

# Operational environment policy

2024

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## Our perspective

We believe a successful transition that keeps increases in global temperatures this century to well below 2C, and ideally to 1.5C, offers our clients a better opportunity for strong long-term investment returns than a failed transition. As an Edinburgh-based firm, we are conscious of the UK and Scotland's legislation to reduce emissions by at least 100 per cent of 1990 levels by 2050 and 2045 respectively. We think it's important that we run our own operations efficiently and sustainably, in support of these objectives.

## Scope of this policy

This policy describes our approach to minimising the environmental impacts of Baillie Gifford's operations. This includes the running of our buildings, procurement from suppliers and our business travel. It does not cover our investment activities, which are described in more detail in our Statement of Climate-related Intent and Ambition and our Climate Report.

## Progress to date

Our previous Environmental Policy laid out our ambition to achieve a 50% reduction in carbon emissions per full time employee equivalent by 2025 from a 2020 baseline. By the end of 2022 we had achieved a 45% reduction from our baseline, though we acknowledge the influence of the pandemic on this figure. We will continue to monitor this target however we have now developed new targets focused on achieving absolute emissions reductions, detailed below.

## Our targets

In 2023, we agreed on a new set of targets aimed at decarbonising our operational activities. These are:

- Work towards the achievement of net zero emissions for our operations by 2040.
- Achieve a 95% reduction in market-based Scope 1 and 2 emissions by 2026 from a 2021 baseline.
- Deliver our existing target to reduce operational emissions per full time employee by 50% by the end of 2025 from our 2019 carbon footprint.
- Set a new 10-year Scope 3 (operational) emissions target based on 2023 actual emissions data (allowing for a recovery from the Covid-19 discrepancies of 2020-2022)
- Reducing the volume of general waste we produce by 25% by the end of 2025.

## Areas of focus

We have identified key areas that we will prioritise to deliver against our targets. These are:

### Power

- We are moving to a new head office which will be significantly more energy efficient.
- Our head office will be powered by renewable energy.
- Our new office will make extensive use of smart technology to minimise energy usage throughout the building.

### Travel

- We have implemented policies aimed at reducing our emissions associated with business travel. These include the promotion of rail travel for domestic journeys and changes to the default class of travel for short-haul flights.
- In addition, we are bringing more visibility to travel related emissions to better inform travellers of the effects of their travel.

## Offsetting

- We will move away from our previous policy of double offsetting our operational emissions and instead focus on emissions avoidance and removals.
- We will still continue to support environmental and biodiversity organisations through charitable donations from our Natural Environment Philanthropy group.

## Measurement

- We have partnered with an external carbon consultancy on the production of our operational footprint data. This allows for better data gathering and interrogation, allowing us to track progress on our targets more easily.
- We are actively engaging with our supply chain partners to build awareness of the emissions associated with the products and services we buy, and work on solutions to reducing them.

## Involvement and awareness

- We have an autonomous and empowered voluntary Environmental Impact Group made up of employees from throughout the organisation.
- The Environmental Impact Group works with a wider group of environmental champions to promote environmental awareness throughout the organisation and aid communication regarding environmental initiatives which we promote.
- The voluntary group have set targets to reduce our total weight of general waste by 25% by the end of 2025.
- The voluntary group will also continue to ensure we have no unavoidable single-use plastics in our operations.

The Baillie Gifford Partnership fully endorses this policy which will be reviewed and updated on an annual basis.



Andrew Telfer, Managing Partner Signed on behalf of the Baillie Gifford Partnership