

Baillie Gifford Sustainable Growth Fund

Shareholder Rights Directive Annual Disclosure
for the period 01 January 2023 to 31 December 2023



This disclosure is produced to meet our obligation to provide enhanced reporting under the Shareholder Rights Directive (SRD) requirements. It is not marketing material. This document is solely for the use of professional investors and should not be relied upon by any other person. It is not intended for use by retail clients.

Our Investment Strategy

Sustainable Growth aims to be sustainable in both senses of the word, delivering enduring growth and enduring good. We believe that those companies which can deliver resilient earnings growth over long periods are best placed to have a beneficial influence on society and that those that benefit society are more likely to see their growth endure. A powerful virtuous circle that allows us to pursue the single financial objective for our clients. This permits us a broader view of sustainability, incorporating not just what a company does (through products or services) but also how it conducts itself (its influence through business practices). The result is a more diversified portfolio designed to be a core part of a client's growth equity allocation.

How We Make Investment Decisions

New ideas for the portfolio come from diverse sources, and can be put forward by members of the Sustainable Growth Team or Investment Scouts. Investment opportunities are analysed using the nine-question "compass" framework, designed to help understand the long-term investment case. Sustainable Growth embeds sustainability analysis into each and every step of this investment process. To this end the Sustainable Growth team is a blend of experienced investors and specialist sustainability experts.

Research is debated in regular stock discussion meetings, where the growth and sustainability cases are considered together - as we believe these are inexorably linked. Buy, sell and position sizing decisions are discussed in separate portfolio review meetings. Final decisions are the responsibility of the lead investment managers, who determine portfolio construction, subject to the strategy's risk guidelines.

Key Material Medium to Long Term Risks

Fundamental risk - the permanent loss of capital and the risk of missing out on companies which subsequently post strong returns. We therefore place significant emphasis in our investment management process on understanding the fundamentals of the companies in which we invest, including environmental, social and governance factors (ESG), which may impact the sustainability of future growth.

Portfolio risk - a failure to maintain an appropriate level of diversification at the strategy level. A series of investment guidelines are in place which are intended to ensure that there is a sufficient level of diversification.

Liquidity risk - a failure to maintain appropriate level of liquidity at the strategy level. We have a series of guidelines that ensure the strategy remains sufficiently liquid to enable positions to be exited or client cash flows to be managed with minimal impact.

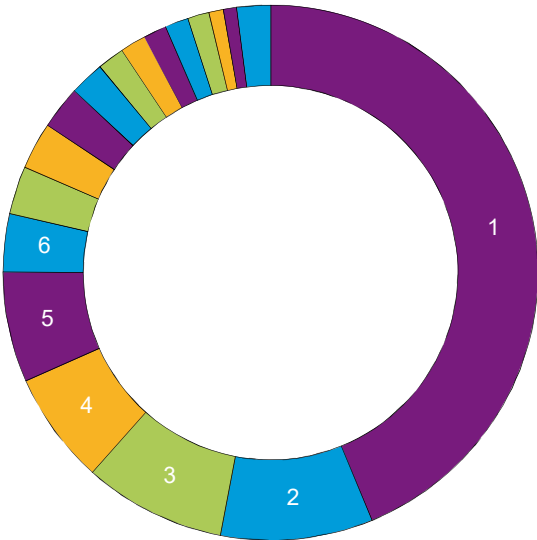
Portfolio Composition

The Fund invests in an actively managed portfolio of stocks from around the world with the intention of delivering significantly higher returns than the MSCI ACWI Index. We focus on companies that are sustainable in both senses of the world, delivering enduring growth and enduring good for society. We typically hold 55-80 stocks and seek to outperform the MSCI ACWI by 2-3% per annum over rolling five year periods (the stated objective is in no way guaranteed). Our research framework ensures that we avoid companies whose products or behaviours may cause significant harm to society, or where the company does not deserve our trust.

Top Ten Holdings

Asset Name	% of Portfolio
Workday Inc	3.9
MercadoLibre	3.5
Atlas Copco B	3.1
TSMC	2.9
Beijer Ref	2.9
Shopify 'A'	2.9
UnitedHealth	2.7
Recruit Holdings	2.6
IMCD Group NV	2.6
Alphabet Inc Class A	2.6

Geographic Analysis of Total Assets



	%
1 United States	43.8
2 Sweden	9.2
3 Japan	8.6
4 UK	6.8
5 France	6.7
6 Brazil	3.5
7 Taiwan	2.9
8 Canada	2.9
9 Netherlands	2.6
10 Denmark	2.1
11 Hong Kong	1.6
12 Germany	1.5
13 India	1.4
14 Luxembourg	1.4
15 Finland	1.3
16 China	0.9
17 South Korea	0.8
18 Cash	2.0

Source: Baillie Gifford & Co.
Please note that totals may not add due to rounding.

