

Baillie Gifford & Co Limited

Baillie Gifford Global Alpha Paris-Aligned Fund

LEI: 213800U69PLP7DCGNI46

Sustainability Approach

This Fund has explicit commitments to integrate ESG factors into the investment research and decision-making process. The following commitments are material to the management of the Fund.

Investment Objective: The Fund aims to have a carbon footprint that is lower than that of the MSCI ACWI EU Paris Aligned Requirements Index.

Net Zero: The Investment Adviser will manage the portfolio to support the goal of net zero greenhouse gas ('GHG') emissions by 2050 or sooner, in line with global efforts to limit warming to 1.5C ("net zero"). As part of this process, all portfolio companies are actively assessed and prioritised for engagement for their alignment with net zero on an ongoing basis.

Propriety Assessment Framework: The Investment Adviser applies a quantitative screening process to ensure the Fund invests in a way which is aligned to the Paris Climate Agreement by excluding carbon intensive companies that do not, or will not, play a role in the transition to a low carbon future. The Fund may not invest in companies that derive a significant degree (>10%) of their annual revenues from (i) the extraction and/or production of oil and/or gas, and/or (ii) the mining and/or sale of thermal coal. The Fund also may not invest in companies that generate >50% of revenues from services provided to (i) the extraction and/or production of oil and/or gas, and/or (ii) the mining and/or sale of thermal coal. The Investment Adviser will apply a qualitative screening process to all remaining companies in the universe. The Investment Adviser will consider whether the company provides an essential service and also whether the company can and has shown a commitment to preparing for the low-carbon economy. Carbon intensive companies that do not fulfil the qualitative screening process will be excluded. Non-carbon intensive companies that do not fulfil the criteria of the qualitative screening process may be excluded at the discretion of the Investment Adviser.

No Sustainable Investment Label

Sustainable investment labels help investors find products that have a specific sustainability goal. Further information on sustainable investment labels can be found on the FCA website: <https://www.fca.org.uk/firms/climate-change-and-sustainablefinance/sustainability-disclosure-and-labelling-regime>.




This product does not have a UK sustainable investment label.

Using a label imposes significant obligations on in-scope products, including (without limitation) requiring a specific aim to achieve positive environmental and/or social outcomes.

Whilst part of the Fund's stated aim set out in its objective is for the portfolio to have a carbon footprint lower than the MSCI ACWI EU Paris Aligned Requirements Index, the Fund does not meet the FCA's strict requirements for a sustainability label as reference to an index is a relative rather than an absolute standard. The Fund promotes environmental and/or social characteristics through its objective to the portfolio having a lower carbon footprint than the relevant index, the application of negative screens, through its quantitative screening and qualitative screening processes, and its net zero assessment process.

Sustainability Metrics

Investment Adviser's assessment of portfolio companies' net zero targets through its 'Climate Audit' process

 <p>Leading</p>	 <p>Preparing</p>	 <p>Lagging</p>
<p>Companies committed to reductions in line with their fair share of a science-based 1.5C-aligned pathway, with appropriate demonstrations of targets, intent and strategic coherence.</p>	<p>Companies with disclosure and narrative that suggest they are preparing to set 1.5C-aligned targets in the near future.</p>	<p>Companies lacking sufficient disclosure or suitably robust targets, where the pathway to improvement is currently uncertain.</p>
<p>Leading: 57% of financed emissions</p>	<p>Preparing: 11% of financed emissions</p>	<p>Lagging: 27% of financed emissions</p>

Source: Assessed according to Baillie Gifford's internal assessment framework described in the firmwide [TCFD-aligned Climate Report](#). As at 30 September 2024. Figures are shown as a percentage of the portfolio's financed emissions¹ (including scopes 1,2 and 3), which excludes cash.

The Investment Adviser uses the categories above to determine whether companies in the portfolio are aligned with the goal of net zero greenhouse gas emissions by 2050 or sooner. Companies in the leading bucket are considered to be aligned already; those in the preparing category are deemed to be on track to be aligned; and those in the lagging category are not deemed to be on track at the current time. The Investment Adviser anticipates these figures will improve over time. 5% of portfolio companies by count did not have assessments available as at 30 September 2024.

¹ Financed emissions of the portfolio represent the absolute greenhouse gas emissions from assets held, allocated on a proportional basis. This means a portfolio holding 1% of a company's enterprise value would be attributed 1% of the company's emissions.

