Baillie Gifford™

Stewardship Report
Year ended 31 December 2024

International All Cap

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.

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Baillie Gifford™

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Introduction

Welcome to the International All Cap Stewardship Report. Our investment process is founded on the long-term ownership of growing businesses. Our 'bottom-up' approach to stock selection leads us to focus on understanding the fundamental drivers behind individual companies. We typically hold these investments for five to ten years – long enough for the fundamentals to emerge as the dominant influence on share prices.

Cultivating conviction in corporate governance and sustainability in its broadest sense is a critical part of this process.

This report provides an overview of our approach, including:

- The key principles behind our stewardship framework
- How the long-term risks and opportunities arising from governance and sustainability matters are considered as part of our process
- Examples of our company engagements
- A record of our proxy voting activities
- Portfolio ESG data snapshot

Over the following pages, we explore how we consider and integrate our stewardship principles into our investment process through engagement, proxy voting and research framework. Our approach is framed around Baillie Gifford's four core stewardship principles.

Stewardship Principles

Baillie Gifford's stewardship principles emphasize responsible investment practices, focusing on long-term value creation. We focus on fundamental factors by thinking from first principles, enabling clear and sustainable decision-making in our stewardship approach.

Long-term value creation

We believe that companies that are run for the long term are more likely to be better investments over our clients' time horizons. We encourage our holdings to be ambitious, focusing on long-term value creation and capital deployment for growth. We know events will not always run according to plan. In these instances, we expect management to act deliberately and to provide appropriate transparency. We think helping management to resist short-term demands from shareholders often protects returns. We regard it as our responsibility to encourage holdings away from destructive financial engineering towards activities that create genuine value over the long run. Our value will often be in supporting management when others don't.

Alignment in vision and practice

Alignment is at the heart of our stewardship approach. We seek the fair and equitable treatment of all shareholders alongside the interests of management. While assessing alignment with management often comes down to intangible factors and an understanding built over time, we look for clear evidence of alignment in everything from capital allocation decisions in moments of stress to the details of executive remuneration plans and committed share ownership. We expect companies to deepen alignment with us, rather than weaken it, where the opportunity presents itself.

Governance fit for purpose

Corporate governance is a combination of structures and behaviours; a careful balance between systems, processes and people.
Good governance is the essential foundation for long-term company success. We firmly believe that there is no single governance model that delivers the best long-term outcomes. We therefore strive to push back against one-dimensional global governance principles in favour of a deep understanding of each company we invest in.
We look, very simply, for structures, people and processes which we think can maximise the likelihood of long-term success. We expect to trust the boards and management teams of the companies we select, but demand accountability if that trust is broken.

Sustainable business practices

A company's ability to grow and generate value for our clients relies on a network of interdependencies between the company and the economy, society and environment in which it operates. We expect holdings to consider how their actions impact and rely on these relationships. We believe long-term success depends on maintaining a social licence to operate and look for holdings to work within the spirit and not just the letter of the laws and regulations that govern them. Material factors should be addressed at the board level as appropriate.

Our process

The International All Cap Portfolio Construction Group (PCG) takes full responsibility for all stewardship activities and outcomes.

The investment managers and the strategy's ESG analyst work closely together, conducting joint company meetings, sharing insights from primary research, and deliberating on challenging proxy votes to enable a collaborative approach.

How we define stewardship

We strive to invest in well-managed companies run by people doing the right thing for their shareholders. Our clients trust us to manage their assets wisely, so we have a responsibility to pay close attention to the business practices and attitudes of the companies in which we invest on their behalf. This mindset is important in our ongoing dialogue with company management teams.

How we integrate stewardship principles

As long-term investors with a five-years plus time horizon, the way a company is governed, and its business practices have always been included in the scope of our investment research because these can impact company financial returns. Companies that put their reputation at risk with any stakeholder, or are reliant on an unsustainable regulatory environment, will not earn a place in the portfolio.

We therefore consider environmental, social and governance (ESG) factors as relevant, taking a bottom-up approach and customizing our analysis for each company by focusing on topics pertinent to the investment case (i.e. not a one-size-fits-all approach).

This is a pragmatic way of thoughtfully incorporating our stewardship principles into our stock picking and portfolio management.

We do not attempt to separate governance and sustainability issues and prioritise them over financial ones, nor do we apply external ESG scores or screens beyond a firmwide policy prohibiting investment in controversial weapons and cannabis, which can evolve according to regulatory change.

Embedded in Investment Research Question framework

Our approach is largely qualitative, with governance and sustainability considerations embedded into the five-question (5Q) stock research framework used to assess all new stock ideas and existing holdings.

These common investment criteria prompt us to discuss the sustainability of the growth opportunity and a company's competitive advantage, management's ambition and ability to execute, company culture and the treatment of stakeholders. Also, the valuation multiple the market may attribute to the stock as a result, and the key milestones or non-negotiable aspects of the investment case.

On stewardship specifically, question two of our 5Q asks, 'Are management sensible guardians of our clients' capital?' and question three addresses sustainability, asking 'What are the environmental and social implications for this company?'.

Five question research framework:

01	**Growth** will this company be significantly larger in five years?
02	**Management** are management sensible guardians of our clients' capital?
03	**Sustainability** what are the environmental and social implications for this company?
04	**Valuation** why is the growth not reflected in the current share price?
05	**Discipline** what would make us sell?

We believe the debate and discussion around these questions contribute to a better understanding of the company. In addition, the strategy's ESG analyst provides a pre-buy note ahead of the stock discussion of companies being considered for the portfolio.

This note outlines notable governance, and sustainability factors and draws on proprietary research from our ESG analyst and related research conducted in the regional equity research teams where applicable.

The team's ESG analyst also participates in company meetings, stock discussions, and pre-buy conversations. Having an analyst specialising in governance and sustainability embedded within the team provides a different perspective on this topic and gives the team a direct link to the firm's broader ESG resources.

It is rare for us to decide to sell a stock purely on governance or sustainability grounds. This is due to the relatively concentrated number of companies in which we invest for our clients, the importance that we place on stewardship, and the high bar that we set for inclusion in the portfolio.

Our perspective as long-term owners of companies means that we want to help them overcome their challenges rather than sell and walk away when challenges arise. Company engagement examples are included later in this report.

Summary statistics

This summary provides an overview of our engagement data, highlighting the various types of engagement activities undertaken over the past year.

It also offers an initial look at our voting data, which will be explored in more detail later.