Turnover and Turnover (Transaction) Costs

	%
Rolling One Year Turnover	28

Rolling One Year Turnover is calculated as the lesser of the sum of all purchases and the sum of all sales in each month divided by the monthly average market value, summed over 12 months. Turnover is a measure of average investment horizon, the lower the turnover the longer the average investment horizon.

Transaction costs:	%
Explicit transaction costs	0.05
Implicit transaction costs	0.08

Explicit costs are directly observable and include broker commissions and transaction taxes and fees. Implicit costs are the indirect costs associated with buying and selling of securities. Specifically, implicit costs represent the differential between the actual transaction price (excluding taxes and commissions) and the mid-market price of the asset when the order to transact was transmitted to a third-party. Due to the methodology used, overall transaction costs may be 'negative' if individual securities are purchased below the prevailing mid-price or conversely sold above the mid-price. Current MiFID II guidance requires us to disclose these costs, even if they result in a negative figure (i.e. an implicit gain to the investor).

Our Governance and Sustainability Approach

We look beyond current financial performance, undertaking proprietary research to build up an in-depth knowledge of an individual company and a view on their long-term prospects, including material governance and sustainability factors which we believe will positively or negatively affect the financial returns of an investment. In keeping with our decentralised and autonomous culture, we are comfortable with our various investment strategies taking different approaches to reach the same goal of properly assessing and weighing up governance and sustainability considerations in the investment process. Further information regarding our approach is detailed in our Governance and Sustainability Principles and Guidelines available in the About Us section of our website.

Our Approach to Voting and Engagement

Thoughtful voting of our clients' holdings is an integral part of our commitment to stewardship. Our Governance and Sustainability team oversees our voting analysis and execution in conjunction with our investment managers. Unlike many of our peers, we do not outsource the responsibility of voting to third-party suppliers. We utilise research from proxy advisers for information only. Additionally, Baillie Gifford does not lend securities on behalf of our clients. Where a client chooses to lend securities, we may consider requesting that clients recall any securities on loan to enable us to vote if we deem a meeting to be significant or contentious.

We engage regularly with management and board members to identify and understand issues and to monitor performance. Analysts from the Governance and Sustainability team regularly join our investors for these meetings, in addition to meetings that they will arrange directly with company representatives to discuss specific issues. Further details of Baillie Gifford's approach to voting and engagement is outlined in our Governance and Sustainability Principles and Guidelines document available in the About Us section of our website.

Detailed below are the engagements and the most significant votes we have carried out.

Company Engagement

Engagement Type	Company
Environmental	10x Genomics, Inc., Advanced Drainage Systems, Inc., Amazon.com, Inc., Cognex Corporation, DSV A/S, Fanuc Corporation, IMCD N.V., JD.com, Inc., Meituan, MercadoLibre, Inc., Moderna, Inc., NVIDIA Corporation, Shopify Inc., Spirax-Sarco Engineering plc, Tesla, Inc., Texas Instruments Incorporated, Watsco, Inc., Westinghouse Air Brake Technologies Corporation
Social	10x Genomics, Inc., Amazon.com, Inc., DSV A/S, Fanuc Corporation, HDFC Life Insurance Company Limited, Illumina, Inc., JD.com, Inc., Meituan, Moderna, Inc., Nintendo Co., Ltd., Recruit Holdings Co., Ltd., Shopify Inc., Tesla, Inc., UnitedHealth Group Incorporated
Governance	10x Genomics, Inc., Alphabet Inc., Amazon.com, Inc., Beijer Ref AB (publ), Cognex Corporation, DSV A/S, Dassault Systèmes SE, Eurofins Scientific SE, Exact Sciences Corporation, Fanuc Corporation, HDFC Life Insurance Company Limited, IMCD N.V., Illumina, Inc., JD.com, Inc., L'Oreal S.A., MarketAxess Holdings Inc., Mastercard Incorporated, Meituan, Moderna, Inc., NIBE Industrier AB (publ), NVIDIA Corporation, Nintendo Co., Ltd., Prudential plc, Rakuten Group, Inc., Recruit Holdings Co., Ltd., STAAR Surgical Company, Sartorius Stedim Biotech S.A., Schneider Electric S.E., Shopify Inc., Spirax-Sarco Engineering plc, Starbucks Corporation, Taiwan Semiconductor Manufacturing Company Limited, Tesla, Inc., Texas Instruments Incorporated, The Trade Desk, Inc., Waters Corporation, Workday, Inc.
Strategy	Amazon.com, Inc., Tesla, Inc.

