and corresponding reasons for engagement.

#### Website:

- Create a dedicated section/page for responsible investment on the fund's website, with links on home page

#### Engagement:

- Increase engagement activities such as meetings on ESG issues
- Increase size and resources of RI team

## Schroder Investment Management

		Score	
		2007	2008
<b>Transparency</b>			
1	Does the fund manager publicly disclose a clear policy on how ESG issues are incorporated into all of its equity investment activities (i.e. not just for "SRI" funds)? (2 points)		
	General overview of RI in the Corporate Responsibility report, no detailed policy on ESG found.	1	0
2	Does the fund manager publicly disclose its voting record for its investment holdings, at least annually? (2 points)		
	Headline statistics available for Social Environmental Ethical voting in 2007	0	1
3	Does the fund manager publicly disclose engagement activities, at least annually? (2 points)		
	Not found on website	0	0
4	Is the fund manager's website(s) clear and accessible on ESG issues, and is this information prominently featured and easily available? (6 points)		
	RI or ESG are included under the marketplace page in CSR section (1 point) Voting disclosure is a part of marketplace page (1 point) Shareholder engagement activities are not RI-page menu item	1	2
<b>Engagement/Integration</b>			
5	How many people (FTE) are exclusively dedicated to analysis and engagement on ESG issues (excluding dedicated SRI fund managers)? (3 points)		
	Four to six employees	2	2
6	Across which geographical areas does fund manager actively vote <i>all</i> its shares? (2 points)		
	All shares worldwide	2	2
7	Is fund manager a member of any of the following? – UNPRI, EAI, IIGCC (3 points)		
	UNPRI and IIGCC as of 12th September 2008	1	2
8	How many company meetings on ESG issues did manager attend in last quarter? (3 points)		
	20 - 50 meetings	2	2
9	Evidence the manager is seeking specific changes in ESG corporate behaviour (3 points)		
	Over 50 requests for change	3	3
10	Evidence the manager has achieved specific changes in ESG corporate behaviour (2 points)		
	Some evidence of success	2	1
<b>Engagement/Integration of Environmental and Social Issues</b>			
11	How many company meetings on ES issues did manager attend during last quarter? (3 points)		
	10 - 20 meetings	n/a	1
12	Evidence the manager is seeking specific changes in ES corporate behaviour (3 points)		
	Over 50 requests for change	n/a	3
13	Evidence the manager has achieved specific changes in ES corporate behaviour (2 points)		
	Some evidence of success	n/a	1
<b>Total Score</b>		<b>14/28</b>	<b>20/36</b>

**Recommendations to Schroder Investment Management:**

## Transparency:

- Disclose a detailed policy on environmental, social and governance issues
- Disclose full voting records
- Disclose engagement activities

## Website:

- Create a dedicated section/page for responsible investment on the fund's website, easily accessible to all
- Such a page should offer RI policy, voting disclosure and engagement activities as RI-page menu items

## Engagement:

- Increase size and resources of RI team
- Commit to joint investor initiatives
- Increase engagement activities such as meetings on ES issues

## Scottish Widows Investment Partnership

		Score	
		2007	2008
<b>Transparency</b>			
1	Does the fund manager publicly disclose a clear policy on how ESG issues are incorporated into all of its equity investment activities (i.e. not just for "SRI" funds)? (2 points)		
	Fairly detailed on governance issues but no detail on specific environmental or social issues	1	1
2	Does the fund manager publicly disclose its voting record for its investment holdings, at least annually? (2 points)		
	Not found on website	0	0
3	Does the fund manager publicly disclose engagement activities, at least annually? (2 points)		
	Not found on website	0	0
4	Is the fund manager's website(s) clear and accessible on ESG issues, and is this information prominently featured and easily available? (6 points)		
	Corporate governance is an item on the 'about us' menu, not on home page (1 point) RI policy, voting records and engagement activities not found	0	1
<b>Engagement/Integration</b>			
5	How many people (FTE) are exclusively dedicated to analysis and engagement on ESG issues (excluding dedicated SRI fund managers)? (3 points)		
	One to three employees	1	1
6	Across which geographical areas does fund manager actively vote <i>all</i> its shares? (2 points)		
	All shares worldwide	2	2
7	Is fund manager a member of any of the following? – UNPRI, EAI, IIGCC (3 points)		
	UNPRI only as of 12th September 2008	1	1
8	How many company meetings on ESG issues did manager attend in last quarter? (3 points)		
	Not found on website or otherwise disclosed	0	0
9	Evidence the manager is seeking specific changes in ESG corporate behaviour (3 points)		
	Not found on website or otherwise disclosed	0	0
10	Evidence the manager has achieved specific changes in ESG corporate behaviour (2 points)		
	Not found on website or otherwise disclosed	0	0
<b>Engagement/Integration of Environmental and Social Issues</b>			
11	How many company meetings on ES issues did manager attend during last quarter? (3 points)		
	Not found on website or otherwise disclosed	n/a	0
12	Evidence the manager is seeking specific changes in ES corporate behaviour (3 points)		
	Not found on website or otherwise disclosed	n/a	0
13	Evidence the manager has achieved specific changes in ES corporate behaviour (2 points)		
	Not found on website or otherwise disclosed	n/a	0
<b>Total Score</b>		<b>5/28</b>	<b>6/36</b>

