



**CORPORATE  
RESPONSIBILITY REPORT**

**2013/2014**

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**COVER IMAGE:** *'Every Second Counts'*, clock face produced by Sarah Campbell (pictured) for Face Time, an exhibition in aid of The Art Room. Face Time was a collaboration between the Threadneedle Foundation, Mall Galleries and UK charity The Art Room that raised over £65,000. This work was acquired by the Threadneedle Foundation and hangs in the company's London head office.

# LETTER FROM THE CEO



At Threadneedle we understand the imperative to act responsibly: as a trusted partner to our clients; as an investor in large and small businesses around the world; as an employer; and as a member of society. As such, I'm pleased to present our first Corporate Responsibility Report. In the past year we have introduced initiatives to formalise our approach to corporate responsibility, and this report outlines our commitment to transparency and continuous improvement in this area.

As a manager of substantial global assets, we are aware that the ultimate owners of these assets face a world of growing inequality, climatic change and pollution, in which basic needs are increasingly delivered by corporates rather than governments. As an active investor we have the ability to impact economic, commercial and social outcomes in a positive way. At the same time, the financial crisis has led many to be sceptical of the corporate world and the financial services industry in particular. Our industry needs to rebuild trust among our customers, our regulators and even our own employees. Threadneedle takes this responsibility seriously and I believe the initiatives we are introducing will have a real impact towards this goal.

We were delighted to receive several awards this year for our work in responsible investment, including SRI Manager of the Year from Global Investor. We also received awards for two innovative funds; the Threadneedle Low Carbon Workplace Trust (LCW) and the Threadneedle UK Social Bond Fund. LCW was launched in 2010 in partnership with the Carbon Trust and Stanhope, to reduce the carbon footprint generated by commercial property while at the same time achieving solid financial returns for investors. In December 2013 we launched the Threadneedle UK Social Bond Fund, in partnership with Big Issue Invest. The Fund brings social investing to the UK mainstream for the first time, enabling large and small investors to seek both a financial return and a positive social outcome, at a time of significant need and demand for social investment.

Like investments, businesses can, and should, deliver a range of positive outcomes. We consider corporate responsibility an essential part of good investment and of good business practice and I believe we have a strong track record in this regard.

**Campbell Fleming**

Chief Executive Officer, Threadneedle Investments

# CORPORATE RESPONSIBILITY AT THREADNEEDLE

**A leading international investment manager, Threadneedle Investments is responsible for managing £92.8 billion of assets (at 30 June 2014), investing on behalf of individuals, pension funds and corporations. We strive to deliver the investment outcomes that our clients expect when they trust us with their money, through an investment approach that is active, client-focused and performance driven. In terms of corporate responsibility we are equally committed to ensuring a rigorous approach that creates sustainable long-term value.**

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Threadneedle’s corporate responsibility strategy is underpinned by our Values of Client focus, Excellence, Integrity and Respect. As a global asset manager and a values-led organisation, we believe we have an inherent responsibility to our stakeholders: clients and end customers, employees, partner organisations and suppliers, shareholders and the broader community.

In this report we outline our commitment to a common goal and vision for corporate responsibility, as well as our aspirations for future development. We have focused on the areas identified as most material to our business and express our corporate responsibility strategy in terms of the core roles we play – Responsible Partner, Investor, Employer and Citizen. These roles are aligned to our Values and are set out in the diagram opposite.

Threadneedle’s corporate responsibility framework is managed by an Advisory Group made up of senior executives from across the organisation, reporting to the company’s Business Management Committee and the Chief Executive Officer. Our CR objectives and initiatives are delivered by teams across the business. Threadneedle is a member of Business in the Community (BITC), and we work with BITC to ensure our approach includes continual improvement and reflects best practice.



# CORPORATE RESPONSIBILITY VISION

We aim to deliver positive outcomes that meet the needs of our stakeholders and we commit to always act responsibly, transparently and in the best interests of those who trust us to manage their investments.

## RESPONSIBLE PARTNER

We strive to be a trusted partner to our clients

## RESPONSIBLE INVESTOR

We strive to be responsible stewards of our clients' assets within a framework of good governance and transparency

## RESPONSIBLE EMPLOYER

We strive to be a values-led organisation that attracts, develops and retains the best talent

## RESPONSIBLE CITIZEN

We strive to be a responsible member of our community and influence positive change

Exceeding expectations  
Quality outcomes  
Managing risk  
Research and education

Stewardship  
Innovation and positive impact  
Transparency and governance

Values and Code of Ethics  
Diversity and inclusion  
Talent development  
Employee volunteering  
Wellness, health and safety

Threadneedle Foundation  
Environmental management  
Supplier engagement

## THREADNEEDLE VALUES

RESPECT | INTEGRITY | EXCELLENCE | CLIENT FOCUS

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**Threadneedle's Values matter to us and we expect to be held accountable to them in all we do. They help drive our business strategy, brand experience and reputation and attract the talent we need to be a successful and sustainable global asset manager.**

**Client focus:** We are the professional and trusted agents of our clients and customers. Everything we do is for our clients and customers.

