

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.

UNGC: The product 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.

Net Zero: The Investment Adviser will manage the portfolio to support the goal of net zero greenhouse gas ('GHG') emissions by 2050 or sooner, in line with global efforts to limit warming to 1.5C ("net zero"). As part of this process, all portfolio companies are actively assessed and prioritised for engagement for their alignment with net zero on an ongoing basis.

Propriety Assessment Framework: The Fund uses a proprietary assessment framework which focuses on material ESG factors that could have a significant impact on a investment's long-term financial performance and risks. The framework addresses the relevant ESG factors, by assessing the following categories: (i) the potential impact of a company's products and operations on the environment and society, (ii) the company's ambition to either further or address that impact, and (iii) the level of trust that the Investment Adviser considers investors should have in the management team and the board of the company. Using a scoring system, where an investment is assessed as not being responsible then that investment will be excluded from the Fund.

Exclusions: The Fund applies revenue-based exclusions for companies which derive a significant degree (>10%) of their annual revenues from (i) the production or sale of tobacco, alcohol or adult entertainment, (ii) the production of military weapon systems and components, and provision of support services for production of military weapon systems and components, (iii) fossil fuel extraction and production, or (iv) the provision of gambling services.

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, but it promotes environmental and/or social characteristics through the application of norms-based screening, through its use of a positive inclusion proprietary framework and its net zero assessment process.

Sustainability Metrics

[Investment Adviser's assessment of portfolio companies' net zero targets through its 'Climate Audit' process](#)

 <p>Leading</p>	 <p>Preparing</p>	 <p>Lagging</p>
<p>Companies committed to reductions in line with their fair share of a science-based 1.5C-aligned pathway, with appropriate demonstrations of targets, intent and strategic coherence.</p>	<p>Companies with disclosure and narrative that suggest they are preparing to set 1.5C-aligned targets in the near future.</p>	<p>Companies lacking sufficient disclosure or suitably robust targets, where the pathway to improvement is currently uncertain.</p>
<p>Leading: 49% of portfolio companies by count</p>	<p>Preparing: 27% of portfolio companies by count</p>	<p>Lagging: 22% of portfolio companies by count</p>

Source: Assessed according to Baillie Gifford's internal assessment framework described in the firmwide [TCFD-aligned Climate Report](#). As at 30 September 2024. Excludes cash.

The Investment Adviser uses the categories above to determine whether companies in the portfolio are aligned with the goal of net zero greenhouse gas emissions by 2050 or sooner. Companies in the leading bucket are considered to be aligned already; those in the preparing category are deemed to be on track to be aligned; and those in the lagging category are not deemed to be on track at the current time. The Investment Adviser anticipates these figures will improve over time. 2% of portfolio companies by count did not have assessments available as at 30 September 2024.

Exposure to fossil fuel activities

These metrics show the exposure of the portfolio to any companies generating 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.

	30 September 2024	
	Portfolio	Benchmark
% of total AUM invested in companies with > 5% revenues from oil and/or gas activities ¹	0	8
% of total AUM invested in companies with > 5% revenues from thermal coal mining and sale ²	0	0
% of total AUM invested in companies with > 5% revenues from thermal coal power generation	0	1

Source: Baillie Gifford, MSCI, FactSet. Benchmark refers to the MSCI ACWI Index

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](#).

	30 September 2024
	Portfolio
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

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

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, or email enquiries@bailliegifford.com.

¹ 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.

² 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.