Erklæring om investeringsbeslutningers fremste negative virkninger knyttet til bærekraftsfaktorer

Aktør i finansmarkedene: Baillie Gifford & Co Ltd (N22C6FNZ44MX4YZS4L75)

Oppsummering

Baillie Gifford & Co Ltd (N22C6FNZ44MX4YZS4L75) vurderer investeringsbeslutningers fremste negative virkninger knyttet til bærekraftsfaktorer. Denne erklæringen er den konsoliderte erklæringen vedrørende Baillie Gifford & Co Ltds fremste negative virkninger på bærekraftsfaktorer.

Denne erklæringen om de fremste negative virkninger gjelder for referanseperioden 1. januar 2024 til 31. desember 2024.

Baillie Gifford & Co Ltd har delegert porteføljeforvaltningen til Baillie Gifford & Co og Baillie Gifford Overseas Limited, og har tatt i bruk Baillie Giffords Forvaltningsprinsipper og retningslinjer. Disse fastsetter fremgangsmåten for vurderingen av vesentlige eller potensielt vesentlige ESG-faktorer, inkludert de fremste negative virkningene og bærekraftsrisiko. Vi mener at på lang sikt er finansiell utvikling og passende håndtering av ESG-faktorer ofte nært knyttet sammen. Derfor er det viktig å ta hensyn til hvilken negativ innvirkning et selskap kan ha på miljøet eller samfunnet for å forstå potensiell investeringsavkastning. På et overordnet selskapsnivå har vi ikke angitt noen mål knyttet til de viktigste indikatorene for negative innvirkninger, unntatt i forbindelse med kontroversielle våpen. Vi har forpliktet oss til å ekskludere kontroversielle våpen, noe som er i tråd med retningslinjene for ekskludering som er beskrevet i Forvaltningsprinsipper og retningslinjer. De ulike investeringsstrategiene kan ha ulike fremgangsmåter i vurderingen av fremste negative virkninger. Noen av våre investeringsfond går lenger og identifiserer og demper de fremste negative virkningene kvalitativt gjennom anvendelsen av spesifikke eksklusjoner som er knyttet til bestemte inntektskilder. Detaljerte opplysninger om fondenes ekskluderinger finnes i dokumentasjonen for de ulike fondene. Som tilleggsindikatorer har vi identifisert (i) investeringer i selskapet uten initiativer for reduksjon av karbonutslippene i henhold til Paris-avtalen og (ii) antall saker som er funnet med alvorlige brudd på menneskerettigheter samt hendelser. Disse tilleggsindikatorene er valgt ut fordi de er rettet inn mot saker som anses som vesentlige for investeringers langsiktige vekstpotensial.

Å engasjere oss i eiendelene vi holder på vegne av kundene våre er kjernen i rollen vår som effektive forvaltere av våre kunders kapital og er en forlengelse av analyseprosessen vår. Våre Forvaltningsprinsipper og retningslinjer fungerer som engasjementspolicyen vår. Vi bruker FN Global Compact for å finne mulige problematiske saker hos selskaper vi er investert i. Vi vurderer også våre posisjoner opp mot aktuelle standarder, inkludert retningslinjene for flernasjonale selskaper fra Organisasjonen for økonomisk samarbeid og utvikling og FNs veiledende prinsipper for næringsliv og menneskerettigheter. Vår Erklæring om klimarelaterte intensjoner og ambisjoner skisserer vår tro på en vellykket overgang som begrenser den globale temperaturøkningen, styrer innvirkningen på samfunn over hele verden og gir våre kunder bedre muligheter for investeringsavkastning. Men vi innser at den beste veien for å oppnå dette ikke er gitt på forhånd, og vil være under kontinuerlig utvikling. Mer informasjon om tiltakene våre for å utforske fremtidige utfall, er tilgjengelige i den TCFD-innrettede klimarapporten vår.

Vurderingen av negative virkninger gjøres på grunnlag av eksterne data, samt våre egne analyser. De eksterne dataene som brukes til å tallfeste negative virkninger ved bruk av flere indikatorer, bygger enten på tilbakeskuende analyse eller fremskrivninger (dvs. bruk av proxy-data og/eller forutsetninger). Kvaliteten og påliteligheten til disse indikatorene vil derfor være avhengig av at selskaper oppgir denne informasjonen, og at dataleverandørene oppdaterer den tilgjengelige informasjonen i tide. Datatilgjengeligheten varierer ikke bare mellom de ulike aktivaklassene (som aksjer sammenlignet med selskapsgjeld), men også mellom de ulike markedene (som utviklede markeder sammenlignet med vekstmarkeder). Vi forventer at tilgjengeligheten på data vil øke på kort til mellomlang sikt for visse aktivaklasser eller markeder (selskapsgjeld, unoterte aksjer og vekstmarkeder), gjennom ulike initiativer som samkjører offentliggjøring av bærekraftsrelatert informasjon. Vi forventer at visse aktivaklasser (som valuta eller derivater) vil ta lenger tid å løse. Negative bærekraftsindikatorverdier kan påvirkes av datatilgjengelighet og bør vurderes i forbindelse med Vedlegg 1 – Datadekning. Måltall som offentliggjøres i denne rapporten er beregnet i henhold til metodikken som er beskrevet i de Utfyllende tekniske standardene i EUs forordning om bærekraftsrapportering i finans. Av den grunn kan måltallene avvike fra annen rapportering fra Baillie Gifford, der en annen metodikk har vært brukt. En tabell med oppsummering av de fremste negative virkningene vises på motsatt side, med alle opplysningene som offentliggjøres i denne rapporten.

I tilfeller der det ikke finnes noe rapportert virkning, er årsaken at den aktuelle virkningen ikke er relevant for investeringene i det aktuelle finansproduktet. Du finner mer informasjon i delen om datadekning. De oppsummerte verdiene tilsvarer kanskje ikke summen av komponentene, grunnet avrunding.