Voting Activity

Votes Cast in Favour	Votes Cast Against	Votes Abstained/Withheld
Companies	64	5
Resolutions	801	5

Significant Votes Cast in Favour

Company	Meeting Details	Voting Rationale
adidas	AGM 11/05/23 Resolution(s): 5, 6	We voted in favour of routine proposals at the aforementioned meeting(s). This resolution is significant because it received greater than 20% opposition.
Advanced Drainage Systems	Annual 20/07/23 Resolution(s): 1e	We voted in favour of routine proposals at the aforementioned meeting(s). This resolution is significant because it received greater than 20% opposition.
AIA Group	AGM 18/05/23 Resolution(s): 9	We voted in favour of routine proposals at the aforementioned meeting(s). This resolution is significant because it received greater than 20% opposition.
Alphabet Inc Class A	Annual 02/06/23 Resolution(s): 18	We supported a shareholder resolution on equal voting rights as we believe this is in the best interests of shareholders. This resolution is significant because it was submitted by shareholders and received greater than 20% support.

Company	Meeting Details	Voting Rationale
Amazon.com	Annual 24/05/23 Resolution(s): 10	We supported a shareholder resolution requesting a report on how the company's climate strategy is consistent with a 'just' transition. Amazon's pledge to reach net zero by 2040 suggests dramatic transformations are imminent. We believe they should carefully consider the impacts their climate strategy will have on stakeholders and any barriers to implementation. This resolution is significant because it was submitted by shareholders and received greater than 20% support.
Amazon.com	Annual 24/05/23 Resolution(s): 12	We supported a shareholder resolution requesting a report on how its lobbying is consistent with its climate commitments. We would like to see the company expand on their current reporting, specifically regarding risk assessment and procedures. We believe ensuring congruence between their stated commitments and their actions will support them in achieving sustainable long term growth. This resolution is significant because it was submitted by shareholders and received greater than 20% support.
Amazon.com	Annual 24/05/23 Resolution(s): 13	We supported a shareholder resolution on gender/racial pay gap reporting. We have supported this resolution at Amazon for the last three years. We believe that women and minorities are underrepresented in leadership positions compared with the broader workforce, and reporting the unadjusted median gap would help to assess structural bias regarding job opportunity and pay. We believe a diverse workforce supports future business growth. This resolution is significant because it was submitted by shareholders and received greater than 20% support.
Amazon.com	Annual 24/05/23 Resolution(s): 16	We supported a shareholder resolution on freedom of association. In light of several recent high profile controversies, we believe that shareholders would benefit from a more thorough examination of the compliance of the company's policies and practices with international fundamental rights. This resolution is significant because it was submitted by shareholders and received greater than 20% support.
Amazon.com	Annual 24/05/23 Resolution(s): 1g, 3	We voted in favour of routine proposals at the aforementioned meeting(s). This resolution is significant because it received greater than 20% opposition.
Amazon.com	Annual 24/05/23 Resolution(s): 22	We supported a shareholder resolution requesting a report on plastic use. Plastic pollution poses financial, operational and reputational risks to the company. While we continue to believe that Amazon are making progress, we think more could be done particularly with regards to how they influence their manufacturers in reducing their usage. We also believe the company lags peers who disclose total plastic use and reduction targets. Better addressing this issue will help position the company for long term future growth. This resolution is significant because it was submitted by shareholders and received greater than 20% support.
Chegg	Annual 07/06/23 Resolution(s): 3	We voted in favour of routine proposals at the aforementioned meeting(s). This resolution is significant because it received greater than 20% opposition.