**Respect:** We are principled, respectful and inclusive and operate in a collaborative, team-oriented workplace.

**Excellence:** We strive to deliver excellence by operating to the highest industry standards.

**Integrity:** We behave ethically and with integrity and are accountable for earning and keeping our clients trust.

# RESPONSIBLE PARTNER

## We strive to be a trusted partner to our clients.

As a global investment manager, Threadneedle is responsible for managing the financial assets of individuals and families, pension and sovereign wealth funds and corporations around the world. We strive for mutually successful long-term relationships with our clients and our end-customers (the ultimate beneficiaries of the funds we manage). Above all, the best interests of our end-customers must always come first.

Our highest priority is to deliver the investment outcomes that our clients expect when they trust us with their money. Threadneedle's well-established investment process provides a perspective advantage by combining macro and micro insights with an active approach to fund management. Independent thinking, rigorous debate and sharing of ideas balanced with a disciplined approach to risk ensures we deliver consistent and stronger investment returns relative to risk. Adherence to this process is our explicit obligation to our clients.

Threadneedle's Values & Code of Ethics set out our expectations of how we must act at all times, in the best interests of our clients and end-customers, including:

### Delivering an outstanding client experience by exceeding expectations:

- We create a culture of client focus across the firm
- We listen and respond to our clients and customers
- We recognise the privilege of being entrusted with our clients' money.

### Demonstrating a desire to deliver quality outcomes to customers:

- We strive to deliver outstanding client service through collaboration with others and maximising contribution
- We are committed to building professional relationships to enable best outcomes
- Everything we do is for our clients and customers.

### Demonstrating a quality service to clients and end-customers by effectively managing firm-wide risk:

- We actively consider the customer's best interests at all times
- We recognise that risk management is everyone's responsibility
- We actively manage conflicts appropriately seeking best results and collaborating effectively for the benefit of our clients and customers.

**In 2014 the following initiatives were introduced to enhance our ability to deliver for our clients and customers:**

- A new independent Non-Executive Director, Ann Roughead, was appointed with specific responsibility for conducting an annual Client Review
- A Client Sentiment Index was introduced to monitor and measure customer feedback against stated satisfaction measures
- A Threadneedle Customer Council was created to capture regular dialogue and feedback from customers
- Our product development and lifecycle process was improved to better incorporate customer research findings
- Our service for European Clients was upgraded to provide improved language and translation skills so that we now provide marketing materials in nine languages
- We reduced the registration fee on retail funds that are greater than £2 billion so that investors in those funds enjoy the benefits of scale achieved
- We introduced clearer disclosure of Charging and Expenses in marketing materials, reflecting Investment Management Association best practice
- An Investor Education Centre has been added to our website and we've improved usability of the site overall.



# RESPONSIBLE INVESTOR

**We strive to be responsible stewards of our clients' assets within a framework of good governance and transparency.**

## STEWARDSHIP

Being a responsible investor is integral to our business proposition and defines how we act in the marketplace. Core to our investment philosophy is the belief that effective stewardship benefits companies, investors and the economy as a whole. Well-governed companies are better positioned to manage the risks and challenges inherent in business and are better able to capture opportunities that help deliver sustainable growth and returns for our clients. Threadneedle invests in the equity and debt of over 2000 companies globally. We have a duty to our clients to ensure that we are responsible stewards of their assets and as such are signatories to the UK Stewardship Code and the UN-backed Principles for Responsible Investment.

Threadneedle has a dedicated approach to Governance and Responsible Investment (GRI) within our investment function. Established in 1998, the GRI team is embedded in the investment department, working with and alongside Threadneedle's fund managers and analysts on the integration of ESG analysis into the investment process, company engagement, proxy voting, ESG policy issues and client reporting. We actively vote across all markets globally both as an extension of our engagement and in signalling support or concerns about a company's practices and proposals. Our proxy voting activity can be viewed at [www.threadneedle.com](http://www.threadneedle.com).

