



UK & Worldwide Equity Fund

Net Zero Alignment Commitment

2023

The undernoted applies to the following vehicles:

Baillie Gifford UK & Worldwide Equity Fund

Climate change and the energy transition pose risks and provide opportunities which will have a material impact on future investment returns. Our stewardship of client assets requires active consideration of the deep systems change that is unfolding.

The Baillie Gifford UK & Worldwide Equity Fund ('the Fund') commits 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.

Achieving this global goal will require that different sectors and regions move at different speeds. It will require the transition of existing industries as well as the development of innovative new solutions.

To guide our actions, we have integrated the following commitments and actions into the Fund's approach:

- i. By 2030, we commit that 75 per cent of the Fund's holdings by count will have strategies and targets that demonstrate robust alignment* with the achievement of global net zero emissions by 2050. All holdings will be so-aligned by 2040. New buys will have an extra two years to meet the commitment.
- ii. We expect the increasing alignment of companies in which the Fund is invested to result in both direct and indirect support for the development of climate solutions.
- iii. We commit that our equity teams responsible for the management of the Fund will incorporate climate-specific analysis into their investment research. This will inform our decisions about engagement priorities and potential divestments.

We accept that overall global progress towards net zero, and thus the pace at which companies are able to align, remains subject to effective policy support. We will review our targets and commitments at least every five years, and report on progress and action at least annually.

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.

* Alignment will be assessed on a company-by-company basis paying due attention to the realities of specific industries and regions. We expect the pace of the climate transition, and the science to evaluate climate outcomes, to continue to evolve. We commit to the ongoing development and refinement of our assessment process.

This commitment excludes the Fund's holdings in cash and pooled funds.

Risk Factors and Important Information

All investment strategies have the potential for profit and loss, your or your clients' capital may be at risk. Past performance is not a guide to future returns.

This communication contains information on investments which does not constitute independent research. Accordingly, it is not subject to the protections afforded to independent research and Baillie Gifford and its staff may have dealt in the investments concerned.

The Fund has exposure to foreign currencies and changes in the rates of exchange will cause the value of any investment, and income from it, to fall as well as rise and you may not get back the amount invested.

Custody of assets involves a risk of loss if a custodian becomes insolvent or breaches duties of care.

The Fund's share price can be volatile due to movements in the prices of the underlying holdings and the basis on which the Fund is priced.

Baillie Gifford & Co and Baillie Gifford & Co Limited are authorised and regulated by the Financial Conduct Authority (FCA). Baillie Gifford & Co Limited is an Authorised Corporate Director of OEICs.

All information is sourced from Baillie Gifford & Co and is current unless otherwise stated.

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