

**Baillie Gifford™**

**Baillie Gifford Overseas**

Investment Policy Disclosure  
1 April 2023 - 31 March 2024

## **MIFIDPRU 8.7 – Investment Policy Disclosure**

The Investment Firms Prudential Regime (IFPR) is the Financial Conduct Authority's (FCA) new prudential regime for UK MiFID investment firms. The regime came into force on 1 January 2022. As part of the implementation of this regime, most of the prudential rules for FCA investment firms have been brought into a single prudential sourcebook – MIFIDPRU.

Public disclosure is one of the prudential requirements within MIFIDPRU. Public disclosure is a core part of market discipline, providing important information and transparency to enable markets to work well. Public disclosure also facilitates constructive engagement by all stakeholders. The disclosure of own funds and own funds requirements provide information on the firm's financial strength. Investment policy disclosures provide information on the firm's behaviour, while risk management, governance and remuneration provide key information on the firm's culture. Disclosing this information helps stakeholders to make more informed decisions about their relationship with an investment firm. This document has been produced to meet the disclosure requirements under MIFIDPRU 8.7 – Investment policy. Baillie Gifford & Co and Baillie Gifford Overseas Limited, as UK MiFID investment firms meeting the relevant thresholds, are the entities in scope of these disclosure requirements. As required under MIFIDPRU 8.7, this disclosure has been produced on a 'solo' basis rather than on a 'group' basis.

MIFIDPRU 8.7 sets out the requirement for investment firms to disclose information on investment policy, including the following: (1) proportion of voting rights attached to shares held, (2) voting behaviour, (3) use of proxy advisor firms and (4) voting guidelines. The required disclosures apply only in respect of a company whose shares are admitted to trading on a regulated market which is a UK recognised investment exchange (UK RIE), only where the proportion of voting rights that the investment firm directly or indirectly holds in that company is greater than 5% of all voting rights attached to the shares issued by the company and only in respect of shares in that company to which voting rights are attached. Where voting rights at a company have been greater than 5% at any time during the reporting period, the highest voting rights percentage during the period has been reported, and all general meetings taking place within the reporting period have been included in the reporting. To facilitate the disclosure of the relevant information, we have used the required template available at MIFIDPRU 8 Annex 2R.

**IP1 - TEMPLATE ON PROPORTION OF VOTING RIGHTS (insert additional rows as needed)**

<b>Company name</b>	<b>LEI</b>	<b>Proportion of voting rights attached to shares held directly or indirectly in accordance with MIFIDPRU 8.7.4R</b>
Ocado Group plc	213800LO8F61YB8MBC74	8.92%
Trainline Plc	213800HO26VXTFJ4MO71	5.90%
Games Workshop Group plc	213800RP9QJQYGWHNT41	5.48%

**IP2 - VOTING BEHAVIOUR****IP2.01 - TABLE ON THE DESCRIPTION OF VOTING BEHAVIOUR**

Row	Item	Value
1	Number of relevant companies in the scope of disclosure	3
2	Number of general meetings in the scope of disclosure during the past year	4
3	Number of general meetings in the scope of disclosure in which the firm has voted during the past year	4
4	Does the investment firm inform the company of negative votes prior to the general meeting? (Yes/No/Other – please explain)	Other - Engaging with and monitoring investments we make on behalf of clients is an integral element of our investment process and core to how we discharge our stewardship responsibilities. When voting a general meeting, Baillie Gifford will usually communicate our voting rationale, including negative votes, to the company. Where we do communicate our voting rationale we will endeavour to do so prior to the general meeting. However, this may sometimes occur following the general meeting.
5	On a consolidated basis, does the investment firm group possess a policy regarding conflicts of interests between relevant entities of the group? (Yes/No)	Yes
6	If yes, summary of this policy	Baillie Gifford recognises the importance of managing potential conflicts of interest that may exist when voting a proxy solicited by a company with whom Baillie Gifford has a material business or personal relationship. The ESG Team is responsible for monitoring possible conflicts of interest with respect to proxy voting. Application of the Baillie Gifford's Stewardship Principles and Guidelines to vote proxies will in most instances adequately address any possible conflicts of interest. If Baillie Gifford invests on behalf of its segregated clients in pooled vehicles managed or advised by Baillie Gifford (in-house pooled funds), it will provide these segregated clients with the opportunity to direct how their units in these funds should be voted at a meeting of the in-house pooled fund. More details can be found within the Proxy Voting section of <a href="#">Baillie Gifford's Conflict of Interest Disclosure</a> .

<b>IP2.02 - TEMPLATE ON VOTING BEHAVIOUR</b>		
<b>Item</b>	<b>Number</b>	<b>Percentage (of all resolutions)</b>
General meetings resolutions:	59	100%
the firm has approved management's recommendation	55	93.22%
the firm has opposed management's recommendation	3	5.08%
in which the firm has abstained	1	1.69%
General meetings in which the firm has opposed at least one resolution	2	50%

<b>IP2.03 - TEMPLATE ON VOTING BEHAVIOUR IN RESOLUTIONS BY THEME (number unless specified)</b>				
<b>Item</b>	<b>Voted for</b>	<b>Voted against</b>	<b>Abstained</b>	<b>Total</b>
Voted resolutions by theme during the past year:	55	3	1	59
Board structure	27	0	0	27
Executive remuneration	2	1	0	3
Auditors	6	0	0	6
Environment, social, governance not covered by rows 2-4	8	0	0	8
Capital transactions	12	2	1	15
External resolutions (eg shareholder proposals)	0	0	0	0
Other	0	0	0	0
Percentage of all resolutions put forward by the administrative or management body that are approved by the firm	93.22%	5.08%	1.69%	100%

**IP3 - TABLE ON THE USE OF PROXY ADVISOR FIRMS**

**Explanation of the use of proxy advisor firms**

We do not outsource voting analysis or recommendations, using proxy advisors for information only. Proxy advisors used for research include ISS, Glass Lewis, IAS and ZD Proxy.

Voting analysis and execution is carried out in-house by our central Voting Team in conjunction with investment teams. Baillie Gifford analyses all meetings in-house in line with our [Stewardship Principles and Guidelines](#).

#### **IP4 - TABLE ON VOTING GUIDELINES**

##### **Voting guidelines regarding the companies the shares of which are held in accordance with MIFIDPRU 8.7.4R: short summary and, if available, links to non-confidential documents**

Voting is integral to our role as responsible stewards of our clients' capital. Our voting analysis and decisions are driven by what we consider will promote the long-term prospects of the company, thereby supporting the outcomes we aim to deliver to our clients. In line with our investment philosophy, our voting analysis is bottom-up and led by each investment case. Rather than applying prescriptive policies, we assess every resolution on a case-by-case basis. We believe that a prescriptive approach can lead to unwarranted and, in some cases, perverse outcomes which may not be in the best interests of a particular company, given its stage of development and the wider geographical and industrial context.

Baillie Gifford analyses all meetings in-house in line with our Stewardship Principles and Guidelines. Our Stewardship principles provide some insight into our voting process and approach to matters routinely presented for a vote at shareholder meetings. They do not indicate how we will vote on specific topics.

##### Our Stewardship Principles

- Governance fit for purpose
- Alignment in vision and practice
- Long-term value creation
- Sustainable business practices

Our full [Stewardship Principles and Guidelines](#) detailing our approach to voting can be found on the Baillie Gifford website.