The year 2013 saw a large amount of regulatory change and governance reviews within the European Union. Remuneration was a particular area of focus and approximately 19% of our votes against management were due to remuneration. In the UK, the Government's company non-financial reporting policy was finalised in October 2013, with the establishment of a requirement for a separate strategic report that incorporates ESG criteria and emphasises the connection to value creation. Across the equity department we actively engage in stewardship and held 3500 company meetings in 2013. These include meetings with executive management and/or board members as well as some meetings focused solely on environmental, social and governance (ESG) related issues and disclosure. For 2014 we are targeting even more ESG focused engagement and are expecting to see the fruits of two key collaborative initiatives we have been working on in relation to hydraulic fracturing and employee relations.

We produce quarterly reports for our clients setting out details of these initiatives as well as our range of efforts in Governance and Responsible Investment. These reports are also available on our website.

**IMAGE RIGHT:** Members of Threadneedle's Governance and Responsible Investment team (from left) Iain Richards, Cathrine De Coninck-Lopez, Fionnuala O'Grady and Fixed Income Manager Simon Bond receive the Professional Pensions Award for SRI/ESG Provider of the Year.

Over the past 12 months Threadneedle has received industry recognition for our approach as a responsible investor, including:

- SRI Manager of the Year from Global Investor
- Professional Pensions UK Pensions Trust Award for ESG/SRI
- The IPD/IPF Property Investment Awards Small Specialist Funds Award 2014, for Threadneedle Low Carbon Workplace Trust
- Incisive Media's Investment Marketing & Innovation Award 2014 for Corporate Social Responsibility, for the Threadneedle Social Bond Fund.

Investment Marketing  
*and*  
Innovation Awards 2014  
— WINNER —  
Corporate Social Responsibility



## GOOD CORPORATE GOVERNANCE

As a global provider of financial services, building trust between our customers, employees and wider stakeholder groups is absolutely essential and we do so through rigorous risk management, good governance and transparency. In 2013 we undertook a review of our governance structure, to strengthen Threadneedle's governance, risk and business management approach and ensure a continued focus on delivering our vision, business plan and, importantly, the needs of our clients

and end-customers. Threadneedle has two key leadership decision making forums, the Business Management Committee and the Risk and Controls Committee. Both of these Committees meet formally for three hours each month, to ensure that all affairs of the business are cohesively managed and that client interests are considered from both a business management and risk and controls perspective by the most senior Threadneedle management forum.



## INNOVATION AND POSITIVE IMPACT

As a product provider, we understand that investors look for a range of outcomes from their investments, including positive social and environmental impacts.

In 2013 we launched the Threadneedle UK Social Bond Fund in partnership with Big Issue Invest, the social investment arm of The Big Issue. This innovative fund is the UK's first mainstream social bond fund, available to small and large investors, with a minimum investment amount of £2,000. It invests in a liquid and diversified portfolio of bonds from primarily UK-based organisations that deliver a clear social outcome, supporting socio-economic development in the UK.

The fund's social methodology, developed in partnership with Big Issue Invest, focuses on eight fields of social development including employment and training; community services;

health and social care; utilities and the environment; transport and communication; financial inclusion; education; housing and property.

The Social Bond Fund builds on a successful partnership model that was established in 2010 when we launched the Threadneedle Low Carbon Workplace Trust (LCW) in partnership with the Carbon Trust and Stanhope.

LCW acquires and then refurbishes properties to best practice low carbon standards and then supports tenants to achieve ongoing energy efficiencies. For investors, it aims to generate strong rental returns while also reducing the carbon footprint generated by commercial property in the UK.

**STANHOPE**



UK SOCIAL BOND FUND

### NIGEL KERSHAW OBE CEO, BIG ISSUE INVEST & CHAIRMAN, THE BIG ISSUE



*The Big Issue is committed to tackling poverty and inequality. The Threadneedle UK Social Bond Fund extends and supports this mission by investing in organisations that create social benefits and support more sustainable economic development and job creation in the UK. We have developed a unique social assessment methodology, with input from Threadneedle, enabling the fund manager to direct money into organisations that improve the lives of individuals, communities and society as a whole.*



# RESPONSIBLE EMPLOYER

## We strive to be a values-led organisation that attracts, develops and retains the best talent

Investment management is a people business and we recognise that Threadneedle's success is due to our talented people, who bring diverse and complementary skills and capabilities, working together to identify and develop the best ideas and opportunities for our clients.

### VALUES AND CODE OF ETHICS

Our people are responsible for managing the financial assets of individuals and families, pension and sovereign wealth funds and corporations around the world. In this important role, it is imperative that they reflect Threadneedle's Values of Client Focus, Excellence, Integrity and Respect. These Values are critical to the way we work and they should guide the actions and decisions of each of our employees in a material way. Every employee has the Values reflected in their appraisal and personal development plans. In addition, during the past year we have introduced changes to our appraisal framework to explicitly link the Values to our annual performance and reward cycle for all employees, impacting a significant part of each employee's individual incentive reward. As a result, our people are rewarded not just for what they do, but how they do it.

