

FINANCIAL PRODUCT WEBSITE DISCLOSURE

*TRANSPARENCY OF THE
PROMOTION OF ENVIRONMENTAL
OR SOCIAL CHARACTERISTICS*

Worldwide Sustainable Emerging Markets Bond Fund

BAILLIE GIFFORD

Information sur le site Internet pour les produits financiers

Résumé

Transparence de la promotion des caractéristiques environnementales et/ou sociales

Le présent document fournit à l'investisseur des informations détaillées sur le compartiment concernant le Règlement sur la publication d'informations en matière de durabilité dans le secteur des services financiers (« SFDR »). Ce document réglementaire est nécessaire en vertu du SFDR. Les informations contenues dans le présent document ont pour but d'aider l'investisseur à comprendre les caractéristiques et/ou les objectifs et les risques de ce compartiment en matière de développement durable. Le présent document doit être lu conjointement avec d'autres documents réglementaires pertinents afin que l'investisseur puisse prendre des décisions d'investissement éclairées.

Baillie Gifford Worldwide Sustainable Emerging Markets Bond Fund

Classification SFDR	Ce produit financier promeut des caractéristiques environnementales et/ou sociales, sans cependant avoir pour objectif l'investissement durable.
Caractéristiques environnementales et/ou sociales	<p>Le Compartiment promeut les caractéristiques environnementales et/ou sociales suivantes :</p> <p>Obligations d'État</p> <ol style="list-style-type: none">1. Les normes environnementales et sociales minimales obtenues à travers l'exclusion des gouvernements qui (i) sont soumis à des sanctions de l'ONU (ii) sont inclus dans la liste noire de l'OCDE et/ou (iii) n'ont pas ratifié l'Accord de Paris sur le climat.2. Des résultats durables grâce à des investissements dans des titres souverains qui ont été évalués qualitativement comme étant durables ou ayant une trajectoire durable. <p>Obligations d'entreprises</p> <ol style="list-style-type: none">1. Pratiques commerciales responsables conformément aux Principes du Pacte mondial des Nations Unies pour les entreprises.2. Normes environnementales et sociales minimales atteintes grâce à l'exclusion des activités commerciales que le Gestionnaire d'investissement considère comme dangereuses pour l'environnement et la société.3. Les résultats durables par le biais d'investissements dans des entreprises qui ont été évaluées de manière qualitative et qui créent un avenir durable.
Stratégie d'investissement	<p>Le Compartiment est géré de manière active et promeut les caractéristiques environnementales et sociales en investissant dans (i) au moins 60 % de sa Valeur liquidative dans des obligations émises par des émetteurs souverains des pays émergents qui sont identifiés comme étant durables ou ayant une trajectoire durable dans la recherche du déploiement de capitaux de manière productive pour atteindre des résultats durables et (ii) jusqu'à 40 % de la Valeur liquidative du Compartiment dans des obligations émises par des entreprises domiciliées ou opérant dans des pays émergents, où le Gestionnaire d'investissement estime que ces entreprises créent un avenir durable. Le Compartiment utilise un filtrage positif à travers le cadre ESG exclusif du Gestionnaire d'investissement, l'évaluation basée sur des normes, les exclusions basées sur l'activité commerciale et l'actionnariat actif pour soutenir la concrétisation des caractéristiques environnementales et/ou sociales promues. Le Gestionnaire d'investissement a pour politique l'application de bons tests de gouvernance dans les domaines couvrant les structures de gestion saines, les relations avec les employés, la rémunération du personnel et la conformité fiscale. Les sociétés qui échouent à ces tests ne sont pas incluses dans le Compartiment.</p> <p>Pour plus de renseignements, veuillez consulter la déclaration complète.</p>
Proportion des investissements	<p>Afin de respecter les caractéristiques environnementales et/ou sociales qu'il promeut, le Compartiment investit principalement dans des obligations émises par des émetteurs souverains et des entreprises qui présentent les mêmes caractéristiques. La proportion restante des investissements est utilisée à des fins de liquidité et/ou de gestion de portefeuille efficace et n'intègre aucune des caractéristiques environnementales et/ou sociales promues par le Compartiment.</p> <p>Pour plus d'informations, consultez la déclaration complète.</p>
Contrôle des caractéristiques environnementales et/ou sociales	Les caractéristiques environnementales et/ou sociales sont contrôlées en interne de différentes manières. Le Compartiment utilise un filtrage positif à travers le cadre ESG exclusif du Gestionnaire d'investissement, l'évaluation basée sur des normes, les exclusions basées sur l'activité commerciale et l'actionnariat actif pour soutenir la concrétisation des caractéristiques environnementales et/ou sociales promues, et celles-ci sont mises en œuvre

