

Sustainability Report

Prepared in accordance with UK
rules for entity-level Sustainability
Disclosure Reporting.

Important information and risk factors

Baillie Gifford & Co and Baillie Gifford & Co Limited are authorised and regulated by the Financial Conduct Authority.

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

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

Potential for profit and loss.

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

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

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

Baillie Gifford™

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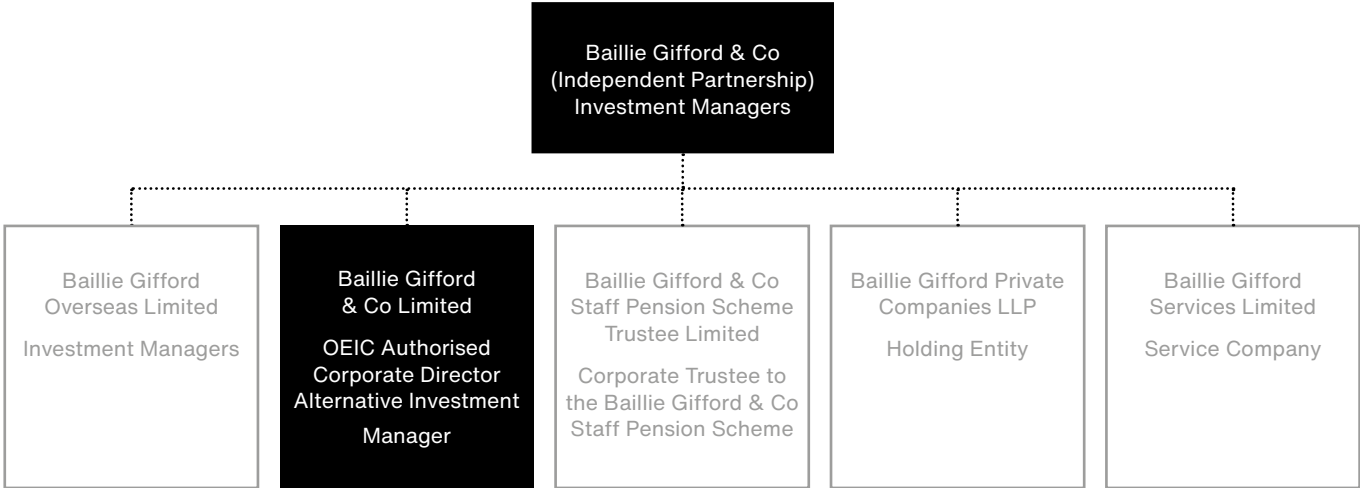
About Baillie Gifford

Baillie Gifford is an investment management firm founded in 1908 and headquartered in Edinburgh, Scotland. We employ around 1,700 people based mainly in Scotland, with additional offices worldwide. As at 31 December 2024, we managed £217bn of clients' assets. About 95 per cent of assets under management (AUM) are focused on listed equities, and we also offer multi-asset, income-generating and private company portfolios. We have a global and diversified client base ranging from individual investors to large institutional clients and public pension funds.

Baillie Gifford & Co ('BG & Co') is the parent entity of Baillie Gifford & Co Limited ('BG & Co Limited'). BG & Co provides portfolio management and advisory services to UK clients, including BG & Co Limited.

The Financial Conduct Authority's (FCA's) Sustainability Disclosure Requirements (SDR) contained in the FCA's environmental, social and governance (ESG) Handbook applies to BG & Co Limited, the Authorised Corporate Director (ACD) for a series of Open-Ended Investment Companies (OEICs) and UK-domiciled Investment Trusts ('sustainability in-scope business'). BG & Co Limited managed £52bn of clients' assets within its sustainability in-scope business as at 31 December 2024.

Baillie Gifford's Group Structure



Introduction

In line with the requirements under SDR, this report details how we integrate sustainability risks and opportunities into our investment decisions and stewardship activities to support long-term value creation for clients. It covers the reporting period from 1 January 2024 to 31 December 2024.

Our approach to sustainability governance, strategy and risk is integrated across the Baillie Gifford Group (hereafter referred to as 'we', 'our', 'us' or 'Baillie Gifford'). This report, therefore, describes the approach taken across Baillie Gifford, supplemented by specific information and metrics relevant to BG & Co Limited where appropriate. In line with the requirements under SDR, we also provide product-level sustainability reporting for the individual sustainability-related products we offer to clients. A list of such products is detailed later in this report, with the relevant reports available on our website.

