

Baillie Gifford™

Sustainable Growth

Sustainability Report 2025



Risk factors

The views expressed should not be considered as advice or a recommendation to buy, sell or hold a particular investment. They reflect opinion and should not be taken as statements of fact nor should any reliance be placed on them when making investment decisions.

This communication was produced and approved in September 2025 and has not been updated subsequently. It represents views held at the time of writing and may not reflect current thinking.

All data is based on a representative portfolio, as at 30 June 2025, unless otherwise stated.

Potential for profit and loss

All investment strategies have the potential for profit and loss. Past performance is not a guide to future returns. It should not be assumed that recommendations/transactions made in the future will be profitable or will equal performance of the securities mentioned.

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

The images used in this article are for illustrative purposes only.

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Foreword

Can it be true that lightbulb production is more tightly regulated than artificial intelligence? How can the fight against antimicrobial resistance save more lives than eradicating malaria? And do we really need to replace all fossil fuel energy with renewables? You'll find answers to these questions and more in our third annual sustainability report, which we hope you find even more insightful than last year.

Our theme this year is *The Unexpected Engines of Progress*. We profile companies rarely seen in sustainable portfolios – from The New York Times, whose digital transformation is strengthening democratic accountability, to Nintendo, a company tackling the content crisis in video gaming.

By looking beyond the usual ESG favourites, we uncover businesses that enjoy the structural tailwinds that solving big global challenges brings, able to build a much more diversified portfolio, but with the portfolio diversity that can see good performance in a wide range of market environments. We believe that mission-driven companies that approach these challenges in a unique, differentiated way have better access to talent. They also tend to run leaner operations and face fewer reputational risks – advantages that should translate into superior long-term returns.

That's why we believe genuinely sustainable businesses are positioned to outpace their rivals over time, restoring the performance edge our clients expect after a challenging spell. Our conviction in this philosophy has only strengthened – and we were pleased the strategy earned independent recognition this year when the UK regulator granted us its Sustainability Focus label, a benchmark that only a handful of managers have achieved.

As with last year, our report is structured around the broad sustainability themes of people, planet and prosperity. Within each pillar we explore two deep-dive case studies – one focussed on product impact and the other on business practice influence. Following your feedback, we continue to report the portfolio's alignment with the Sustainable Development Goals, as well as the crucial carbon metrics that evidence our continued progress towards our net zero commitment.

We are proud of the companies we back and of the transparency with which we report on them. As always, your feedback shapes how we improve. We hope the pages that follow both inform and inspire –and perhaps even surprise.

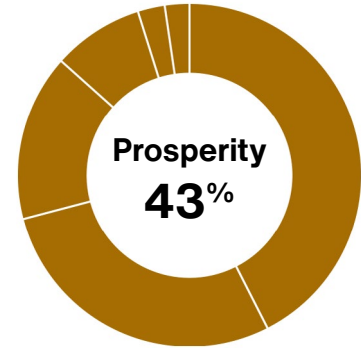
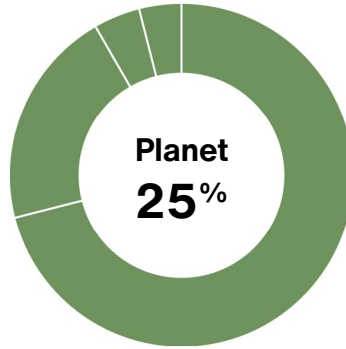
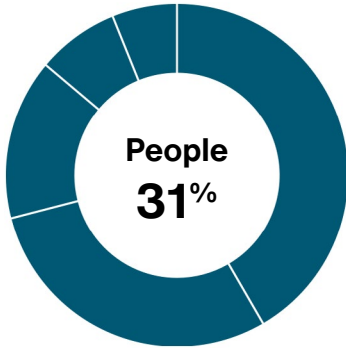
Katherine Davidson, Toby Ross and the Sustainable Growth Team.

At a glance



Products 59.9%

Practices 39.5%

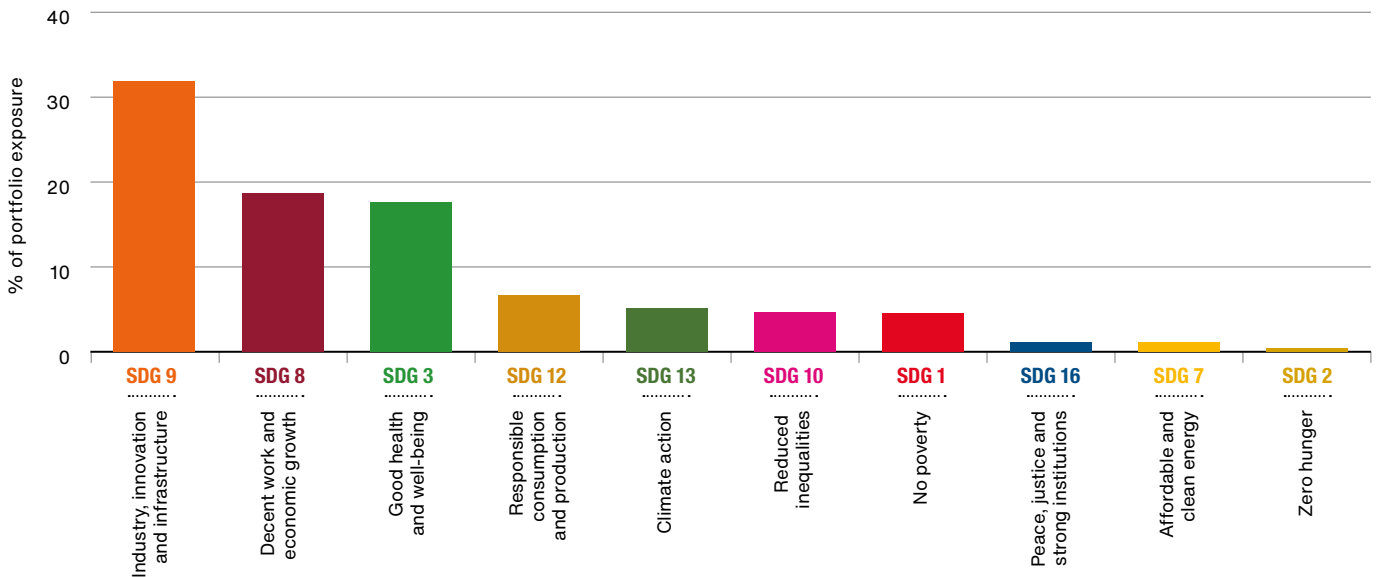


	%
Extending life expectancy	12.9
Deepening financial inclusion	9.1
Enhancing access to healthcare	4.7
Improving food security	2.4
Promoting strong institutions	1.9

	%
Doing more with less	17.9
Adapting to climate change	5.2
Enabling the energy transition	1.1
Preserving natural capital	1.0

	%
Supporting innovation for growth	18.4
Lowering barriers to entrepreneurship	12.3
Fair and decent work	6.8
Safer lives online	3.7
Encouraging fair and transparent markets	1.1
Supply chains with integrity	1.0

Sustainable Development Goal Alignment



Portfolio has exposure to ten of the UN's 17 Sustainable Development Goals. No direct exposure to SDGs 4, 5, 6, 11, 14, 15 and 17.

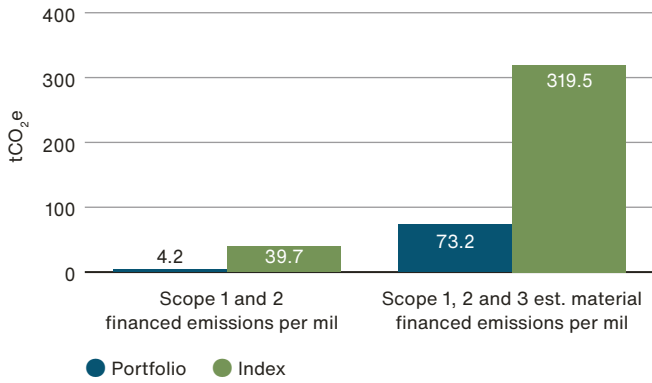
54%
of the portfolio engaged with by value

44
strategy level engagements over the year

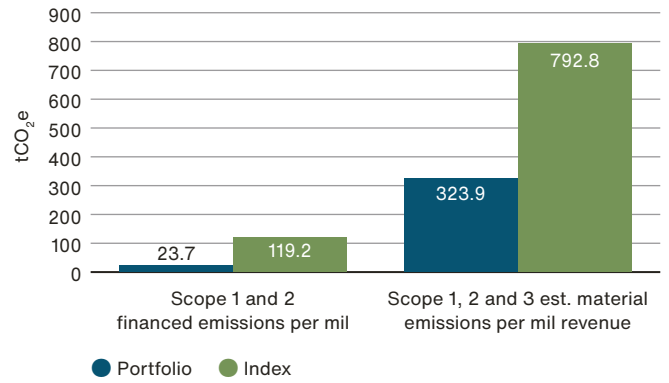
82
themes engaged on

All data is as at 30 June 2025. Totals may not sum due to rounding.

Carbon footprint

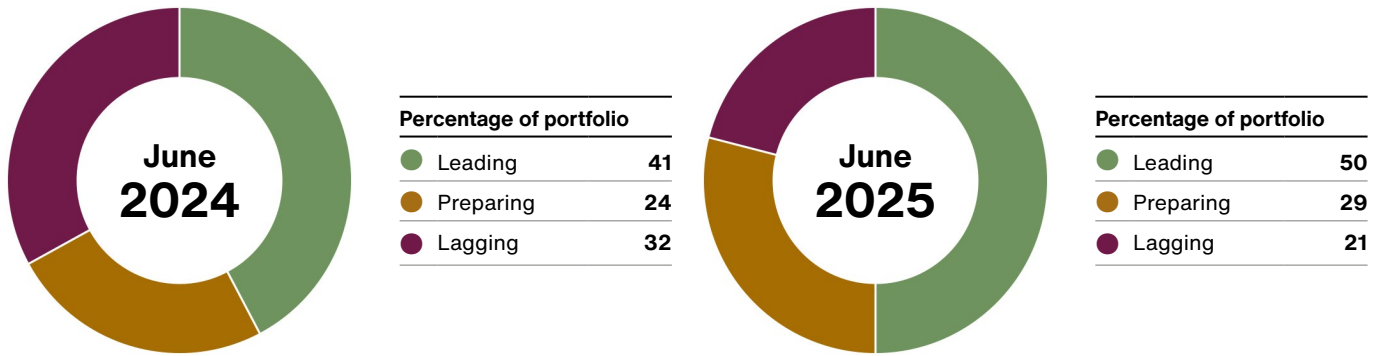


Weighted average carbon intensity



Baillie Gifford, MSCI. Carbon Footprint (tCO₂e)/\$m: Normalised measure of a portfolio’s contribution to climate change that enables comparison with a benchmark, between portfolios and between individual investments. Metric is Total Carbon Emissions expressed in tCO₂e per million currency invested. Weighted Average Carbon Intensity by Revenue (tCO₂e/\$m revenue) – The aggregate GHG emissions of a company scaled by some measure of their size (revenue, EVIC). Data is fact-checked by our ESG analysts and is considered correct at the time of publishing.

Net zero alignment



2% of total AUM was not assessed. Totals may not sum due to rounding.

Totals may not sum due to rounding.

The portfolio is managed 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”). More information on our net zero alignment can be found on **page 20**.

Exclusions

Rule based*

Exclude companies that derive more than 10 per cent of their annual revenue from:

Alcohol	Fossil fuels	Tobacco
Adult entertainment	Armaments	Gambling

*Limits vary between pooled funds, particularly in respect of tobacco restrictions and fossil fuels. Our Worldwide imposes a 10% limit on activities related to the exploration, extraction, distribution, and refining of oil and gas, and also restricts generating 1% or more of revenues from the exploration, mining, extraction, distribution, and refining of thermal coal. For more information, please refer to the fund prospectuses.

A portfolio to be proud of

Sustainable Growth is based on the fundamental belief that sustainable investment, done properly, will produce superior returns across the cycle. To us, this means allocating capital to companies that deliver enduring growth by creating value for society. We believe that the firms facing society’s biggest challenges are better placed to see their growth endure for decades. And vice versa, companies delivering long-term growth are in a stronger position to create value as their sphere of influence grows. We look to harness these virtuous circles on our clients’ behalf, generating returns to be pleased with from a portfolio to be proud of.