### Recommendations to Scottish Widows:

#### Transparency:

- Disclose a detailed policy on environmental and social issues
- Disclose voting records
- Disclose engagement activities

#### Website:

- Create a dedicated section/page for responsible investment on the fund's website, easily accessible to all
- Such a page should offer RI policy, voting disclosure and engagement activities as RI-page menu items

#### Engagement:

- Increase size and resources of RI team
- Commit to joint investor initiatives
- Increase engagement activities such as meetings on ESG issues and requests for change
- Measure and evaluate the success of engagement activities.

## Standard Life Investments

		Score	
		2007	2008
<b>Transparency</b>			
1	Does the fund manager publicly disclose a clear policy on how ESG issues are incorporated into all of its equity investment activities (i.e. not just for "SRI" funds)? (2 points)		
	Policy discloses specific ESG issues of concern and explains in detail how it deals with each	2	2
2	Does the fund manager publicly disclose its voting record for its investment holdings, at least annually? (2 points)		
	Monthly headline statistics disclosed with explanations on votes against management	1	1
3	Does the fund manager publicly disclose engagement activities, at least annually? (2 points)		
	Not found on website	0	0
4	Is the fund manager's website(s) clear and accessible on ESG issues, and is this information prominently featured and easily available? (6 points)		
	Corporate governance and SRI are home page items on a separate SRI website with link from UK website (3 points) RI policy and voting disclosures are corporate governance page items (2 point) Disclosure of company engagement activities not found	2	5
<b>Engagement/Integration</b>			
5	How many people (FTE) are exclusively dedicated to analysis and engagement on ESG issues (excluding dedicated SRI fund managers)? (3 points)		
	Seven or more employees	3	3
6	Across which geographical areas does fund manager actively vote <i>all</i> its shares? (2 points)		
	Votes all UK and Irish shares and selected ex-UK shares	1	1
7	Is fund manager a member of any of the following? – UNPRI, EAI, IIGCC (3 points)		
	UNPRI only as of 12th September 2008	1	1
8	How many company meetings on ESG issues did manager attend in last quarter? (3 points)		
	More than 50 meetings	3	3
9	Evidence the manager is seeking specific changes in ESG corporate behaviour (3 points)		
	Over 50 requests for change	3	3
10	Evidence the manager has achieved specific changes in ESG corporate behaviour (2 points)		
	Some evidence of success	0	1
<b>Engagement/Integration of Environmental and Social Issues</b>			
11	How many company meetings on ES issues did manager attend during last quarter? (3 points)		
	10 - 20 meetings	n/a	1
12	Evidence the manager is seeking specific changes in ES corporate behaviour (3 points)		
	Over 50 requests for change	n/a	3
13	Evidence the manager has achieved specific changes in ES corporate behaviour (2 points)		
	Some evidence of success	n/a	1
<b>Total Score</b>		<b>16/28</b>	<b>25/36</b>

## Recommendations to Standard Life Investments:

## Transparency:

- Disclose full voting records
- Disclose engagement activities

## Engagement:

- Commit to voting all shares worldwide
- Commit to joint investor initiatives such as EAI and IIGCC
- Increase engagement activities such as meetings on environmental or social issues