	<p>de manière continue par le biais du respect et du suivi permanents des engagements contraignants.</p> <p>Pour plus de renseignements, veuillez consulter la déclaration complète.</p>
Méthodologies	<p>Les indicateurs de durabilité suivants sont utilisés pour mesurer la concrétisation des caractéristiques environnementales et/ou sociales promues :</p> <p>Obligations d'État</p> <ol style="list-style-type: none"> 1. Le pourcentage d'obligations émises par des émetteurs souverains qui respectent les exclusions basées sur les normes de conduite internationales. 2. Le pourcentage d'obligations émises par des émetteurs souverains qui ont été évaluées qualitativement comme durables ou ayant une trajectoire durable dans l'intention de déployer des capitaux de manière productive pour obtenir des résultats durables. <p>Obligations d'entreprises</p> <ol style="list-style-type: none"> 3. Le pourcentage d'obligations conformes à la politique du Gestionnaire d'investissement relative à l'évaluation des violations des principes du Pacte mondial des Nations Unies pour les entreprises. 4. Le pourcentage d'obligations émises par des entreprises qui respectent les exclusions basées sur l'activité commerciale. 5. Le pourcentage d'obligations émises par des entreprises qui ont été évaluées qualitativement comme créant un avenir durable. <p>Pour plus de renseignements, veuillez consulter la déclaration complète.</p>
Sources et traitement des données	<p>Le Gestionnaire d'investissement utilise une combinaison de recherches internes (basées sur des sources publiques divulguées par les sociétés bénéficiaires des investissements) et de sources de données tierces pour concrétiser chacune des caractéristiques environnementales et/ou sociales promues par le Compartiment.</p> <p>Pour plus de renseignements, veuillez consulter la déclaration complète.</p>
Limitation des méthodologies et des données	<p>Le paysage des données ESG se développe rapidement et la qualité et la méthodologie des données sont actuellement confrontées à des défis à l'échelle du secteur, tels que le manque de divulgation de la part des entreprises et l'évolution des exigences réglementaires.</p> <p>Ces limites sont atténuées principalement par le biais de la recherche interne du Gestionnaire d'investissement et d'un engagement actif avec les sociétés, ainsi que par l'intermédiaire de références croisées de mesures clés par rapport à différents fournisseurs de données. En raison de cette atténuation, le Gestionnaire d'investissement estime que la promotion des caractéristiques environnementales et sociales n'est pas sensiblement modifiée.</p> <p>Pour plus de renseignements, veuillez consulter la déclaration complète.</p>
Diligence raisonnable	<p>Le point de départ de toutes les stratégies de Baillie Gifford est la recherche fondamentale ascendante. Ce processus se concentre sur la connaissance de chaque entreprise, du secteur dans lequel elle opère et de son approche face à des problèmes importants ou susceptibles de le devenir.</p> <p>L'accès à des données externes provenant de fournisseurs indépendants permet de mieux comprendre chaque participation et les perspectives et les connaissances d'experts et de chercheurs externes revêtent une grande importance dans l'élaboration de l'approche du Compartiment.</p> <p>À l'extérieur du Compartiment, le Gestionnaire d'investissement effectue une diligence raisonnable continue pour l'ensemble de l'activité afin de contrôler les engagements pris, comme spécifié dans la section Contrôle, avec une supervision fournie par un comité désigné.</p> <p>Pour plus de renseignements, veuillez consulter la déclaration complète.</p>
Politiques d'engagement	<p>L'engagement et le suivi des investissements réalisés par le Gestionnaire d'investissement, pour le compte des clients, font partie intégrante du processus d'investissement et sont essentiels à la manière dont le Gestionnaire d'investissement s'acquitte de ses responsabilités de gérance. Tous les gestionnaires d'investissement, analystes d'investissement et analystes ESG participent à ce processus. Des réunions sont organisées avec les membres de la direction et d'autres cadres, les chefs de division et les administrateurs non exécutifs.</p> <p>Chaque année, les investissements soumis à des processus formels d'engagement et de suivi, en vertu de la politique du Gestionnaire d'investissement relative à l'évaluation des violations des principes du Pacte mondial des Nations Unies pour les entreprises, seront divulgués.</p> <p>De plus amples informations sur la politique d'engagement du Gestionnaire d'investissement sont disponibles dans le document Principes et Lignes directrices ESG de Baillie Gifford, disponible sur son site Internet.</p> <p>Pour plus de renseignements, veuillez consulter la déclaration complète.</p>
Indice de référence désigné	<p>Aucun indice n'a été désigné comme indice de référence pour concrétiser les caractéristiques environnementales et/ou sociales promues par le produit.</p>