Explicitly linked to our Values is the company's Code of Ethics, which sets out the ethical standards and expected behaviours that apply to all Threadneedle employees, and which help define our corporate culture. The Values and Code of Ethics provide the basis for how our employees must act at all times while representing Threadneedle, in the best interests of our clients and end-customers.

Adhering to the Values and Code of Ethics is a non-negotiable requirement of employment at Threadneedle. All Threadneedle employees are required to read the Code, understand it, and apply its ethical standards in their day-to-day activities on behalf of the company.

### TALENT DEVELOPMENT AND ENGAGEMENT

We believe that if our people are successful, Threadneedle will be successful. We have a formal framework and process for career planning, development and progression that aims to maximise career potential and satisfaction for all employees. We launched a new training programme in 2013 which extends to all employees. In 2014 we are focusing on management training as a whole, and particularly on leadership training to support the growth and development of our business globally.

In conjunction with our parent company, Ameriprise Financial, Threadneedle runs an employee survey to enable our employees to provide feedback on what the company is doing well and areas we can improve. In our 2013 survey, 80% of employees took the opportunity to share their views. In the 2014 survey, 72% of employees took part.

## DIVERSITY AND INCLUSION

We recognise that diverse perspectives contribute to better investment and business decisions. In early 2013 a Diversity and Inclusion Advisory Group was formed by employees at Threadneedle to ensure diversity is high on the agenda. The Group provides a forum to bring together colleagues from across the company to consider people-related matters and provide feedback in a structured manner.

Key areas of focus are:

- Promoting an inclusive employee population and work environment
- Understanding people/cultural issues as they apply to Threadneedle and investigating options for improvement
- Employee networking and client/stakeholder events aimed at a broad audience
- Providing feedback and recommendations around inclusion and diversity issues relating to attraction, development and retention of talent.

The Diversity and Inclusion Advisory Group is led and endorsed by senior management and supported by volunteers from across the organisation. In 2014 we are working towards key goals of increasing the diversity of our people, building an inclusive company culture and ensuring management have a good understanding of our varied client and customer base.



# INVESTMENT 2020

THE FUTURE OF FINANCE

Threadneedle joined Investment 2020 in 2013 and is pleased to continue our commitment this year. Investment 2020 is an initiative by leading UK investment firms to offer hundreds of young people from diverse backgrounds a first job in The City.

Investment 2020 aims to offer a total of over 100 newly-created 12-month paid trainee roles primarily to school leavers and graduates, regardless of background and education. In 2013 we hired four individuals on the 2020 programme and three have now accepted a full-time position.

On 16-17 May 2014, Threadneedle co-hosted a charity regatta in Cowes, where 24 Investment 2020 trainees, apprentices and graduates from four asset management firms took part in personal development and team building exercises, culminating in races and a prize giving dinner and presentation. Supported by their firms, the teams raised over £12,000 for Access Sport, Toe in the Water and The Ellen Macarthur Cancer Trust.



## CASE STUDY – DOMINIC YOUNGER



*I grew up in Edinburgh and studied History at Newcastle University. In the backdrop of the financial crisis, this may have counted against me in my applications to large financial services firms at a time when huge proportions of young people leaving university were applying for relatively few roles. I was determined to find work in London and eager to launch my career but economic conditions and the high cost of living made it extremely hard to find a way in.*

*The Investment 2020 traineeship offered by Threadneedle immediately stood out as something new. The programme looks past the usual recruitment criteria, and aims to discover individuals with the same potential but who have not necessarily benefitted from the same background or opportunities.*

*I now work in Threadneedle's client account management team. We look after clients from the moment they decide to invest and work with almost every other department in the firm to ensure that the client receives the best possible experience with us. I feel very fortunate to have been given the opportunity and have enjoyed throwing myself into the role.*



## EMPLOYEE VOLUNTEERING

Threadneedle offers all permanent employees the opportunity to carry out volunteer work during normal working hours, as individuals or as teams, up to a maximum of 1 day per year. Not only does volunteering enhance our wider support for charities, it gives our employees the chance to develop new skills and network within the business, and for teams to collaborate more effectively across departments.

The Threadneedle Foundation launched a formal volunteering programme in April 2014, and so far over 95 employees have participated in an organised volunteering event supporting charities including:

- Kids Company, which provides practical, emotional and educational support to vulnerable inner-city children
- The Whitechapel Mission, a charity created to help the homeless of London
- Thames21, one of the country's leading waterway charities
- Mall Galleries, a Threadneedle Foundation partner charity that holds exhibitions and workshops to reach out to children and young adults who face disabilities and other challenges
- The Art Room, a Threadneedle Foundation partner charity that uses art as therapy for children who are experiencing emotional and behavioural difficulties.