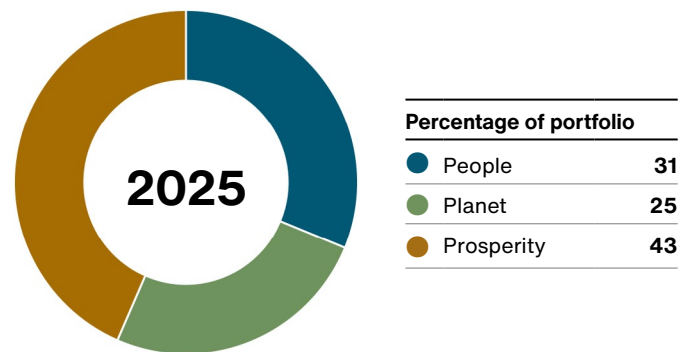
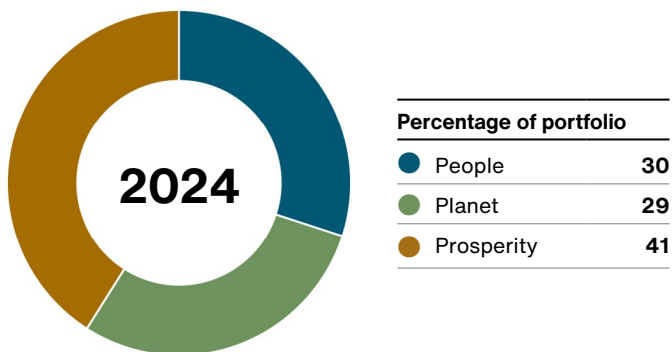
Like other sustainable investors, we believe companies with impactful products or services can create the societal value we seek. But we also value the influence of strong business practices, which can role model good behaviours and raise industry standards. Viewing sustainability through a wide-angle lens allows us to build a diversified portfolio, holding companies such as bioMérieux, which provides medical diagnostics, as well as less obvious firms such as Mastercard, which has ambitious goals for financial inclusion. Business practices are complex and nuanced, so more difficult to analyse,

but we have the time and resources to gain a deep understanding here, and we embrace this complexity as a key source of our edge in sustainable investment.

Our research framework provides a robust and repeatable process for analysing investment opportunities. It allows direct comparison of existing and prospective holdings and ensures consistent standards for what we consider to be a sustainable company. Given our forward-looking, long-term approach, our analysis is primarily qualitative in nature. However, we draw on a range of quantitative inputs to form these opinions. In the past year, we’ve increasingly used artificial intelligence to help us widen the funnel of inputs to this process, and to provide unbiased challenge to the hypotheses we form as outputs.

We think the challenges facing society today can be grouped into three broad categories; the wellbeing of **people**, the protection of our **planet**, and the expansion of **prosperity**. Within these headline categories, we have identified a number of more specific themes, many of which align with the UN’s Sustainable Development Goals (SDGs).

Portfolio exposures to sustainability themes



All data is as at 30 June. Totals may not sum due to rounding.



Exposure to these themes is an output of our bottom-up stock-picking approach, rather than any top-down target. Given our low turnover, we would not expect to see major changes from year-to-year. Indeed, we can see only small movements since we reported on these themes in 2024. Our weighting in Prosperity has grown slightly at the expense of Planet, but the difference is marginal.

Idea generation has been strong across the board, with 12 new names added to the portfolio in the year. The split by theme amongst these names was broadly equal, as was the split of corresponding sales. This means the growing share of Prosperity

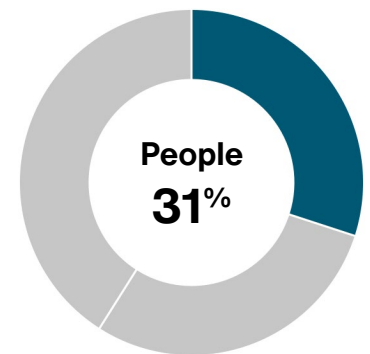
names is largely due to market movements. This makes sense as many of our best performers reside in this category, benefiting from the artificial intelligence boom. Including longstanding holdings such as TSMC and names like Microsoft.

The following sections give more detail on these themes, and we delve deeper into some of the newer names in the portfolio. We're proud of the value these companies are creating for the societies in which they operate, and we hope clients will be too after reading this report.

People

Over the past century, humanity has experienced unprecedented improvements in wellbeing, with more people enjoying a greater quality of life, better health, and expanded opportunities than ever before. According to the United Nations, global life expectancy has increased dramatically from approximately 32 years in 1900 to over 73 years today¹, whilst global literacy rates have risen from around 20% to over 80%². These achievements reflect our capacity for innovation, collaboration, and progress across multiple dimensions of development. Central to this transformation has been the expansion of global trade and financial systems, which have democratised access to goods, services, and opportunities. However, a key challenge for the next century remains expanding access even further, a challenge that forward-thinking businesses are uniquely positioned to address.

Approximately 1 in 4 adults worldwide still lack access to basic financial services³. This exclusion perpetuates poverty cycles and limits opportunities for entrepreneurship and economic advancement. Companies like **Wise** are addressing these barriers by revolutionising international money transfers, which are particularly vital for more than 200 million international migrants sending remittances to support families⁴ and the millions of SMEs conducting cross-border trade. Traditional money transfer services often charged fees exceeding 6%⁵ of the transfer amount, but innovative platforms like Wise have reduced these costs dramatically, promoting greater financial inclusion for individuals and SMEs who previously bore disproportionately high costs.



Company	Portfolio %
Mastercard	3.0
Illumina	2.6
Edwards	2.5
Wise	2.5
Prudential	2.3
Experian	2.1
Lineage	1.9
New York Times	1.9
Biomerieux	1.8
HDFC Life Insurance	1.6
UnitedHealth	1.6
AIA Group	1.5
Eurofins	1.5
Sartorius Stedim Biotech	1.0
Raia Drogasil	0.9
Centre Testing	0.8
Inspire	0.6
Moderna	0.5
Sweetgreen	0.5
Total	31.0

¹Global average life expectancy has more than doubled since 1900 - Our World in Data

²Literacy - Our World in Data

³Global Findex Database 2021 reports increases in financial inclusion around the world during the COVID-19 pandemic

⁴Remittances matter: 8 facts you don't know about the money migrants send back home | UN DESA | United Nations Department of Economic and Social Affairs

⁵Western Union Review: Rates, Fees & Safety 2025 | TopMoneyCompare

Access to fair and transparent credit assessment remains uneven globally. Credit scores have become the invisible infrastructure that determines access to housing, employment, and entrepreneurship opportunities. **Experian** is working to democratise this system, using its position as a leading credit bureau to promote financial inclusion by giving consumers greater insight into and control over the data that shapes their economic opportunities. This is particularly significant in emerging markets, where traditional credit histories may be sparse, but alternative data sources can reveal creditworthiness and unlock access to capital for millions of previously excluded individuals.

Insurance penetration in emerging markets remains critically low – just 35% of developed market levels⁶ - leaving billions vulnerable to financial devastation from illness, death, or disasters. This protection gap means that external shocks can devastate families financially and even push them into poverty. **Prudential** has positioned itself to capture rising demand for financial security as growing middle classes and rapid urbanisation weaken traditional family support systems across emerging markets in Asia and Africa. Leveraging its established brand recognition and multi-channel distribution network, the company expands access through digital platforms and low-cost offerings. This approach enables families to take entrepreneurial risks and invest confidently in education and retirement as healthcare costs rise.

The remarkable improvements in human health over the past century represent perhaps the most profound transformation in the human condition. Diseases that once decimated populations have been eliminated or dramatically reduced. These achievements reflect not just medical advances but also improvements in sanitation, nutrition, and healthcare. The development of sophisticated

testing and diagnostic capabilities enable early detection, treatment monitoring, and medical research. **Eurofins** operates in this ecosystem, providing analytical testing services that ensure the safety of our food supply, monitor environmental health threats, and support pharmaceutical development. Its work creates the foundation of trust and safety upon which modern life depends.

The frontiers of medical possibility continue to expand through innovative medical devices that transform treatment paradigms. **Edwards Lifesciences** exemplifies this transformation with its pioneering Transcatheter Aortic Valve Replacement (TAVR) technology, offering a minimally invasive alternative to open-heart surgery for aortic stenosis – a life-threatening condition affecting up to 25% of adults over 65. By replacing open-heart surgery with a pinprick procedure, TAVR dramatically shortens hospital stays and recovery times, and has more than doubled survival rates for severe cases. Despite these advances, only 13% of eligible US patients currently receive treatment, highlighting a significant unmet need. Through continued innovation and market leadership, Edwards is extending healthy life expectancy for millions and setting new standards in patient care.

As we look towards the future, the companies addressing these human challenges must navigate an increasingly complex landscape where technological capability must be matched by ethical responsibility and social impact. We believe that the businesses that will thrive are those that recognise that sustainable growth comes not just from serving existing customers better, but from expanding access to those who have been excluded from progress. By investing in companies that prioritise both financial returns and social impact, we can support a future where the remarkable achievements of the past century become the foundation for even greater improvements in human welfare in the century ahead.

⁶ https://www.genevaassociation.org/sites/default/files/research-topics-document-type/pdf_public/emerging_markets_web.pdf

Case study: The New York Times



© Sergii Figurnyi

Theme: **People**

Sub-theme: **Promoting strong institutions**

Practices



The New York Times (NYT) stands as one of the world’s most respected news organisations. Founded in 1851, the company has transformed from a traditional print publisher into a digital-first enterprise, now serving over 11.4 million subscribers globally⁷. Beyond news reporting, NYT has strategically diversified to create a comprehensive media ecosystem. This evolution has been supported by unparalleled global reach, cutting-edge digital capabilities, and the largest newsroom in an industry that has been contracting for years.

With over 5 billion people online⁸ and social media generating millions of posts daily, separating truth from falsehood is increasingly challenging. The news industry faces mounting pressures: information spreads faster than it can be verified, algorithms favour sensationalism, and economic constraints have led to newsroom cuts. This crisis is reflected in public trust, with only one in four Americans confident in the media⁹. In an environment where ‘alternative facts’ compete with verified reporting and anyone with a smartphone can become a publisher, source reliability has become critical.

The NYT addresses these challenges through three interconnected pillars that reinforce one another. The first pillar, rigorous fact-checking, represents a fundamental response to the misinformation crisis. Unlike many news organisations, the NYT has significantly expanded its fact-checking capabilities in direct response to the ‘fake news’ era.

Its high editorial standards are regularly used as a benchmark by other news organisations, showing clear influence.

This commitment to accuracy naturally extends into the second pillar: investigative excellence. The organisation’s investigative legacy spans generations, from exposing a \$200 million theft from New York City taxpayers in 1886 to revealing Harvey Weinstein’s decades of sexual harassment in 2017, sparking the #MeToo movement. These investigations demonstrate how quality journalism holds power accountable and catalyses systemic change.

What enables both rigorous fact-checking and investigative excellence is the third pillar: institutional credibility rooted in over a century of distinguished service. The NYT’s credibility stems from its unique ownership structure, with the Ochs- Sulzberger family, now in its fifth generation of leadership, maintaining control through a trust structure that prioritises editorial independence over short-term profits.

With almost 600 million monthly visitors¹⁰ the NYT’s reach demonstrates the vast potential audience for the monetisation of credible journalism. As democratic institutions face unprecedented challenges and misinformation campaigns become more sophisticated, expanding access to credible journalism becomes not just an opportunity but a societal necessity.

⁷ New York Times Reports 350,000 Additional Digital Subscribers – The New York Times

⁸ Digital Around the World – DataReportal – Global Digital Insights

⁹ More Americans trust the Trump administration than trust the media for fair, full, and accurate facts | YouGov

¹⁰ The New York Times (NYT) Webpage traffic Statistics 2025

Case study: bioMérieux



Theme: **People**

Sub-theme: **Extending healthy life expectancy**

Products



bioMérieux is a global leader in in-vitro diagnostics (IVD), specialising in tests that detect infectious diseases. The company was founded in the 1960s by Alain Mérieux, the grandson of Marcel Mérieux, a student of Louis Pasteur. Today, bioMérieux serves more than 160 countries across Clinical Applications (84% of revenue), focused primarily on infectious diseases through microbiology and molecular biology, and Industrial Applications (16%), providing quality control diagnostics for sectors like food and cosmetics.