## State Street Global Advisors UK Ltd.

		Score	
		2007	2008
<b>Transparency</b>			
1	Does the fund manager publicly disclose a clear policy on how ESG issues are incorporated into all of its equity investment activities (i.e. not just for "SRI" funds)? (2 points)		
	Not found on website	0	0
2	Does the fund manager publicly disclose its voting record for its investment holdings, at least annually? (2 points)		
	Not found on website	0	0
3	Does the fund manager publicly disclose engagement activities, at least annually? (2 points)		
	Not found on website	0	0
4	Is the fund manager's website(s) clear and accessible on ESG issues, and is this information prominently featured and easily available? (6 points)		
	Not found on website	0	0
<b>Engagement/Integration</b>			
5	How many people (FTE) are exclusively dedicated to analysis and engagement on ESG issues (excluding dedicated SRI fund managers)? (3 points)		
	Four to six employees	0	2
6	Across which geographical areas does fund manager actively vote <i>all</i> its shares? (2 points)		
	Only UK shares	0	1
7	Is fund manager a member of any of the following? – UNPRI, EAI, IIGCC (3 points)		
	None of these as of 12th September 2008	0	0
8	How many company meetings on ESG issues did manager attend in last quarter? (3 points)		
	Over 50 meetings	0	3
9	Evidence the manager is seeking specific changes in ESG corporate behaviour (3 points)		
	Not found on website or otherwise disclosed	0	0
10	Evidence the manager has achieved specific changes in ESG corporate behaviour (2 points)		
	Not found on website or otherwise disclosed	0	0
<b>Engagement/Integration of Environmental and Social Issues</b>			
11	How many company meetings on ES issues did manager attend during last quarter? (3 points)		
	10 - 20 meetings	n/a	1
12	Evidence the manager is seeking specific changes in ES corporate behaviour (3 points)		
	Not found on website or otherwise disclosed	n/a	0
13	Evidence the manager has achieved specific changes in ES corporate behaviour (2 points)		
	Not found on website or otherwise disclosed	n/a	0
<b>Total Score</b>		<b>0/28</b>	<b>7/36</b>

**Recommendations to State Street Global Advisors:**

## Transparency:

- Disclose a detailed policy on environmental, social and governance issues
- Disclose voting records for all holdings
- Disclose engagement activities.

## Website:

- Create a dedicated section/page for responsible investment on the fund's website, easily accessible to all
- Such a page should offer RI policy, voting disclosure and engagement activities as RI-page menu items

## Engagement:

- Commit to joint investor initiatives
- Increase size and resources of RI team
- Commit to voting all shares worldwide
- Increase engagement activities such as meetings on ESG issues and requests for change
- Measure and evaluate the success of engagement activities

## Threadneedle Asset Management

		Score	
		2007	2008
<b>Transparency</b>			
1	Does the fund manager publicly disclose a clear policy on how ESG issues are incorporated into all of its equity investment activities (i.e. not just for "SRI" funds)? (2 points)		
	Fairly detailed on governance issues but no detail on specific environmental or social issues	n/a	1
2	Does the fund manager publicly disclose its voting record for its investment holdings, at least annually? (2 points)		
	Not found on website	n/a	0
3	Does the fund manager publicly disclose engagement activities, at least annually? (2 points)		
	Not found on website	n/a	0
4	Is the fund manager's website(s) clear and accessible on ESG issues, and is this information prominently featured and easily available? (6 points)		
	Social Responsibility is a menu item in the about us section of the home page (2 points) RI policy is RI page item (1 point)	n/a	3
<b>Engagement/Integration</b>			
5	How many people (FTE) are exclusively dedicated to analysis and engagement on ESG issues (excluding dedicated SRI fund managers)? (3 points)		
	One to three employees	n/a	1
6	Across which geographical areas does fund manager actively vote <i>all</i> its shares? (2 points)		
	All shares worldwide	n/a	2
7	Is fund manager a member of any of the following? – UNPRI, EAI, IIGCC (3 points)		
	UNPRI only as of 12th September 2008	n/a	1
8	How many company meetings on ESG issues did manager attend in last quarter? (3 points)		
	10 – 20 meetings	n/a	1
9	Evidence the manager is seeking specific changes in ESG corporate behaviour (3 points)		
	Less than 10 requests for change	n/a	0
10	Evidence the manager has achieved specific changes in ESG corporate behaviour (2 points)		
	Not found on website or otherwise disclosed	n/a	0
<b>Engagement/Integration of Environmental and Social Issues</b>			
11	How many company meetings on ES issues did manager attend during last quarter? (3 points)		
	10 - 20 meetings	n/a	1
12	Evidence the manager is seeking specific changes in ES corporate behaviour (3 points)		
	Less than 10 requests for change	n/a	0
13	Evidence the manager has achieved specific changes in ES corporate behaviour (2 points)		
	Not found on website or otherwise disclosed	n/a	0
<b>Total Score</b>		<b>n/a</b>	<b>10/36</b>

## Recommendations to Threadneedle Asset Management:

## Transparency:

- Disclose a detailed policy on environmental and social issues
- Disclose voting records
- Disclose engagement activities.