Indikatorer som gjelder investeringer i selskaper man har investert i

Klima- og andre miljøindikatorer

Indikator for negativ bærekraft		Virkning 2024
Utslipp av klimagasser	1. Utslipp av klimagasser (Ramme 1,2 og vesentlige utslipp i Ramme 3, tCO_2e)	8 057 905,7
	2. Karbonavtrykk (Scope 1,2 og vesentlige utslipp i Scope 3, tCO_2e per investert mEUR)	118,6
	3. Intensitet i utslipp av klimagasser for selskaper man er investert i (Scope 1,2 og vesentlige utslipp i Scope 3, tCO_2e per investert mEUR)	335,0
	4. Eksponering mot selskaper med virksomhet innenfor fossilt brensel (% forvaltningskapital)	2,1
	5. Andel forbruk og produksjon av ikke-fornybar energi (%)	72,0
	6. Intensitet i energiforbruk per sektor med stor klimainnvirkning (GWt per €M i driftsinntekter)	0,5
Biologisk mangfold	7. Virksomhet med negativ virkning på sensitive områder mht. biologisk mangfold (% forvaltningskapital)	3,1
Vann	8. Utslipp i vann (tonn per investert €M)	0,004
Avfall	9. Forholdstall for farlig og radioaktivt avfall (tonn per investert €M)	0,5

Indikatorer som gjelder sosiale forhold og ansatte, respekt for menneskerettighetene, bekjempelse av korrupsjon og bestikkelser

Sosiale saker og relasjon til ansatte	10. Brudd på FNs Global Compact-prinsipper og retningslinjene for flernasjonale selskaper fra Organisasjonen for økonomisk samarbeid (OECD) (% forvaltningskapital)	0,2
	11. Mangel på prosesser og kontrollmekanismer for å følge opp etterlevelse av FNs Global Compact-prinsipper og OECDs retningslinjer for flernasjonale selskaper (% forvaltningskapital)	26,9
	12. Ikke-justert lønnsgap mellom kjønnene (forholdstall)	13,8
	13. Kjønnsmangfold i styret (% kvinner i styret)	31,3
	14. Eksponering mot kontroversielle våpen (antipersonellminer, klasebomber, kjemiske og biologiske våpen) (% forvaltningskapital)	0,0

Indikatorer som gjelder investeringer i stater og overnasjonale organer

Miljøforhold	15. Klimagassintensitet (tonn per €M i kjøpekraftjustert BNP for 2017)	195,1
Sosiale forhold	16. Land som mottar investeringer hvor sosiale brudd finner sted (gjennomsnittlig antall land)	12

Indikatorer som gjelder investeringer i fast eiendom

Fossilt brensel	17. Eksponering mot fossilt brensel gjennom investeringer i fast eiendom (% forvaltningskapital)	0,03
Energieffektivitet	18. Eksponering mot fast eiendom med lav energieffektivitet (% forvaltningskapital)	0,06

Andre indikatorer for fremste negative virkninger på bærekraftsfaktorer

Indikatorer som gjelder investeringer i selskaper man har investert i

Utslipp	4. Investeringer i selskaper uten initiativer for reduksjon av karbonutslipp (% forvaltningskapital)	53,6
Menneskerettigheter	14. Antall saker som er funnet med alvorlige brudd på menneskerettighetene samt hendelser (gjennomsnittlig antall de siste tre år)	0,04

Description of the principal adverse impacts on sustainability factors

Indicators applicable to investments in investee companies

CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS

Adverse sustainability indicator		Metric	Impact (2024)	Impact (2023)	Impact (2022)	Explanation	Actions taken, and actions planned and targets set for the next reference period
Greenhouse gas emissions	1. GHG emissions	Scope 1 GHG emissions (tCO_2e)	1,213,432.8	1,094,323.9	1,230,066.1	Scope 1 emissions capture direct GHG emissions from operations that are owned or controlled by a company. This typically relates to the combustion of fossil fuels on-site and in direct control of the company. Scope 2 emissions capture the indirect emissions of a company associated with the generation of purchased electricity, steam, heat and cooling. It indicates a company's energy usage and can be helpful in highlighting energy intensity and efficiency. Reference to scope 3 GHG emissions refers to material scope 3 emissions. Material scope 3 emissions capture the measurement of indirect Scope 3 emissions from certain material sectors, in accordance with guidance from the Portfolio Carbon Accounting Framework (PCAF). The material scope 3 emissions metrics used in this report relate only to the scope 3 emissions from companies in the oil and gas, mining, transportation, construction, buildings, materials and industrial activities sectors.	Climate change and the energy transition From an investment perspective, the identification, assessment and management of climate-related risks and opportunities is primarily the responsibility of individual investment teams. Teams are expected to undertake this as part of investment research, analysis and engagement activities, guided by potential materiality to investment outcomes and as appropriate to client mandates. While each investment team brings its own perspectives and approach, they work from the foundations laid out in our firmwide Statement of Climate-related Intent and Ambition. Our Climate Team runs a 'Climate Assessment' process shared across all our investment strategies. This aims to ensure that holdings – including the top 250 holdings by group AUM and every holding in net zero aligning portfolios – are assessed by investment teams across two dimensions we think are relevant to delivering investment returns: emissions reductions ambition and targets, and potential transition role. The process was reviewed in 2024, and some additional refinements were made to the assessment criteria and categorisation.
		Scope 2 GHG emissions (tCO_2e)	408,635.7	324,222.0	355,031.4		
		Scope 3 GHG emissions (tCO_2e)	6,435,837.2	6,394,843.5	4,776,179.2		
		Total GHG emissions (tCO_2e)	8,057,905.7	7,813,389.4	6,361,276.7		

Adverse sustainability indicator		Metric	Impact (2024)	Impact (2023)	Impact (2022)	Explanation	Actions taken, and actions planned and targets set for the next reference period
						From 2025 onwards all sectors will be included (i.e. full Scope 3). From June 2023 onwards we moved to PCAF Phase 2 sectors for Scope 3 Material. This meant that a wider range of sectors were included in Scope 3 Material during 2023, compared to the previous year, explaining the increase seen in this metric during that year.	Our ESG Assurance Group monitors a number of sustainability risk indicators across our investment strategies. Whilst these indicators are not binding on strategies, they seek to prompt further discussion or research into the consideration of certain sustainability risks, with any concerns escalated to the Equity or Multi Asset and Income Investment Risk Committee as relevant. These indicators include three climate indicators covering weighted average carbon intensity and fossil fuel exposure against the relevant benchmarks and also climate assessment coverage. Over recent years we have worked with two external organisations to help us further develop three climate scenario narratives that could be used by our investment teams to enrich our thinking on future climate-related risks and opportunities. Over the past year, we have continued climate scenario work with our investment teams. We use a mixture of facilitated workshops, stock research, new idea generation and the creation of further novel scenarios, with a particular focus on potential disorderly scenario pathways. While the results of the work cannot be distilled to simple numbers or data points, each team aims to become better equipped to invest through the transition and be better able to explain the climate-

Adverse sustainability indicator		Metric	Impact (2024)	Impact (2023)	Impact (2022)	Explanation	Actions taken, and actions planned and targets set for the next reference period
							related sensitivities of the portfolios they manage to their clients. During the reference period, we engaged with 132 companies on climate change. Further details of our approach to climate change can be found in our TCFD report, available on our website.
	2. Carbon footprint	Carbon footprint (tCO_2e per €M invested)	118.6	192.8	129.6	Scope 1, 2 & material Scope 3 emissions tCO2e per €M invested. The carbon footprint (or 'financed emissions') represents the aggregated GHG emissions per million € invested and can be used for comparisons of carbon intensity. From June 2023 onwards we moved to PCAF Phase 2 sectors for Scope 3 Material. This meant that a wider range of sectors were included in Scope 3 Material during 2023, compared to the previous year, explaining the increase seen in this metric during that year.	See Climate change and the energy transition description.
	3. GHG intensity of investee companies	GHG intensity of investee companies (tCO_2e per €M revenue)	335.0	407.9	325.5	Scope 1, 2 & material Scope 3 emissions tCO2e per €M revenue. The aggregated carbon intensities of the companies (per €M revenue), scaled by size of holding. The GHG intensity metric can therefore be used to help measure	See Climate change and the energy transition description.