The world faces an escalating infectious disease crisis driven by multiple converging factors that both increase vulnerability and accelerate transmission: an ageing global population is increasingly susceptible to infections, whilst climate change, urbanisation, and global mobility create ideal conditions for disease spread. Most critically, antimicrobial resistance (AMR) threatens to render many life-saving treatments ineffective, with drug-resistant infections already causing over 1 million deaths annually¹¹. Over the next 25 years, AMR could directly cause more than 39 million deaths¹².

Currently, half of all antibiotics are prescribed without pathogen identification, leading to antibiotic overuse that accelerates resistance development. Traditional diagnostic approaches can be slow and imprecise. In contrast, bioMérieux’s diagnostics enable faster and more accurate pathogen identification, facilitating earlier and more effective treatment. Its products span the whole continuum of the AMR

fight: confirming or ruling out bacterial infections, helping to identify pathogens and select the most appropriate treatment, and determining when patients can safely discontinue antibiotic treatment.

The company demonstrates its commitment to “making the world a healthier place” through substantial R&D investment, dedicating 13% of annual revenue to innovation, significantly above industry peers. This includes both internal development and strategic acquisitions, such as the 2014 purchase of BioFire Diagnostics, which brought breakthrough technologies capable of simultaneously identifying up to 30 different pathogens from a single sample.

Building upon this technology, bioMérieux developed Spotfire, a point-of-care extension of BioFire, bringing high-quality testing from centralised laboratories directly to community pharmacies and GP surgeries. This technology enables healthcare professionals to identify or rule out respiratory pathogens during the same consultation.

bioMérieux exemplifies a healthcare company creating enduring societal value. With its legacy of innovation, strong strategic leadership, and growing reach in both hospital and point-of-care settings, it is redefining the front line in infectious disease diagnostics. By advancing technologies that improve patient outcomes and combat antibiotic resistance, bioMérieux is not only enhancing public health but also carving out a leading role in one of medicine’s most urgent battles.

¹¹ Antibiotic resistance could cause 39 million deaths between now and 2050 — Nuffield Department of Medicine

¹² Global burden of bacterial antimicrobial resistance 1990–2021: a systematic analysis with forecasts to 2050 - The Lancet

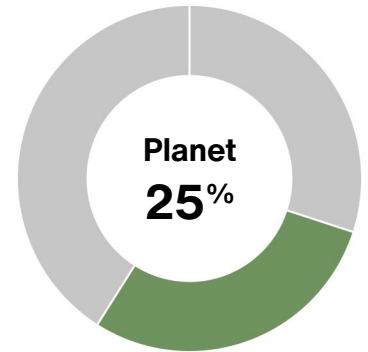
Planet

When the Energy Institute releases its 2024 data, it's likely to show that primary energy consumption reached an unprecedented 630 exajoules¹³ (EJ) globally, with fossil fuels still supplying around 80% (roughly 500 EJ) of this demand. Even as renewable power generation captures more than three-quarters of new energy demand growth, the entrenched legacy of fossil fuel infrastructure remains a formidable challenge to the energy transition.

Yet, there's a compelling – and often overlooked – optimism in the energy transition story. It's a common misconception that renewables must replace the entire volume of fossil-derived primary energy. The reality is far more encouraging: fossil fuels lose about 75% of their primary energy during conversion to usable forms, such as electricity or transportation, due to inherent inefficiencies in power plants and internal combustion engines. In other words, only about 25% (approximately 125 EJ) of fossil fuel energy actually delivers the services we rely on.

Renewables, by contrast, convert energy directly into usable electricity with much higher efficiency, sidestepping the wasteful losses of their fossil counterparts. This means the true target for renewables isn't the full 500 EJ, but rather the 125 EJ of useful energy output. This insight reveals that the energy transition is less daunting – and less resource-intensive – than it might appear when viewed through the lens of primary energy alone.

While the transition to renewables is underway, its pace is measured. That's why improving energy efficiency remains a crucial lever for reducing reliance on legacy fossil fuel systems. Many of the companies in our 'Planet' theme are investing heavily in research and development to help customers use less energy, either directly or indirectly.



Company	Portfolio %
DSV	2.9
Texas Instruments	2.3
Beijer Ref	2.2
Wabtec	2.0
Tetratech	2.0
Marsh	1.9
Atlas Copco	1.4
Advanced Drainage Systems	1.3
Spirax-Sarco	1.3
IMCD	1.1
Carlisle	1.1
Schneider Electric	1.1
L'Oréal	1.0
Savers Value Village	1.0
Kinaxis	1.0
Epiroc	0.9
Yeti	0.6
Total	25.2

¹³ One exajoule is equivalent to 1x10¹⁸ joules. For reference, the UK consumed 7.3 EJ in 2024

Wabtec, for example, is pioneering software and hardware solutions that boost the energy efficiency of freight locomotives. **Epiroc** and **Atlas Copco** are making similar strides in the mining, construction, and industrial equipment sectors, enhancing the efficiency of machinery and compressed air systems, often via electrification. **Spirax Group** is a leader in optimising industrial steam systems and thermal energy management, helping factories do more with less energy. **Carlisle** dominates the market for insulation of commercial buildings in the US, helping companies make buildings more energy efficient. And in the logistics arena, **DSV organises** transport routes to reduce inefficiencies and environmental impact.

Improving energy efficiency doesn't just make environmental sense – it makes business sense, too. Lower energy consumption translates to reduced operational costs and, as a welcome byproduct, lower carbon emissions. In today's climate, where discussions around sustainability can be politically charged, positioning energy efficiency as a driver of cost savings and operational excellence often resonates more strongly with customers than focusing solely on emissions reduction.

The shift toward more efficient renewable energy sources requires massive infrastructure upgrades to handle the increased complexity and variability of green power. The portfolio also has exposure to critical enablers such as **Schneider Electric**, which is at the forefront of this transformation, specialising in digital automation and energy management solutions that make electrical grids smarter and more resilient.

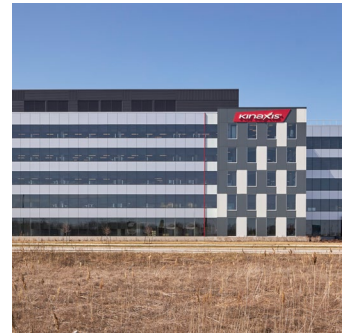
As renewable capacity expands globally, Schneider's products help utilities manage the unpredictable nature of wind and solar power while ensuring grid stability. Its comprehensive offering spans from energy storage systems to grid automation software. Last year, Schneider's solutions helped customers save and avoid 112 million tonnes of carbon emissions¹⁴ – roughly equivalent to Germany's annual emissions.

As climate change intensifies, companies and communities face mounting pressure to adapt infrastructure and operations to more extreme weather patterns. **Tetra Tech** leads the adaptation effort in water management, helping design systems that can withstand increased flooding and drought. **Advanced Drainage Systems** provides recycled plastic pipes that improve stormwater management in urban areas increasingly vulnerable to extreme weather events. Meanwhile, **Beijer Ref** and **Marsh McLennan** approach adaptation from different angles: Beijer ensures heating and air conditioning systems can handle more extreme temperatures efficiently, while Marsh helps organisations understand and manage evolving climate risks through sophisticated risk modelling and insurance solutions.

The need to reduce energy demand is enduring, both as a sustainability imperative and as a practical business strategy. However, the need goes beyond mitigation, to enablement and adaptation. The planet-focussed companies in the portfolio are well-positioned to thrive in this environment. We believe this positions them for many years of sustainable growth – delivering value for the planet, for society, and for you as an investor.

¹⁴ <https://www.se.com/ww/en/assets/564/document/466151/2023-climate-report.pdf>

Case study: Kinaxis



© Kinaxis

Theme: **Planet**

Sub-theme: **Doing more with less**

Products



In today's rapidly evolving business landscape, the ability to adapt and optimise supply chains has rapidly risen up the agenda for corporates. The global pandemic and shifting trade policies have underscored just how critical it is for companies – from multinational giants to nimble start ups – to modernise their supply chains, focussing on how much they buy of any inputs to their process and where they source it from. This is why supply chain planning is currently one of the fastest growing areas of enterprise software spending, after artificial intelligence. It's an area where Canadian software pioneer Kinaxis stands out.

Founded in 1984, Kinaxis offers a groundbreaking software platform called Maestro, a solution designed to give manufacturing companies unprecedented visibility and control over their supply chains. Maestro leverages artificial intelligence to break down operational silos, allowing different departments – sales, production, supply, finance – to collaborate seamlessly and respond swiftly to disruptions.

With Maestro, companies can run rapid scenario planning, modelling changes to specific parts of the plan without interrupting day-to-day business. This means decision-makers can weigh a wide range of outcomes and responses, empowering them to

optimise not just for efficiency and cost, but also for climate impact. Indeed, our holding Schneider Electric uses Kinaxis software to help ensure it meets its own decarbonisation goals for its supply chain. Maestro allows companies to alter supply chains in a matter of minutes, a vast improvement on a process that used to take weeks under a spreadsheet-based method.

Kinaxis initially focused on industries with notoriously complex supply chains, such as automotive and fast-moving consumer goods. Now, the company is expanding into sectors like mining and chemicals, where the need for resilient, sustainable supply chains is equally important. There's also significant untapped potential within Kinaxis's existing client base: many customers have so far implemented Maestro in only a portion of their operations, often as a pilot. As these organisations scale up their use of the platform, Kinaxis is poised for deeper integration and accelerated growth.

Kinaxis's impact is already evident among some of the world's largest and most complex supply chains by enabling smarter, more flexible supply chain decisions, Kinaxis is helping companies achieve real-world sustainability goals, making supply chains not just more resilient, but more environmentally friendly.

Case study: Savers Value Village



Theme: **Planet**

Sub-theme: **Doing more with less**

Practices



The textile and clothing industry is one of the most environmentally destructive sectors globally. This is due to the extensive use of non-renewable resources, water consumption for producing, dyeing, and finishing fibres, and the energy required to create consumer-ready products. Additionally, discarded clothing represents the largest source of textile waste worldwide.

As the largest publicly listed thrift company in North America, Savers Value Village operates a business model that is a fantastic example of circularity in action. It helps mitigate some of the industry’s negative impact. In the four years to 2024, Savers helped divert almost 1.5 billion kilograms of second-hand items from landfills – that’s the weight of four Empire State buildings!

The company has developed a comprehensive reuse and recycling programme that even includes the boxes and bags that items are donated in¹⁵. Not only does the company enable the re-use of donated goods through its growing retail footprint of more than 330 stores split between the US and Canada, but by paying for donations from non-profit partners, Savers financially supports their community-focused missions. Over the last five years, due to these long-term partnerships, Savers has paid almost \$500 million for the second-hand goods that have been received.

Savers’ unique positioning as the only listed thrift store chain gives it significant structural advantages. The model is inherently difficult to replicate – successful thrift operations require deep community relationships, sophisticated logistics to handle donated goods, and the operational expertise to process labour-intensive inventory sorting. Savers sells a wide range of used products at an average price of around \$5, representing an estimated 70% discount to retail prices, making quality goods accessible to a broad consumer base.

Despite the labour-intensive nature of processing donations, the financial metrics are impressive for a retail business. The company maintains high gross and operating margins, and achieves strong cash conversion and good returns on invested capital. These strong unit economics demonstrate that sustainability and profitability can work in harmony – a key requirement for the Sustainable Growth portfolio.