## Website:

- Create a dedicated section/page for responsible investment on the fund's website, easily accessible to all
- Such a page should offer RI policy, voting disclosure and engagement activities as RI-page menu items

## Engagement:

- Commit to joint investor initiatives
- Increase size and resources of RI team
- Increase engagement activities such as meetings on ESG issues and requests for change
- Measure and evaluate the success of engagement activities

## UBS Global Asset Management

		Score	
		2007	2008
<b>Transparency</b>			
1	Does the fund manager publicly disclose a clear policy on how ESG issues are incorporated into all of its equity investment activities (i.e. not just for "SRI" funds)? (2 points)		
	Fairly detailed on governance issues but no detail on specific environmental or social issues	1	1
2	Does the fund manager publicly disclose its voting record for its investment holdings, at least annually? (2 points)		
	Annual headline statistics only	1	1
3	Does the fund manager publicly disclose engagement activities, at least annually? (2 points)		
	Not found on website	1	0
4	Is the fund manager's website(s) clear and accessible on ESG issues, and is this information prominently featured and easily available? (6 points)		
	Corporate governance and SRI are home page menu items on the Institutional Investor home page (2 points); RI policy is an RI-page menu item (1 point); Voting disclosure and shareholder engagement activities are not RI-page menu items	3	3
<b>Engagement/Integration</b>			
5	How many people (FTE) are exclusively dedicated to analysis and engagement on ESG issues (excluding dedicated SRI fund managers)? (3 points)		
	Seven or more employees	3	3
6	Across which geographical areas does fund manager actively vote <i>all</i> its shares? (2 points)		
		2	2
7	Is fund manager a member of any of the following? – UNPRI, EAI, IIGCC (3 points)		
	None of these as of 12th September 2008	0	0
8	How many company meetings on ESG issues did manager attend in last quarter? (3 points)		
	20-50 meetings	1	2
9	Evidence the manager is seeking specific changes in ESG corporate behaviour (3 points)		
	Over 50 requests for change	3	3
10	Evidence the manager has achieved specific changes in ESG corporate behaviour (2 points)		
	Some evidence of success	1	1
<b>Engagement/Integration of Environmental and Social Issues</b>			
11	How many company meetings on ES issues did manager attend during last quarter? (3 points)		
	10 - 20 meetings	n/a	1
12	Evidence the manager is seeking specific changes in ES corporate behaviour (3 points)		
	Not found on website or otherwise disclosed	n/a	0
13	Evidence the manager has achieved specific changes in ES corporate behaviour (2 points)		
	Not found on website or otherwise disclosed	n/a	0
<b>Total Score</b>		<b>n/a</b>	<b>17/36</b>

**Recommendations to UBS Global Asset Management:**

## Transparency:

- Disclose a detailed policy on environmental and social issues
- Disclose voting records
- Disclose engagement activities.

## Website:

- Create a dedicated section/page for responsible investment on the fund's website, easily accessible to all
- Such a page should offer RI policy, voting disclosure and engagement activities as RI-page menu items

## Engagement:

- Commit to joint investor initiatives
- Increase engagement activities such as meetings on ESG issues and requests for change
- Measure and evaluate the success of engagement activities

