

Global Alpha Choice

Net Zero Alignment Commitment

October 2022

The undernoted applies to the following vehicles:

Baillie Gifford Worldwide Global Alpha Choice Fund

The portfolio will invest primarily in shares of companies globally while considering environmental, social or governance factors that may affect sustainability of a company's profit growth. It will seek to invest in a way that is in line with the objectives of the Paris Agreement – specifically, to limit the average temperature rise to below 1.5C above pre-industrial levels.

It also aims to screen out carbon-intensive companies that do not, or will not, play a major role in our energy transition through a qualitative framework.

The portfolio will comply with the Investment Managers policy on assessing breaches of the United Nations Global Compact Principles for Business.

Specific commitments of the portfolio include:

- i. Holdings accounting for 90% of the portfolio's financed emissions* will demonstrate robust strategic alignment with appropriate 1.5C/net zero pathways by 2030. All holdings will be so-aligned by 2040. New buys will have an extra two years to meet the commitment.
- ii. All holdings are being actively assessed and prioritised for engagement for alignment on an ongoing basis, with the highest emitters automatically subject to a specific additional screen to assess their potential for positive climate alignment

- iii. Exclusion of any companies that generate more than 10% of revenues from the extraction and/or production of thermal coal, oil and/or gas, and those that generate more than 50% of revenues from services provided to these activities
- iv. The portfolio will, at all times, have a Weighted Average Greenhouse Gas Intensity (WAGHGI) lower than that of the MSCI ACWI EU Paris Aligned Requirements index. This index, which maps to the EU delegated acts on Paris-Aligned benchmarks, starts with a WAGHGI 50% less than that of the parent ACWI. It then decarbonises by at least 7% year-on-year.

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.

*We intend that financed emissions should encompass scopes 1, 2 and 3, but this will be kept under review as data and definitions evolve.

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