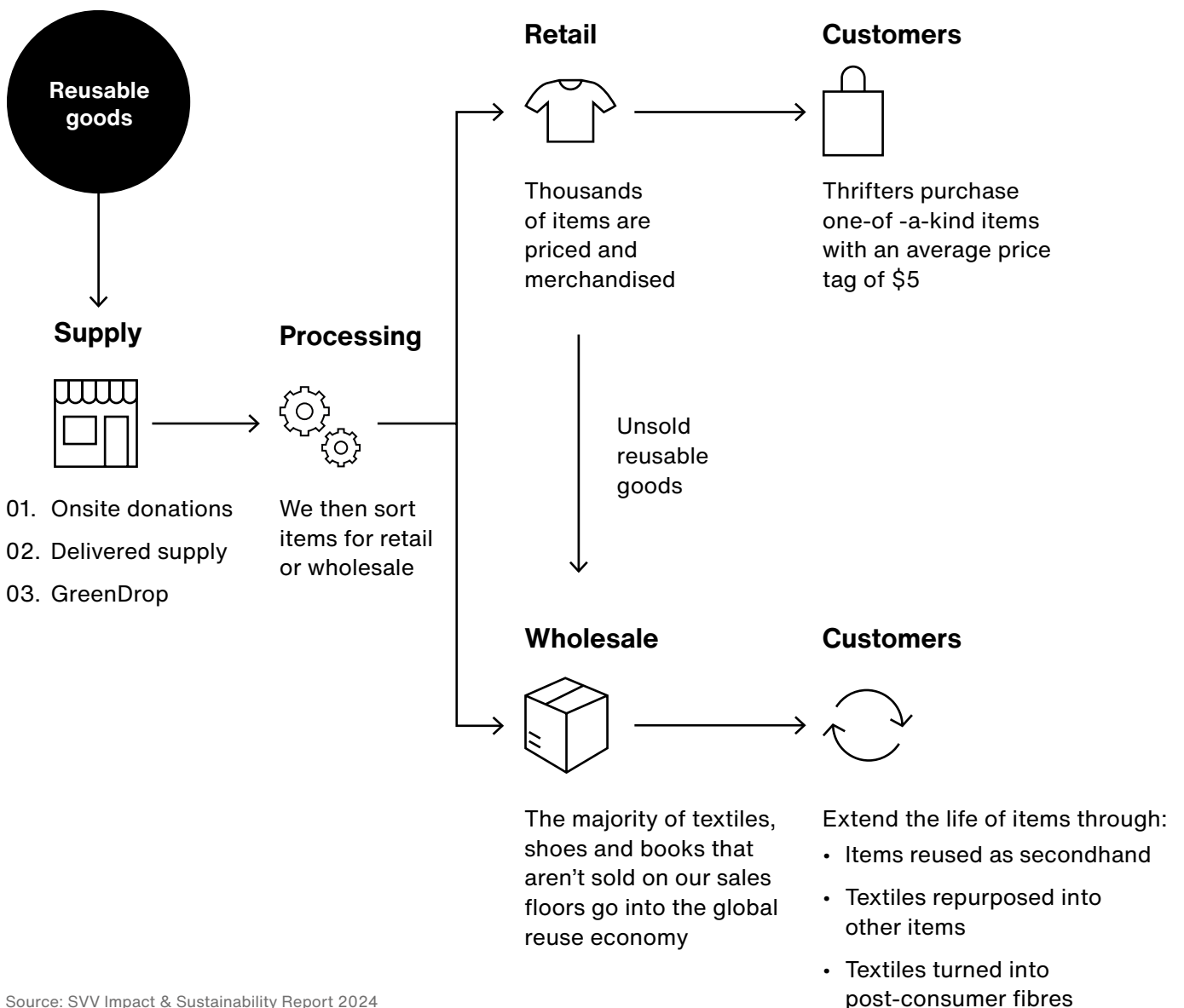
The merchant risk model that Savers embraces – paying for donations, sorting merchandise, then selling to retail¹⁶ and wholesale customers – aligns circularity with profitability in an attractive way. This approach creates a virtuous circle: the more goods Savers processes, the greater the environmental benefit, while simultaneously generating revenue that supports both the business and its non-profit partners.

¹⁵ The company recycled almost 1,000 tonnes of plastic bags in 2023, that’s more than 6x the amount of plastic packaging that Tesco recycled in the same year.

¹⁶ The average unit retail price across all the stores is only approximately US\$5.

With ambitions to open more than 25 new locations annually, Savers has a very long runway for growth. Strong secular tailwinds support this growth trajectory, including increasing consumer consciousness about sustainability, rising interest in circular economy solutions, and cultural shifts toward thrift shopping that have been amplified by social media trends.

This combination of environmental impact, financial strength, and growth potential positions Savers as a compelling example of how businesses can prosper by addressing pressing societal challenges. The company demonstrates that ‘sharing economics’ can be scaled; creating value for communities, non-profit partners, and shareholders simultaneously while meaningfully reducing textile waste.

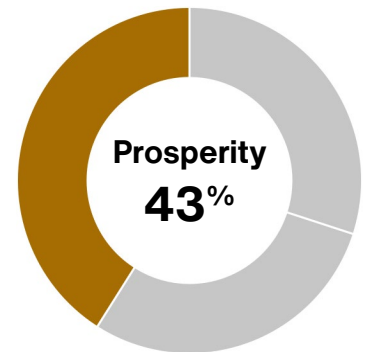


Prosperity

Many are familiar with the World Bank’s original definition of extreme poverty, an income threshold of just over \$2 per day in today’s terms. Few realise the bank set a second threshold in the 2010s, above which an individual’s lifestyle can be considered prosperous. At just \$25 a day - perhaps enough for a bag of groceries at the supermarket - this will still be low by many reader’s standards. Yet less than a third of the world’s population meets this threshold¹⁷. Still, we are making progress: the number of people considered ‘prosperous’ is increasing by around 85 million a year, that’s three people every second.

If ‘people’ and ‘planet’ sit at the base of Maslow’s famous hierarchy of needs, then ‘prosperity’ sits further up, satisfying a requirement beyond the basic needs for shelter and safety. This category contains those companies that are facilitating economic growth to lift these millions out of poverty and helping them live fulfilling lives. It is about thriving, not just surviving. As more people enjoy the benefits of prosperity, the responsibility grows for companies and investors to not only fuel economic advancement but to ensure it is inclusive and fair. For example, Japanese firm **Recruit** encourages employers using its job sites to reduce inequality by following its example on equal pay and unbiased recruitment, while companies like **MSA** ensure working conditions are safe (in its case, by making protective equipment for firefighters).

This is a diverse category, but the dominant theme is firms providing technologies that enable societal progress. This is underpinned by chips designed using **Cadence** and **Synopsis** software, precision manufactured in **TSMC’s** clean rooms, before being used in great volume in **Alphabet** and **Microsoft** cloud computing infrastructure. These behind-the-scenes enablers allow consumer-facing companies like **Shopify** to provide the ecommerce platforms that level the playing field between small retailers and large ones, and streaming platforms like **Spotify** to empower up-and-coming artists.



Company	Portfolio %
Microsoft	5.4
TSMC	4.6
Alphabet	4.1
MercadoLibre	4.0
Intuit	2.9
Recruit Holdings	2.8
Shopify	2.7
The Trade Desk	1.9
Nintendo	1.8
Spotify	1.8
Workday	1.5
MSA Safety	1.5
Cadence	1.2
MarketAxess	1.1
Cognex Corp	1.1
Synopsis	1.1
Warby Parker	1.1
GMO	1.0
Starbucks	1.0
Meituan	0.9
Total	43.2

¹⁷ <https://www.weforum.org/agenda/2024/05/world-prosperity-4-key-data-points-you-need-to-understand/#:~:text=World%20Bank%20established%20a%20%2425%20a%20day%20threshold>

The vast sums being spent on artificial intelligence affect this category more directly than others. While this is a welcome boost for performance, we have spent significant time progressing our thinking on the societal challenges this emerging technology brings. Naturally, much media attention has been focused on the potential downsides – job losses, data biases and privacy invasions, not to mention the environmental impact.

As Professor Hannah Ritchie pointed out when she visited us, we've been here before. Back in 1999 Forbes published an article entitled 'Dig more coal – the PCs are coming'. Yet the ensuing explosion of computing power was not matched by a similar increase in energy needs, as efficiency gains took up the slack. Indeed, the International Energy Agency's latest estimates suggest future data centre energy demand will be approximately equal to the power needed for desalination – far below other requirements like transport and air conditioning¹⁸. Of course, all industries must make a contribution if we're to navigate the energy transition. **Microsoft's** plan to reopen the Three Mile Island nuclear facility to ensure its data centres run on renewable energy is evidence of big tech's commitment to sustainable AI¹⁹.

As it stands in the US, lightbulbs have more regulatory standards applied to their production than AI models²⁰. This will need to change if we are to leverage the technology's benefits while minimising its limitations. AI can be a huge force for good if the correct balance between education and regulation can be struck. A recent trip to the UN's 'AI for Good' summit gave us a glimpse of the potential gains to be had, from improved medical diagnostics to bespoke education for all.

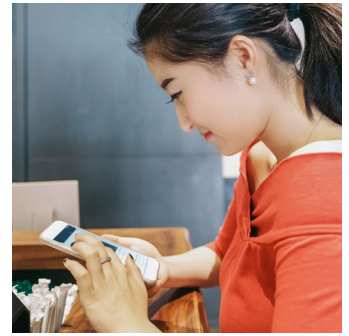
We are increasingly using AI at different steps in our own research process, with our recent purchase of **Intuit** emerging from our first ever AI-powered brainstorm. A summary of the investment case follows, alongside a longer standing holding, **Nintendo**.

¹⁸ <https://www.sustainabilitybynumbers.com/p/ai-energy-demand>

¹⁹ <https://www.technologyreview.com/2024/09/26/1104516/three-mile-island-microsoft/>

²⁰ More than 60 regulatory standards dictate lightbulb design, summarised here: <https://www.energy.gov/articles/doe-finalizes-efficiency-standards-lightbulbs-save-americans-billions-household-energy>

Case study: Intuit



Theme: **Prosperity**

Sub-theme: **Lowering barriers to entrepreneurship**

Products



The complexity of financial management remains the silent killer of small business dreams. While entrepreneurs excel at their core craft – whether baking, plumbing, or consulting – they often struggle with the financial infrastructure that underpins success. Less than half of small businesses in the US survive beyond their fifth anniversary. Cash flow issues destroy more small businesses than competition, not surprising given most rely on manual accounting processes that suck time from the core task.

The tools to prevent this have historically been accessible only to larger enterprises with dedicated finance teams. Intuit changes this by democratising sophisticated financial intelligence. The company's evolution from simple bookkeeping software to an AI-powered financial ecosystem represents a fundamental shift from passive record-keeping to active business optimisation. Where entrepreneurs once spent hours manually tracking expenses and chasing payments, Intuit's platform now automatically converts conversations into invoices, predicts cash flow needs, and suggests revenue opportunities.

This transformation extends beyond efficiency gains to genuine empowerment. Small businesses using Intuit's tools don't just survive longer – five-year survival rates are some 40% better than the US average - they systematically outperform their peers because they make better-informed financial decisions. The platform's AI learns from millions of similar businesses, offering insights that would otherwise require expensive consultants or years of painful experience.

The societal impact compounds through Intuit's commitment to financial inclusion. Its goal to engage 50 million students in financial literacy by 2030²¹ addresses the root causes of financial struggles, and its supplier diversity programs create multiplier effects, strengthening the entire small business ecosystem.

The virtuous circle is clear: as more businesses succeed using Intuit's platform, the system becomes smarter and more valuable for everyone. This isn't just about making accounting easier; it's about fundamentally reshaping the odds of entrepreneurial success by ensuring that great ideas aren't undermined by preventable financial mistakes.

²¹ <https://investors.intuit.com/news-events/press-releases/detail/8/intuit-launches-intuit-for-education-and-announces-goal-to-help-50m-students-become-financially-literate-capable-and-confident-by-2030>

Case study: Nintendo*



© Bloomberg Getty Images

Theme: **Prosperity**

Sub-theme: **Safer lives online**

Practices

The gaming industry faces a content crisis. Major publishers routinely deploy exploitative monetisation schemes – loot boxes that mimic gambling, pay-to-win mechanics that prey on competitive instincts, and addictive design patterns that maximise engagement at the expense of wellbeing. Meanwhile, inadequate content moderation exposes children to inappropriate material, as many corporates prioritise short-term profits over long-term relationships with customers.

Nintendo takes a stand against these industry norms. As both a game developer and platform operator, the company maintains exceptionally clear boundaries around suitable content and monetisation mechanisms. While competitors embrace loot boxes and aggressive microtransactions, Nintendo refuses these revenue streams within its games, prioritising brand trust.

This principled stance becomes more remarkable given that third-party games now represent half of all software sales on Nintendo's platform. Rather than abandoning oversight, Nintendo has strengthened its content curation systems. The platform's integrated parental controls allow families to manage age-appropriate access, while country-specific rating systems ensure violent or gambling-adjacent content receives appropriate restrictions.

Nintendo's content philosophy reflects deeper values around family entertainment and intergenerational bonding. In an era when Gallup reports record levels of global unhappiness²² Nintendo's games provide accessible joy across age groups. The company's commitment to "putting smiles on faces" isn't

marketing rhetoric – it drives fundamental design decisions that prioritise fun over exploitation.

This approach is only possible because of a unique corporate culture, one where employee turnover averages as low as 2% versus an industry-wide 23%. The positive customer relationships and trust placed in this venerable brand are some of the reasons the company can attract and retain the very best developers.

