

Voting Report, Q1 2016

# **Pension Protection Fund**

# **Hermes EOS**

Over the last quarter we made voting recommendations at **99** meetings (**1,012** resolutions). At **53** of those meetings we recommended opposing one or more resolutions. We recommended abstaining at **two** meetings and we supported management on all resolutions at the remaining **44** meetings.

#### Global

We made voting recommendations at **99** meetings (**1,012** resolutions) over the last quarter.



■ Total meetings in favour **44.4%** 

Meetings against (or against AND abstain) 53.5%

Meetings abstained 2.0%

## Developed Asia

We made voting recommendations at **49** meetings (**416** resolutions) over the last quarter.



■ Total meetings in favour **53.1%** 

Meetings against (or against AND abstain) 46.9%

## **Emerging and Frontier Markets**

We made voting recommendations at **13** meetings (**119** resolutions) over the last quarter.



■ Total meetings in favour 7.7%

Meetings against (or against AND abstain) 92.3%

## Europe

We made voting recommendations at **19** meetings (**292** resolutions) over the last quarter.



■ Total meetings in favour **36.8%** 

Meetings against (or against AND abstain) **52.6%** 

Meetings abstained 10.5%

### North America

We made voting recommendations at **16** meetings (**163** resolutions) over the last quarter.



■ Total meetings in favour **50.0%** 

■ Meetings against (or against AND abstain) **50.0%** 

# United Kingdom

We made voting recommendations at **two** meetings (**22** resolutions) over the last quarter.



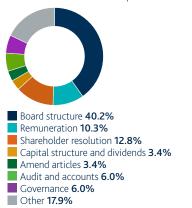
■ Total meetings in favour 100.0%

Voting Report Pension Protection Fund

The issues on which we recommended voted against management or abstaining on resolutions are shown below.

#### Global

We recommended voting against or abstaining on 117 resolutions over the last quarter.



## Developed Asia

We recommended voting against or abstaining on **43** resolutions over the last quarter.



■ Board structure **76.7%** 

Remuneration 4.7%

Capital structure and dividends 2.3%

Amend articles 7.0%

Audit and accounts 9.3%

## **Emerging and Frontier Markets**

We recommended voting against or abstaining on **25** resolutions over the last quarter.



Board structure 32.0%

Remuneration 4.0%

Shareholder resolution 20.0%

Capital structure and dividends **8.0%**Audit and accounts **4.0%** 

Other **32.0%** 

#### Europe

We recommended voting against or abstaining on 33 resolutions over the last quarter.



Board structure 12.1%

Remuneration 21.2%

Capital structure and dividends 3.0%

Amend articles 3.0%

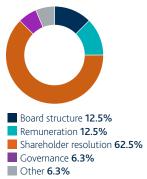
Audit and accounts 6.1%

Governance 18.2%

Other 36.4%

### North America

We recommended voting against or abstaining on **16** resolutions over the last quarter.





Engagement Report, Q1 2016

# **Pension Protection Fund**

**Hermes EOS** 

## **Engagement by region**

Over the last quarter we engaged with 30 companies held in the Pension Protection Fund portfolios on a range of 64 social, environmental and governance issues.

#### Global

We engaged with 30 companies over the last quarter.



Environmental 7.8%

Social and ethical 34.4%

Governance 40.6% Stewardship 4.7%

Strategy and risk 12.5%

### Developed Asia

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



Environmental 5.9%

Social and ethical 29.4%

Governance 41.2%

Strategy and risk 11.8% Stewardship 11.8%

## **Emerging and Frontier Markets**

We engaged with three companies over the last quarter.



Social and ethical 50.0%

Governance 25.0% Strategy and risk 25.0%

# Europe

We engaged with **eight** companies over the



Social and ethical 46.7%

Governance 40.0%

Strategy and risk 13.3%

# North America

We engaged with seven companies over the last quarter.



Environmental 33.3%

Social and ethical 33.3%

Governance 33.3%

## United Kingdom

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



■ Environmental 5.3%

Social and ethical 26.3%

Governance 47.4%

Strategy and risk 15.8%

Stewardship 5.3%

Engagement Report Pension Protection Fund

# **Engagement by issue**

Over the last quarter we engaged with **30** companies held in the Pension Protection Fund portfolios on a range of **64** social, environmental and governance issues.

#### Environmental

Environmental issues featured in **7.8%** of our engagements over the last quarter.



Climate change/carbon intensity **80.0%**Environmental management **20.0%** 

#### Social and ethical

Social issues featured in **34.4%** of our engagements over the last quarter.



Access to medicine 9.1%

Bribery and corruption 13.6%

Community relations 9.1%
Corporate culture 13.6%

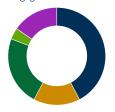
Customer relations **9.1%**Health and safety **13.6%** 

Labour rights/employee relations **4.5%**Political risk management **4.5%** 

Supply chain management 22.7%

#### Governance

Governance issues featured in **40.6%** of our engagements over the last quarter.



Board structure **42.3%**Other governance **15.4%** 

Remuneration **23.1%**Separation of chair/CEO **3.8%** 

Succession planning **15.4%** 

## Strategy and risk

Strategy and risk issues featured in **12.5%** of our engagements over the last quarter.



Business strategy **87.5%**Risk management **12.5%** 

## Stewardship

Stewardship issues featured in **4.7%** of our engagements over the last quarter.



Accounting or auditing issues **66.7%**Shareholder communications **33.3%** 

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