Adverse sustainability indicator		Metric	Impact (2024)	Impact (2023)	Impact (2022)	Explanation	Actions taken, and actions planned and targets set for the next reference period
						overall exposure to high carbon intensity holdings. From June 2023 onwards we moved to PCAF Phase 2 sectors for Scope 3 Material. This meant that a wider range of sectors were included in Scope 3 Material during 2023, compared to the previous year, explaining the increase seen in this metric during that year.	
	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector (% of AUM)	2.1	3.9	4.3	Measures the percentage of total AUM exposed to companies classified as having exposure to fossil fuel related activities in the MSCI universe. This differs from the revenue-based fossil fuel exposure metrics we also report because it only identifies companies with a fossil fuel sector classification.	See Climate change and the energy transition description. Additionally, we offer a number of funds which make a binding commitment to limit investment in fossil fuels. Details can be found in relevant fund documentation.
	5. Share of non-renewable energy consumption and production	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources (%)	72.0	71.8	79.4	'Renewable energy sources' means renewable non-fossil sources, namely wind, solar (solar thermal and solar photovoltaic) and geothermal energy, ambient energy, tide, wave and other ocean energy, hydropower, biomass, landfill gas, sewage treatment plant gas, and biogas. 'Non-renewable energy sources' means energy sources other than those referred to above.	See Climate change and the energy transition description.
	6. Energy consumption intensity per high impact climate sector	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector (GWh per €M revenue)	0.5	0.9	1.2	'Energy consumption intensity' means the ratio of energy consumption per unit of activity, output or any other metric of the investee company to the total energy consumption of that investee company. 'High impact climate sector' refers to	See Climate change and the energy transition description.

Adverse sustainability indicator		Metric	Impact (2024)	Impact (2023)	Impact (2022)	Explanation	Actions taken, and actions planned and targets set for the next reference period
						NACE sectors A to H plus sector L.	
Biodiversity	7. Activities negatively affecting biodiversity-sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas (% of AUM)	3.1	0.9	0.0	Exposure is measured by combining controversy indicators related to a firm's use or management of natural resources, with where the company operates sites in, or adjacent to, areas of high biodiversity value and protected areas. Improvements in the methodology of our data provider has led to an increase in this data point.	Nature and Biodiversity Nature and biodiversity-related risks and opportunities are an increasing focus for us and many of our clients. Our firmwide Climate Assessment process integrates physical climate, water and deforestation risks. Additionally, we complete annual audits of key nature-related themes. We will continue evolving these approaches as industry guidance and data improve. In 2024, we undertook a deforestation review on our high-priority names selected from across portfolio holdings. This has expanded our understanding of minimum standards and best practices for companies exposed to deforestation-related risks. During the reference period, we engaged 39 companies on their natural resource use and impact.
Water	8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average (tonnes per €M invested)	0.004	0.027	61.004	Exposure is measured using emissions to water data as reported in the MSCI universe. This metric details emissions to water reported by companies, pertaining to actual pollutants or effluents. In line with peers we continue to see low coverage in the reporting of this metric by held companies, which remains an industry-wide issue. As part of our data strategy we continue to assess ways to improve coverage of this metric.	See Nature and Biodiversity description.

Adverse sustainability indicator		Metric	Impact (2024)	Impact (2023)	Impact (2022)	Explanation	Actions taken, and actions planned and targets set for the next reference period
						Between years 2022 and 2023, the primary driver of the decline is a reduction of data coverage from 6.4% in 2022 to 0.9% in 2023. For some assets continually held across the three reporting periods, data was not available where this was previously available.	
Waste	9. Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average (tonnes per €M invested)	0.5	1.1	1.7	'Hazardous waste' means hazardous waste as defined in Article 3(2) of Directive 2008/98/EC of the European Parliament and of the Council', 'Radioactive waste' means radioactive waste as defined in Article 3(7) of Council Directive 2011/70/Euratom.	See Nature and Biodiversity description.

INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS

Adverse sustainability indicator		**Metric**	**Impact (2024)**	**Impact (2023)**	**Impact (2022)**	**Explanation**	**Actions taken, and actions planned and targets set for the next reference period**
Social and employee matters	10. Violations of UN Global Compact (UNGC) principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises (% of AUM)	0.2	5.1	4.5	We updated our report for 2024, to reference only companies classed as non-compliant with the UNGC by MSCI. Previous reporting years have included companies classified both as watchlist and non-compliant. This has resulted in a reduction in this data point. We believe the new approach to be more closely with the PAI requirements.	UNGC and related standards The principles and standards set out in the UNGC are an appropriate framework for considering a business' long-term sustainability, covering the areas of human rights, labour, environment and anti-corruption. A company's failure to meet the UNGC may result in a material risk to the long-term performance of the business. Our ESG Assurance Group monitors a number of sustainability risk indicators across our investment strategies. Whilst these indicators are not binding on strategies, they seek to prompt further discussion or research into the consideration of certain sustainability risks, with any concerns escalated to the Equity or Multi Asset and Income Investment Risk Committee as relevant. These indicators include exposure to UNGC non-compliant companies against the relevant benchmarks. We have several funds that make a binding commitment not to invest in companies that are non-compliant with the UNGC. Details can be found in relevant fund documentation. During the reference period, we engaged with 6 companies regarding potential violations of the UNGC and related standards.