Threadneedle employees take part in a workshop with students of The Art Room.

## EMPLOYEE WELLNESS, HEALTH AND SAFETY

Threadneedle recognises that we operate in a high stress environment with a need to support our employees. We offer wellness check-ups on a regular basis. We also have a dedicated Employee Assistance Programme for anonymous support to employees.

We have a health and safety committee led by our Property Risk and Insurance head and supported by key corporate functions. Given we are in an office environment our safety risk is limited and we have not had any major incidents to date. We are pleased to hold the Sword of Honour from the British Safety Council.

Threadneedle is the Global Financial Services Partner to the ITU World Triathlon Series and we offer employees the opportunity to improve their fitness and teamwork by participating in triathlon events. In 2014 over 220 employees and clients formed teams to take part in Threadneedle Team Triathlons held in London, Hamburg and Stockholm.

Participants also supported local charities by fundraising in the lead up to the events – Access Sport (UK), Deutsche Kinderkrebsstiftung, a German charity that supports children with cancer and SOS Barnbyar, a Swedish charity for children.



Employee volunteers support a riverside clear-up day for UK environmental charity Thames21.



# RESPONSIBLE CITIZEN

## We strive to be a responsible member of our community and influence positive change

### THE THREADNEEDLE FOUNDATION

Formally established in 2013, The Threadneedle Foundation aims to grow our commitment to investing in the community, by building partnerships that create positive social impact across a range of sectors, with a particular focus on using education, art and sport to engender lasting social change. We look for partnerships where we can bring financial support, along with the volunteering and pro bono skills of our people, to make a tangible difference to charities and the individuals and communities they serve.

The Threadneedle Foundation has established major partnerships with:

- Mall Galleries
- The Art Room
- Access Sport
- Personal Finance Education Group (PFEg)

### Mall Galleries

Mall Galleries is a major London-based visual arts charity that aims to promote, inspire and educate audiences about the visual arts. As a charity, Mall Galleries places great importance on its educational activities to expand the visual arts audience, using exhibitions and workshops to reach out to diverse groups within the community, including children and young adults who face disabilities and other challenges.

Our partnership with Mall Galleries includes The Threadneedle Prize, one of the UK's major art prizes and a vibrant and engaging forum for creative talent.

### The Art Room

In 2013 we committed to a partnership with national charity The Art Room, which supports 5-16 year olds who are experiencing emotional and behavioural difficulties. The Foundation will contribute £30,000 per year over three years. The Art Room offers art as therapy to children and young people who are facing major challenges in their lives, using art to raise their self-esteem, self-confidence and independence. Many of these students are disengaged, are disruptive or withdrawn and are identified by their teachers as benefiting from extra support and time outside of the classroom.

The charity works with a wide range of children facing educational interruptions or having learning difficulties – they might be prime carers within a family, have learning difficulties or might be on the autistic spectrum. The Foundation is helping this small and highly innovative charity to build capacity and develop new centres in London over the coming three years.



Head Teacher at Edith Neville Primary School, Amanda Szewczyk-Radley, accepts the PFE Certificate of Excellence in financial education supported by the Threadneedle Foundation

## Access Sport

In 2013 we began a three-year partnership with UK-based youth development charity Access Sport, committing £25,000 per year for three years. Founded in 2004, Access Sport aims to harness the proven power of sport to tackle social exclusion, inactivity and obesity in areas where help is most needed. It achieves this through empowering inspirational community volunteers to set up and run local sports clubs with cash, expert advice and networking. Working extensively in the main Olympic Boroughs of Hackney, Newham and Tower Hamlets, Access Sport helped over 6,500 young people access regular sport in 2013.

Threadneedle works with Access Sport to support the charity's ambition to reach over 9,000 disadvantaged young people in 2014, by offering them the opportunity to engage positively with a local sports club, build self-esteem, live healthier lives and avoid the devastating impact of involvement with local gangs. Our partnership with Access Sport links naturally to Threadneedle's sponsorship of The ITU London Triathlon. Teams participating in the Threadneedle Team Triathlon are encouraged to raise funds for Access Sport, and raised over £30,000 in 2013 and 2014 combined.

## Personal Finance Education Group (PFE) and Edith Neville Primary School

PFE was set up in 2000 to develop financial literacy and inclusion by helping schools to plan and teach children how to manage their money. The Foundation is supporting PFE to develop a 'Centre of Excellence' in financial education at the Edith Neville Primary School in Central London, enabling pupils to build their early-years financial capability.