When in their roles, the stability of the organisation makes for a desirable environment in which they can unleash their creativity. Miyamoto (the creator of Mario, Donkey Kong and Zelda) and Furukawa (the current CEO) regularly have their lunch with employees in the company canteen. Constant collaboration like this increases the odds of coming up with the next Splatoon, a game which sold more than five million copies by taking a family-friendly slant on the usually violent first-person shooter genre.

When we visited the company at its Kyoto headquarters in December, we were impressed by its focus on intergenerational loyalty transfer. Parents who grew up with Mario naturally introduce their children to the same characters, perpetuating positive associations with gaming. Today most of the market's focus is on the launch of their Switch 2 device, which has been a huge success so far. However, we think the real power of Nintendo is that they are building enduring trust that transcends individual product cycles, creating lasting value for society and shareholders alike.

* Nintendo's business model and the societal benefit it brings do not align directly with any of the current UN SDGs, so for the purposes of our reporting we do not count its contribution.

²² <https://globalwellnessinstitute.org/global-wellness-institute-blog/2022/07/12/gallup-research-reveals-peak-stress-and-sadness-worldwide/>

Towards net zero: our climate alignment

We believe a successful transition that keeps increases in global temperatures to well below 2C, and ideally to 1.5C this century offers our clients a better opportunity for strong long-term investment returns than a failed transition.

Our investment process takes into account the long-term prospects (including long-term sustainability) of an investment. We believe that consideration of climate-related factors and competitive positioning are inherently aligned to our investment process and that companies that are effectively managing the risks and opportunities posed by climate change and the transition to a low carbon economy are likely to have a durable competitive edge.

The portfolio is managed 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"). This includes the assessment and engagement of portfolio holdings on a prioritised basis, for alignment with this goal. Such alignment will be assessed company-by-company, paying due attention to the realities of specific industries and regions. The following guidelines are used to monitor progress towards net zero:

- By 2030, all Sustainable Growth's 'climate material' holdings will be aligned with net zero. New buys will have an extra 2 years to meet this alignment. If this is not the case, we will explain why this is consistent with our commitment to investing in a way that is aligned with net zero.
- Between now and 2030, on an annual basis, we will assess the portfolio and report to clients on the progress of our holdings in aligning with net zero and our climate-related engagement with portfolio holdings.

We define 'climate-material' holdings using GHG emissions within a company's entire supply chain and are guided by the 'High Impact Material Sectors' as articulated within the Net Zero Investment Framework (dated June 2024) from The Institutional Investors Group on Climate Change.

We also include any holdings in the world's largest 25 companies (by value) as being 'climate-material', as they have a systemic influence on supply chains, customers and broader society. Making this materiality distinction will help focus our engagement efforts on those companies where alignment will make the biggest difference.

We expect the portfolio's financed emissions to decline over rolling five-year periods, thanks to the progress made by portfolio holdings. If this is not the case, we will also explain why this is consistent with our commitment to investing in a way that is aligned with net zero. As a reminder, the portfolio excludes companies deriving more than 10% of their revenues from fossil fuel extraction and production.

The concepts of alignment and decarbonisation pathways continue to evolve. Our aspiration and ability to align with net zero is influenced by a wide range of parties and factors that can be outside of our control, such as client mandates, industry guidance, technology and societal trends, regulation and government action. Consequently, we will periodically review our portfolio-level guidelines to take account of these factors.

Target assessment



Percentage of portfolio	
Leading	50
Preparing	29
Lagging	21

Leading
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.

Preparing
Companies with disclosure and narrative that suggests they are preparing to set 1.5C-aligned targets in the near future.

Lagging
Companies lacking sufficient disclosure or suitably robust targets, where the pathway to improvement is currently uncertain.

Totals may not sum due to rounding. Source: Baillie Gifford and Co. As at 30 June 2025.

Potential transition role	<p>Solution Innovator Key enabler of decarbonisation</p>			Schneider Electric SE
	<p>Potential Accelerator Not necessarily carbon light with a unique opportunity to significantly accelerate the transition</p>	The New York Times, HDFC Life Insurance	UnitedHealth Group	Spotify Technology, DSV, Marsh & McLennan, Alphabet, Microsoft, Prudential, AIA Group, Mastercard Incorporated
	<p>Potential Influencer Carbon light with an opportunity to be part of the solution</p>	MarketAxess, Meituan, Cognex, Nintendo, Inspire Medical Systems, Savers Value Village, MSA Safety, The Trade Desk	Sartorius Stedim Biotech, GMO Payment Gateway, Experian, Kinaxis, Moderna, YETI, Shopify, Eurofins Scientific, Warby Parker, Edwards Lifesciences, Synopsys	Intuit, Beijer Ref, Workday, Wise Payments, Illumina, bioMerieux, Cadence Design Systems, Centre Testing International, Recruit Holdings
	<p>Potential evolver Environmentally challenged with opportunity to be part of the solution</p>	MercadoLibre, Texas Instruments, Lineage	Taiwan Semiconductor Manufacturing Company, Westinghouse Air Brake Technologies, Sweetgreen, Raia Drogasil, Advanced Drainage Systems, IMCD N.V.	Atlas Copco, Epiroc, Starbucks, Carlisle, Spirax Group, L'Oréal.
	<p>Materially challenged Environmentally challenged with limited scope for adapting</p>			
		● Lagging	● Preparing	● Leading

Emissions data: portfolio carbon footprint and intensity

Measurements of the intensity of GHG emissions generally comprise two metrics: direct and indirect. The former is a measure of emissions directly resulting from a firm's own operations. It is further split into scope 1, which relates to the combustion of fuels or from industrial processes, and scope 2, relating to purchased energy. The latter, indirect emissions (also known as scope 3), considers the prevalence of GHG emissions across the entire value chain of a company. For example, they may occur 'upstream' during product sourcing or 'downstream' in the use and disposal of purchased goods. For ease of comparison across business types, we provide the emissions data that follows on an enterprise value basis (total value of debt, equity and cash). Footprint data is per million dollars invested, and intensity statistics are per million dollars of company revenues. On that basis, the entire carbon footprint²³ of Sustainable Growth is approximately 22% of its comparative index, the MSCI ACWI, having been 38% a year ago.

Over the course of the last year, the portfolio has experienced several changes to its composition, which have influenced the climate audit assessment and carbon footprint:

- We sold several relatively early-stage healthcare businesses that were lagging in their emissions disclosure, ambition and decarbonisation targets, such as Exact Sciences, Staar Surgical and Denali Therapeutics.
- New purchases including IT companies such as Microsoft, Cadence and Intuit have been assessed as 'leading' with their emissions disclosure, ambition and targets. Marsh & McLennan, a financial services company and bioMérieux, the medical devices business.

- Two of the new additions (Marsh & McLennan and Microsoft) have also been classified as 'potential accelerators' of the climate transition, with respect to their role – a new classification introduced this year.
- Several existing holdings, including Texas Instruments, Raia Drogasil, IMCD, Warby Parker and Centre Testing, improved their emissions disclosure and decarbonisation ambitions during the year.

The result is that the Sustainable Growth portfolio has experienced a material improvement in its overall emissions reduction goals and disclosure. These changes also contributed to a substantial reduction in the portfolio's carbon footprint.

Using the weighted average carbon intensity of Scope 1, 2 and material Scope 3²⁴, the reduction has been almost 40% year-on-year, as carbon intensive companies such as Bridgestone, Kubota, Metso, Adidas and Watsco were replaced with carbon light businesses including GMO Payment Gateway, Kinaxis, Intuit, Cadence and Synopsys.

We still own some businesses with substantial absolute emission levels. Here, the effect of purchasing Microsoft was largely offset by the sale of Amazon. Our top three holdings by total emissions intensity are TSMC and Texas Instruments in the semiconductor industry and MercadoLibre, the largest online marketplace and digital ecosystem in Latin America. We will continue to engage with these companies regarding their disclosures, targets and decarbonisation ambitions.

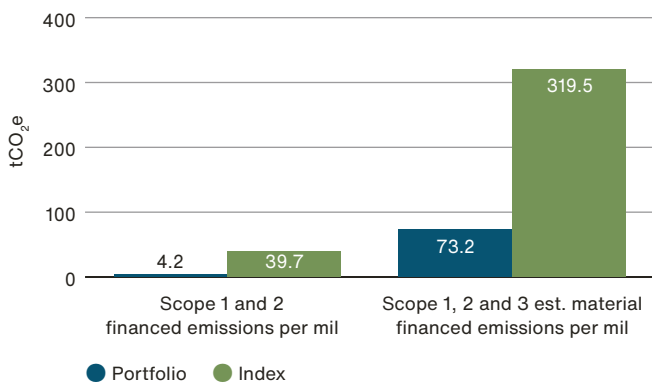
²³Data as at 31 May 2025, using S12&M3 weighted average carbon intensity.

In accordance with guidance from the Portfolio Carbon Accounting Framework (PCAF), the Scope 3 Material emissions metrics used in our reports covered only the sectors prescribed within PCAF's Phase 2 – oil and gas, mining, transportation, construction, buildings, materials and industrial activities sectors.

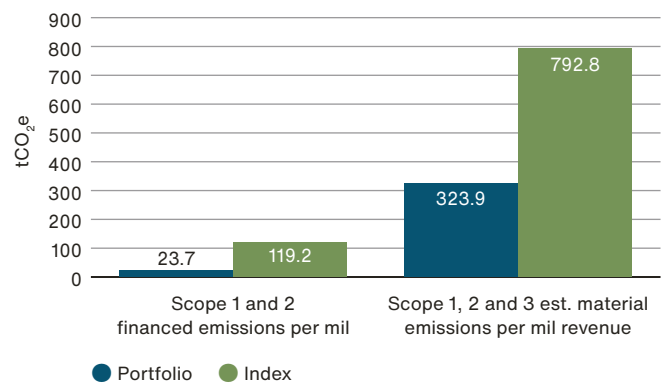
²⁴In accordance with guidance from the Portfolio Carbon Accounting Framework (PCAF), the Scope 3 Material emissions metrics used in our reports covered only the sectors prescribed within PCAF's Phase 2 – oil and gas, mining, transportation, construction, buildings, materials and industrial activities sectors.

For the reporting period ending June 2026 onwards, we have now transitioned to Phase 3 where all sectors will be classified as 'Material' and so will include all companies' Scope 3 emissions data. As a result, we will be looking to retire all Scope 3 Material emissions data points in all reports running data for periods in 2025 onwards as they are now obsolete and the Scope 3 All emissions metrics will be the relevant metrics going forward.

Carbon footprint



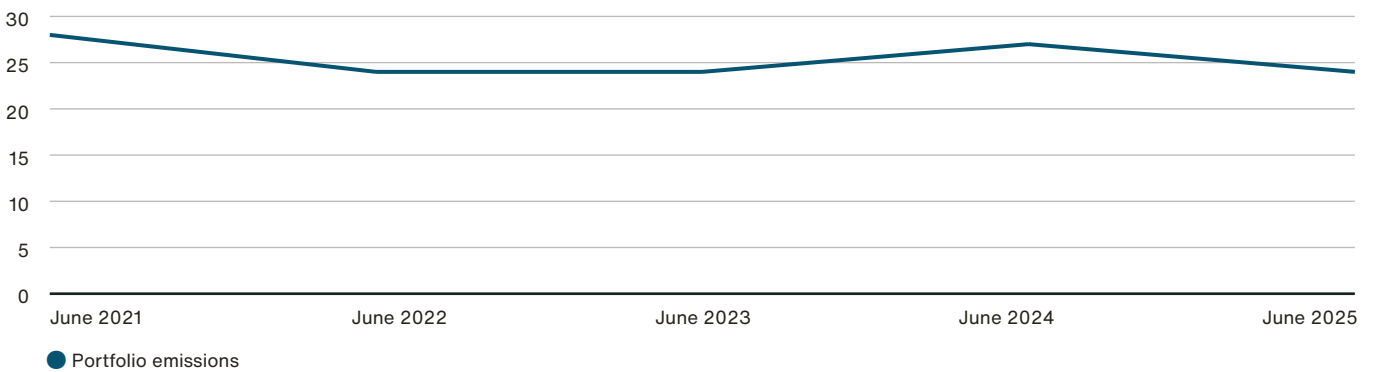
Weighted average carbon intensity



Source: Baillie Gifford, MSCI. Carbon Footprint (tCO₂e)/\$m: Normalised measure of a portfolio's contribution to climate change that enables comparison with a benchmark, between portfolios and between individual investments. Metric is Total Carbon Emissions expressed in tCO₂e per million currency invested. Weighted Average Carbon Intensity by Revenue (tCO₂e/\$m revenue) – The aggregate GHG emissions of a company scaled by some measure of their size (revenue, EVIC). Data is fact-checked by our ESG analysts and is considered correct at the time of publishing.

