

Responsible Global Equity Income

Net Zero Alignment Commitment

November 2022

The undernoted applies to the following vehicles:

Baillie Gifford Worldwide Responsible Global Income Fund

Baillie Gifford Responsible Global Equity Income Fund

We are committed to investing in a way that is aligned with a scenario which limits global temperature increases to 1.5C.

We believe the most important contribution here will be made by the companies in which we invest implementing plans to align their business with a 1.5C scenario, including investing in and supporting climate solutions. Encouraging our holdings to be ambitious in this regard is likely to be where we can have the greatest influence. We also believe that we should focus our influence on those companies that are likely to have the biggest impact on the climate.

We therefore commit that:

1. By 2030, more than 90 per cent by number of our climate-material holdings will be aligned with a 1.5C scenario. All holdings will be so-aligned by 2040. New buys will have an extra two years to meet the commitment.
2. Between now and 2030, we will report annually on i) the progress of our holdings in aligning with a 1.5C scenario, and ii) our engagement with these companies.

We expect that our portfolio's financed emissions should decline over rolling five-year periods, thanks to the progress made by our companies. If the trend of financed emissions is not declining, we will explain why this is consistent with our commitment to investing in a way that is aligned with a 1.5C scenario.

Notes

- a. We define 'climate-material holdings' as those that account for 90 per cent of the portfolio's financed emissions. We also consider that the world's very largest companies have a systemic influence on their supply chains, customers and societies – so we consider the world's 25 largest

companies (by value) as 'climate-material'. We believe that making this distinction will help sharpen our engagement effort with those companies where alignment will make the biggest difference.

- b. Our portfolio's financed emissions will include scope 1 and 2 data for all holdings from the outset, with increasing inclusion of scope 3 data as disclosure and estimation improve. In line with guidance from the Partnership for Carbon Accounting Financials (PCAF) – an industry-led partnership to facilitate transparency and accountability of the financial industry to the Paris Agreement – we will include scope 3 emissions from energy and mining activities from the outset. Over time, we will take account of the emissions pathways appropriate to the relevant industries and regions in our reporting.

As a reminder, the portfolio excludes companies deriving more than 10 per cent of their revenues from fossil fuel extraction and/or production.

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

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