

UK Equities

Net Zero Alignment Commitment

November 2022

The undernoted applies to the following vehicles:

Baillie Gifford UK Equity Alpha Fund

Baillie Gifford UK Equity Core Fund

Climate change and the energy transition pose risks and opportunities that are material to competitive edge and investment returns. Our stewardship of your assets requires active consideration of the deep systems change that is unfolding.

The purpose of aligning the portfolio with net zero commitments is to provide additional insight into the positioning of the holdings, to underpin our interactions with companies and to push for better information to support our investment decisions in pursuit of the portfolio's objective.

Specific commitments of the portfolio within this framework include:

- (i) All holdings are being assessed and prioritised for engagement for alignment on an ongoing basis, with the ten highest emitting stocks subject to further analysis using our Climate Transition research framework.
- (ii) At least 90% of direct holdings will demonstrate robust strategic alignment with appropriate 1.5C/net zero pathways by 2030.

Alignment will be assessed on a company-by-company basis paying due attention to the realities of specific industries and regions. We accept that overall global progress, and thus the pace of underlying company alignment, remains subject to effective policy support.

Given the flexible nature of the portfolio guidelines and the inherent subjectivity of investment analysis and decision making, there can be no assurance that this process will result either in superior investment returns, or in a positive outcome for the environment or society.

Risk Factors and Important Information

All investment strategies have the potential for profit and loss, your or your clients' capital may be at risk. Past performance is not a guide to future returns.

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