Portfolio carbon intensity trend

Portfolio emissions Scope 1 and 2



Source: Baillie Gifford, MSCI, FactSet. Carbon Footprint (tCO₂e)/\$m: Normalised measure of a portfolio's contribution to climate change that enables comparison with a benchmark, between portfolios and between individual investments. Metric is Total Carbon Emissions expressed in tCO₂e per million currency invested. Weighted Average Carbon Intensity by Revenue (tCO₂e/\$m revenue) – The aggregate GHG emissions of a company scaled by some measure of their size (revenue, EVIC). Data is fact-checked by our ESG analysts and is considered correct at the time of publishing.

Engagement and ownership priorities

Our approach to engagement reflects our ambition to invest in companies that positively contribute to society through either its products (what a company does) or its practices (how it does it). It also reflects a pragmatic reality, that there is no perfect company and we must engage for improvement wherever we identify shortcomings.

For the majority of the portfolio, our role as actively engaged, supportive shareholders is to thoughtfully participate in the company's AGM (annual general meeting), responding to a range of proposals, typically from directors and occasionally from fellow shareholders. For controversial proposals, we often meet with the company in advance of submitting our AGM response to constructively discuss the company's voting recommendation.

However, for a small number of companies, we focus our engagement on additional factors that we believe have the potential for material investment outcomes over our holding period – either negatively or positively.

We manage a list of these engagement opportunities, prioritised according to where the most material issues lie and how much influence we have over the company in question. We believe that to materially influence behavioural outcomes, it is important to develop constructive relationships with the companies that we seek to influence.

Given our initial expectation to invest in a company for a decade or more, our engagement pathway involves a gradual escalation. We initially listen and learn as we gather perspectives that sit behind a company's various disclosures and publications. Following further analysis, we collectively assess whether the opportunity warrants further action and, if so, we seek to influence the company's behaviour through direct engagement.

At this point, we also take the opportunity to articulate our concern, our expectations for a response and propose a suitable timeframe to the company. If sufficient progress on the stated issue is not observed over a reasonable time frame, it could undermine our conviction in the investment case. Consequently, further escalation could include direct voting action against the relevant company directors at the AGM. Ultimately, we will consider divestment if a company continually fails to engage with us or demonstrates minimal ambition to address our concerns.

Whilst we do not disclose the details of our active priority list, given the sensitivity of some engagements, it currently contains eight companies. Climate is a focus for three of these, given the materiality of their overall carbon emissions footprint. Governance questions – primarily board composition and remuneration – exist for a further four, and the priority on the final engagement concerns relationships with customers.

Significant progress was made against last year's engagement priorities, which included Eurofins, a provider of laboratory testing services. Concerns regarding board independence were met with the appointment of a new director in April 2025. Semiconductor manufacturer TSMC also featured, and progress was made on its emissions and water intensity, though more work remains.

We removed Illumina from the list after it installed a new management team, which appears to be making progress on some of the shortcomings we'd previously identified. Some other priority list holdings have since been sold. These include construction equipment company Kubota and air conditioning distributor Watsco, which featured as priorities due to failings in their climate disclosures and targets. Most notably, we sold out of our longstanding holding in Amazon, which was the subject of a prolonged engagement process on a variety of topics. This forms one of our featured engagement case studies in the series that follows.

Engagement case study: Wabtec



© Getty Images

Theme: **Planet**

Sub-theme: **Doing more with less**

Products



Issue

Rail transport stands out as the most efficient and lowest carbon-emitting method for moving freight and passengers over land. Yet, as the largest supplier of diesel-electric locomotives to the US rail freight sector, Wabtec carries a substantial carbon footprint. Given the company's significant impact on the portfolio emissions, we engaged with Wabtec to better understand the company's ambitions and strategies for decarbonising both its operations and the wider industry.

Engagement

Wabtec is at the forefront of innovation in rail decarbonisation. The company has developed the world's first heavy-haul, 100% battery-electric locomotive, the FLXdrive™. In 2024, Wabtec launched an enhanced version featuring a regenerative braking system that recharges the battery during operation. This battery-electric locomotive can replace one diesel unit, cutting emissions by up to 30% across the entire train. This is further optimised by proprietary cruise control software that calculates the most energy-efficient speed profiles tailored to complex track routes.

In collaboration with two leading US academic centres, Wabtec has also pioneered retrofit technologies for existing locomotives. These upgrades are compatible with diesel or biofuels and enable emissions reductions of up to 80% compared to traditional diesel engines. This fuel flexibility is critical, especially as shifts in government policy threaten tax incentives and subsidies for low-carbon fuels, potentially slowing customer uptake.

Given the long service life of locomotives – often exceeding 20 years – retrofitting engines offers a cost-effective, near-term pathway to decarbonise the roughly 8,000 locomotives currently operating in North America. This approach allows customers to transition gradually to zero-emission energy sources as new technologies mature.

On its own operations, Wabtec is committed to reducing emissions in line with a 1.5°C climate scenario, setting interim targets for 2030. The company also plans to demonstrate a hydrogen-powered locomotive by that year, underscoring its leadership in zero-emission rail solutions. However, it is also clear from our discussions with the company that the pace of adoption of these new technologies will remain dependent on the commitment of railroads to reduce their own environmental impact – and there are signs that this may be moderating in the current political environment.

Outcome

The anticipated growth in rail transport relative to other modes is expected to contribute to a net reduction in global greenhouse gas emissions. However, this modal shift may increase Wabtec's Scope 3 emissions in the short to medium term due to higher product usage. Our engagement reassures us that Wabtec is proactively developing and deploying low- and zero-carbon technologies that are gaining traction within the rail industry, positioning the company well for a sustainable future as the rail industry continues to gradually decarbonise.

Engagement case study: Amazon



© Amazon

Theme: **Prosperity**

Sub-theme: **Supporting innovation for growth**

Products



Issue

Since Baillie Gifford first took a holding in Amazon in 2004, we have engaged with the company on a variety of issues. In recent years, two areas of engagement deserve particular mention: working conditions and climate change.

Working conditions represented a major issue, with the company historically reporting injury rates exceeding industry averages and facing criticism for demanding warehouse conditions and inadequate disclosure of employee health and safety performance. Company documents revealed slow progress in improving working standards for many years.

On climate change, Amazon’s approach to decarbonisation raised questions about its commitment to comprehensive action. The company’s decision in 2023 to step back from the Science Based Targets initiative (SBTi) without clearly identifying alternative verification standards created concerns about shifting goalposts. Additionally, Amazon’s narrow Scope 3 emissions boundary – covering only approximately 1–2% of platform sales – failed to reflect the genuine extent of its supply chain dependencies and potential for influence across its broader marketplace operations.

Engagement

We have pursued extensive direct engagement with Amazon on both issues over several years. For working conditions, this included a 2019 visit to Amazon’s Dunfermline fulfilment centre to understand warehouse operations firsthand, alongside discussions with the company’s Senior Independent Director and Head of ESG Engagement to encourage greater disclosure and improved practices. In October 2023, we visited Amazon’s high-volume Dartford fulfilment centre to observe robotics deployment and technological solutions for employee-management communication. A December 2023 meeting with the head of global workplace health and safety provided insight into the company’s safety excellence initiatives and career choice training programme.

Regarding climate change, we engaged directly with Amazon in September and December 2023 to express concerns about stepping back from SBTi verification. We also addressed the narrow Scope 3 emissions boundary through direct conversations and a formal letter to Amazon’s Vice President of Worldwide Sustainability in October 2023, encouraging expansion to include all first-party platform sales rather than just private label products. This would extend Amazon’s decarbonisation strategy to encompass international logistics and major global manufacturers.

Outcome

Amazon demonstrated tangible progress on working conditions, including the 2022 launch of its first annual Safety, Health and Well-being Report, showing rapidly declining injury rates. The company appointed a Director of Health & Safety, joined the National Safety Council, and signed a Pledge to address musculoskeletal disorders affecting nearly 40% of work-related injuries. We observed meaningful deployment of robotics to reduce physically demanding tasks and technological solutions enabling direct employee-management engagement.

The company also demonstrated significant progress in its climate commitments. It achieved its target of matching 100% of the electricity used by its global operations with renewable energy in 2023 – seven years ahead of its original 2030 goal²⁵. As the world's largest corporate purchaser of renewable energy for five consecutive years, Amazon has also invested in over 600 wind and solar projects globally, generating enough clean energy to power millions of homes. The company maintains its Climate Pledge commitment to reach net-zero carbon emissions by 2040, ten years ahead of the Paris Agreement, while investing over \$2 billion through the Climate Pledge Fund to accelerate low-carbon technologies.

However, our overall assessment concluded that Amazon's responses to fundamental long-term business challenges remained consistently reactive rather than proactive. While we hope we have influenced some positive changes, particularly in workplace safety transparency, concerns about the financial materiality of its climate stance persisted. Following substantial share price appreciation in recent years, we decided to sell the Amazon holding and reallocated capital to companies where we maintain stronger conviction in their proactive approach to sustainability challenges.

²⁵ <https://www.aboutamazon.com/news/sustainability/amazon-renewable-energy-goal>

Engagement case study: Wise



© Shutterstock/rarrarorro

Theme: **People**

Sub-theme: **Deepening financial inclusion**

Practices



Opportunity

Most engagements are undertaken to gather information, from which we can assess how a company is managing certain risks to its business. However, we also engage with companies to learn about opportunities. As part of a larger research piece looking at how our holdings seek to differentiate themselves through how they manage human capital, we spoke with the Chief People Officer (CPO) at Wise.

Engagement

This conversation offered a unique window into how a high-growth, global fintech approaches human capital management. Wise’s mission – ‘money without borders’ - is not just a marketing slogan but a deeply embedded purpose that resonates with employees at every level. New hires embark on a two-day onboarding journey, meeting with senior leaders and connecting directly to the company’s vision. This clarity of purpose attracts talent who are motivated to make a real difference, fostering a sense of belonging and shared ambition. For investors, the opportunity lies in understanding how this can help make the company more resilient and valuable, especially as research increasingly links thoughtful employee treatment to company outperformance.

Our conversation with the CPO revealed a deliberate, data-driven approach to building what she calls an “irresistible employee experience.” Wise uses granular data to inform decisions on employee engagement, skill development, and ways of working. The company’s structure is designed to empower employees through small, autonomous teams, devolving responsibility and encouraging entrepreneurialism. Ownership and accountability

are central: Wise uses equity-based compensation instead of cash bonuses, granting all employees shares that vest over time. This structure aligns individual and company success, nurturing a long-term mindset and a genuine sense of ownership throughout the business.

Transparency is another pillar of Wise’s culture. Open Slack channels and quarterly townhall meetings for all employees with management ensure that information flows freely, fostering skill development and internal mobility. Feedback is not only encouraged but expected, with every internal project followed by a post-mortem and senior leaders actively soliciting input from all voices. This approach cultivates continuous learning and adaptability, which is essential in Wise’s highly regulated and fast-moving environment.

Nearly half of Wise’s workforce live and work in countries beyond their birthplace, creating a truly global and inclusive community. Benefits like paid sabbaticals and flexible work arrangements further support well-being and retention.

Outcome

These practices result in a highly engaged and motivated workforce characterised by pride, accountability, and agility.

For investors, engaging with Wise provides valuable insights into how a purpose-led, transparent, and empowering approach to human capital can deliver both social and financial returns. With a deliberate approach to creating a certain company culture, Wise is not only building a resilient business but also demonstrating how investments in human capital can potentially translate into a superior operational outperformance.

Controversy Management process

Whilst we are committed to investing in sustainable companies, we also understand that no company is perfect. As long-term investors, we are prepared to support our holdings through both their successes and challenges. It is inevitable that some companies may face material adverse changes (MAC) due to unforeseen circumstances or errors in judgment.

These moments of scrutiny are critical, not just for the companies involved but for us as investors, as they test our investment philosophy and the resilience of these companies.