Edith Neville is a community primary school in central London. It is an inclusive school, reflecting the rich diversity of families in the locality and serving an area of very high social deprivation. English is not the first language for a very high number of the 256 children, 60 are refugees or asylum seekers and 25 languages are spoken in the school. The Foundation's investment will train one lead teacher within the school, with the resulting activities helping up to 6,400 pupils through the hub of local partner schools.

## THE THREADNEEDLE PRIZE

Established in 2008, The Threadneedle Prize has grown to become the UK's leading competition for figurative and representational painting and sculpture. It is also one of the most valuable art prizes in the country.

The Threadneedle Prize provides a forum to showcase work that is shaping the future of art. Each year a panel of selectors chooses approximately 100 – 120 works from open submission to make up the Threadneedle Prize exhibition. From that collection, a short-list of works and ultimately The Threadneedle Prize winner is selected. The winner receives £20,000, plus their own one-week exhibition at Mall Galleries in the succeeding year (value £10,000). The other short-listed artists each receive £1,000. All works selected for the exhibition are eligible to win the £10,000 Visitor's Choice Prize. The number of submissions for the Prize has continued to grow and in 2012 it was opened up to artists in continental Europe. In 2013 over 2,000 artists submitted nearly 3,700 works, exceeding almost every other major open exhibition in the UK.

The Threadneedle Prize provides artists with an opportunity to showcase their work at Mall Galleries, in the heart of London, one of the world's greatest art cities. The debate generated by the Prize and exhibition contributes to the ongoing reassessment of contemporary figurative art and helps to engage the public with a continuously evolving art form.

With Threadneedle's support, the Mall Galleries is able to offer free admission to the exhibition and, as wider promotion has begun reaching out to new audiences, annual visitor numbers have increased from nearly 3,000 in 2008 to almost 13,000 in 2013.

The growing popularity of the exhibition has resulted in a strengthening of links with existing audiences, as well as a platform for increasing interest and awareness in the Mall Galleries and its educational programmes from within the wider cultural sector. This has led to a series of new collaborations for the Mall Galleries with diverse community organisations, including The Royal Parks, the Wandsworth Museum, Notting Hill Housing Trust and the Rebridge Museum.





### FACE TIME: AN EXHIBITION IN AID OF THE ART ROOM

In June 2014 The Art Room held a major fundraising exhibition, in partnership with Mall Galleries and The Threadneedle Foundation. Over 60 leading international artists generously created new works, including painters, sculptors, designers and photographers. The majority of works were based on a clock face, representing The Art Room's approach of using tangible items which the children can transform into works of art. The clock is a favourite project for Art Room students. All works were for sale, raising over £65,000 for The Art Room.



*Bringing Face Time to fruition was a true collaboration, with our teams working together to draw on the skills and resources of both the business and arts sectors. In addition to the fundraising exhibition, together we hosted workshops for Art Room students, employee networking and client events during the week to shine a light on the innovative and impactful work of The Art Room.*

**Campbell Fleming, Threadneedle CEO**

*The Art Room is all about offering a child 'face time': a moment away from the challenges they are having in their daily lives, where they have the support and space to re-engage with their inner strengths. This exhibition encapsulates the very essence of The Art Room by bringing together artists from all disciplines; celebrating the importance of diversity; the magic of creativity and power of the imagination to transform everyday objects into something special.*

**Yinka Shonibare MBE, Parton, The Art Room**



## TRI-3-SPORTZ

The Threadneedle Foundation teamed up with Access Sport to develop 'Tri-3-Sportz', a legacy programme designed to break down barriers to triathlon and make the sport more accessible to young people in London. On 31 May 2014, following on the heels of the elite triathletes, 100 children from inner city communities completed a Tri-3-Sportz urban triathlon on the official triathlon course in London's Hyde Park, cheered on by British Triathlete and Access Sport Ambassador Vanessa Raw. The event was also supported by the British Triathlon Foundation. The Tri-3-Sportz programme, which seeks to provide a legacy for triathlon in the capital, will continue with the development of local clubs.

*Triathlon should not be a difficult sport to get into and Tri-3-Sportz really proves that. There is a real buzz for triathlon in the UK after the Olympic Games so it's fantastic that Threadneedle and Access Sport have come together to help develop a legacy for the sport. I hope programmes like this help to inspire more young people to take up the triathlon.*

Vanessa Raw, elite British Triathlete and Access Sport Ambassador



## 2014 GRANT PROGRAMME

In 2014 the Foundation made grants to charity projects that use education, art and sport to make a difference. Projects were selected in London and Swindon in the UK, where the majority of our people are located.

### Eastside Education Trust: Art Start

Eastside Educational Trust is a charity with a mission to engage and educate school age children, through direct participation in the arts. Eastside works through mainstream schools and academies, and actively targets disadvantaged or disaffected young people and those with special educational needs, learning difficulties or disabilities.