## Wellington Management

		Score	
		2007	2008
<b>Transparency</b>			
1	Does the fund manager publicly disclose a clear policy on how ESG issues are incorporated into all of its equity investment activities (i.e. not just for "SRI" funds)? (2 points)		
	Not found on website	0	0
2	Does the fund manager publicly disclose its voting record for its investment holdings, at least annually? (2 points)		
	Not found on website	0	0
3	Does the fund manager publicly disclose engagement activities, at least annually? (2 points)		
	Not found on website	0	0
4	Is the fund manager's website(s) clear and accessible on ESG issues, and is this information prominently featured and easily available? (6 points)		
	Corporate governance is available through the home page (1 point) RI policy, voting and engagement activities are not disclosed	0	1
<b>Engagement/Integration</b>			
5	How many people (FTE) are exclusively dedicated to analysis and engagement on ESG issues (excluding dedicated SRI fund managers)? (3 points)		
	Four to six employees	1	2
6	Across which geographical areas does fund manager actively vote <i>all</i> its shares? (2 points)		
	All shares worldwide	2	2
7	Is fund manager a member of any of the following? – UNPRI, EAI, IIGCC (3 points)		
	Spending on ESG sell-side broker research is equivalent to EAI	0	1
8	How many company meetings on ESG issues did manager attend in last quarter? (3 points)		
	20 – 50 meetings	0	2
9	Evidence the manager is seeking specific changes in ESG corporate behaviour (3 points)		
	Less than 10 requests	0	0
10	Evidence the manager has achieved specific changes in ESG corporate behaviour (2 points)		
	Some evidence of success	0	1
<b>Engagement/Integration of Environmental and Social Issues</b>			
11	How many company meetings on ES issues did manager attend during last quarter? (3 points)		
	10 - 20 meetings	n/a	1
12	Evidence the manager is seeking specific changes in ES corporate behaviour (3 points)		
	Not found on website or otherwise disclosed	n/a	0
13	Evidence the manager has achieved specific changes in ES corporate behaviour (2 points)		
	Some evidence of success	n/a	1
<b>Total Score</b>		<b>3/28</b>	<b>11/36</b>

## Recommendations to Wellington Management:

## Transparency:

- Disclose a detailed policy on environmental, social and governance issues
- Disclose voting records
- Disclose engagement activities.

## Website:

- Create a dedicated section/page for responsible investment on the fund's website, easily accessible to all
- Such a page should offer RI policy, voting disclosure and engagement activities as RI-page menu items

## Engagement:

- Commit to joint investor initiatives
- Increase size and resources of RI team
- Increase engagement activities such as meetings on ESG issues and requests for change

## Appendix 2 – Methodology

The 30 asset managers were selected from the largest 150 asset managers featuring in the P&I/ Watson Wyatt World 500 ranking (2007). We looked primarily at their total value of assets under management (AUM), but also specifically aimed to include the largest UK-owned asset managers and exclude those international managers with a relatively low UK focus. The survey therefore includes

fifteen UK-owned asset managers within the Watson Wyatt top 150, together with the fifteen largest non-UK owned managers who have significant business in this country either via a UK owned subsidiary or through a direct UK presence. Membership of the UK National Association of Pension Funds (NAPF) was used as an additional screen for inclusion.

### Asset managers included in 2007 and 2008 Surveys

Asset Managers	AUM in US\$ billions <sup>12</sup>	Member of NAPF
AllianceBernstein	772 <sup>13</sup>	✓
Aviva Investors <sup>14</sup> (Aviva Group) <sup>15</sup>	701	✓
Baillie Gifford & Co.	92	✓
Barclays Global Investors	1,813	✓
BlackRock	1,124	✓
Capital International	1,403	✓
F&C Asset Management	204	✓
Fidelity International	1,635	✓
Goldman Sachs Asset Management	693	✓
Hermes Fund Managers	135	✓
Insight Investment (HBOS)	194	✓
JP Morgan Asset Management	1,014	✓
Legal and General Inv. Man.	456	✓
M & G Investments (Prudential PLC)	477	✓
Scottish Widows Investment Partnership (Lloyds TSB)	219	✓
Standard Life Investments	305	✓
Schroder Investments	252	✓
State Street Global Advisers	1,748	✓
UBS Global Asset Management	2,452	✓
Wellington Management International	575	✓

12. Unless otherwise noted all figures are taken from the P&I/Watson Wyatt World 500: The world's largest managers in 2007, available at <http://coedit.sv.publicis.com/apps/pbcs.dll/article?AID=/20071001/CHART/70927004/-1/WWTOPMANAGERS>