Engagement snapshot

87
Engagements

47
Unique holdings

65%
of fund engaged with (as at 31/12/2024)

Intention

35%
Influencing

41%
Fact finding

24%
Assessing

Engagement definitions

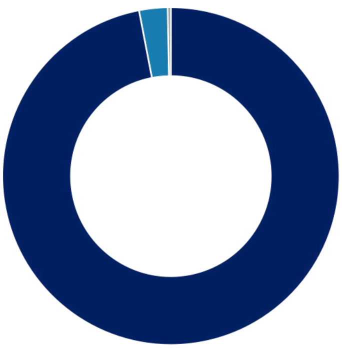
Influencing
Engaging with company management or board directors with a view to encouraging a particular behaviour or course of action.

Fact finding
Information requests or points of clarification. This is often the first contact on a particular issue and is directed towards Investor Relations or other non-executive management.

Assessing
Monitoring progress towards achieving impact and financial objectives, and performance on specific areas of interest.

Voting data

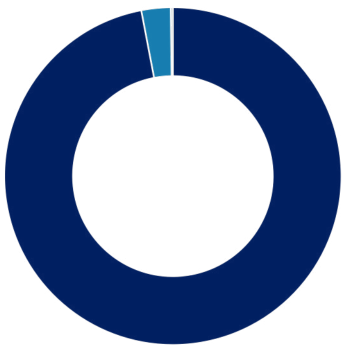
Proxy voting record 2024 (%)



For	96.75
Against	2.72
Abstain/Withhold	0.3

Based on Representative Portfolio ACWI ex US All Cap.

Votes for/against management recommendations (%)



In line with management recommendation	96.8
Not in line with management recommendation	2.8
No management recommendation	0.2

Based on Representative Portfolio ACWI ex US All Cap.

Our process in action: TotalEnergies Case Study

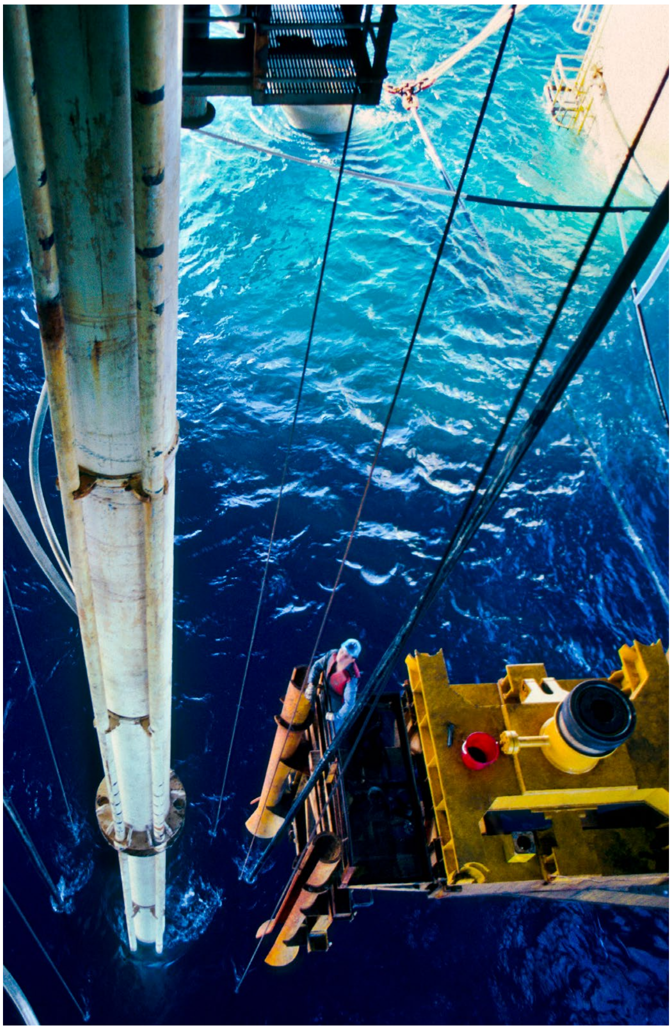
TotalEnergies SE is a leading multi-energy company with a global presence. It is a significant player in the European energy sector, focusing on oil, liquified natural gas, and renewable energies.

TotalEnergies operates in a challenging industry from an environmental and social impact perspective, yet it exemplifies how International All Cap's investment process integrates deep research and stewardship considerations.

The research process has thus far involved a number of engagements with executives' management, and investor relations at TotalEnergies to build an understanding of its business model and sustainability of its growth strategies. This included discussions on the company's strategy for gas and its potential to pivot towards different elements of the energy transition across geographies. The case study below navigates this process.

Our comprehensive engagement illustrates the essential role of direct interaction in truly understanding complex businesses transitioning through industry disruption.

By engaging with multiple organizational levels—from CEO to ESG specialists to Executive Committee members—we develop a multidimensional view that reveals organizational alignment and cultural authenticity around transition strategies.



Research timeline

- Initial engagement
- Governance, management and sustainability deep dive
- Investment decision making
- Post investment engagement

June 2024

Meeting

Initial Engagement to understand their business divisions, focusing on growth and capital allocation. The company is steadily diversifying its business lines, with oil now accounting for less than half of group sales, and significant investments in integrated LNG and renewable power.

July 2024

Discussion

Team discussion including several Baillie Gifford investment strategies covered management's execution record and developed our thinking on the evolving market for LNG

September 2024

Meeting

A sustainability-focused meeting with TotalEnergies' ESG Investor Relations to discuss the development and use of different future energy scenarios, emissions reduction targets and transition strategies. While there is clearly room for further evolution, our research suggested that the company has an industry-leading approach to emissions targets and capital deployment across new energies. The meeting also covered human rights and environmental risk in an ongoing oil project in Uganda.

September 2024

Meeting

Group call with Stephane Michel – head of LNG and integrated power divisions to better understand more about the growth dynamics, edge, and capital deployment in the LNG and Integrated Power divisions.

October 2024

Meeting

Meeting with CEO Patrick Pouyanné to discuss the company's integrated model and energy transition commitments.

October 2024

Meetings

Meetings with various energy companies including ENI, PTT E&P, Santos, Woodside, Reliance Industries, Equinor, and Renewables and Carbon Capture experts from Imperial College, London – Thesis testing our core investment case and making cross industry comparisons.

October 2024

Discussion

Stock Discussion with International All Cap investment managers. Debate included the future competitiveness of fossil fuels as an energy source, different scenarios for the role of LNG in the energy transition and assessing capital allocation and execution under the current management team.