	11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance/ complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises (% of AUM)	26.9	70.4	74.7	Improvements in the methodology of our data provider has led to an improvement in this data point.	See United Nations Global Compact (UNGC) and related standards description.
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies (ratio)	13.8	14.6	11.7	'Unadjusted gender pay gap' means the difference between average gross hourly earnings of male paid employees and of female paid employees as a percentage of average gross hourly earnings of male paid employees.	Diversity and inclusion We expect businesses to manage their organisation's culture to ensure all employees are treated fairly (including in relation to pay) and respectfully in the workplace. Suitable policies and procedures should be in place to ensure that inappropriate behaviour and discrimination are identified and addressed accordingly. During the reference period, we supported shareholder resolutions on gender pay gap reporting at 5 companies as we believed these resolutions were in the best interests of shareholders..

	13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members (% of board members who are female)	31.3	28.8	27.6	‘Board’ means the administrative, management or supervisory body of a company.	We believe that board diversity is an important issue for all businesses, potentially impacting a company’s ability to generate returns over the long term. We consider diversity broadly to include gender and ethnic diversity, diversity of thought, background, skillset, time horizon and risk appetite. We therefore expect our holdings to take steps to understand and, where necessary, improve board-level diversity. During the reference period, we engaged with 11 companies specifically on board diversity and a further 9 on diversity more broadly.

	14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons (% of AUM)	0.0	0.0	0.0	'Controversial weapons' means anti-personnel mines, cluster munitions, chemical weapons and biological weapons.	Controversial Weapons Baillie Gifford seeks to avoid investment in holdings directly involved in producing controversial weapons, or the components or services that are essential to and tailor-made for them. This policy applies specifically to the following types of weapons: - Anti-personnel mines - Biological and chemical weapons - Cluster munitions - Depleted uranium weapons - White phosphorus incendiary weapons - Nuclear weapons (where such weapons are likely to be in breach of the objectives of the Treaty on the Non-Proliferation of Nuclear Weapons). This firmwide exclusion applies only to companies held directly within portfolios we manage on behalf of our clients. Exposure obtained indirectly (e.g. through an investment fund not managed by Baillie Gifford) will not automatically take account of this exclusion. We use external research providers to help us identify excluded companies and, where appropriate, supplement this with our research to determine our position on individual companies.

Indicators applicable to investments in sovereigns and supranationals

Adverse sustainability indicator		Metric	Impact (2024)	Impact (2023)	Impact (2022)	Explanation	Actions taken, and actions planned and targets set for the next reference period
Environmental	15. GHG intensity	GHG intensity of investee countries	195.1	211.0	235.9	Tonnes per €M GDP 2017 PPP. This aligns with guidance from the Partnership for Carbon Accounting Financials (PCAF) stating that financial institutions shall use the attribution by PPP-adjusted GDP for sovereign debt emissions.	When actively investing in sovereign bonds, Baillie Gifford considers GHG intensity data alongside commitments the country has made in line with the Paris Agreement. Dependent on specific investment strategy commitments, consideration of if the country is on course to achieve Paris Agreement targets may form part of our investment analysis and may inform decisions. We use our position as capital providers to engage on selected issues directly and through industry bodies. This consideration does not apply when investing in sovereign debt for hedging or cash management purposes.

Social	16. Investee countries subject to social violations	Number of investee countries subject to social violations (absolute number and relative number divided by all investee countries), as referred to in international treaties and conventions, United Nations principles and, where applicable, national law	Absolute: 12 Relative: 15.3%	Absolute: 9 Relative: 11.4%	Absolute: 8 Relative: 10.7%	Social violations are determined using the 'Rule of Law' metric. This captures perceptions of the extent to which agents have confidence in and abide by the rules of society, in particular the quality of contract enforcement, property rights, the police, and the courts, as well as the likelihood of crime and violence. The first figure is the number of unique investee countries whose metric is less than -0.4, the threshold corresponding with MSCI's categorisation of High Risk. The second figure is the number of unique investee countries in this category divided by the total number of unique investee countries.	When investing in sovereign bonds, Baillie Gifford believes that if a country is governed effectively, its people are respected and its natural assets are managed responsibly, there is a greater chance it will enjoy sustainable growth and development, as well as be in a better position to repay bond debt. Dependent on specific investment strategy commitments, these factors are integrated into our analytical framework, which rests on three key areas: macroeconomic sustainability, economic management and growth potential. We use our position as capital providers to engage on selected issues directly and through industry bodies. This consideration does not apply when investing in sovereign debt for hedging or cash management purposes.

Indicators applicable to investments in real estate assets

Adverse sustainability indicator		Metric	Impact (2024)	Impact (2023)	Impact (2022)	Explanation	Actions taken, and actions planned and targets set for the next reference period
Fossil fuels	17. Exposure to fossil fuels through real estate assets	Share of investments in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels	0.03	N/A	N/A	Share of investments in real estate deriving any revenues from exploration, mining, extraction, production, processing, storage, refining or distribution, including transportation, storage and trade, of fossil fuels.	80% of the real estate portfolio has no link to fossil fuel extraction, storage, transport or manufacture, with 20% being linked to petrol storage and sales due to its operations as a motorway service station. Real estate assets represent just 0.2% of total BGCL assets and are managed by a third party asset manager. Real estate is not a material asset class for BGCL. The third party asset manager regularly reviews properties from an ESG perspective, with ESG improvements implemented and sales considered where performance is likely to be negatively impacted by ESG factors. Disclosure of this metric has included this year to improve transparency.

Energy efficiency	18. Exposure to energy-inefficient real estate assets	Share of investments in energy-inefficient real estate assets	0.06	N/A	N/A	Energy-inefficient real estate assets are defined as those having either EPC (Energy Performance Certificate) of C or below, or with PED (primary energy demand) below NZEB (nearly zero-energy building) in Directive 2010/31/EU	The real estate portfolio has EPC ratings of A to C, with 30% A rated, 35% B rated and 35% C rated, by capital value. Real estate assets represent just 0.2% of total BGCL assets and are managed by a third party asset manager. The third party asset manager insists on satisfactory EPCs, with a minimum of a C rating on acquisition. The manager works to upgrade or sell non-compliant properties. Real estate is not a material asset class for BGCL, as such relevant adverse impact indicators have not been disclosed the past two years. Disclosure of this metric has been included this year to improve transparency.

Other indicators for principal adverse impacts on sustainability factors

Indicators applicable to investments in investee companies

CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS

Adverse sustainability indicator		**Metric**	**Impact (2024)**	**Impact (2023)**	**Impact (2022)**	**Explanation**	**Actions taken, and actions planned and targets set for the next reference period**
Emissions	4. Investments in companies without carbon emission reduction initiatives	Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement (% of AUM)	53.6	42.8	52.6	Our data provider changed the disclosure status of a number of holdings in March 2024. This caused a reduction in the share of investments with carbon emissions reduction initiatives. Our climate assessment process provides an additional review of a company's performance in this area.	See Climate change and the energy transition description.

INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS

Adverse sustainability indicator		**Metric**	**Impact (2024)**	**Impact (2023)**	**Impact (2022)**	**Explanation**	**Actions taken, and actions planned and targets set for the next reference period**
Human Rights	14. Number of identified cases of severe human rights issues and incidents	Number of cases of severe human rights issues and incidents connected to investee companies on a weighted average basis (average number in last three years)	0.04	0.01	0.01	N/A	Human rights and labour rights In addition to harming individuals, violating labour and human rights can damage the reputation and value of our holdings. Consequently, we expect our holdings to respect internationally accepted human and labour rights in line with the United Nations Guiding Principles for Business and Human Rights. At a minimum, this should include: - Maintaining health and safety systems, particularly in high-risk sectors; - Managing exposure to labour and human rights risks, especially modern slavery and; - Encouraging positive relationships with local communities. We have specific monitoring processes in place specifically regarding modern slavery and have conducted additional due diligence on holdings where modern slavery incidents have been highlighted. During the reference period, we engaged with 21 companies on human and labour rights.

Description of policies to identify and prioritise principal adverse impacts on sustainability factors

Baillie Gifford & Co Ltd has delegated portfolio management to Baillie Gifford & Co and Baillie Gifford Overseas Limited and has adopted Baillie Gifford's Stewardship Principles and Guidelines to set its approach on the consideration of material or potentially material ESG factors, including principal adverse impacts, and sustainability risks. This policy is reviewed on an annual basis and was last updated in January 2025.

Identifying principal adverse impacts

We believe that, over the long run, financial performance and appropriate management of ESG factors are often intertwined. For example, companies that act as sustainable operators are less likely to face regulatory action, which could harm financial returns. Therefore, to understand potential investment returns it is important to consider what adverse impact a company may have on the environment or society and the likelihood of this impact to be internalised. We consider a number of potential adverse impacts in the context of our overall focus on long-term investment performance and company impact.

As an active manager, we conduct deliberate and thoughtful ESG research. Our ESG research is materiality-led. Each holding is different, but most of our efforts will focus on the one or two critical issues with significant relevance to the investment case. Investment cases for a given holding can differ between strategies. Our ESG research considers both the risks of value-destruction and how the ESG characteristics and impacts of a holding might contribute to its growth if our investment case proves to be correct. We also seek to identify how a changing physical environment, shifting policy or emerging social expectations will likely impact our holdings' performance (positively and negatively) over our investment horizon. The holding-specific factors that we consider are broadly encapsulated within our Stewardship Principles. Should our research suggest concerns about a holding's practices or opportunities for improvement, we will engage and escalate, including using voting rights, where appropriate.

Our Stewardship Principles and Guidelines set out our expectations in relation to the assets in which we invest. This includes issues identified as principal adverse impacts under the Sustainable Finance Disclosure Regulation (SFDR):

- Governance arrangements;

- Human rights and labour rights;

- Principles of in the United Nations Global Compact (UNGC);

- Diversity and inclusion

- Climate change

- Nature and biodiversity

- Respect for legal and regulatory guidelines and consideration of stakeholder perspectives

We believe the principles and standards set out in the United Nations Global Compact (UNGC) are an appropriate framework for considering a business' long-term sustainability. A company's failure to meet the UNGC may result in a material risk to the long-term performance of the business.

Each investment strategy may take a different approach in the consideration of principal adverse impacts. Financially material ESG issues, including relevant potential adverse impacts of a holding, are routinely considered throughout the investment research process. ESG risk metrics, including a number of potential adverse impacts, are incorporated into investment risk reports periodically provided to investment managers. These metrics help investment managers identify emerging risks across the portfolio. A purely quantitative approach does not fully capture the underlying complexities faced by our holdings or provide a complete picture of risks and opportunities across portfolios. Still, it can indicate a need for deeper assessment. Therefore, we supplement metrics with bottom-up, qualitative information from our investment research and stewardship activities to provide a richer, more accurate picture.

A subset of our investment funds further identify and mitigate principal adverse impacts through the application of specific exclusions linked to specific business revenue streams which may include but are not limited to Thermal Coal; Other Fossil Fuels such as Oil and Gas; Military weapons systems, Tobacco and Alcohol. Other commitments may include compliance with Baillie Gifford's policy on assessing breaches of the United Nations Global Compact Principles for Business as outlined in Baillie

Gifford's Stewardship Principles and Guidelines document; commitments linked to the funds' carbon intensity or being managed in line with a net zero aligning mandate. Such commitments can lead to the identification and mitigation of a principal adverse impact. Details of specific fund exclusions can be found in the relevant fund documentation available on the Baillie Gifford website. However, most of our funds have no limitations to the sectors in which we can invest. Unless otherwise stated in fund documentation Baillie Gifford can invest in any companies we believe could create beneficial long-term returns for our clients which may include investments in companies which may ultimately have a negative impact on the environment and/or society. All Baillie Gifford investment funds are however subject to the exclusion of controversial weapons in line with the exclusion policy detailed in the Stewardship Principles and Guidelines document.

In identifying additional indicators for principal adverse impacts, financial market participants are encouraged to consider the scope, severity, probability of occurrence and potentially irremediable character on sustainability factors. As additional indicators, we have identified (i) investments in companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement and (ii) number of identified cases of severe human rights issues and incidents. These additional indicators were chosen as they are aligned with issues that are considered material to the long-term growth potential of investments.

Where an investment fund commits to investing in sustainable investments, such investments are subject to do no significant harm (DNSH) tests which means ensuring that the investments do no significant harm to any environmental or social objective. This includes assessing principal adverse impacts of investments either as part of the investment research process, through periodic portfolio reviews or through business activity restrictions. In reviewing principal adverse impacts, consideration will be given to how the impact affects the sustainability of an investment and if any further action needs to be taken to mitigate the impact such as engagement or voting action.

Governance

The ESG Oversight Group is responsible for setting the firm's strategic approach to ESG matters in relation to investment strategies and client activities and, along with the Head of ESG, for overseeing the ESG function. It provides coordination for the firm's approach to ESG and the multiple strands of ESG activity that take place. It aims to ensure that the rapidly evolving demands of ESG from an investment, client and regulatory perspective are met.

