

Pan-Europe

Net Zero Alignment Commitment

November 2022

The undernoted applies to the following vehicles:

Baillie Gifford Worldwide Pan-European Fund

Baillie Gifford European Fund

The purpose of aligning the portfolio with net zero commitments is to provide additional insight into the positioning of the holdings, to underpin our interactions with companies and to push for better information to support our investment decisions in pursuit of the portfolio's objective.

Consistent with the long-term investment objective of the portfolio, the Manager has joined the Net Zero Asset Managers (NZAM) initiative as part of its commitment to support the goal of global net zero greenhouse gas ('GHG') emissions by 2050. This includes supporting investing aligned with global net zero emissions by 2050 or sooner. Within our application of the NZAM framework, managing the portfolio for such alignment must fulfil a number of key elements, including (i) an interim target for 2030 that is consistent with a fair share of the 50% global reduction in GHGs, alongside the prioritisation of real economy impacts; (ii) the facilitation of investment in climate solutions; (iii) a commitment to active engagement; and (iv) transparency in reporting.

Specific commitments of the portfolio within this framework include:

- (i) All holdings are being actively assessed and prioritised for engagement for alignment on an ongoing basis
- (ii) 90% of direct holdings will demonstrate robust strategic alignment with appropriate 1.5C/net zero pathways by 2030. All holdings will be so-aligned by 2040. New buys will have an extra two years to meet the commitment.

Alignment will be assessed on a company-by-company basis paying due attention to the realities of specific industries and regions. We accept that overall global progress, and thus the pace of underlying company alignment, remains subject to effective policy support.

Given the flexible nature of the portfolio guidelines and the inherent subjectivity of investment analysis and decision making, there can be no assurance that this process will result either in superior investment returns, or in a positive outcome for the environment or society.

Risk Factors and Important Information

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