FINANCIAL PRODUCT WEBSITE DISCLOSURE

SCOPE

This document provides the investor with detailed information about the fund in relation to the Sustainable Finance Disclosure Regulation ('SFDR'). This is a regulatory document required under SFDR. The information contained in this document is to help the investor understand the sustainability characteristics and/or objectives and risks of this fund. This document should be read in conjunction with other relevant regulatory documentation so the investor can make an informed decision to invest.

NO SUSTAINABLE INVESTMENT OBJECTIVE

This financial product promotes environmental or social characteristics but does not have as its objective a sustainable investment.

ENVIRONMENTAL OR SOCIAL CHARACTERISTICS OF THE FINANCIAL PRODUCT

The Fund promotes the following environmental and/or social characteristics:

Government bonds

- Minimum environmental and social standards achieved through exclusion of governments that (i) are subject to UN sanctions (ii) are included in OECD blacklist and/or (iii) have not ratified the Paris Climate Agreement.
- Sustainable outcomes through investment in sovereigns that have been qualitatively assessed as being sustainable or on a sustainable trajectory.

Corporate bonds

- Responsible business practices in accordance with the United Nations Global Compact Principles for Business.
- Minimum environmental and social standards achieved through exclusion of business activities that the Investment Manager has deemed to be harmful to the environment and society.
- Sustainable outcomes through investment in corporates that have been qualitatively assessed as creating a sustainable future.

INVESTMENT STRATEGY

The investment strategy of the Fund is to invest in bonds denominated in any currency issued by one or more of the following types of issuer: government, local authorities, Supranational Organisations, public sector bodies and corporates with the aim of achieving a high level of total return by lending responsibly to countries and companies which show evidence of creating a sustainable future. The assessment of sustainability is significantly integrated into the Investment Manager's stock research framework.

Countries are assessed using a proprietary ESG framework, which is aligned with the objectives of the Paris Climate Agreement on climate change particularly the Paris Aligned Investment Initiative Net Zero Framework for governments and monitors several indicators that quantify each country's progress towards the UN Sustainable Development Goals (UN SDGs).

Corporates are assessed through a proprietary ESG framework, which is underpinned by the sustainability dimensions (a set of sustainability issues likely to have a material impact) as outlined by SASB (Sustainability Accounting Standards Board).

The Fund will not invest in bonds issued by issuers which demonstrate poor outcomes and no appetite for sustainable change. The Fund will not invest in governments that: (a) are subject to UN sanctions (b) are included in OECD blacklist and/or (c) have not ratified the Paris Climate Agreement. The Fund will exclude the following corporate investments: firstly, companies which, in the Investment Manager's judgement, are inconsistent with the ten principles of the United Nations Global Compact Principles for Business as outlined in the Investment Manager's ESG Principles and Guidelines document. On an annual basis, investments that are subject to formal engagement and monitoring process will be disclosed; secondly, companies which are operating in breach of UN sanctions; thirdly, companies with any of the following revenue breakdowns: 10% or more of revenues from the production or sale of armaments; 5% or more of revenues from tobacco production; 10% or more of revenues from the production and/or distribution of coal.

SFDR requires that products promoting environmental and/or social characteristics do not invest in companies who do not follow good governance practices. As such, the Investment Manager has adopted a policy to apply 'good governance tests' on areas covering sound management structures, employee relations, remuneration of staff and tax compliance. Companies that do not pass these tests will not be held in the Fund.