To manage such situations without resorting to hasty decisions, we have developed a comprehensive engagement process:

01. **Quarantine:** Initially, we refrain from making any immediate selling decisions. This period allows us to gather complete and accurate information about the incident, ensuring our actions are well-informed.
02. **Evaluate:** We thoroughly investigate the issue, considering all available information and, when possible, engaging directly with the company and its stakeholders. This helps us determine whether the MAC is an isolated event or indicative of deeper issues within the company.
03. **Engage:** Depending on our evaluation, we either monitor the company’s response to the controversy or develop a detailed engagement plan. This plan outlines clear expectations for the company to address and rectify the underlying issues, including specific milestones and timeframes.
04. **Monitor:** We maintain ongoing dialogue with the company, tracking their progress towards the milestones set in our engagement plan. At any time after the formulation of an engagement plan, the portfolio managers may propose to review the company on our sustainability criteria to capture any changes in opinion across the team. If it still meets our threshold, the quarantine is lifted.

If, however, the view is that the company no longer meets our standard, we will look to exit our position in a reasonable timeframe. This may be repeated as often as necessary as the situation develops.

05. **Disclose:** We believe in transparency and will report our engagement activities and responses to MACs in our Sustainability Report and, where appropriate, in our quarterly letters.

This approach not only allows us to make informed decisions but also strengthens our relationships with company management. By supporting companies through difficult times, we often gain greater access and influence, benefiting our investment strategy in the long run.

We are here to ensure that our investments continue to create value for society without causing harm, even when faced with challenges.

Current controversies: UnitedHealth

In May, the Wall Street Journal reported that UNH was under criminal investigation by the Department of Justice for possible Medicare fraud. UNH denied the allegations, but has proactively engaged with the DoJ.

Operating in a politically charged and highly regulated field, UNH is accustomed to managing intense scrutiny. However, as a consumer-facing business that relies on trust, reputational damage is a significant risk to the business model. The allegations come at the time of execution issues and management change at the company, raising the stakes further.

We have followed our Controversy Management Process, which prevents us from adding to the position and sets clear milestones to monitor over the next six months. We have also engaged with the company and the board, and believe they are taking the issues suitably seriously.

The company has commissioned an independent investigation which will provide further details before year-end. If evidence of systemic and ongoing poor behaviour emerges, then we will sell the position.

Appendix

Proxy voting

Proxy voting is central to our engagement strategy: it enables us to support, influence, or challenge the management teams of the companies we invest in.

We aim to vote on behalf of our clients for all shares worldwide wherever feasible, ensuring their voice is heard in corporate decision-making. In consultation with other investment teams, we carefully assess proposals, focusing on what we think will best serve our clients’ long-term interests. Should we choose to vote against management, we aim to ensure that we discuss our concerns and inform them of our decision before submitting our vote.

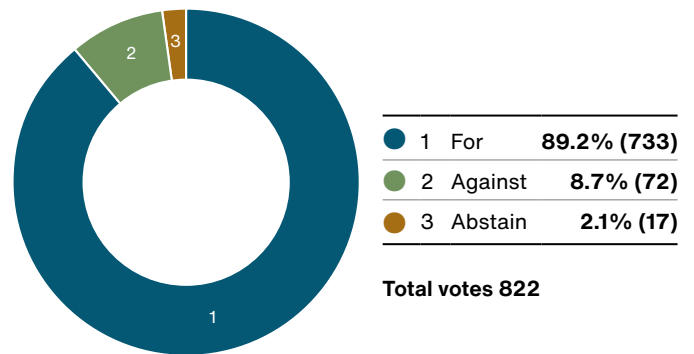
During the past year, we voted on 822 resolutions. 89% of votes (733) were cast in line with management’s recommendation, 9% (72) were cast against, and on 2% (17) there was no management recommendation.

This stance of overwhelming support is to be expected. One of the core elements of our sustainable investment framework is to assess companies on trust. Essentially, this explores whether the company’s culture is that of a responsible business and if the management team is well-aligned with external shareholders.

That is not to say, however, that we have not challenged management nor supported shareholder resolutions that we thought were worthwhile. We supported around ten per cent of shareholder proposals tabled in the period.

Proxy voting record

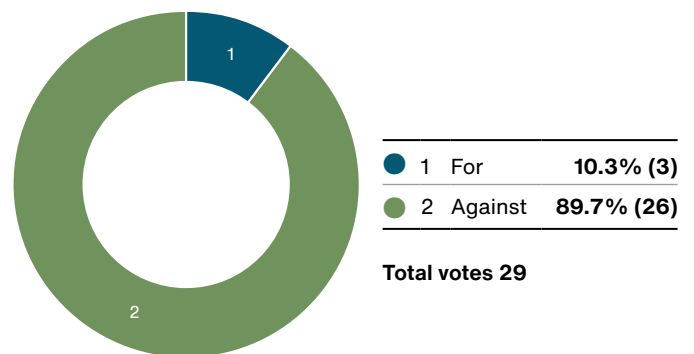
Year to 30 June 2025



Source: Baillie Gifford and Co. As at 30 June 2025.

Shareholder resolutions

Year to 30 June 2025

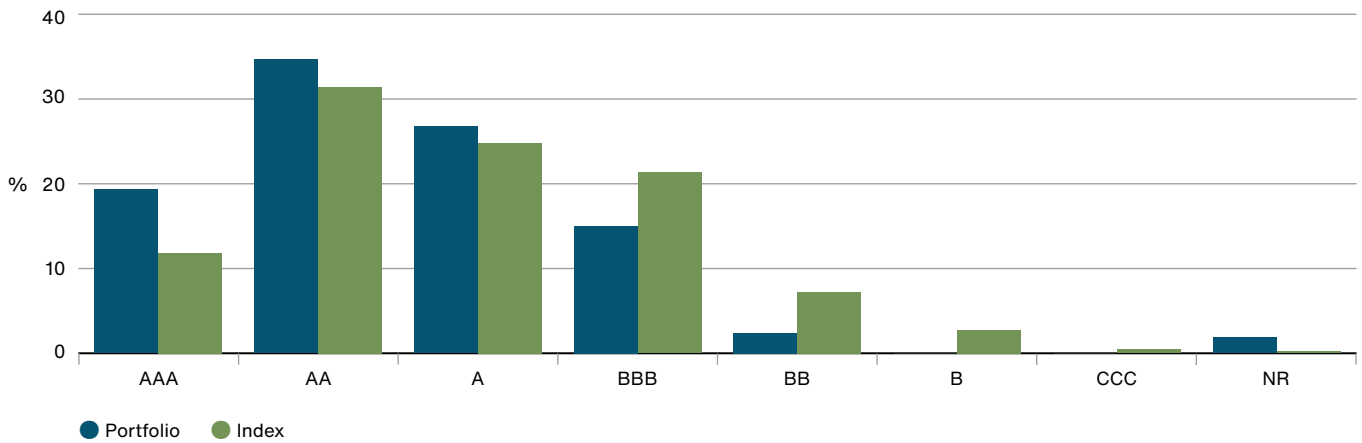


Source: Baillie Gifford and Co. As at 30 June 2025.

Appendix

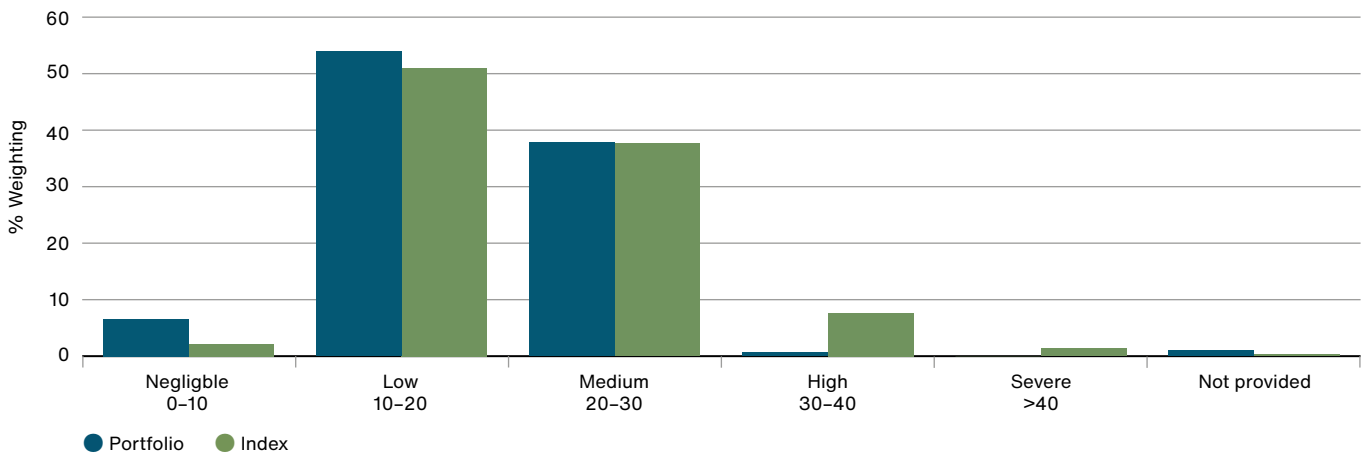
Independent ESG scores

MSCI scores



MSCI ESG Ratings aim to measure a company’s management of financially relevant ESG risks and opportunities. They use a rules-based methodology to identify industry leaders and laggards according to their exposure to ESG risks and how well they manage those risks relative to peers. These ratings range from leader (AAA, AA), average (A, BBB, BB) to laggard (B, CCC).

Sustainalytics scores



Morningstar Sustainalytics’ ESG Risk Ratings provide a consistent measure of material ESG risks. These ratings are based on an assessment of a company’s exposure to risk and how well it manages those risks, resulting in a single score that indicates the company’s overall ESG risk level. They are categorised into five severity levels based on a scale of 0-100, with 0 being the lowest risk and 100 being the highest.

Appendix

List of holdings

Company	Products/ practices	Theme	Sub theme	Sustainable development goal	Hypothesis in a nutshell
Advanced Drainage Systems	Products	Planet	Adapting to climate change	13.1	ADS's recycled plastic pipes improve the quality and quantity of stormwater systems in the US, which will become increasingly essential as the frequency and severity of urban flooding increases.
AIA Group	Products	People	Enhancing access to healthcare	3.8	AIA provides life and health insurance mostly in emerging Asia, helping customers manage risks related to illness or death and offering security where social safety nets are limited.
Alphabet Inc Class A	Products	Prosperity	Supporting innovation for growth	9.C	Alphabet's largely free tools have helped revolutionise access to information and learning, and allowed smaller businesses to scale fast. Today the company is at the forefront of innovations in fields such as artificial intelligence, and we believe it have a catalysing effect on innovation in many realms.
Atlas Copco B	Products	Planet	Doing more with less	9.4	Atlas Copco helps its customers to reduce the energy intensity of its operations, through providing more efficient compressors and tools – and it is increasingly helping the company to switch away from the use of fossil fuels.
Beijer Ref	Practices	Planet	Doing more with less	9.4	Buildings account for 40% of global emissions. As the only global distributor of air conditioners and heat pumps, Beijer has the opportunity and ambition to steer both customers and manufacturers towards more energy efficient units.
bioMérieux	Products	People	Extending healthy life expectancy	3.4	bioMérieux develops and sells invitro diagnostic tests (IVD) that are predominately used in clinical settings for infectious diseases. bioMérieux's success hinges on its pursuit of innovation in diagnostic technologies. The more successful bioMérieux is in pioneering these advancements, the greater the impact on global health. Faster and more accurate diagnostics can lead to earlier interventions, better treatment efficacy, and ultimately, improved patient outcomes.
Cadence Design Systems	Products	Prosperity	Supporting innovation for growth, Doing more with less	8.4	Cadence's software enables innovation and increases efficiency in any technology that relies on semis.
Carlisle	Products	Planet	Doing more with less	9.4	Investment in developing market leading products will help reduce the thermal needs of our buildings
Centre Testing	Practices	People	Extending healthy life expectancy	3.9	CTI's role is to improve the trust between organisations and the public, and companies and their counterparties. Over the next 5–10 years the company will establish itself as equivalently trustworthy to international players, growing their sales >3x in the process. It will do this by obsessing over quality, and helping to raise the standards of the entire Chinese TIC industry.
Cognex Corp	Products	Prosperity	Supporting innovation for growth	9.5	Cognex is a leader in technology for machine vision, which enables greater automation in a wider range of industries and tasks. In particular, Cognex's products reduce waste and improving quality control in manufacturing.

