

Press statement

A Baillie Gifford spokesperson comments:

“The suggestion that Baillie Gifford is a large investor in the Occupied Palestinian Territories is seriously misleading. It is based on conflating two different types of exposure:

1. Baillie Gifford is a large investor in several multinational technology companies, including Amazon, NVIDIA (semiconductors) and Meta (the owner of Facebook and Instagram). Their commercial dealings with the State of Israel are tiny in the context of their overall business. These companies have not violated any laws in doing business with the State of Israel, and it is not reasonable to argue that they should be excluded from global investment portfolios, just as they should not be excluded from daily life.
2. Baillie Gifford is also a minor shareholder in multinational companies that have been identified as having problematic operations in the Occupied Palestinian Territories, namely Airbnb, Booking Holdings and Cemex. In all three cases, these operations are small in the context of their overall business. Baillie Gifford is committed to analysing and engaging with the companies in which it invests. This work is ongoing, and progress has been made. Cemex has confirmed that it ceased all operations in the Occupied Palestinian Territories during 2023. Airbnb and Booking Holdings have both taken action at different junctures. In the absence of international sanctions, they have been forced to adapt their approaches owing to a complex array of legislation that penalises and prohibits actions that would constitute to a boycott of Israel.

“By deliberately conflating these two categories, one of which is 63 times larger than the other, the activists are painting an inaccurate picture and attempting to mislead the public.

“We are a private business managing other people’s money, not our own. In our highly regulated industry, there are some absolute ethical boundaries we follow, as do all UK asset managers. These relate to national laws, regulations, and sanctions. When it comes to subjective ethical situations relating to sectors (such as fossil fuels) or countries (such as Israel and the Occupied Palestinian Territories), our clients set the parameters and determine what to exclude or divest. We are not able to make exclusions of that nature based on our own ethical judgements, or in response to pressure from outside groups. Our fiduciary duty to the people or organisations who control the money we manage, is always our overriding priority. Therefore, in asking for divestment the activists are requesting that we breach our duty to our clients.

“We are not a significant fossil fuel investor. Only 2% of our clients’ money is invested in companies with some business related to fossil fuels. This compares to the market average of 11%. Of those companies, some have already moved most of their business away from fossil fuels, and many are helping to drive the transition to clean energy.

“Baillie Gifford is a long-standing supporter of literature and the arts. This support is driven by our contention that we should contribute to the communities in which we operate, in the hope that the organisations we work with gain lasting benefits.”

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