

## SDR Sustainability-related Disclosure Document – December 2024

Baillie Gifford & Co Limited

### Baillie Gifford Defensive Growth Fund

LEI: 213800XZZS6BY9JWKI88

#### 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 Fund's stated carbon budget. The carbon budget is set in absolute terms and will decrease at a steady rate of 7 percent per annum.

**UNGC:** The Fund will assess companies using a Norms-based Evaluation and will comply with the Investment Adviser's policy on assessing breaches of the United Nations Global Compact Principles (UNGC). Where breaches occur, the preferred approach is to use engagement in the first instance to encourage improvement.

**Propriety Assessment Framework:** The Investment Adviser applies its proprietary qualitative investment process to assess whether investments are compatible with a sustainable economy. In making this assessment, relevant investments will be assessed against each of the five dimensions of the Sustainable Accounting Standards Board's Materiality Map: Environment, Human Capital, Social Capital, Leadership & Governance and Business Model & Innovation.

**Exclusions:** The Fund applies a combination of revenues- and norms-based exclusions for directly held companies. The Exclusions will be companies which derive a significant proportion of their annual revenues from (i) the production of military weapon systems (10%), (ii) fossil fuel extraction and production (10%), (iii) tobacco production (5%), or (iv) thermal coal distribution (30%).

#### 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.

The Fund does not explicitly aim to achieve positive environmental and/or social outcomes (beyond having a carbon footprint lower than the carbon budget), but it promotes environmental and/or social characteristics through the integration of sustainability factors in investment decisions, and the application of negative screens through its quantitative screening process and norms-based screening process.

#### Sustainability Metrics

##### Exposure to fossil fuel activities

These metrics show the exposure of the portfolio to any companies, which are either directly held by the Fund or indirectly held by the way of an investment by the Fund in a collective investment scheme ('CIS') managed by a member of the Baillie Gifford group, that generate 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. Externally managed CIS are not included.

30 September 2024

Portfolio

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

Source: Baillie Gifford, MSCI.

<sup>1</sup> 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.

<sup>2</sup> 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.

## United Nations Global Compact

This Fund is committed to complying with the Investment Adviser's policy on assessing breaches of the UNGC. Companies directly held in the portfolio are monitored and assessed against the 10 principles of the UNGC and, if any breaches are identified, a formal engagement and monitoring plan will be implemented.

Material improvements are expected within three years of the commencement of engagement. Should a company fail to demonstrate progress within expected timescales, the Fund would divest.

More details can be found in our firmwide [Stewardship Principles and Guidelines](#).

Number of companies in the portfolio that the Investment Adviser has assessed as breaching the United Nations Global Compact, and have been subject to formal engagement and monitoring

0

Number of companies the Fund has sold due to their failure to demonstrate improvements during the formal engagement and monitoring process, within a reasonable timeframe (a maximum of three years from the date of engagement)

0

Source: Baillie Gifford

30 September 2024

Portfolio

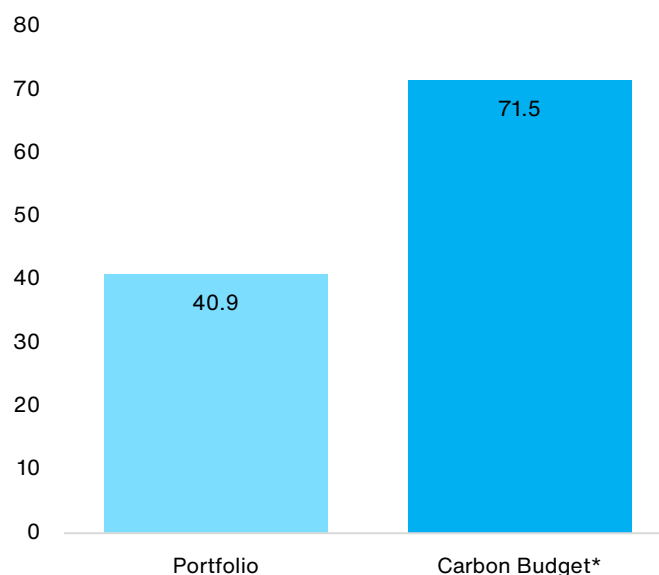
## Carbon Footprint of the Portfolio vs Carbon Budget

The Fund's objective is to have a carbon footprint that is lower than the Fund's stated carbon budget. The carbon budget is set in absolute terms and will decrease at a steady annual rate of 7 per cent per annum.

The carbon budget is the combined amount of carbon emissions that are permitted to be made by the investments held in the portfolio on a calendar year basis. Both the carbon budget and the carbon footprint of the portfolio are measured in tonnes of CO<sub>2</sub> equivalent per USD million enterprise value including cash: tCO<sub>2</sub>e/USD million EVIC. The carbon budget will be measured by considering the limitations of Scope 3 emissions phase-in dates under relevant EU regulations. The carbon budget for the current calendar year is set out on the [Fund's website](#).

More information on the Fund's carbon objective can be found in the [Stewardship Report](#).

Carbon footprint (tCO<sub>2</sub>e/USD Million EVIC)



Source: Baillie Gifford, MSCI. As at 30 September 2024.

## 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](https://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](https://bailliegifford.com), or email [enquiries@bailliegifford.com](mailto:enquiries@bailliegifford.com).

\*The Budget carbon footprint is set annually on 1st January. The starting carbon budget was set at inception and was 50% of a representative Multi Asset portfolio.