13. AllianceBernstein figure is taken from their press release dated 10th June 2008

14. Formerly known as Morley Fund Management

15. Where parent group figures have been used this is indicated by the relevant parent name in brackets

## Asset managers added in 2008 survey

Asset Managers	AUM in US\$ millions as of 31st December 2007	Member of NAPF
Aberdeen Asset Management	147	✓
Artemis (Fortis Group)	556	✓
AXA Investment Managers	1,740	✓
Credit Suisse Asset Management	1,093	✓
Henderson Global Investors	121	✓
HSBC Investment Management	595	✓
INVESCO Perpetual	462	✓
Morgan Stanley	606	✓
Newton Investment Management (Bank of New York Mellon Corporation)	995	✓
Threadneedle Asset Management (Ameriprise Financial)	397	✓
<b>Overall total</b>	<b>22,976</b>	

This year's survey essentially mirrors last year's in its format and weighting, so as to enable direct comparisons and assessment of change in the performance of the 20 asset managers surveyed in both 2007 and 2008. However, we added this year an additional section to assess engagement on Environmental and Social issues only. This section replicates questions on ESG engagement but focuses exclusively on ES issues, separate from Governance.

The survey questions were designed to form benchmarks that reflect an asset manager's performance on transparency and engagement and were weighted to allow for an element of qualitative differences in the information provided. Note that this survey was not intended to measure the level of RI engagement in specialist SRI funds, but the extent to which ESG issues were incorporated into the organisation and its decision-making process as a whole.

The survey was conducted in two stages. In the preliminary stage, FairPensions sent out the survey to asset managers in mid July 2008, inviting them to grade themselves and provide any additional information where they were willing to do so. Asset managers were contacted by letter and email and given ample opportunity to disclose such information.

FairPensions also conducted independent research on the asset manager's public websites.

On the close of the interim period, the self marked questionnaires were evaluated against corroborating evidence, either available on the website or provided to FairPensions, and the interim rankings were compiled. These were then communicated to asset managers – FairPensions encouraged managers to comment on the interim findings and provide any further relevant information. This second stage saw considerable interaction between the asset managers and the FairPensions' research team through conference calls, emails and face to face meetings. The final deadline for feedback was 12th September 2008, after which, to ensure fairness and consistency across the survey, FairPensions did not accept further information.

In the Transparency section of the survey, credit was awarded only for items that were publicly available on the asset manager's website. Partial credit was awarded where the information was available, but did not meet the specificity criterion. For example, if a policy gave particulars on corporate governance issues, but gave no details of environmental or social issues, then only partial credit was awarded under Question 1. Similarly if the asset

manager did not disclose full voting records, but did publish an analysis of its voting data, one point was awarded under Question 2. A list of companies engaged, without any information on corresponding issues of concern, would also earn a partial point.

In the Engagement/Integration section of the survey, scores were based both on the asset manager's public website and on any information provided to FairPensions by the fund manager. Therefore, in those cases where asset managers chose not to participate actively in the survey, the scores are based only on information from their public website, and therefore may not reflect the full extent of the asset manager's engagement activities.

Scores were based on the most recent information available. Therefore, for those asset

managers who report annually on RI, data is for 2007. For asset managers who report quarterly on RI, data is for Q1 or Q2 of 2008.

For Question 10, a vote against management on ESG issues and on ES issues for Question 12 was considered a de facto request for change, and therefore those asset managers whose voting records were publicly disclosed or who provided information to us on their voting record received credit for any such votes. However, it should be noted that simply voting against management is not an end in itself; in most cases, a vote against management should be accompanied by engagement with the company to explain the reasons for doing so, and to press for change.

# Appendix 3 – the Survey Questionnaire

The information for this survey will be gathered and verified independently from the fund manager's public website. However, fund managers are invited to complete the survey and return it, together with supporting evidence, to FairPensions by 13th August 2008.

Where this is not possible fund managers are encouraged to send to us any information not available on their public websites, such as voting data or client engagement reports, so that this information can be taken into account.

## Ranking criteria

### Transparency

The Transparency section of this ranking is designed to measure the levels of disclosure and openness shown by UK fund managers in relation to Responsible Investment.

