

BAE Systems Pension Fund CIF Trustees Ltd Engagement report

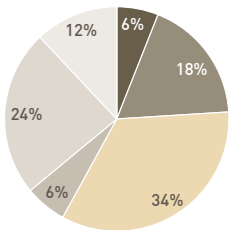
Q3/11

Engagement by region

Over the last quarter we engaged with 59 companies held in the BAE Systems Pension Fund CIF Trustees Ltd portfolios on a range of 125 social, environmental and governance issues.

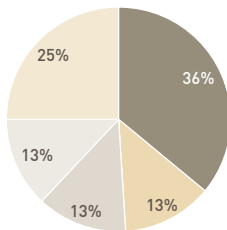
Asia Pacific

We engaged with nine companies over the last quarter.



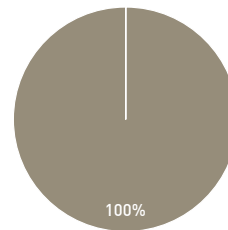
Australia & New Zealand

We engaged with four companies over the last quarter.



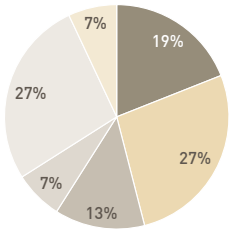
Emerging & Frontier Markets

We engaged with one company over the last quarter.



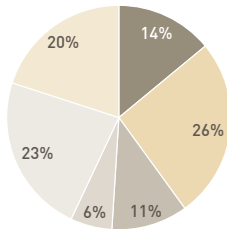
Europe

We engaged with 11 companies over the last quarter.



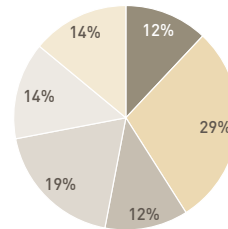
North America

We engaged with 13 companies over the last quarter.



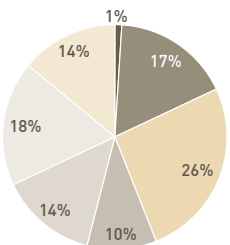
UK

We engaged with 21 companies over the last quarter.



Global

We engaged with 59 companies over the last quarter.



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

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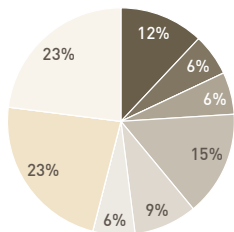
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Engagement by region

Over the last quarter we engaged with 59 companies held in the BAE Systems Pension Fund CIF Trustees Ltd portfolios on a range of 125 social, environmental and governance issues.

Social and ethical

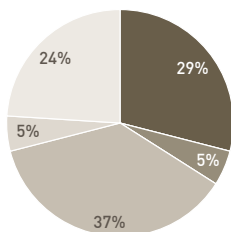
Social issues featured in 26% of our engagements over the last quarter.



- Employee relations
- Community relations
- Health and safety
- Supply chain (inc child/other labour issues)
- Operations in troubled regions
- Corporate culture
- Bribery and corruption
- Other social & ethical

Environmental

Environmental issues featured in 17% of our engagements over the last quarter.



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

Other engagement

Business strategy featured in 14% of our engagements over the last quarter.

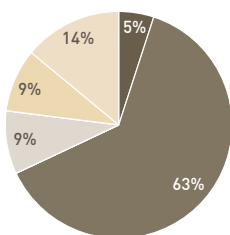
Remuneration featured in 14% of our engagements over the last quarter.

Risk management featured in 10% of our engagements over the last quarter.

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

Governance

Governance issues featured in 18% of our engagements over the last quarter.



- Accounting or auditing issues
- Board structure
- Succession planning
- Separation chair/CEO
- Other governance