Company	Products/ practices	Theme	Sub theme	Sustainable development goal	Hypothesis in a nutshell
DSV B	Practices	Planet	Doing more with less	9.4	DSV is one of the world's largest buyers of freight, and is committed to using this scale to help reduce the carbon intensity of its customers' logistics networks, with a significant influence on both its customers and the shippers.
Edwards Lifesciences	Products	People	Extending healthy life expectancy	3.4	Edwards specializes in developing and manufacturing minimally invasive technologies to treat structural heart disease. Its procedures are 'a less' invasive alternative to open-heart surgery and improves survival rates, shortens hospital stays, reduces readmissions, and significantly enhances quality of life after surgery. The more successful Edwards is in pioneering these advancements, the greater the impact on global health.
Epiroc	Products	Planet	Doing more with less	9.4	Epiroc makes mining equipment with a focus on electrification and automation, contributing to the partial decarbonisation of some of the worst world emitters and the reduction of health and safety risks in one of the most dangerous environments.
Eurofins	Products	People	Extending healthy life expectancy	3.9	Eurofins plays a critical role in society through the provision of analytical testing services, the benefits of which range from facilitating food safety, to measuring environmental impact, to supporting drug testing and development, and advancing medical research.
Experian	Practices	People	Deepening Financial Inclusion	8.10	Experian's core role is to make it easier to issue credit by ensuring lenders have accurate data. It is using its position of influence as the largest credit bureau to try and promote financial inclusion, by giving consumers more insight and control over the data that lenders use.
GMO Payment Gateway	Products	Prosperity	Supporting innovation for growth	8.2	GMOPG's plays an important role in supporting the payment infrastructure necessary to support Japan's transition to a cashless society. This transition and GMOPG's growth should help Japanese society more broadly by helping to tackle challenges like labour shortages, boosting productivity, improving resilience to natural disasters and reducing regional disparities.
HDFC Life Insurance Co Ltd	Products	People	Deepening financial inclusion	1.3	HDFC Life provides life insurance and savings products in the Indian market, which help bridge the protection gap and are particularly impactful for customers close to the poverty line.
Illumina	Products	People	Extending healthy life expectancy	3.4	As the global leader in gene sequencing, Illumina occupies a privileged position in the genomics value chain and has clear potential to make a difference by enabling scientific and medical advances.
IMCD Group NV	Practices	Planet	Doing more with less	12.2	IMCD's expertise in specialty chemicals and formulations helps their customers to reduce the environmental footprint of its products, without compromising on performance. It is a particularly important enabler for small and medium sized customers, and actively spread best practice across industries and geographies.

Company	Products/ practices	Theme	Sub theme	Sustainable development goal	Hypothesis in a nutshell
Inspire	Products	People	Extending healthy life expectancy	3.4	Inspire's success depends on its ability to provide effective treatment for sleep apnoea, a condition that affects millions of people at a cost of billions of dollars to the healthcare system and wider economy.
Intuit	Products	Prosperity	Lowering barriers to entrepreneurship	n/a	Intuit's products playing a crucial role in empowering over 90m individuals and 10m small businesses to manage their finances more effectively. The more successful Intuit becomes in simplifying financial management and empowering its users, the more it can invest in improving its products and reaching new customers. This, in turn, leads to greater financial empowerment for a larger number of individuals and businesses, creating a positive cycle of growth and impact. It has concrete goals for this – it aims to double the household savings rate, improve business success by >20 pts compared to the industry and to double its number of customers to 200M.
Kinaxis	Products	Planet	Doing more with less	9.4	Kinaxis will play a leading role in helping large companies to make their supply chains more efficient and resilient – which will help make companies more adaptable, and also reduce waste. The more unique its offering is, the faster the company will see software sales will grow.
Lineage, Inc.	Products	People	Improving Food Security	12.3	In a fragmented market with an ageing asset base, Lineage has pioneered a more professional approach to the cold chain. Share gains have enabled it to invest in technology, improving the service proposition and further widening its moat. Better efficiency and a more integrated cold chain should help reduce food waste, tackling a global challenge while saving customers money.
L'Oréal	Practices	Planet	Preserving natural capital	12.4	L'Oréal is using its position as the largest global cosmetics company to improve environmental standards across the industry. It has ambitious goals to reduce the climate and biodiversity impact of its products and supply chain, enabled by world-leading life-cycle analysis.
MarketAxess Holdings	Products	Prosperity	Encouraging fair and transparent markets	10.5	MarketAxess's platform dramatically reduces the costs and improves the transparency with which bonds are traded, with subtle but far-reaching benefits for investors (such as pensioners) and bond issuers (such as governments). Penetration of electronic trading today is only ~40%, and regulators are determined to increase this to promote transparency.
Marsh & McLennan	Product	Planet	Adapting to climate change	13.1	Marsh's role is to help companies manage their risks, including adapting to the impacts of climate change – which are posing increasing challenges to insurance markets. By helping companies to manage these risks, Marsh can help reduce the insurance protection gap, which in turn supports their long-term growth opportunity.
Mastercard Inc-Class A	Practices	People	Deepening financial inclusion	1.4	Mastercard has ambitious goals for financial inclusion, partnering with the World Bank and other NGOs to bring 1 billion individuals into the financial system by 2025, with a focus on unbanked communities and women.

Company	Products/ practices	Theme	Sub theme	Sustainable development goal	Hypothesis in a nutshell
Meituan	Products	Prosperity	Lowering barriers to entrepreneurship	9.3	Meituan's platform reduces barriers to entrepreneurship by giving merchants access to millions of customers and implementing initiatives that proactively support the growth of SMEs.
MercadoLibre	Products	Prosperity	Lowering barriers to entrepreneurship	9.3	MercadoLibre has expanded from an e-commerce platform to a major provider of logistics infrastructure and financial services in Latin America, playing an important role in lowering barriers to entrepreneurship and promoting financial inclusion.
Microsoft	Products	Prosperity	Supporting innovation for growth	8.2	Microsoft plays a foundational role in helping organisations of all kinds to be more productive. This is through tools that help make processes more efficient, helping the company move operations to the cloud, and increasingly through helping apply AI to their operations. This both supports company growth, and plays a foundational role in supporting productivity growth across the economy.
Moderna Inc	Products	People	Extending healthy life expectancy	3.4	Moderna's vaccine saved millions of lives during the COVID pandemic, and it has reinvested the profits in heavy R&D. Its strong pipeline of vaccines for everything from flu to HIV could be gamechanging for public health.
MSA Safety	Products	Prosperity	Fair and decent work	8.8	MSA is a mission-driven organisation, manufacturing products that protect workers in hazardous environments.
New York Times Co	Practices	People	Promoting strong institutions	16.10	New York Times is one of few news organisations to have consistently invested in its journalism and product offering in a period of intense disruption of media. This high quality journalism, with a strong focus on ethical and truthful reporting, plays a vital – and increasingly unique – role in holding institutions to account.
Nintendo	Practices	Prosperity	Safer lives online	n/a	Nintendo distinguishes itself by creating family-friendly, accessible, inclusive, and educational gaming content that promotes positive values and enables parental control of content and usage.
Prudential	Products	People	Enhancing access to healthcare	3.8	Prudential is now focused on providing life and health insurance in Asia, helping customers manage risks related to illness or death and offering security where social safety nets are limited. Its growth will be increasingly driven by helping people meet healthcare needs.
Raia Drogasil	Products and Practices	People	Enhancing access to healthcare	3.8	As Brazil's largest pharmacy chain, RD enables access to low-cost primary care for Brazil's ageing population
Recruit Holdings	Practices	Prosperity	Fair and decent work	8.5	Recruit's recruitment platforms and matching technology improve transparency and efficiency in the labour market, reducing economic hardship from frictional unemployment. The company seeks to go further by proactively working with employers to reduce discrimination and help marginalised groups find work.

Company	Products/ practices	Theme	Sub theme	Sustainable development goal	Hypothesis in a nutshell
Sartorius Stedim Biotech	Products	People	Extending healthy life expectancy	3.4	Through its comprehensive portfolio of innovative manufacturing equipment, Sartorius SB enables biologic advancement, development, and production efficiencies, thereby contributing (albeit indirectly) to better health, for more people, worldwide.
Savers Value Village	Practices	Planet	Doing more with less	12.5	SVV is the only listed thrift store chain, and its unique business model takes 'sharing economics' to the next level. Its ambitious expansion plans are supported by strong structural tailwinds and the runway for growth is long at current scale. It relies on the local community for both demand and supply, and in turn its growth reduces textile waste and supports charity partners.
Schneider Electric SE	Practices	Planet	Enabling the energy transition	7.3	As a manufacturer of electrical equipment, Schneider is enabling the energy transition while showing leadership in holding themselves to high environmental standards, while inspiring suppliers and competitors to follow suit.
Shopify 'A'	Products	Prosperity	Lowering barriers to entrepreneurship	9.3	Shopify provides the infrastructure that enables merchants of any size to sell online – via their own websites and on their own terms. It's growing suite of products, from payments to advertising, levels the playing field for small businesses.
Spirax-Sarco	Practices	Planet	Doing more with less	9.4	Spirax Sarco provides niche industrial components for heat transfer and fluid dynamics. It partners with customers to identify opportunities to improve their operational efficiency and reduce environmental footprint.
Spotify Technology SA	Practices	Prosperity	Lowering barriers to entrepreneurship	9.3	Through its music streaming platform and wider ecosystem, Spotify is contributing significantly to the growth of the creative economy and democratising access to income opportunities for artists and creators.
Starbucks Corp	Practices	Prosperity	Supply chains with integrity	12.6	Starbucks have pioneered a stakeholder-centric approach to running its business since being founded. Extending this approach through to its coffee supply chain, where they use influence as one of the largest buyers in the world to help promote more sustainable farming practices, and raise transparency in the industry, including developing the industry's first ethical sourcing standards.
Sweetgreen	Practices	People	Improving food security	2.4	Sweetgreen's brand and high quality product offer depends on its farm-to-table supply chain strategy and support of sustainable farming practices.
Synopsys	Products and Practices	Prosperity	Supporting innovation for growth	8.4	Synopsys's software enables innovation and increases efficiency in any technology that relies on semis.
Tetra Technologies	Product	Planet	Adapting to climate change	13.1	TTEK's mission is to support the infrastructure providing safe drinking water and sanitation, and enabling countries to adapt to climate change.
Texas Instruments	Practices	Prosperity	Doing more with less	8.4	Texas Instruments designs and manufactures analog semiconductors, providing customised chips to over 100,000 customers for use in products from wind turbines to traffic lights.

Company	Products/ practices	Theme	Sub theme	Sustainable development goal	Hypothesis in a nutshell
The Trade Desk	Practices	Prosperity	Safer lives online	n/a	Trade Desk is a critical gatekeeper in the digital advertising industry, enabling targeted advertising in a way that protects consumers and maximises transparency over how data is used, with strong ethical guidelines that influence many other actors in the system.
TSMC	Products	Prosperity	Supporting innovation for growth	9.5	As the world's largest – and most sophisticated – independent foundry, TSMC occupies a critical position in the semiconductor industry. By enabling chip designers to outsource manufacturing, TSMC enables faster and more capital-efficient innovation across a wide range of industries.
UnitedHealth	Practices	People	Extending healthy life expectancy	3.4	As the largest healthcare management organisation in the US, UNH plays a crucial role in allocating scarce resources, improving patient outcomes, and containing costs. As the population ages, it is the industry leader in a shift to more integrated care.
Wabtec	Products	Planet	Doing more with less	9.4	Wabtec is the dominant manufacturer of locomotives and related parts in the US. Through its leading investment in emissions reduction technology, Wabtec will play a significant role in supporting carbon emissions reductions within the rail industry – which is already the most environmentally efficient way to transport goods or passengers.
Warby Parker Inc	Practices	Prosperity	Fair and decent work	10.3	Warby Parker is a small eyewear company with the potential to have a disproportionate influence via its progressive approach to issues such as racial equality in the workforce. As well as acting as a role model for other (larger) companies, this is an integral component of the company's brand and its proposition to employees.
Wise plc	Practices	People	Deepening financial inclusion	10.C	Wise is a mission-driven company focused on providing low-cost, transparent, and efficient cross-border transactions for individuals and SMEs. By reducing remittance costs and easing the financial burden of living across borders, the company fosters greater financial inclusion.
Workday Inc	Practices	Prosperity	Fair and decent work	8.2	Workday is best known for its cloud-based HR software, which improves the efficacy of human capital management within large enterprises. Workday partners with its customers to promote Fair and decent work by sharing best practice in areas such as diversity and inclusion.
Yeti	Practices	Planet	Doing more with less	12.5	Yeti's strong culture of sustainability and community focused marketing approach helps strengthen its strong brand and maintain its loyal customer base.

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