	Points	
1 Does the fund manager publicly <sup>1</sup> disclose a clear policy <sup>2</sup> on how Environmental, Social and Governance (ESG) issues are incorporated in all of its equity investment activities (i.e. not just for "SRI" funds)?	2	<input type="checkbox"/>
2 Does the fund manager publicly disclose its voting record for its investment holdings, at least annually?		
Only for specific retail or certain client funds	1	<input type="checkbox"/>
For all aggregated holdings <sup>3</sup>	or 2	<input type="checkbox"/>
3 Does the fund manager publicly disclose its engagement activities, at least annually? <sup>4</sup>		
Detailed explanations are provided for a sample engagements	1	<input type="checkbox"/>
Full listing of companies and reasons for engagement	or 2	<input type="checkbox"/>
4 Is the fund manager's website(s) clear and accessible on ESG issues, and is this information prominently featured and easily available?		
RI or ESG is a home page menu item	3	<input type="checkbox"/>
RI Policy is an RI-page menu item	1	<input type="checkbox"/>
Voting disclosure is an RI-page menu item	1	<input type="checkbox"/>
Shareholder engagement activities are an RI-page menu item	1	<input type="checkbox"/>
<b>Maximum transparency</b>	<b>12</b>	<input type="checkbox"/>

#### Footnotes:

1. Public disclosure is defined as being shown on the main website of the fund manager (in the case of predominantly retail fund managers, this will be the retail fund website)
2. A clear policy states specific issues of ESG concern that the manager aims to deal with (e.g. climate change), and also states exactly how the fund manager plans to address them
3. In the case of aggregated holdings where the fund manager does not have voting authority, it is sufficient to disclose all of the fund manager voting recommendations to its clients
4. A set of detailed engagement examples, plus a full list of all companies engaged with, is required for full credit

continued...

## Engagement/Integration

The Engagement/Integration section of this ranking is designed to measure the extent to which UK fund managers engage with companies on ESG issues, and the extent to which ESG issues are integrated into the fund managers' mainstream business.

		Points	
5	How many people (FTE) are exclusively dedicated to analysis and engagement on ESG issues (excluding dedicated SRI fund managers)?		
	1-3 people	1	<input type="checkbox"/>
	4-6 people	or 2	<input type="checkbox"/>
	7 or more people	or 3	<input type="checkbox"/>
6	Across which geographical areas does the fund manager actively vote all its shares?		
	UK	1	<input type="checkbox"/>
	Ex UK	1	<input type="checkbox"/>
7	Is the fund manager a member of any of the following initiatives?		
	UNPRI	1	<input type="checkbox"/>
	IIGCC	1	<input type="checkbox"/>
	EAI (or evidence of equivalent spending on ESG research)	1	<input type="checkbox"/>
8	How many company meetings on ESG issues did the fund manager attend during the last quarter?		
	10-20 meetings	1	<input type="checkbox"/>
	20-50 meetings	or 2	<input type="checkbox"/>
	50 or more	or 3	<input type="checkbox"/>
9	Evidence <sup>5</sup> the manager is seeking specific changes in ESG corporate behaviour		
	10-20 changes requested	1	<input type="checkbox"/>
	20-50 changes requested	or 2	<input type="checkbox"/>
	50 or more changes requested	or 3	<input type="checkbox"/>
10	Evidence <sup>5</sup> the manager has achieved specific changes in ESG corporate behaviour		
	Some limited evidence of success	1	<input type="checkbox"/>
	Substantial evidence of success	or 2	<input type="checkbox"/>
<b>Maximum engagement</b>		<b>16</b>	<input type="checkbox"/>

Footnotes:

5. Evidence can include internal reports or ESG benchmarks

## Engagement/Integration of Environmental and Social Issues

This new section of the ranking is designed to measure the extent to which UK fund managers specifically engage with companies on environmental and social issues, separate from engagement on purely governance related issues, and the extent to which these issues are integrated into the fund managers' mainstream business.

		Points	
11	How many company meetings on Environmental and Social (excluding governance) issues did the fund manager attend during the last quarter?		
	10 – 20 meetings	1	<input type="checkbox"/>
	20-50 meetings	or 2	<input type="checkbox"/>
	50 or more	or 3	<input type="checkbox"/>
12	Evidence the manager is seeking specific changes in corporate behaviour regarding Environmental and Social issues		
	10 – 20 changes requested	1	<input type="checkbox"/>
	20 – 50 changes requested	or 2	<input type="checkbox"/>
	50 or more changes requested	or 3	<input type="checkbox"/>
13	Evidence the manager has achieved specific changes in Environmental and Social corporate behaviour		
	Some limited evidence of success	1	<input type="checkbox"/>
	Substantial evidence of success	or 2	<input type="checkbox"/>
<b>Maximum Engagement with Environmental and Social issues</b>		<b>8</b>	<input type="checkbox"/>
<b>Maximum Total Score</b>		<b>36</b>	<input type="checkbox"/>



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