November 2024

Discussion

Controversy and revenue screen for client-specific restrictions to highlighting ongoing challenges. Subsequent purchase for clients.

March 2025

Meeting

Meeting with Executive Committee member to discuss shape and durability of returns across business segments, with a particular focus on potential for flexibility in capital allocation and the enhancement of returns through integration. Given our earlier conversations with the company, we were also pleased to learn of a specific Board session to explore the competitiveness of LNG compared with coal in Asia. Future energy mixes, Total's relationship with power purchase agreements, and expansion of methane reduction targets, were also discussed.

The TotalEnergies case exemplifies how our approach to ESG integration enables us to make nuanced investment decisions even in challenging sectors. By embedding business practice and sustainability considerations directly within our fundamental investment analysis, rather than treating them as separate checkboxes, we gained meaningful insights that informed our conviction.

Our rigorous process revealed TotalEnergies as a company actively navigating the energy transition, with management demonstrating themselves as sensible guardians of capital through strategic capital allocation toward lower-carbon opportunities. This research also leveraged our broad internal expertise from several investment teams and integrated the perspectives of our central Climate Team.

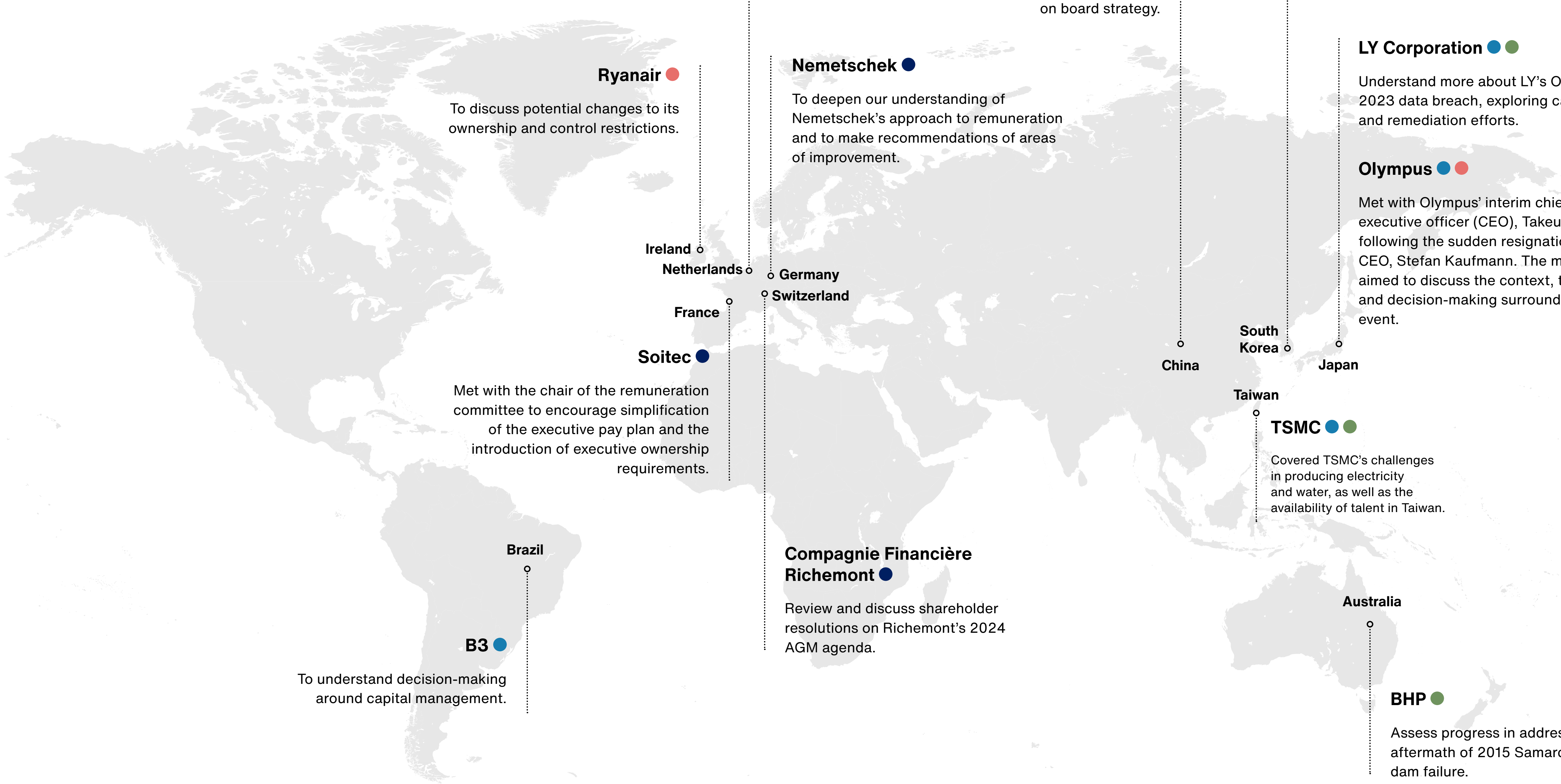
The depth of our engagement process, at least eight substantive discussions and meetings over six months, reflects our commitment to thorough assessment, probing environmental implications (Question 3) while evaluating management's forward-looking execution capabilities (Question 2).

This case illustrates how our approach transcends simplistic exclusions in favour of balanced, research-driven decisions.

Engagement examples

We use our stewardship principles to frame our engagements. The map below contains examples of how we apply the principles in practice across regions and ESG topics.

- Long-term value creation (blue)
- Alignment in vision and practice (navy)
- Governance fit for purpose (red)
- Sustainable business practices (green)



ASML (blue, red)

Discussed transition of power to new CEO Christophe Fouquet.

Ryanair (red)

To discuss potential changes to its ownership and control restrictions.

Nemetschek (navy)

To deepen our understanding of Nemetschek's approach to remuneration and to make recommendations of areas of improvement.

Soitec (navy)

Met with the chair of the remuneration committee to encourage simplification of the executive pay plan and the introduction of executive ownership requirements.

Compagnie Financière Richemont (navy)

Review and discuss shareholder resolutions on Richemont's 2024 AGM agenda.

Tencent Holdings (green)

To better understand Tencent's updated data management practices and suggest actions to align with the international best practices.

Kweichow Moutai (red)

Understanding more about the role of external experts in advising on board strategy.

Samsung Electronics (green)

To discuss their sustainability strategy, performance and targets. We also followed up on potential supply chain country risk exposure.