It is chaired by a Partner of Baillie Gifford and comprises senior representatives from the Investment Department, Clients Department and ESG Function. The ESG Oversight Group aims to:

- Coordinate and monitor progress towards the firm's ESG strategy, working with the individual investment, client and operational teams
- Empower and encourage investors to systemically consider ESG, as relevant for the investment strategy, throughout the investment process
- Create and oversee ESG-related research groups and ESG professionals to ensure Baillie Gifford has sufficient specialist knowledge
- Oversee the different components of the ESG function and ensure they continue to evolve to meet the requirements of investors, clients and regulators
- Ensure accurate ESG reporting to clients
- Oversee the ESG Assurance Group, ensuring that Baillie Gifford is equipped to meet its regulatory requirements and honour ESG commitments made by investment strategies
- Review and recommend any key ESG disclosures for approval or adoption by the Management Committee or any relevant Baillie Gifford entities. This includes the TCFD aligned Climate Report; Our Stewardship Approach Principles and Guidelines and the Investment Stewardship Activities Report.

This Group reports into the Management Committee, the Equity Leadership, Multi Asset and Income Leadership and Clients Management groups – which include partners from investment and client facing and operational areas. These reporting lines help ensure that our research and stewardship activities are aligned with and remain of value and relevance to our clients.

The ESG Oversight Group is also supported by the ESG Assurance Group. The ESG Assurance Group is responsible for ensuring that the firm is equipped to meet its ESG related regulatory requirements and that ESG commitments are being met. This Group is comprised of individuals from our ESG function, Clients Department, Business Risk, Compliance Department and Legal Department.

Data sources

We predominantly use MSCI as a source of raw ESG data for reporting purposes. This is due to the wide range of metrics available across different regulatory reports and MSCI's transparent methodology. We implement a data quality checking process that allows us to investigate any discrepancies and raise these with MSCI where necessary. We supplement data from MSCI with data from other providers such as Sustainalytics and Bloomberg where necessary, including as part of our investment research process. We recognise the need to develop a wider pool of data sources to allow for more robust reporting. To this end, we maintain relationships with various third party data providers to allow us to monitor enhancements to the ESG reporting metrics we require. Further details of our data sources are discussed in our Investment Stewardship Activities report.

Engagement policies

Engaging with the assets we hold on behalf of our clients is core to our role as effective stewards of our clients' capital and is an extension of our research process. Our Stewardship Principles and Guidelines acts as our engagement policy.

Why do we engage?

01. To fact-find: As investors, our responsibility does not begin and end with the investment decision. Before allocating our clients' capital, we must decide whether a particular investment meets our criteria and will continue to do so over our investment horizons. We may meet with a leadership team many times before we decide to take a position. After investing, our meetings with the company may involve asking for more information on topics or seeking to clarify certain points.

02. To assess: Once we have invested, we will continue to monitor our holdings to ensure we remain aligned. Where our holdings have committed to certain actions or if we have previously raised an issue with the company, we will engage to assess progress.

03. To influence: There will be instances when our reason for engaging is to seek change. We have high expectations of the investments we make on behalf of our clients. When they do not live up to these, or where we have identified a specific objective for change, our starting point (where possible) is to see if the leadership team is willing and able to address the issues we believe may impact the ability to deliver long-term returns for our clients. Sometimes, the influence we seek is to encourage a holding to be more ambitious in seizing new opportunities. Where strategies have specific sustainability commitments, engagement may be integral to meeting that commitment.

Over our investment time horizons, it may also be helpful (and even necessary) for us to communicate our support to the leadership of the investments we've made. We may encourage them to remain focused on the long term and occasionally offer the chance to learn from other investments that have faced similar challenges. Occasionally, this will include public support for a holding, eg through pre-declaring voting intentions.

Engaging to achieve a defined set of outcomes can be a time consuming and resource-intensive exercise. Even though we run relatively concentrated portfolios, we recognise the need to prioritise and, where appropriate, coordinate engagements across our investment teams. We are likely to do this when:

- We consider the issues to be particularly material to a holding's long-term investment performance and of a nature where more concerted engagement is required;

- We are a major shareholder or lender;

- We believe we can offer particular insight and guidance.

We believe that this approach maximises our chance of success. Portfolio managers working with the ESG analysts will select and prioritise engagement issues. We engage with companies for many reasons and the topics we prioritise will vary by individual issuer and investment strategy. Our proprietary investment research will inform this. Often, the larger a position we hold in an entity and the longer our holding history, the greater our ability to engage with a realistic ability to influence. However, we engage with issuers on key issues across a range of market capitalisations, geographies and holding sizes. Topics will include engagement related to principal adverse indicators, including but not limited to:

- Compliance with UNGC and related standards, including the OECD Guidelines for Multinational Enterprises;

- Climate change and the energy transition;

- Diversity and inclusion;

- Human rights and labour rights.

The issues we prioritise, the specific objectives and the likely escalation path will differ depending on the company and our detailed knowledge of the investment case. Once we have identified an issue of material relevance to the investment case, including principal adverse impacts, we will monitor progress and, if we fail to see meaningful improvement in what we believe is a material issue, we will escalate through various means. We may take voting action or suggest changes ranging from minor process improvements to a change in senior leadership. Ultimately, we will divest if improvements are not made in areas of material importance. A typical pathway for escalation may include some or all of the following:

— Engagement with management, Investor Relations or board members

— No progress – voting action against appropriate AGM resolution

— Escalation to the Chair or Senior Independent Director

— Collaboration with other investors or relevant industry initiatives

— No progress and no reasonable prospect of progress -divest.

There are additional escalation options, such as filing or co-sponsoring shareholder proposals, attending AGMs, or articulating views publicly via different media outlets, which we may use if circumstances require.

Voting is an integral part of our responsibility to act as responsible stewards of our clients' capital. Our voting analysis and decisions are driven by what we consider will promote the company's long-term prospects and, therefore, support the long-term financial outcomes for our clients. In line with our investment philosophy, our voting analysis is bottom-up and led by the investment case. This means we assess every resolution on a case-by-case basis. Further details of Baillie Gifford's approach to engagement and voting is outlined in our Stewardship Principles and Guidelines document available in the About Us section of our website.

References to international standards

We utilise the UN Global Compact to identify potential concerns at our investee companies. We also consider our holdings against related standards including the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights (indicator 10).

Our Statement of Climate-related Intent and Ambition outlines our belief that a successful transition that limits the global temperature increase and manages impacts on societies offers our clients a better opportunity for investment returns. But, we recognise that the pathway to achieving this is not predetermined and will continue to evolve. Further details about our efforts to explore the outcomes that could lie ahead are available in our TCFD-aligned Climate Report. Many of our clients have given us a mandate to invest and manage their portfolios to support the goal of achieving net zero greenhouse gas emissions by 2050, or sooner, in line with global efforts to limit warming to 1.5C ('net zero'). We take a thoughtful, bottom-up approach to the implementation of these mandates and will, in partnership with our clients, continue to evolve our approach to net zero, focusing on what is most likely to achieve real-world impact.