The Investment Manager believes that good governance works best when there are diverse skillsets and perspectives, paired with an inclusive culture and strong independent representation to assist, advise and constructively challenge the thinking of management. However, the Investment Manager also believes that there is no fixed formula to create a constructive and purposeful board but it expects that boards have the resources, information, cognitive and experiential diversity they need to fulfil its responsibilities. More detail on the Investment Manager's policy to assess good governance practices of investee companies can be found in Baillie Gifford's ESG Principles and Guidelines document, which is publicly available on its website.

PROPORTION OF INVESTMENT

To meet the environmental and/or social characteristics promoted, the Fund will primarily invest in bonds issued by sovereigns and corporates that are aligned with these same characteristics. The remaining proportion of the investments are primarily cash and cash equivalents but may also include investments used for efficient portfolio management purposes (e.g. currency forwards to reduce currency risk). Cash is a residual element of the investment process and as such, it does not affect the promoted environmental and/or social characteristics of the Fund. The assessment of counterparties and issuers for cash management (including cash and cash equivalents) focuses on creditworthiness of these parties, which can be impacted by sustainability risks.

MONITORING OF ENVIRONMENTAL/SOCIAL CHARACTERISTICS

The environmental and/or social characteristics are monitored internally in a variety of ways. The Fund uses positive screening through the Investment Manager's proprietary ESG framework, norms-based evaluation, business activity-based exclusions and active ownership to support the attainment of the promoted environmental and/or social characteristics and these are implemented on a continuous basis through ongoing compliance with, and monitoring of, the binding commitments. A nominated committee has overall responsibility for ensuring compliance with the environmental and/or social characteristics the Fund is promoting, and exceptions-based reporting is sent to this committee quarterly for challenge and oversight.

Regarding government bonds:

- The dedicated investment restrictions team monitors compliance with the exclusion of bonds from governments that (i) are subject to UN sanctions (ii) are included in OECD blacklist and/or (iii) have not ratified the Paris Climate Agreement, working in conjunction with ESG analysts and/or the investment managers and using third-party data feeds, supplemented by internal research.
- Ongoing compliance with the qualitative assessment of sovereigns as being sustainable or on a sustainable trajectory is reviewed at the point of purchase and then monitored on a quarterly basis, in addition to weekly team meetings to discuss relevant updates.

Regarding corporate bonds:

- The dedicated investment restrictions team monitors compliance with the policy on assessing breaches of United Nations Global Compact Principles for Business (norms-based evaluation), working in conjunction with ESG analysts and/or the investment managers and using a third-party data feed (which is updated quarterly), supplemented by internal research.
- Exclusion of business activities deemed harmful to the environment and society (business activity-based exclusions) is monitored by the designated investment restrictions team on a daily basis, working in conjunction with ESG analysts and/or the investment managers and using a live third-party data feed, supplemented by internal research.
- Ongoing compliance with the qualitative assessment of corporates which are creating a sustainable future is reviewed at the point of purchase and then monitored on a quarterly basis, in addition to weekly team meetings to discuss relevant updates.

METHODOLOGIES

The following sustainability indicators are used to measure the attainment of the promoted environmental and/or social characteristics:

Government bonds

- The % of bonds issued by sovereigns that comply with the exclusions based on international standards of conduct.
- The % of bonds issued by sovereigns that have been qualitatively assessed as being sustainable or on a sustainable trajectory in seeking to deploy capital productively to achieve sustainable outcomes.

Corporate bonds

- The % of bonds issued by corporates that comply with the Investment Manager's policy on assessing breaches of United Nations Global Compact Principles for Business.
- The % of bonds issued by corporates that comply with the business activity-based exclusions.
- The % of bonds issued by corporates that have been qualitatively assessed as creating a sustainable future.

The methodologies in relation to these indicators are outlined below:

Ethical Exclusions – Norms- and Business Activity-Based Exclusions

The Fund minimises the existence of adverse impacts by formally excluding companies from its investable universe by applying ethical screens: a norms-based evaluation of investee companies, and business activity-based exclusions. Initial negative screening is done using a variety of third-party data sources (such as Sustainalytics and MSCI), supplemented by additional research from ESG analysts and/or investment managers as required.