LY Corporation (blue, green)

Understand more about LY's October 2023 data breach, exploring causes and remediation efforts.

Olympus (blue, red)

Met with Olympus' interim chief executive officer (CEO), Takeuchi-san, following the sudden resignation of its CEO, Stefan Kaufmann. The meeting aimed to discuss the context, timeline, and decision-making surrounding this event.

TSMC (blue, green)

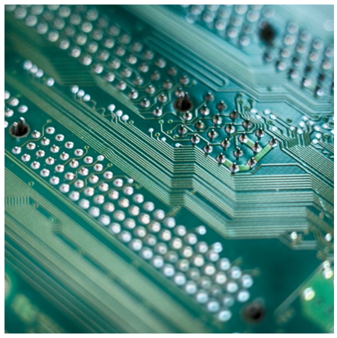
Covered TSMC's challenges in producing electricity and water, as well as the availability of talent in Taiwan.

B3 (blue)

To understand decision-making around capital management.

BHP (green)

Assess progress in addressing the aftermath of 2015 Samarco mine dam failure.



ASML

(Fact finding/ Assessing)

ASML is a world leading manufacturer of lithography equipment. Advanced lithography equipment is crucial to creating increasingly smaller semiconductor chips and therefore is central to Moore's law and the advancement of transformative technologies such as AI and cloud computing.

Objective

We visited ASML's Eindhoven facility to gain insights into ASML's strategic direction under the new chief executive officer (CEO), Christophe Fouquet.

Discussion

Our visit provided a valuable opportunity to engage with the new CEO and other key executives. Christophe Fouquet was appointed CEO in April 2024, joining ASML in 2008.

Our impression is that succession planning was well thought through, with Fouquet largely taking full control a year before the official handover date. As seamless as this transition has been, we do not underestimate the changes Fouquet's appointment will bring. While the previous decade was characterised by the strong leadership of the former CEO and chief technology officer, Fouquet appears to be fostering a more distributed leadership approach across the company's 40,000+ employees.

Given ASML's success over the past decade, we were intrigued to hear Fouquet openly discuss areas he aims to improve to ensure continued success. His humility was striking, exemplified by an anecdote where he requested a demotion upon joining ASML to first learn the ropes of lithography.

Fouquet's strategic focus now is on adapting to individual customer requirements, acknowledging the diverse needs of major clients such as TSMC and Intel. The introduction of dedicated customer teams, led by the new Chief Customer Officer, Jim Koonmen, further demonstrates ASML's commitment to becoming even closer to its customers. Fouquet also emphasised the importance of ongoing cost reduction for clients, aiming to reduce the cost per exposure by 30% by the end of this decade.

Outcome

The meeting reinforced our confidence in ASML's culture of long-termism, strategic direction and technological leadership. Though the company remains confident in long-term demand, the roadmap is more complex than in the past.

Fouquet has a clear vision for what the company needs at this stage in its evolution. His ability to reduce costs for clients while at the same time boosting ASML's margins will likely define the success of Fouquet's era. We will continue to monitor.

BHP

(Assessing)

BHP is a diversified Australian miner with attractive exposure to copper needed for infrastructure investment and electrification.

Objective

The purpose of the meeting was to assess mining company BHP's progress in addressing the aftermath of the 2015 Samarco mine dam failure in Brazil, focusing on social, environmental and legal remediations.

We met with BHP's ESG and IR representatives to discuss the final stages of remediation efforts, compliance with UN Global Compact principles and ongoing legal challenges.

Discussion

Significant progress was noted across social remediation efforts. The Renova Foundation, which was set up to administer compensation and resettlement following the disaster, is nearing the completion of its resettlement and cash compensation programmes. Despite the absence of a fixed deadline, a considered approach has been taken, which has attempted to include a wide range of stakeholders to ensure durable process administration.

The foundation offered various resettlement options, including housing reconstruction in the resettlement area, letters of credit or cash, or housing reconstruction in a new location. This reflects a flexible approach to meeting the needs of the affected communities.

BHP believes that environmental remediation has also largely been successful, with water quality restored to pre-disaster levels in 2018, testing conducted by the national water agency, and long-term projects underway to rejuvenate fish populations and riverbank ecosystems.

The legal proceedings present a mixed picture, there are ongoing negotiations with the Brazilian government and a significant UK civil case is expected to continue until 2029.

Samarco, the mine operator, is rebuilding community trust following the disaster by actively involving local residents in their reopening plans and implementing improved tailings safety measures. These efforts show promising signs of regaining their Social License to Operate (SLO).

Outcome

The meeting underscored BHP's comprehensive and multi-faceted approach to remediation following the Samarco disaster. Progress in social and environmental remediation reflects a commitment to stakeholder engagement. However, the ongoing legal challenges highlight the complexity of fully resolving the disaster's aftermath. The improvement in Samarco's SLO and the anticipation of further upgrades by third-party ESG data providers indicate a positive trajectory for BHP.

We continue to monitor progress on this case, with milestones including finalising the resettlement project and decisions regarding legal proceedings in the United Kingdom.

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Richemont

(Assessing/ Influencing)

Compagnie Financière Richemont is a Swiss holding group of 'maisons' (i.e. brands) specialising in luxury goods. These maisons, including high-end jeweller and watchmaker Cartier, are recognised for their craftsmanship, creativity and excellence.

Objective & background

We wanted to assess board effectiveness in the context of the founder's significant ownership and tenure as board chair. Constructive and purposeful boards are essential to a company's long-term resilience and sustainable growth, so we have focused on testing board dynamics to ensure appropriate governance oversight and sought reassurances around the existence of robust succession planning. There has been a series of engagements over the past two years.

Discussions

In 2023, we outlined our concerns in a letter to the board regarding what we perceived as a lack of challenge and evidence of robust succession planning for the executive chair.

In 2024, we had two meetings as part of our ongoing governance engagement: in January, we met with Wendy Luhabe, the appointed representative of minority 'A' shares, and in May, we met Richemonet's CFO, Burkhart Grund.

During the meeting in January, we highlighted the importance of objective input into succession planning. We flagged that the executive chair also being chair of the nomination committee potentially undermined this. We were assured that a succession planning process is well underway and were directed to the ongoing board changes as one indication.

We later discussed with CFO, Burkhart Grund, the appointment of a group CEO, with new responsibilities and reporting lines for the major jewellery maisons and the CFO. Previously, these roles reported into the executive chair.