Baillie Gifford's strategy is consistent year-over-year and is centred on two main objectives: to act in the best interests of our clients and be responsible stewards of their capital through the investment decisions and engagements we undertake. Our climate change priority is to understand how climate-related risks and opportunities could impact on achieving these objectives.

Climate scenario analysis offers a way to help understand the society-wide complexities and uncertainties surrounding physical climate events, tipping points and the world's evolving energy and industrial systems. Considering different plausible versions of the future can educate, test assumptions and generate new investment ideas. At present, we believe qualitative approaches are more valuable than quantitative ones (which depend on numerical data and modelling) because they allow us to explore the complexities and knock-on effects of future scenarios in a level of detail that is a better fit with our longer-term growth-oriented investment approach.

In late 2022, we began working with two external organisations – the Deep Transitions project and Independent Economics – to help us further develop three climate scenario narratives that could be used by our investment teams and the wider firm to enrich our thinking on future climate-related risks and opportunities. The narratives explore additional detail and implications around the core pathways developed by the Network for Greening the Financial System (NGFS). Broadly, these are:

- An 'orderly' transition where global net zero emissions are reached around 2050, limiting global warming to less than 1.5C above pre-industrial averages by the end of this century.
- A 'disorderly' transition, which ultimately keeps average temperature rises to less than 2C by the end of this century.
- A 'hothouse' world scenario with at least 2.5C of warming above pre-industrial levels by the end of the century.

Further details of our plans and commitments in this area can be found in our TCFD-aligned Climate Report.

Historical comparison

Please see the above table for the historical comparison of the period reported on with the previous period(s) reported on.

Appendix 1 – Data Coverage

The following coverage statistics are for the current reporting period.

Baillie Gifford relies on a third party data provider (MSCI) for sufficient coverage, estimation and collation of accurate reporting by companies themselves. However we recognise that coverage of different metrics may vary and may in turn impact the data disclosed in this report. Therefore, we have included coverage figures for each metric that is used in this report in an effort to provide transparency of the data that is being used and how it impacts the overall reporting at portfolio level. We have also identified where we view the data coverage as Good, Medium or Poor and the actions we are taking to improve coverage and data quality (see below).

Coverage relative to Eligible Assets	Category	Explanation
>80%	Good	At present we view this as satisfactory coverage but expect coverage levels to continue to improve
20% - 80%	Medium	We review metrics in this group with an expectation that those at the higher end of the scale will continue to improve. For those at the lower end of the scale, we may seek to improve disclosure through corporate engagement but recognise different disclosure regimes exist globally and recognise the pace of improvement will vary across different jurisdictions.
<20%	Poor	We view this level of coverage as unsatisfactory but acknowledge that for these metrics, coverage is poor in general. As above, we may seek to engage with investee companies to encourage better disclosure.

The figure for Coverage below has been calculated based on percentage of total Assets Under Management ('AUM'). However the Category (Good, Medium or Poor) has been determined based on Coverage as a percentage of Eligible Assets. For example, if the figures for Coverage and Eligible Assets are the same, this means we have data for all the assets which are eligible to report that metric and therefore the Category will be considered Good.

Over the course of 2024, we continued to engage in work to improve our data processing capacity. This will allow us to take on additional third party sources of data to enhance the scope of our coverage. We do this while bearing in mind that methodologies differ between third parties and increased coverage may not always lead to higher quality data, but that the landscape continues to evolve and mature.

Climate and Other Environmental Related Indicators

Greenhouse Gas Emissions

GHG Emissions	Coverage	Eligible Assets	Category
Scope 1 GHG emissions (tCO_2e)	82.5	96.9	Good
Scope 2 GHG emissions (tCO_2e)	82.5	96.9	Good
Scope 3 Material GHG emissions (tCO_2e)	25.4	96.9	Medium
Total Scope 1+2+3 Material GHG Emissions (tCO_2e)	25.3	96.9	Medium

Carbon Footprint	Coverage	Eligible Assets	Category
Scope 1+2+3 Material Carbon Footprint (tCO2e per €M invested)	25.3	96.9	Medium

GHG intensity of investee companies	Coverage	Eligible Assets	Category
Scope 1+2+3 Material Intensity (tCO2e per €M revenue)	25.3	96.9	Medium

Emissions data – Reliance on estimates	% of AUM
% of total AUM invested in holdings where Scope 1&2 emissions data is estimated by our data provider	16.6
% of total AUM invested in holdings where Scope 3 (material) emissions data is estimated by our data provider	25.4

Exposure to companies active in the fossil fuel sector	Coverage	Eligible Assets	Category
Share of investments in companies active in the fossil fuel sector	85.9	96.9	Good

Share of non-renewable energy consumption and production	Coverage	Eligible Assets	Category
Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources	69.7	96.9	Medium

Energy consumption intensity per high impact climate sector	Coverage	Eligible Assets	Category
Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector *(only companies within NACE Sectors A-H and L have been counted towards Eligible Assets)*	43.7	46.7	Good

Biodiversity

Activities negatively affecting biodiversity-sensitive areas	Coverage	Eligible Assets	Category
Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas	68.5	96.9	Medium

Water

Emissions to water	Coverage	Eligible Assets	Category
Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	0.4	96.9	Poor

Waste

Hazardous waste and radioactive waste ratio	Coverage	Eligible Assets	Category
Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average	59.8	96.9	Medium

Social and Employee, Respect for Human Rights, Anti-Corruption and Bribery Matters

Social and Employee Matters

Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Coverage	Eligible Assets	Category
Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	82.5	96.9	Good

Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Coverage	Eligible Assets	Category
Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance /complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	81.9	96.9	Good

Unadjusted gender pay gap	Coverage	Eligible Assets	Category
Average unadjusted gender pay gap of investee companies	45.8	96.9	Medium

Board gender diversity	Coverage	Eligible Assets	Category
Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	81.9	96.9	Good

Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons, and biological weapons)	Coverage	Eligible Assets	Category
Share of investments in investee companies involved in the manufacture or selling of controversial weapons	82.6	96.9	Good

Other indicators for principal adverse impacts on sustainability factors

Emissions

Investments in companies without carbon emission reduction targets	Coverage	Eligible Assets	Category
Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement	81.7	96.9	Good

Human Rights

Number of identified cases of severe human rights issues and incidents	Coverage	Eligible Assets	Category
Number of cases of severe human rights issues and incidents connected to investee companies on a weighted average basis	82.6	96.9	Good