Company	Meeting Details	Voting Rationale
ITM Power	AGM 29/09/23 Resolution(s): 2	We voted in favour of routine proposals at the aforementioned meeting(s). This resolution is significant because it received greater than 20% opposition.
Moderna Inc	Annual 03/05/23 Resolution(s): 1.001, 1.003	We voted in favour of routine proposals at the aforementioned meeting(s). This resolution is significant because it received greater than 20% opposition.
Netflix Inc	Annual 01/06/23 Resolution(s): 1c, 3	We voted in favour of routine proposals at the aforementioned meeting(s). This resolution is significant because it received greater than 20% opposition.
Netflix Inc	Annual 01/06/23 Resolution(s): 8	We supported a shareholder resolution requesting that the company adopt and disclose a freedom of association and collective bargaining policy. Labour issues are identified as a material risk in the company's financial statements and we believe that shareholders would benefit from a greater understanding of Netflix's policy and approach to this matter. Its lack of policy lags other large technology companies and may open it up to increased reputational risk, particularly in light of past and ongoing controversies. This resolution is significant because it was submitted by shareholders and received greater than 20% support.
Pacira BioSciences	Annual 13/06/23 Resolution(s): 1.002, 4	We voted in favour of routine proposals at the aforementioned meeting(s). This resolution is significant because it received greater than 20% opposition.
Progyny	Annual 24/05/23 Resolution(s): 1.2, 1.3, 3	We voted in favour of routine proposals at the aforementioned meeting(s). This resolution is significant because it received greater than 20% opposition.
Samsung SDI Co Ltd	AGM 15/03/23 Resolution(s): 2.1	We voted in favour of routine proposals at the aforementioned meeting(s). This resolution is significant because it received greater than 20% opposition.
Shopify 'A'	Annual 27/06/23 Resolution(s): 3	We voted in favour of routine proposals at the aforementioned meeting(s). This resolution is significant because it received greater than 20% opposition.
Staar Surgical	Annual 15/06/23 Resolution(s): 1.003	We voted in favour of routine proposals at the aforementioned meeting(s). This resolution is significant because it received greater than 20% opposition.
Starbucks Corp	Annual 23/03/23 Resolution(s): 8	We supported a shareholder proposal on freedom of association. In light of several recent high profile controversies, we believe that shareholders would benefit from a more thorough examination of the compliance of the company's policies and practices with international fundamental rights. This resolution is significant because we identified a material E, S or G issue which resulted in Baillie Gifford opposing management.
Tesla Inc	Annual 16/05/23 Resolution(s): 1.2	We voted in favour of routine proposals at the aforementioned meeting(s). This resolution is significant because it received greater than 20% opposition.

Company	Meeting Details	Voting Rationale
Texas Instruments	Annual 27/04/23 Resolution(s): 6	We supported a shareholder resolution to lower the threshold to call special meetings, as we believe that the requested level would strike an appropriate balance between attainability for shareholders and protecting the company from inappropriate use of this right. This resolution is significant because it was submitted by shareholders and received greater than 20% support.
Twilio Inc	Annual 13/06/23 Resolution(s): 1.003, 3	We voted in favour of routine proposals at the aforementioned meeting(s). This resolution is significant because it received greater than 20% opposition.
Upwork Inc	Annual 09/06/23 Resolution(s): 1b	We voted in favour of routine proposals at the aforementioned meeting(s). This resolution is significant because it received greater than 20% opposition.
Zalando SE	AGM 24/05/23 Resolution(s): 6, 7.3	We voted in favour of routine proposals at the aforementioned meeting(s). This resolution is significant because it received greater than 20% opposition.

Significant Votes Cast Against

Company	Meeting Details	Voting Rationale
10X Genomics Inc Class A	Annual 14/06/23 Resolution(s): 3	We opposed executive compensation due to concerns with the grant of equity awards with share price hurdles. We do not believe that share price is an appropriate performance metric or that these particular awards will necessarily reward a long term, sustained growth in share price, and therefore do not believe that these awards are in the best interests of shareholders. This resolution is significant because we opposed remuneration.
Adevinta	AGM 29/06/23 Resolution(s): 7	We opposed the remuneration report due to concerns with the use of discretion to allow long term awards to vest when the performance condition was not met. This resolution is significant because we opposed remuneration.
Alphabet Inc Class A	Annual 02/06/23 Resolution(s): 4	We opposed executive compensation as we do not believe the performance conditions are sufficiently stretching. This resolution is significant because it received greater than 20% opposition.
Amazon.com	Annual 24/05/23 Resolution(s): 21	We opposed a shareholder resolution requesting a third-party audit on warehouse working conditions. We opposed this resolution last year and believe the company have continued to improve and enhance their disclosures, for example now disclosing injury rates. We believe the enhanced disclosure will allow us to monitor progress on this issue and don't think additional disclosure is necessary at this time. This resolution is significant because it was submitted by shareholders and received greater than 20% support.
Amazon.com	Annual 24/05/23 Resolution(s): 23	We opposed a shareholder resolution on customer use of certain technologies. We think the company has demonstrated adequate responsiveness to the concerns and requests outlined by the proponent. This resolution is significant because it was submitted by shareholders and received greater than 20% support.