This altered leadership structure represents a significant governance development. We also noted the appointment of an independent deputy chair as a positive signal based on his ability to bring independent challenge to the board. His predecessor lacked this, given the positions he also held as a director on the boards of the founder family's investment vehicles.

Outcome

We view the governance developments at Richemont, including the appointment of the new group CEO, as incrementally positive. Our governance engagement with Richemont is ongoing. We have outstanding concerns about executive remuneration that we intend to raise with the new remuneration committee chair and lead independent director once they are appointed in 2025.

The positive developments we observed indicate that the potential for influence exists despite the company's founder voting control.

Proxy voting report

Voting at company general meetings is one of the most important ownership rights we have as a shareholder. We also recognise that, as a significant shareholder in a number of companies that we invest in on behalf of our clients, we must exercise our voting rights responsibly. Consequently, all our voting decisions are made on a case-by-case basis.

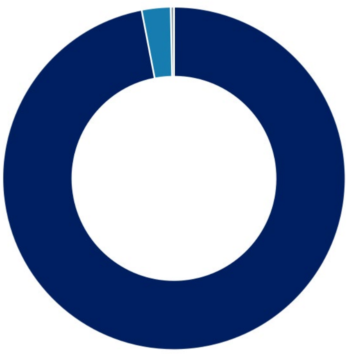
The philosophy underpinning our approach to share voting is to ensure that our voting decisions are in the best interests of our clients. Voting decisions are investment-led taking into account the perspectives of the portfolio managers and inputs from the strategy's ESG analyst and voting analysts.

The following chart provides a summary of our proxy voting activities for the ACWI ex US All Cap portfolio in the 12 months to December 2024.

Because our investment style allows us to invest in only those companies we actively support and admire, most of our final voting decisions are in support of management. However, we will engage with companies where more information is required or if a resolution appears to conflict with our stewardship principles. If, after dialogue, we conclude that it is in the long-term interest of both the company and clients to withhold or oppose a resolution, we will do so. We will always inform a company of our concern and rationale where we have reason to vote against management. By taking this careful, research-led approach to voting, and by meeting and engaging throughout the year with the management and board members of the companies, we can most effectively apply our voting rights on your behalf.

ACWI ex US All Cap

12 months to 31 December 2024



1	For	96.8% (1,280)
2	Against	2.7% (36)
3	Abstain	0.3% (4)

Noteworthy votes

These cases demonstrate our voting methodology across key governance factors from capital allocation decisions to board independence standards, and remuneration disclosure practices. Each example illustrates how we balance our core stewardship principles with company-specific circumstances to make informed voting decisions.

Anheuser-Busch Inbev

Proposal: Remuneration

Instruction: Abstain

Rationale: We abstained on the remuneration report at AB Inbev's AGM due to a lack of disclosure of performance targets which inhibits an assessment of alignment between remuneration outcomes and company performance.

Hoshizaki

Proposal: Election of Directors

Instruction: Against

Rationale: We opposed the election of the Chair of the board of directors at Hoshizaki as we believe the company's capital strategy is not in the interests of shareholders and due to the absence of a shareholder vote on the dividend.

Techtronic Industries

Proposal: Appoint/Pay Auditors

Instruction: Against

Rationale: We opposed the ratification of the auditor because of the length of tenure. We believe it is best practice for the auditor to be rotated regularly as this works to ensure independent oversight of the company's audit process and internal financial controls.

Richemont

Proposal: Election of Directors

Instruction: Against

Rationale: We opposed the election of a non-executive director because of concerns relating to their suitability to chair the audit committee having previously been an employee of the company.

The Metrics

Companies publish annual and sustainability reports that contain a wealth of data. There are various drivers for this reporting, such as regulatory requirements, company-specific needs, and demands from stakeholders and investors. However, there are challenges in obtaining accurate and comprehensive Environmental, Social, and Governance (ESG) data. This is especially true when it comes to different geographic regions

The following data points provide a snapshot of the holdings in the representative ACWI ex US All Cap portfolio compared to the MSCI ACWI ex US Index (please see the footnotes for the data points for the Developed EAFE All Cap and EAFE Plus All Cap representative portfolios compared to the MSCI EAFE index). The data points illustrate the importance of nuance and the questions we seek to explore through our broader analysis and company engagement.

Ownership

What it is: The table below highlights the range and concentrations of different ownership structures held within the portfolio.

What the data tells us: Founder and family-led firms are a defining characteristic of the portfolio. Overall, there is a tendency towards large, aligned shareholders compared with the benchmark.

This reflects our belief that it often takes influential and visionary leadership, backed by aligned and patient shareholders, for a company to spearhead disruptive change while remaining focused on its long-term mission.

A core tenet of our stewardship activities with non-founder-led holdings is to encourage their leaders to act as principals of each business, demonstrating alignment through shareholdings in remuneration plans, not merely agents that shareholders have employed.

Ownership	2023	2024[1] %	Benchmark %
Controlled (≥ 30%)	6.85	4.63	13.25
Principal (10–30%)	16.66	17.31	15.16
Founder Firm (CEO/ Chair)	25.95	27.94	18.45
Family Firm (≥ 10% and Board)	22.29	18.22	11.11
Widely Held	25.61	28.82	42.01

Source: Baillie Gifford, MSCI. As at 31 December 2024. Based on representative portfolio ACWI ex US All Cap. Benchmark: MSCI ACWI ex US Index.

ACWI ex US All Cap

Controlled	5%
Principal	18%
Founder firm	29%
Family firm	19%
Widely held	29%

Benchmark (ACWI Ex US)

Controlled	13%
Principal	15%
Founder firm	19%
Family firm	11%
Widely held	42%

[1] For EAFE Plus the split is Controlled: 4.4, Principal: 20.21, Founder Firm 23.55, Family Firm: 20.64, Widely Held: 31.19.
For Dev EAFE the split is Controlled: 4.26, Principal: 21.07, Founder Firm15.26, Family Firm 24.93, Widely Held: 34.49.

Board membership

What it is: We look to company boards to provide effective oversight. Typical datapoints on board composition are shown on the right.