For what is our first sustainability report required under SDR, we have disclosed against the Sustainability Accounting Standards Board (SASB) Standard for the 'Asset Management and Custody Activities' industry. SASB Standards cover sustainability risks as they relate to both our operations and the investments we make on behalf of our clients. In the key metrics section of this report, we have detailed disclosure against the relevant SASB metrics. However, we believe that the primary sustainability-related risks and opportunities affecting our sustainability in-scope business derive from our investment activities and our ability to meet clients' sustainability expectations. Therefore, for the body of the report, we have focused disclosure on our approach to sustainability governance, strategy and risk as it relates to the investments that we manage on behalf of our clients.

This report should be read in conjunction with other Baillie Gifford disclosures, which provide further details about our overall sustainability approach in relation to both our investments and our own operations:

- **Task Force on Climate-related Financial Disclosures (TCFD)-aligned Climate Report¹**
- **2024 Diversity & Inclusion Report**
- **Investment Stewardship Activities Report**
- **Modern Slavery Statement**

We expect our reporting on these topics to continue to evolve, and we welcome any feedback clients may have on this report and where we can improve.

¹Baillie Gifford's TCFD-aligned Climate Report forms part of this sustainability report with respect to climate-related disclosures.

Governance

Partnership approach

Baillie Gifford has no external owners or shareholders. As a private partnership, each of the partners is jointly liable for the obligations of the firm, and this liability is unlimited. Our firmwide governance and decision-making are primarily geared towards meeting our clients' needs. As business owners, each partner plays a supervisory role. This can be through serving on boards, groups and committees, fulfilling their day-to-day responsibilities (including management roles), reviewing Management Committee papers and minutes or by attending and contributing to quarterly partnership meetings. Partnership meetings cover a wide range of topics, from business updates and strategic discussions to gathering input from the wider partnership. These sessions often include briefings on specific business areas and may address sustainability-related issues. Further details of Baillie Gifford's approach to governance are available on our [website](#).

Risk oversight

The Managing Partners, on the partnership's behalf, have established the Management Committee, which oversees the firm's operational management. Baillie Gifford & Co has established a number of subsidiary legal entities, each with its own governance arrangements and decision-making processes, which are aligned to the overall Baillie Gifford governance framework. The Management Committee and the boards of the relevant Baillie Gifford legal entities oversee issues related to sustainability-related risks and opportunities as relevant and appropriate to their operations. Reporting mechanisms are in place to ensure relevant sustainability-related matters are reported or escalated to them, as appropriate, which may include as part of regular reporting on investment risk, business risk, investment management, sustainability issues, regulatory compliance, finance or business planning.