The Foundation is supporting Eastside's Art Start programme to give 100 primary school children the opportunity to build their skills, knowledge and understanding of the visual arts and work towards an Arts Award Explore qualification. The 10-week programme includes an introduction to art history and to the work of a pre-selected artist or exhibition. Themes will link to other areas on the curriculum eg looking at art works that tell a story or exploring myths and legends. Midway through the project the children will visit a gallery. They'll then build on this at school with practical workshops to create artworks in response to what they've seen and experienced at the gallery. By emphasising fun but working towards a concrete goal, children will build their creative confidence developing skills in self-expression, problem-solving and collaboration. The project will also break down barriers encouraging young people to access London's vibrant art and cultural resources.



### The Cricket Foundation: StreetChance

StreetChance is a cricket initiative for youngsters between the ages of 8-24 in inner-city areas, including the London boroughs, where access to cricket clubs is limited. StreetChance promotes and develops cricket in deprived areas affected by youth crime and anti-social behaviour, and uses the sport to engage with 'at risk' young people.

It aims to increase aspiration, promote mutual respect, and enhance relationships with schools, police and the wider community, by providing structured coaching and competitive opportunities for young people.

The Foundation supports one StreetChance project for a full year, with approx. 50 weekly participants aged 8-15 years.



### Arts For All

Arts For All is a highly creative charity serving the London communities of Tower Hamlets and Hackney. The charity runs structured weekly art therapy sessions to engage people of all ages from diverse cultures and backgrounds including those with special needs. The centre is in one of the most deprived areas of the UK, with some 85% of families served being unemployed and 75% with English as their second language.

Through long-term support, Arts For All builds confidence, helps people achieve their goals and changes lives.

The Foundation supports the KALEIDOSCOPE club run by Arts For All. The club runs three times per week after school to offer young people aged 5-16 a sanctuary where they can feel safe, supported and encouraged to achieve their potential.

Arts For All

## Swindon Children's Scrapstore

Scrapstore is an environmental charity, social enterprise and community resource centre providing the Swindon community with low cost, environmentally friendly resources for use in recreational, educational and leisure time activities.

The Foundation is supporting Scrapstore's Creative Art & Craft workshops, which use scrap materials for innovative arts-based projects that encourage local communities to be actively involved. Facilitated by local artists, the workshops develop the children's abilities, whilst demonstrating that all kinds of materials can be used in creative and practical ways. Many of the children involved are disadvantaged and from hard to reach sections of the community. The ethos of the workshops is to promote children's creativity, to experiment, risk take and not to have predetermined outcomes.



## Youth Adventure Trust

The Youth Adventure Trust is a charity that works with vulnerable young people across Wiltshire and Swindon. These children are severely disadvantaged in terms of educational attainment, life skills and future prospects and particularly prone to risks such as youth offending, substance misuse and other risky behaviour.

The Foundation has contributed to the Youth Adventure Programme, a series of residential adventure camps and day activities that young people attend for a three year period between the ages of 11-14. The Programme emphasises the importance of team work, communication, social skills and taking responsibility. These life skills will help the young people develop aspiration and grow into individuals who are able to fulfil their potential and make a positive contribution to society.



## The Sandwich People

The Sandwich People is a social enterprise project run by The Salvation Army, providing individuals with an opportunity to get back into a regular routine, undertake training, socialise, and develop work skills. The Sandwich People delivers freshly made sandwiches, fair trade chocolate and snacks to local companies in Swindon (including Threadneedle) on a daily basis. Participants undertake professionally accredited food handling training and have the opportunity to be assessed for a qualification in customer service. This commitment was recently recognised with a five star award from the Swindon Borough Council's Safety and Food Team. The Sandwich People aims to help individuals back into work, providing training and supporting them to develop new skills. It also aims to build confidence amongst participants, through routine, creating new positive social networks and by teamwork.



### Educational scholarships

Threadneedle has teamed up with Cass Business School, part of City University London, and Singapore Management University to offer the Threadneedle Investment Award educational scholarship. The Award issues a challenge to students to address economic dilemmas faced around the world, with a scholarship going to one outstanding student from each university. The Award supports the pursuit of excellence, challenging ideas and fresh thinking in the investment industry.

In addition, in 2014 senior Threadneedle employees decided to contribute to a second scholarship, to enable a student in need to undertake a degree at Cass Business School. The Threadneedle Executives Undergraduate Scholarship supports a student in financial need over a three-year period.

### Supporting employee giving

The Threadneedle Foundation also supports the charitable activities of employees by offering both payroll giving and matched giving. Through the payroll giving scheme Threadneedle contributed to over 50 charities in 2013 across a range of sectors including education, welfare, health care, medical research and the environment.