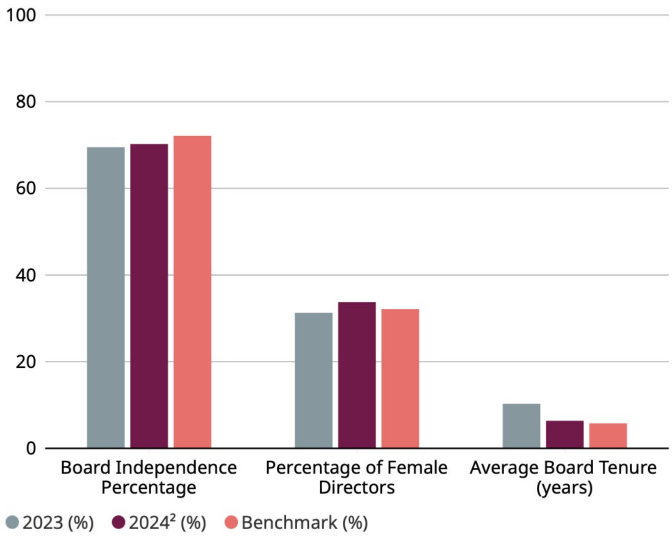
What the data tells us: Companies should be able to demonstrate an appropriate level of board commitment and independence. We expect boards to have made reasonable progress towards both gender and ethnic diversity. Whilst some progress has been made on the percentage of female directors in recent years, there is a great deal further to go to achieve parity.

Portfolio companies have improved in all three board governance metrics since 2023. Despite changes in the composition of the portfolio, we've seen positive trends: more independent directors, greater gender diversity, and shorter director tenures across your holdings.

There is only one company in the portfolio with no female directors, Chinese pharmaceutical retailer Yifeng Pharmacy.

In areas where companies fall short of our expectations board independence and composition we engage and, where appropriate, exercise our voting rights.

Board membership



Source: Baillie Gifford, MSCI. As at 31 December 2024. Based on representative portfolio ACWI ex US All Cap. Benchmark: MSCI ACWI ex US Index.

[2] For EAFE Plus the split is Board Independence Percentage: 70.82, Percentage Female Directors: 34.73, Average Board Tenure (years): 6.35.
For Dev EAFE the split is Board Independence Percentage: 71.12, Percentage Female Directors: 36.59, Average Board Tenure (years):6.11.

UN Global Compact compliance

What it is: This indicator uses company compliance with the 10 UN Global Compact (UNGC) Principles as a proxy for social or environmental performance and exposure to corporate controversies.

What the data tells us: Within ACWI ex US All Cap portfolios, only one company is deemed to be 'non-compliant' with the principles. The increased percentage of the portfolio in companies deemed to be 'Watchlist' is due to one status change of an existing holding and the addition of a new holding already classified in this category.

Three holdings are classified as 'Watchlist' for potential violations of the UNGC principles. These holdings are luxury conglomerate **LVMH**, mining company **BHP**, and energy company **Total Energies**.

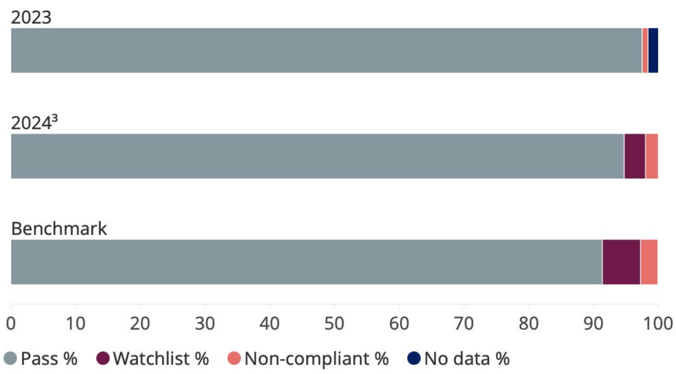
LVMH was classified as 'Watchlist' in 2024. This relates to a court placing LVMH's subsidiary, Dior, under year-long judicial supervision in June 2024 due to concerns about working conditions at its suppliers. We have been conducting in-depth research into luxury sector supply chains to inform a considered, rather than reactive, engagement approach. We continue to follow developments closely and note there have already been positive signals with the court supervision being lifted due to the rapid response taken

BHP's UNGC status relates to the 2015 Fundao dam collapse in Brazil. In 2024 we engaged with BHP to understand more about their progress on remediation following this incident. They shared that the environmental remediation was reaching its final stages and that the resettlement project they had conducted was also nearing completion. Overall, the direction of travel was positive although there are still some outstanding legal cases related to the incident.

Total Energies faces controversy over its Tilenga Crude Oil Pipeline project in Uganda. Despite opposition from activist groups, Total maintains it is taking appropriate mitigation measures while proceeding with commercial drilling and pipeline construction. Research and engagement ahead of purchase were noted in the case study, above. This remains an area to monitor.

One holding continues to be classified as being 'Non-compliant' with the UNGC principles by third party data provider Sustainalytics. **Tencent** is accused of contributing to adverse impacts on the rights to privacy and freedom of expression of its users. We have engaged with Tencent three times since this classification was announced. In our most recent meeting, we assessed that Tencent has made significant progress in increasing the transparency of its content policy to its users and disclosing external requests for data for public scrutiny. We believe Tencent have sought a good balance between local laws and international norms but that greater engagement with third-party ESG ratings agencies could be beneficial.

UNGC



Source: Baillie Gifford, MSCI. As at 31 December 2024. Based on representative portfolio ACWI ex US All Cap. Benchmark: MSCI ACWI ex US Index.

[3] For 2024 the ACWI ex US All Cap the UNGC split was pass: 93.57, Non compliant: 1.96, Watchlist: 3.26.
For 2024 the EAFE Plus the UNGC split is Pass: 95.04, Non Compliant: 1.38, Watchlist 3.58.
For 2024 the Dev EAFE the UNGC split is Pass: 95.33, Non Compliant: 0.00, Watchlist 4.67.

Carbon footprint

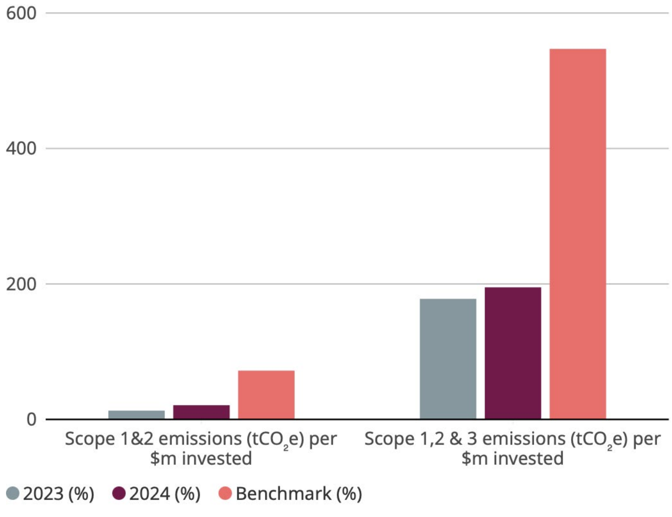
What it is: These metrics allow comparison of portfolios containing companies of different sizes and in different industries. We recognise that climate metrics analysis is imperfect. In addition to concerns about data accuracy and availability, this analysis can only tell us where a company is – not where it is going. This is why we see it as a starting point and not the end. We follow guidance from the Taskforce on Climate-related Financial Disclosures (TCFD) and the Partnership for Carbon Accounting Financials (PCAF) in calculating such metrics.