See the Investment Strategy section for further details on the business activity-based and international standards of conduct-based screening applied to the Fund. Holdings which are inconsistent with these exclusions will be excluded.

Norms-based evaluation: The Fund will assess equities using a norms-based evaluation which is based on the ten principles of the United Nations Global Compact, which cover areas including human rights, labour rights, environmental safeguards and combating bribery and corruption. If a holding is identified as having breached the Principles, based on the Investment Manager's judgement, supported by internal research alongside data feeds from third-party sources, a formal engagement and monitoring process will be implemented. Material improvement is expected within a reasonable timeframe (a maximum of three years), and should a company fail to demonstrate progress then the Fund will divest.

ESG-focused investment research

The Fund's aim is to deliver excellent returns for our clients by lending to countries and companies contributing to a more sustainable future. It is our core belief that countries which invest in their natural, human and institutional capital and companies which make a positive social contribution are more likely to prosper in the long run.

The Fund's team draws on quantitative and qualitative research from a wide range of external providers such as multilateral institutions or non-governmental organisations wherever we find it to be relevant.

Country analysis

Each country's performance relative to the United Nations' Sustainable Development Goals (UN SDGs) is analysed to form an assessment of the administration's success in building a sustainable future for its citizens. In emerging markets it is especially important to understand both the starting point and the direction of travel towards the SDGs. Countries need to meet two thresholds using our own proprietary scoring framework to be considered: (1) climate action and (2) social outcomes and governance standards.

- **Climate action** The Fund follows the Paris Climate Agreement Net Zero Framework and assesses the country's performance towards the Paris Agreement Goals. Current levels of greenhouse gas emissions and their expected path over the coming decades are considered. The Fund analyses the Nationally Determined Contribution (NDC) plan and other policies and legislation to assess the government's commitment and ability to reduce national emissions intensity and meet Paris Agreement targets.
- **Social outcomes and governance standards** The Fund assesses each country's likely future progress towards the UN SDGs. The quality of life for citizens of the country is changing, from the scale and inclusiveness of economic opportunity to the provision of healthcare and environmental quality, is analysed. When considering these factors progress is compared to peers with similar levels of economic development. There is particular emphasis given to SDG 16, "Peace, Justice and Strong Institutions", considering how the country is governed and how the interests of different groups within the society are balanced.

Company analysis

The Fund aims to invest in companies whose products and services contribute towards a more sustainable future (as outlined by UN SDGs). How a company treats its stakeholders is assessed using a proprietary ESG scoring framework, which is underpinned by the Sustainability Accounting Standards Board’s (SASB’s) sustainability dimensions for corporate issuers, requiring that each company meets a minimum score based on environmental, social and governance indicators.

Environmental impact is assessed by looking at greenhouse gas emissions, ecological impacts and the management of water and waste. Social factors include the impact of the company’s products on society, as well as its respect for human rights, labour practices, and employee health and safety. Finally, in governance, the company’s business ethics and compliance with the legal environment is assessed.

DATA SOURCES AND PROCESSING

The Investment Manager uses a combination of internal research (informed by publicly available sources disclosed by investee companies) and third-party data sources to attain each of the environmental and/or social characteristics promoted by the Fund. The environmental and/or social characteristics promoted by the Fund are listed below as well as the data sources.

Government bonds in compliance with exclusions based on international standards of conduct.	Internal proprietary research, public disclosures, Sustainalytics, MSCI
Government bonds qualitatively assessed as being sustainable or on a sustainable trajectory	Internal proprietary research, public disclosures, Sustainalytics, MSCI, Sustainable Development Solutions Network, Climate Action Tracker, World Bank, Freedom House and Transparency International
Corporate bonds in compliance with the UN Global Compact policy	Internal proprietary research, public disclosures, Sustainalytics, MSCI
Corporate bonds excluded via business activity-based screens	Internal proprietary research, public disclosures, Sustainalytics, MSCI
Corporate bonds qualitatively assessed as creating a sustainable future	Internal proprietary research, public disclosures

Where data is extracted from third party providers, the Investment Manager evaluates their methodology and coverage at the outset (initial due diligence) and then carries out spot checks of the data each month, escalating issues to the third-party provider where necessary. A dedicated team is tasked with ensuring effective relationships and operational interactions with key third-party providers, recognising that effective use of third-party vendors can support client service and stewardship activities. The level of oversight depends on the nature of the services provided. Providers of critical or important services and those that have access to sensitive data are subject to a vendor management framework.