Indicators applicable to investments in sovereigns and supranationals

Environmental

GHG Intensity	Coverage	Eligible Assets	Category
GHG intensity of investee countries (tonnes per €M GDP 2017 PPP)	2.2	2.2	Good

Social

Investee countries subject to social violations	Coverage	Eligible Assets	Category
Number of investee countries subject to social violations as referred to in international treaties and conventions, United Nations principles and, where applicable, national law	2.2	2.2	Good
Expressed as a percentage of all investee companies	2.2	2.2	Good

Indicators applicable to investments in real estate assets

Fossil Fuels

Exposure to fossil fuels through real estate assets	Coverage	Eligible Assets	Category
Share of investments in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels	0.2	0.2	Good

Energy Efficiency

Exposure to energy-inefficient real estate assets	Coverage	Eligible Assets	Category
Share of investments in energy-inefficient real estate assets	0.2	0.2	Good

Appendix 2 – Methodology/ Definitions

Climate and other environment-related indicators

Adverse sustainability indicator		Methodology/ Definitions
Greenhouse gas emissions	1. GHG emissions (Scope 1,2 & material Scope 3 emissions tCO_2e)	*For x: {1,2, 3 (material)}* $\sum_{n}^{i}\left(\frac{current\ value\ of\ investment_i}{investee\ company's\ enterprise\ value_i} \times investee\ company's\ Scope(x) GHG\ emissions_i (tCO2eq)\right)$ $where\ n\ is\ the\ number\ of\ investee\ companies\ in\ the\ investments$
	2. Carbon footprint (Scope 1,2 & material Scope 3 emissions tCO_2e per €M invested)	$\frac{\sum_{n}^{i}\left(\frac{current\ value\ of\ investment_i}{investee\ company's\ enterprise\ value_i} \times investee\ company's\ Scope\ 1, 2\ and\ 3\ (material) GHG\ emissions_i (tCO2eq)\right)}{current\ value\ of\ all\ investments\ (€M)}$ $where\ n\ is\ the\ number\ of\ investee\ companies\ in\ the\ investments$
	3. GHG intensity of investee companies (Scope 1,2 & material Scope 3 emissions tCO_2e per €M revenue)	$\sum_{n}^{i}\left(\frac{current\ value\ of\ investment_i}{current\ value\ of\ all\ investments\ (€M)} \times \frac{investee\ company's\ Scope\ 1, 2\ and\ 3\ (material)\ GHG\ emissions_i (tCO2eq)}{investee\ company's\ €M\ revenue_i}\right)$ $where\ n\ is\ the\ number\ of\ investee\ companies\ in\ the\ investments$
	4. Exposure to companies active in the fossil fuel sector (% of AUM)	'Companies active in the fossil fuel sector' means companies that derive any revenues from exploration, mining, extraction, production, processing, storage, refining or distribution, including transportation, storage and trade, of fossil fuels.
	5. Share of non-renewable energy consumption and production (%)	'Renewable energy sources' means renewable non-fossil sources, namely wind, solar (solar thermal and solar photovoltaic) and geothermal energy, ambient energy, tide, wave and other ocean energy, hydropower, biomass, landfill gas, sewage treatment plant gas, and biogas. 'Non-renewable energy sources' means energy sources other than those referred to above.
	6. Energy consumption intensity per high impact climate sector (GWh per €M revenue)	'Energy consumption intensity' means the ratio of energy consumption per unit of activity, output or any other metric of the investee company to the total energy consumption of that investee company. 'High impact climate sector' refers to NACE sectors A, B, C, D, E, F, G, H and L.
Biodiversity	7. Activities negatively affecting biodiversity-sensitive areas (% of AUM)	'Biodiversity-sensitive areas' means Natura 2000 network of protected areas, UNESCO World Heritage sites and Key Biodiversity Areas ('KBAs'), as well as other protected areas, as referred to in Appendix D of Annex II to Commission Delegated Regulation (EU) 2021/2139[12].
Water	8. Emissions to water (tonnes per €M invested)	'Emissions to water' means direct emissions of priority substances as defined in Article 2(30) of Directive 2000/60/EC of the European Parliament and of the Council and direct emissions of nitrates, phosphates and pesticides.
Waste	9. Hazardous waste and radioactive waste ratio (tonnes per €M invested)	'Hazardous waste' means hazardous waste as defined in Article 3(2) of Directive 2008/98/EC of the European Parliament and of the Council. 'Radioactive waste' means radioactive waste as defined in Article 3(7) of Council Directive 2011/70/Euratom.

Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters

Social and employee matters	12. Unadjusted gender pay gap (ratio)	'Unadjusted gender pay gap' means the difference between average gross hourly earnings of male paid employees and of female paid employees as a percentage of average gross hourly earnings of male paid employees.
	13. Board gender diversity	'Board' means the administrative, management or supervisory body of a company.
	14. Exposure to controversial weapons	'Controversial weapons' means anti-personnel mines, cluster munitions, chemical weapons and biological weapons.

Indicators applicable to investments in sovereigns and supranationals

Environmental	15. GHG intensity (tonnes per €M GDP 2017 PPP)	$\sum_{n}^{i}\left(\frac{current\ value\ of\ investment_i}{current\ value\ of\ all\ investments\ (€M)} \times \frac{The\ country's\ Scope\ 1, 2\ and\ 3\ GHG\ emissions_i\ (tCO2eq)}{Gross\ Domestic\ Product\ (2017\ PPP\ basis)_i (€M)}\right)$ $where\ n\ is\ the\ number\ of\ different\ sovereigns\ in\ the\ investments$
Social	16. Investee countries subject to social violations	Social violations are determined using the 'Rule of Law' metric. This captures perceptions of the extent to which agents have confidence in and abide by the rules of society, in particular the quality of contract enforcement, property rights, the police, and the courts, as well as the likelihood of crime and violence. The indicator refers to the number of unique investee countries whose metric is less than -0.4, the threshold corresponding with MSCI's categorisation of High Risk.

Legal Notices

Baillie Gifford uses a combination of internal research and analysis and third-party data sources when preparing ESG-related disclosures.

Prior to using data sourced from a third-party provider, Baillie Gifford conducts appropriate due diligence on the third-party provider including validation of their methodology and assessment of their coverage and then carries out spot checks of the data periodically, escalating issues to the third-party provider where necessary.

However, Baillie Gifford cannot guarantee that such data is complete, up-to-date and/or accurate. Furthermore, information disclosed is based on data established at a specific time which may be liable to change. More generally, the coverage, standardisation, and comparability of ESG data continues to change and develop over time.

This disclosure is not intended to be used for marketing purposes and nor does it constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such.

The figures in this report are aggregations and calculations which draw upon data from our external data providers, principally MSCI.

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