Our people undertake a wide range of fundraising activities and the Foundation encourages and supports the tremendous efforts of employees raising money for charity. Since 2009 Threadneedle has matched employee contributions to over 80 charities.





## ENVIRONMENTAL MANAGEMENT

Environmental protection is part of good business management and contributes to cost savings in a market of rising energy prices and continued regulatory pressure in the UK. We have an employee driven Environmental Advisory Group which this fiscal year received a three-year full re-certification of the ISO 14001 accreditation for our St Mary Axe head office in London. We also have the Carbon Trust certification which measures our carbon footprint at St Mary Axe. Further, the Group achieved energy, water and waste reductions per employee of over 20% as well as a 20% increase in recycling per employee. This was against targets of 5% per employee. The success was achieved through a combination of replacing chillers, reviewing use of building management system, a successful employee engagement campaign with focus on waste and recycling and introducing food bins to the kitchens. Furthermore we have successfully reduced waste to landfill to zero since 2012.

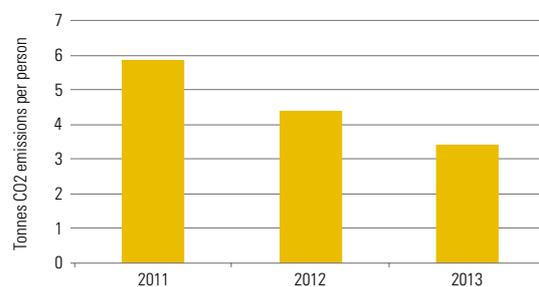
For 2014 we are targeting:

- Continued reduction in our carbon footprint
- Reduction in the use of paper in the head quarters
- Considering the effect of business travel upon our environmental impacts.

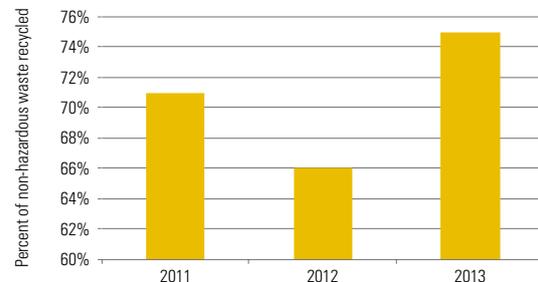
## SUPPLIER ENGAGEMENT

We consider the values and practices of our suppliers in the form of ethical and environmental policies. Establishing a fuller understanding of our supplier relationships and impacts is a key target for 2014/15.

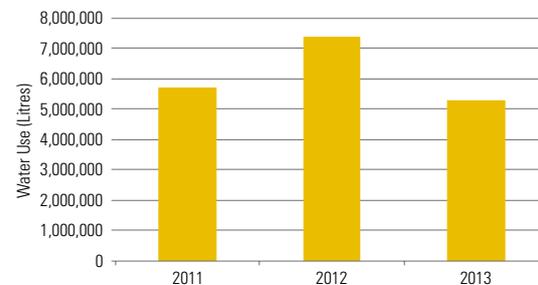
Carbon Dioxide emissions per employee have substantially declined over the last three years



Recycling rates have increased since 2011



Water usage has declined since 2011



\*These figures only represent our Headquarters, 60 St Mary Axe in London.

# SUMMARY OF CORPORATE RESPONSIBILITY PERFORMANCE

Overall our performance on corporate responsibility has improved in the last few years with more training hours per employee, better take up of health screening and more responses to the employee engagement survey. In addition our environmental performance has improved with a reduction of 43% in carbon emissions from 2011 to 2013.

Table of Key Performance Indicators

	2013	2012	2011
<b>Responsible Investor</b>			
Number of company meetings voted (% against)	1841 (39%)	1772 (36%)	1942 (39%)
Number of shareholder meetings	3500	3450	3300
AUM with responsible investment criteria	\$13bn	\$9.5bn	N/A
<b>Responsible employer</b>			
Number of training hours per employee per year	8.8	3.3	3.3
% employee take up of health screening	14.88%	10.28%	8.66%
Employee engagement survey response rate	80%	No survey conducted	71%
<b>Responsible citizen</b>			
Corporate donations to charity	£100,000	£70,000	£70,000
Number of people participating in payroll giving	57	56	45
CO2 emissions per person (Scope 1&2 including business travel only)*	3.4 tonnes Co2/employee	4.41 tonne CO2/employee	5.85 tonne Co2/employee
Water use (litres)*	5,307,000	7,414,000	5,725,000
Percent of non-hazardous waste recycled*	75%	66%	71%

\*London head office only.



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**threadneedle.com**

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