

BAE Systems 2000 Pension Plan Trustees Ltd Engagement report

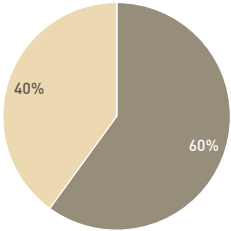
Q2/11

Engagement by region

Over the last quarter we engaged with 41 companies held in the BAE Systems 2000 Pension Plan Trustees Ltd portfolios on a range of 167 social, environmental and governance issues.

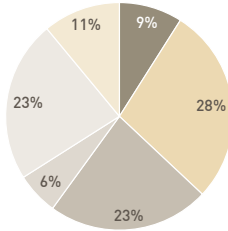
Africa and Middle East

We engaged with one company over the last quarter.



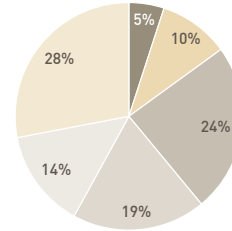
Americas

We engaged with eight companies over the last quarter.



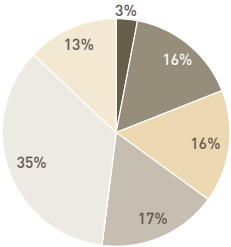
Asia

We engaged with seven companies over the last quarter.



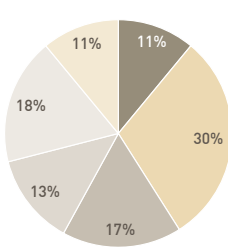
Europe

We engaged with nine companies over the last quarter.



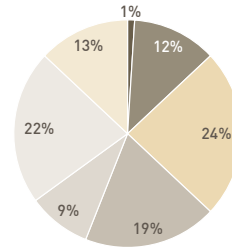
UK

We engaged with 16 companies over the last quarter.



Global

We engaged with 41 companies over the last quarter.



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

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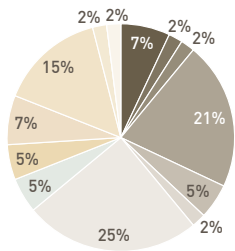
Q2/11

Engagement by issue

Over the last quarter we engaged with 41 companies held in the BAE Systems 2000 Pension Plan Trustees Ltd portfolios on a range of 167 social, environmental and governance issues.

Social and ethical

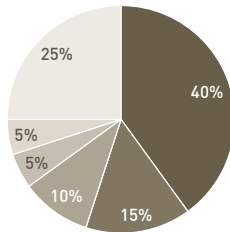
Social issues featured in 24% of our engagements over the last quarter.



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

Environmental

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



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

Other engagement

Business strategy featured in 9% of our engagements over the last quarter.

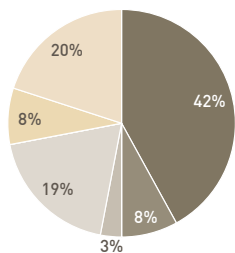
Remuneration featured in 13% of our engagements over the last quarter.

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

Shareholder communications featured in 1% of our engagements over the last quarter.

Governance

Governance issues featured in 22% of our engagements over the last quarter.



- Board structure
- Committee structure
- Conflicts of interest
- Succession planning
- Separation chair/CEO
- Other governance