

Engagement Report, Q4 2015

British Coal Staff Superannuation Scheme

Hermes EOS

Engagement by region

Over the last quarter we engaged with **100** companies held in the British Coal Staff Superannuation Scheme portfolios on a range of **240** social, environmental and governance issues.

Global

We engaged with **100** companies over the last quarter.



Environmental 13.3%

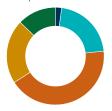
Social and ethical 20.4%

Governance **39.2%**Strategy and risk **19.6%**

Stewardship 7.5%

Developed Asia

We engaged with **13** companies over the last quarter.



Environmental 2.1%

Social and ethical 21.3%

Governance 42.6%

Strategy and risk 21.3%

Stewardship 12.8%

Emerging and Frontier Markets

We engaged with **23** companies over the last quarter.



Environmental 16.4%

Social and ethical **16.4%**

Governance 32.8%

Strategy and risk 24.6%

Stewardship 9.8%

Europe

We engaged with **16** companies over the



Environmental 11.8%

Social and ethical **29.4%**

Governance **29.4%**Strategy and risk **23.5%**

Stewardship **5.9%**

North America

We engaged with $\bf 37$ companies over the last quarter.



Environmental 13.9%

Social and ethical 20.8%

Governance 50.0%

Strategy and risk 11.1%

Stewardship 4.2%

United Kingdom

We engaged with **11** companies over the last quarter.



Environmental 26.9%

Social and ethical 15.4%

Governance **30.8%**Strategy and risk **23.1%**

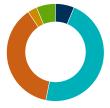
Stewardship 3.8%

Engagement by issue

Over the last quarter we engaged with **100** companies held in the British Coal Staff Superannuation Scheme portfolios on a range of **240** social, environmental and governance issues.

Environmental

Environmental issues featured in **13.3%** of our engagements over the last quarter.



Biodiversity **6.3%**

Climate change/carbon intensity **46.9%**Environmental management **37.5%**

Strategy and risk issues featured in 19.6% of our

Forestry 3.1%

Waste **6.3%**

Strategy and risk

Social and ethical

Social issues featured in **20.4%** of our engagements over the last quarter.



Access to medicine 6.1%

Bribery and corruption 6.1%

Community relations 18.4%

Corporate culture **4.1%**

Customer relations **6.1%**

Diversity **6.1%**Health and safety **12.2%**

Labour rights/employee relations 8.2%

Licence to operate 14.3%

Munitions manufacture 4.1%

Operations in troubled regions 2.0%

Political risk management 2.0%

Supply chain management **10.2%**

Stewardship

Stewardship issues featured in **7.5%** of our engagements over the last quarter.



Business strategy 42.6%

Capital structure **2.1%**Reporting/disclosure **6.4%**

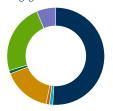
Returns to shareholders 2.1%

Risk management **46.8%**

Accounting or auditing issues 16.7%Shareholder communications 77.8%Shareholder rights 5.6%

Governance

Governance issues featured in **39.2%** of our engagements over the last quarter.



Board structure **51.1%**

Committee structure 1.1%

Conflicts of interest 1.1%

Other governance **16.0%**

Related-party transactions 1.1%
Remuneration 23.4%

Succession planning 6.4%