

BAE Systems Pension Fund CIF Trustees Ltd Engagement report

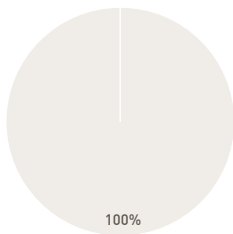
Q1/11

Engagement by region

Over the last quarter we engaged with 53 companies held in the BAE Systems Pension Fund CIF Trustees Ltd portfolios on a range of 201 social, environmental and governance issues.

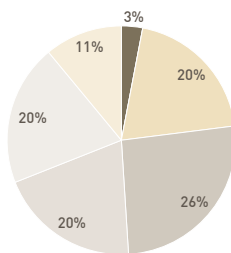
Africa and Middle East

We engaged with one company over the last quarter.



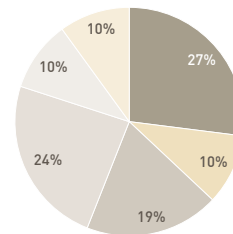
Americas

We engaged with five companies over the last quarter.



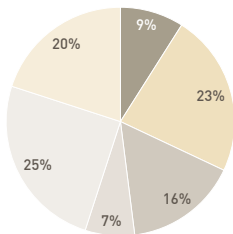
Asia

We engaged with nine companies over the last quarter.



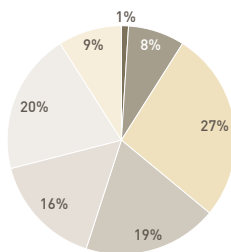
Europe

We engaged with 15 companies over the last quarter.



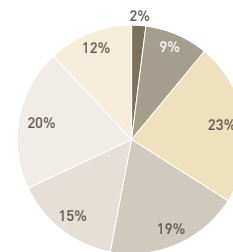
UK

We engaged with 23 companies over the last quarter.



Global

We engaged with 53 companies over the last quarter.



- Shareholder communications
- Environmental
- Social and ethical
- Risk management
- Business strategy
- Governance
- Remuneration

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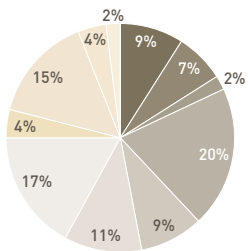
Q1/11

Engagement by issue

Over the last quarter we engaged with 53 companies held in the BAE Systems Pension Fund CIF Trustees Ltd portfolios on a range of 201 social, environmental and governance issues.

Social and ethical

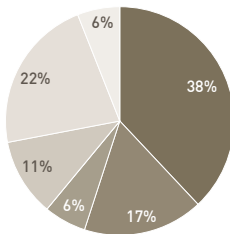
Social issues featured in 23% of our engagements over the last quarter.



- Employee relations
- Community relations
- Customer relations
- Health and safety
- Supply chain (inc child/other labour issues)
- Operations in troubled regions
- Corporate culture
- Access to medicines/clinical trials
- Political risk management
- Bribery and corruption
- Licence to operate

Environmental

Environmental issues featured in 9% of our engagements over the last quarter.



- Climate change/carbon intensity
- Water stress
- Waste
- Forestry
- Biodiversity
- Other environmental

Other engagement

Business strategy featured in 15% of our engagements over the last quarter.

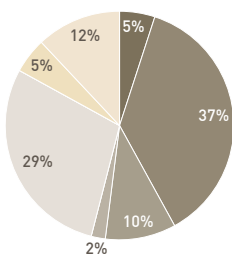
Remuneration featured in 12% of our engagements over the last quarter.

Risk management featured in 19% of our engagements over the last quarter.

Shareholder communications featured in 2% of our engagements over the last quarter.

Governance

Governance issues featured in 20% of our engagements over the last quarter.



- Accounting or auditing issues
- Board structure
- Committee structure
- Related party transactions
- Succession planning
- Separation Chair/CEO
- Other governance