What does the data tell us: Our primary objective is to deliver long-term value for our clients through investment in growth companies. Our investment process, while not focused on climate matters, has led us to invest in companies that typically have a much lower carbon footprint than the index.

While our overall carbon footprint has increased slightly, this figure masks notable underlying shifts in the portfolio and is further complicated by the sale of two major carbon contributors (Denso and Reliance Industries) from the portfolio during the year and a new contributor (TotalEnergies) being added to the portfolio.

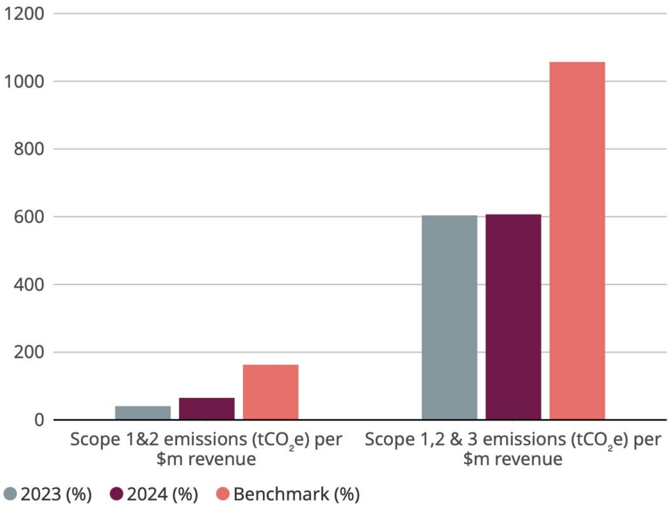
Overall, the carbon footprint of the portfolio remains roughly 3.4x *lower* than the benchmark for Scope 1 and 2 and when considering Scope 3 emissions the portfolio's carbon footprint is 2.8x *lower.*

Carbon footprint[4]



Source: Baillie Gifford, MSCI. As at 31 December 2024. Based on representative portfolio ACWI ex US All Cap. Benchmark: MSCI ACWI ex US Index.

Weighted Average Carbon Intensity (WACI) tCO_2e/ USD Million Revenue[5]



Source: Baillie Gifford, MSCI. As at 31 December 2024. Based on representative portfolio ACWI ex US All Cap. Benchmark: MSCI ACWI ex US Index.

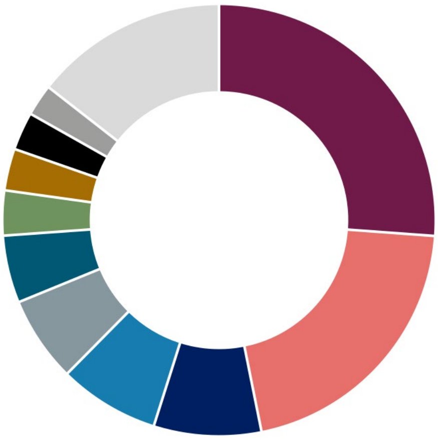
[4] For 2024 the EAFE Plus Carbon Footprint was Scope 1 & 2 emissions: 21, Scope 1, 2 & 3: 203.
For 2024 the Dev EAFE Carbon Footprint was Scope 1 & 2 emissions: 22, Scope 1, 2 & 3: 212.
[5] For 2024 EAFE Plus WACI for Scope 1 & 2 emissions: 59, Scope 1, 2 & 3: 623.
For 2024 the Dev EAFE WACI was Scope 1 & 2 emissions: 58, Scope 1, 2 & 3: 645.

Contributors to total emissions

Largest percentage contributors to carbon in the portfolio (Function of holding size and emissions)

A small number of companies contribute disproportionately to portfolio emissions. We believe that for most holdings, a well-integrated approach to addressing the risks and opportunities of climate change is a prerequisite for demonstrating the potential for significant contribution to climate change should be one of the broader stewardship and sustainability considerations that complement our long-term approach to generating value. As such, we therefore incorporate climate analysis as part of our stock-level sustainability research and analysis and engage with companies on the issue where necessary.

ACWI ex US All Cap



		Change from 2023
BHP Group	26.2%	↑
TotalEnergies	20.7%	New holding
Air Liquide	8.0%	↓
Ryanair	7.5%	↑
Weir Group	6.4%	↓
TSMC	5.0%	–
Techtronic Industries	3.4%	↑
Nippon Paint	3.1%	↑
Assa Abloy	2.9%	New holding
ASML	2.4%	↑
Rest of the fund	14.4%	––

Source: Baillie Gifford, MSCI. As at 31 December 2024. Based on representative portfolio ACWI ex US All Cap.

About the Top 5 contributors:

BHP Group is a diversified Australian miner with attractive exposure to copper needed for infrastructure investment and electrification. The company continue to progress in its reporting of supply chain emissions as well as lobbying and investment activities.

Total Energies is a multinational integrated energy company that produces and markets fuels, natural gas, and electricity with a growing focus on renewable energy sources. TotalEnergies positions itself as a potential leader among energy majors in the low-carbon transition, though its current asset value remains predominantly in oil and gas. The company has established a clear narrative around natural gas as a transition fuel while gradually building its non-fossil fuel portfolio.

Air Liquide is a leading French industrial gases and technology provider with a strong growth opportunity in the reshoring of manufacturing and decarbonisation investment still in its early stages. Given its large emissions profile, Air Liquide could set more ambitious long-term targets. However, we also recognize that the company has the potential to be part of the solution by increasing the adoption of hydrogen.

Ryanair is Europe's lowest cost airline with an impressive low-cost operating model. Ryanair has set near term science-based targets to reduce its jet fuel emissions and has set an ambitious target to achieve 12.5% usage of Sustainable Aviation Fuel (SAF) by 2030.

Weir Group is a Scottish mining equipment and engineering services company with an adaptive history and loyal customers. The company updated its emissions reduction targets in 2022 and has recently completed a mapping exercise of its Scope 3 emissions.