Company	Meeting Details	Voting Rationale
Amazon.com	Annual 24/05/23 Resolution(s): 7	We opposed a shareholder resolution requesting a report on customer due diligence. The company continues to demonstrate they are being proactive and we do not share the proponent's concerns. This resolution is significant because it was submitted by shareholders and received greater than 20% support.
Cognex Corp	Annual 03/05/23 Resolution(s): 1.2	Following engagement with the company, we opposed the re-election of a non-executive director. We were unconvinced by the company argument for her continued position on the board. This resolution is significant because we opposed the election of a director.
Cosmo Pharmaceuticals	AGM 26/05/23 Resolution(s): 7	We opposed the authority to grant options to the board as non-executive directors are eligible to participate. This resolution is significant because we opposed remuneration.
Illumina	AGM 25/05/23 Resolution(s): 3	We opposed executive compensation as we did not agree with the decision to make one-off retention grants to named executive officers, in addition to annual variable incentive grants, given recent company performance. This resolution is significant because we opposed remuneration.
MarketAxess Holdings	Annual 07/06/23 Resolution(s): 2	We opposed the ratification of the auditor because of the length of tenure. We believe it is best practice for the auditor to be rotated regularly as this works to ensure independent oversight of the company's audit process and internal financial controls. This resolution is significant because we opposed the election of auditors.
Mastercard	Annual 27/06/23 Resolution(s): 8	We opposed a shareholder resolution requesting a report on lobbying payments and policy. We believe that the company's existing disclosures on this topic are sufficient. We also note that the company is regarded as a leader in political disclosure and accountability in the CPA Zicklin Index, issued by an independent not-for-profit organisation. This resolution is significant because it was submitted by shareholders and received greater than 20% support.
Netflix Inc	Annual 01/06/23 Resolution(s): 5	We opposed a shareholder resolution to amend the requirements for shareholders to call a special meeting. We do not agree that removing the requirement to have held stock for at least a year is in the interests of long term shareholders. This resolution is significant because it was submitted by shareholders and received greater than 20% support.
Ocado	AGM 02/05/23 Resolution(s): 2	We opposed the remuneration report due to concerns over the tranche of the VCP and the lowered targets, which we do not find sufficiently stretching. This resolution is significant because it received greater than 20% opposition.
Pacira BioSciences	Annual 13/06/23 Resolution(s): 3	We continue to oppose executive compensation as we continue to think that an annual performance period for the performance-based component of the long term incentive plan is not sufficiently long term. This resolution is significant because we opposed remuneration.

Company	Meeting Details	Voting Rationale
Texas Instruments	Annual 27/04/23 Resolution(s): 7	We opposed a shareholder resolution on the report on due diligence efforts to trace end-user misuse of company products, as we are satisfied with the steps the company have already taken. This resolution is significant because it was submitted by shareholders and received greater than 20% support.
Waters	Annual 23/05/23 Resolution(s): 3	We opposed the executive compensation policy as we do not believe the performance conditions are sufficiently stretching. This resolution is significant because we opposed remuneration.
Zoom	Annual 15/06/23 Resolution(s): 3	We opposed executive remuneration due to concerns over the inappropriate use of discretion. We believe that the large off-cycle payments made to the executives during the year do not reflect the experience of long-term shareholders, nor underpin future long-term performance due to the absence of performance targets attached. This resolution is significant because it received greater than 20% opposition.

Significant Abstentions

Company	Meeting Details	Voting Rationale
Upwork Inc	Annual 09/06/23 Resolution(s): 3	We abstained on the advisory vote on compensation due to short performance periods under the long-term plan, overlapping metrics and targets between the short- and long-term plan, and concerns over quantum. This resolution is significant because it received greater than 20% opposition.

Conflicts of Interest

Baillie Gifford maintains a firm-wide Conflicts Matrix, which identifies conflicts and potential conflicts of interest that exist within the firm, and the procedures and controls that have been adopted to manage these conflicts. Baillie Gifford's firm wide conflict of interest disclosure is available in the Important Disclosures area of our website

We recognise the importance of managing potential conflicts of interest that may exist when we engage with or vote at a company with whom we have a material business or personal relationship and the Governance and Sustainability team is responsible for monitoring these possible material conflicts of interest.

The Governance and Sustainability team's approach to dealing with conflicts of interest in relation to voting and engagement can be found in our Investment Stewardship Activities report which is available in the Governance and Sustainability area of our website.