The Investment Manager is regularly adding more automated quality checking of third-party data. Data metrics required for reporting are currently calculated in house in line with recognised guidance and regulations. The Investment Manager is actively improving data processing, introducing automation where possible and looking for ways to receive and ingest data from a wider set of data providers. However, there is sometimes a reliance on estimated data when it comes to the business activity-based exclusions. Third party-providers occasionally make estimates of revenue exposures relating to business activity-based exclusions where disclosure is lacking; proportionally, less data is estimated than not.

Due to this the Investment Manager is wary of using third-party data sources as the sole input. Third-party data sources are used to flag any potential issues and to focus work on companies or issues that warrant further attention, at which point thorough analysis is conducted to ensure there is a detailed understanding of the company’s current position and its direction of travel towards necessary improvements.

LIMITATION TO METHODOLOGIES AND DATA

The ESG data landscape is rapidly developing, and data quality and methodology currently face industry-wide challenges such as lack of corporate disclosures and evolving regulatory requirements. Specifically, the data used in the Fund may be provided by third-party sources and is based on backward-looking analysis, while the subjective nature of ESG criteria means a wide variety of outcomes are possible. There is a risk that the data provided may not adequately address the underlying detail around material ESG considerations. The analysis is also dependent on companies disclosing relevant data and the availability of data can be limited.

These limitations are mitigated primarily through the Investment Manager's own in-house research and active engagement with companies, as well as cross-referencing key metrics against different data providers. Due to this mitigation, the Investment Manager believes that the promotion of the environmental and social characteristics is not appreciably altered.

DUE DILIGENCE

The starting point for all Baillie Gifford strategies is bottom-up fundamental stock research. This process focuses on understanding each company, the sector it operates in and their approach to material or likely to be material issues. Investment ideas for inclusion in the strategy will undergo a critical assessment in the form of a question framework that will seek to capture the pertinent investment considerations. Supporting this are bespoke pieces of investment and ESG research that allows the investment managers to easily compare and contrast potential new purchases with competing ideas and existing holdings.

The Fund's investment management approach is focussed on stock-level research and analysis, with the assistance of dedicated sustainability, governance and risk specialists working across the firm. Access to external data from independent providers helps add further detail to understanding each holding, and great value is placed on seeking the perspectives and insights of external experts and researchers to help inform the Fund's approach. This information is used primarily as an aid to engage with companies to ascertain how they are mitigating risks and maximising opportunities. If it is felt that companies are not making enough progress in mitigating risks, then the option of exercising voting rights in shareholder resolutions and ultimately divesting holdings is retained.

External to the Fund, ongoing due diligence is carried out by the Investment Manager across the business to monitor the commitments being made, as specified in the Monitoring section, with oversight provided by a nominated committee.

ENGAGEMENT POLICIES

Engaging with and monitoring investments the Investment Manager makes on behalf of clients is an integral element of the investment process and core to how the Investment Manager discharges its stewardship responsibilities. All investment managers, investment analysts and ESG analysts are involved in this process. It meets with management and other executive staff, heads of divisions and non-executive board members.

As a patient, active owner, the Investment Manager aims to engage with the companies in which it invests on behalf of its clients, encouraging a long-term focus and meaningful change when needed. Engagement is preferable to divestment, which is typically the tool of last resort. There are four primary reasons for engaging with a company: to fact find, to assess progress, to support the management team and to influence.

It is important to note that influence is only one of these four aims. The Investment Manager firmly believes in taking time to understand companies and making its own, long-term agenda known to management. This is an important foundation of being responsible holders and over time makes it easier to advocate for changes, as both sides have a better understanding of and appreciation for what the other party is trying to achieve.

On an annual basis, investments that are subject to formal engagement and monitoring processes under the Investment Manager's policy on assessing breaches of United Nations Global Compact Principles for Business will be disclosed.

More information on the Investment Manager's engagement policy can be found within Baillie Gifford's ESG Principles and Guidelines document, which is publicly available on its website.

DESIGNATED REFERENCE BENCHMARK

No index has been designated as a reference benchmark to attain the environmental and/or social characteristics promoted by the product.

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