Exposure to fossil fuel activities

These metrics show the exposure of the portfolio to any companies generating at least 5% of their revenues from fossil fuel activities. This is a broad metric which can include companies in fossil fuel sectors and those operating mainly in other sectors.

	30 September 2024	
	Portfolio	Benchmark
% of total AUM invested in companies with > 5% revenues from oil and/or gas activities ²	0	3
% of total AUM invested in companies with > 5% revenues from thermal coal mining and sale ³	0	0
% of total AUM invested in companies with > 5% revenues from thermal coal power generation	0	1

Source: Baillie Gifford, MSCI, FactSet. Benchmark refers to the MSCI ACWI EU Paris Aligned Requirements Index

Carbon Footprint of the portfolio

The carbon footprint of the portfolio represents the aggregated greenhouse gas emissions per \$m invested and allows for comparisons of the carbon intensity of different portfolios.

Scope 1: Emissions produced directly by the entity, typically through the combustion of fossil fuels on site.

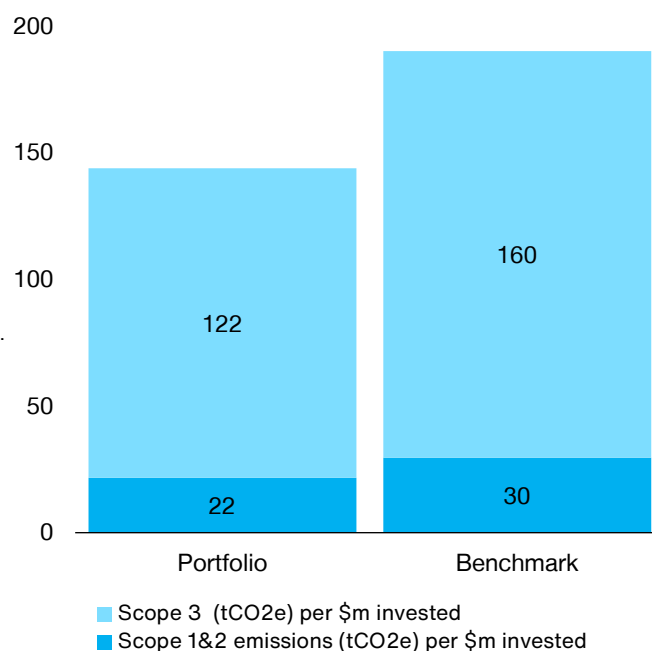
Scope 2: Emissions that occur due to energy used by the entity, often through the off-site generation of electricity in a power station.

Scope 3⁴: Emissions that occur somewhere in the entity's 'value chain' as a result of its activities. There are 15 different categories including those associated with the raw materials an entity uses and the use of its sold products. Emissions from transport, distribution and business travel are also included.

1% of total AUM for Scope 1& 2 emissions data is not available from our data provider.

1% of total AUM for Scope 3 emissions data is not available from our data provider.

We expect data coverage to improve over time. See the latest [TCFD](#) report for more context and nuance.



Source: Baillie Gifford, MSCI, FactSet. As at 30 September 2024. Benchmark refers to the MSCI ACWI EU Paris Aligned Requirements Index.

More Information

For more information please refer to below relevant documents:

[Prospectus](#) | [KIID](#) | [Factsheet](#) | [TCFD](#) | [Stewardship](#)

Further information on sustainable investment labels can be found on the [FCA website](#).

For our legal notices and disclosures please visit bailliegifford.com/disclaimers

Contact Us

For further information about the Fund or Baillie Gifford's range of OEICs, please contact our Client Relations Team on 0800 917 2113, visit our website at bailliegifford.com, or email enquiries@bailliegifford.com.

² Includes oil and/or gas extraction and production, distribution, retail, equipment and services, petrochemicals, pipelines and transportation and refining. Excludes biofuel production and sales, and trading activities.

³ Includes the mining of thermal coal (including lignite, bituminous, anthracite and steam coal) and its sale to external parties. Excludes metallurgical coal, coal mined for internal power generation, intra-company sales of mined thermal coal and revenue from coal trading.

⁴ It is important to note that the data we use for Scope 3 emissions is all estimated. This is because whilst some holdings do report Scope 3 emissions, this typically does not cover all emissions categories within Scope 3, meaning that reported data is not consistent across companies. Estimated Scope 3 data covers all relevant Scope 3 categories and is therefore more consistent.