Definitions

Total carbon emissions: Represents the absolute greenhouse gas emissions from assets held, allocated on an ownership basis. This means a portfolio holding 1% of a company's stock would be attributed 1% of the company's emissions.

Carbon footprint: Represent the aggregated GHG emissions per £/$ million invested and allows for comparisons of the carbon intensity of different portfolios.

WACI: The weighted average carbon intensity of the portfolio represents the aggregated carbon intensities of the companies in a portfolio, scaled by size of holding. The WACI metric therefore helps measure a portfolio's exposure to high carbon intensity companies.

Scope 1 emissions: Measurement of direct GHG emissions from operations that are owned or controlled by a company. Typically relates to the combustion of fossil fuels on-site and in direct control of the company.

Scope 2 emissions: Measurement of indirect emissions of a company associated with the generation of purchased electricity, steam, heat, and cooling. It gives an indication of a company's energy usage and can be useful for highlighting energy intensity and efficiency.

Scope 3 emissions: Measurement of indirect emissions from a company's value chain, both upstream and downstream. It is therefore useful in understanding wider emissions exposure and determining spheres of influence. It includes emissions across a business's supply chain including business travel, leased assets, use of sold products.

Responsible International All Cap

For International All Cap clients with ethical priorities, we can offer a tailored strategy that builds on our core approach while accommodating specific ethical restrictions. We can customize portfolios by:

Initial screening

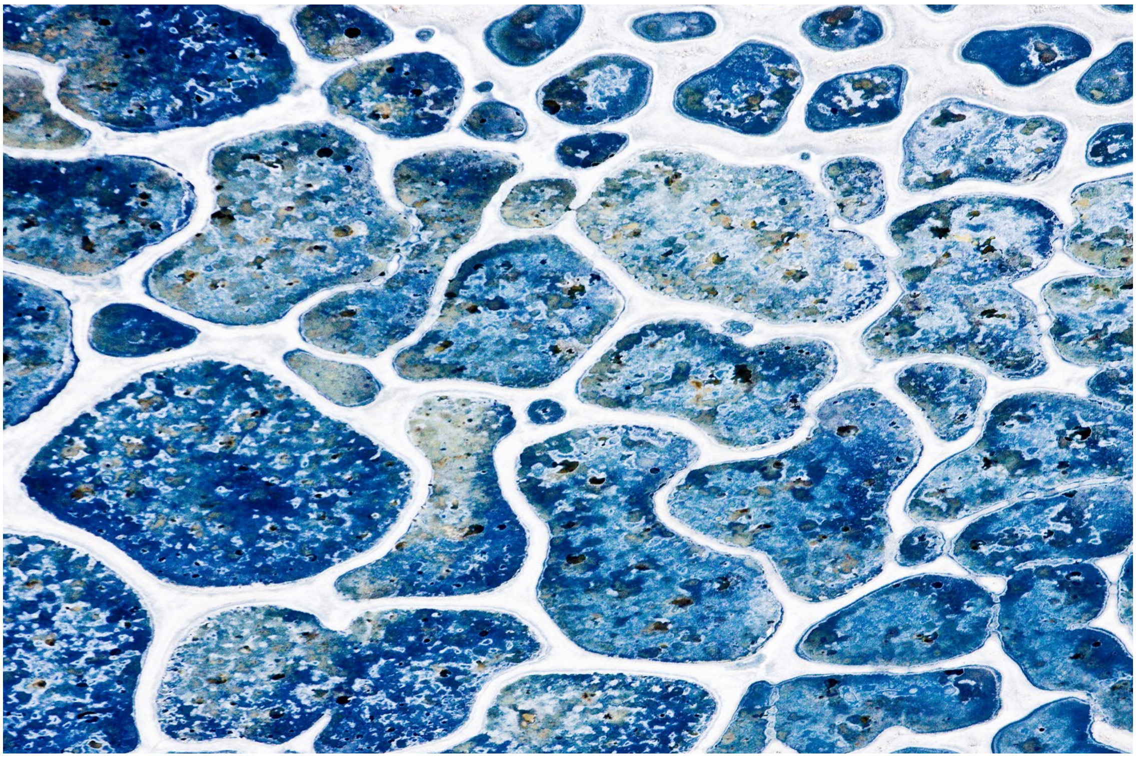
We can exclude companies deriving >10% of revenue from alcohol, tobacco, gambling, armaments, adult entertainment, fossil fuels, plus any client-specific restrictions.

Qualitative analysis

This is primarily based on our own analysis, but it can consider the views of external agencies and, more explicitly, perspectives on compliance with principles of the United Nations Global Compact. The analysis can cover environmental safeguards, social impact (labour relations, customer impact, broader societal impact), and governance (track record, board membership and policies).

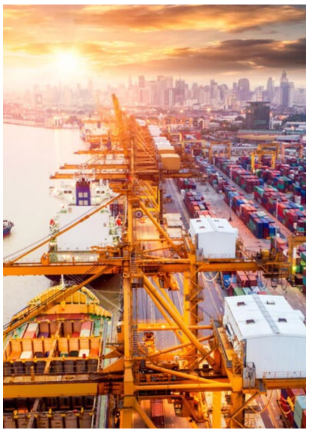
Enhanced Oversight

Significant ESG concerns can trigger additional review before portfolio inclusion.



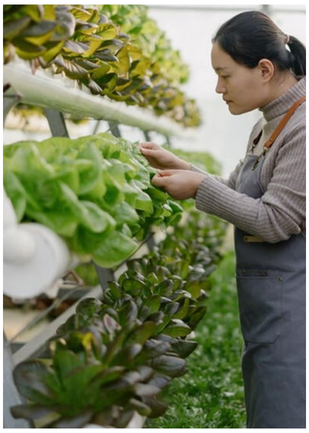
Additional Reading

This report presents a snapshot of our current stewardship processes and outcomes. We have provided a selection of recent insights and reporting relevant to this area. You can read more by visiting bailliegifford.com

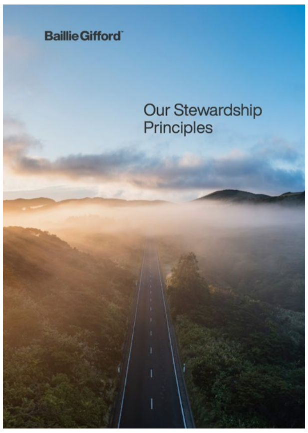


Climate Scenarios

Thoughts on Nature



Partnerships with Academia



Stewardship Principles

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