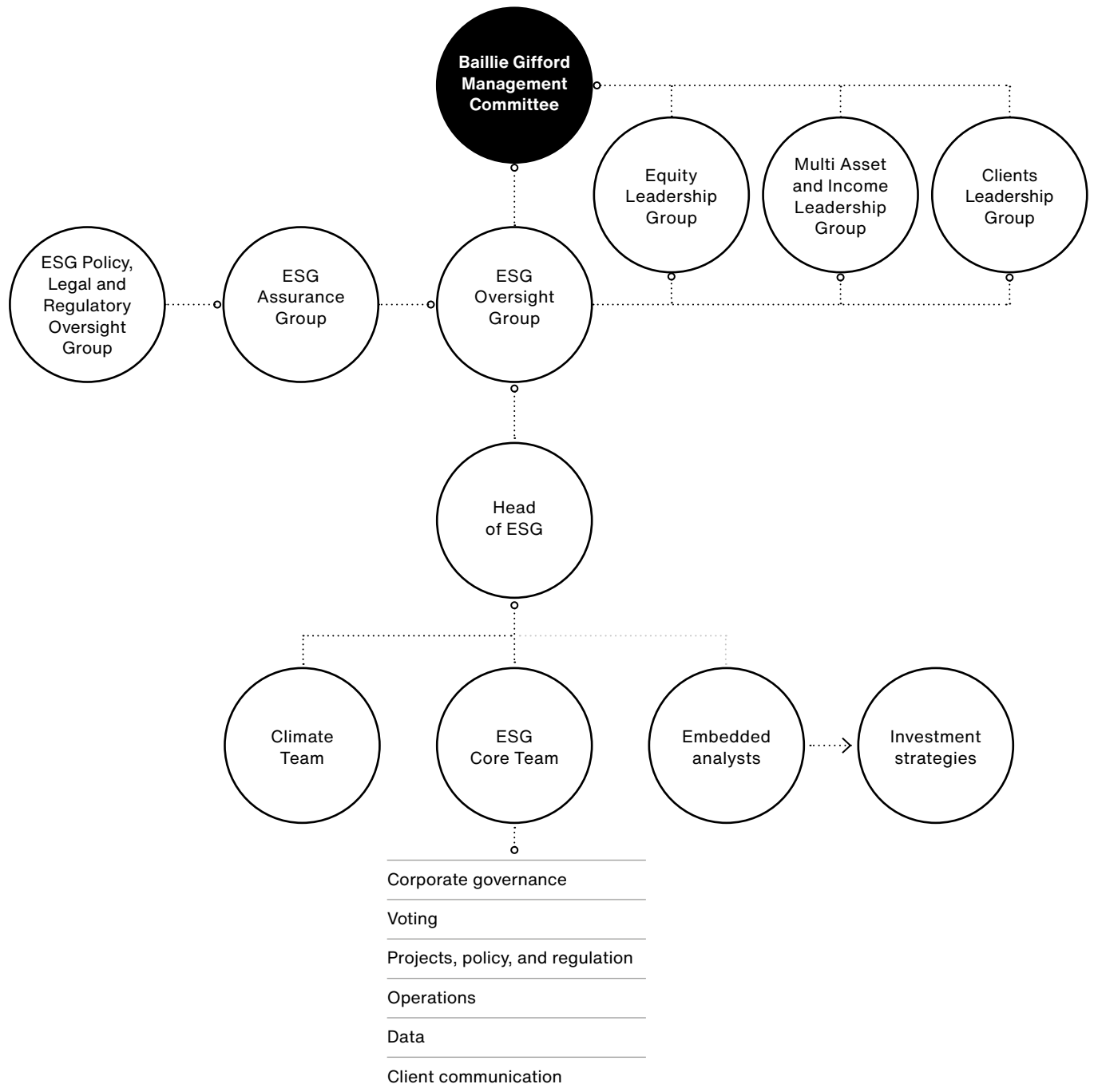
BG & Co Limited board

The BG & Co Limited board (the "board") comprises partners and employees of BG & Co and three independent non-executive directors (INEDs). Two board directors are members of the Management Committee. This ensures a close relationship between the company and its sole shareholder. The INEDs on the board provide additional scrutiny and challenge to ensure that BG & Co Limited acts in the best interests of the investors in the funds it manages. The board meets at least five times a year and reports to the Management Committee at least twice yearly.

The board oversees investment management activities, receiving regular, standing reporting at board meetings on investment operations, performance, risks and change management.

Finally, the board is ultimately responsible for product approvals, including adopting a sustainability label or approving products categorised as unlabelled but promoting sustainability characteristics (further details on page 10). These products are submitted to the board for approval after undergoing a rigorous internal approval process, which includes early engagement of product teams and environmental, social and governance (ESG) subject matter experts (SMEs) as well as oversight from the ESG Policy, Legal and Regulatory Oversight Group (PLROG) and ESG Assurance Group (ESG AG).

ESG organisational structure



Management's role

Baillie Gifford's management structures support our overall objective of delivering long-term investment returns for our clients. Individual investment teams are primarily responsible for identifying, assessing and managing sustainability-related risks and opportunities. 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. For this task, many teams are supported by a dedicated, on-desk ESG analyst, and all teams have access to support from our central ESG function. This active, engaged investment style is a key part of our ethos as a firm, which is set out in **Our Shared Beliefs** and underpinned by **Our Stewardship Principles and Guidelines**.

Our embedded ESG analysts and central climate, voting and ESG data teams provide guidance and support to investment teams to better enable them to identify and respond to sustainability-related risks and opportunities that could be material for investment performance. Where relevant, they also support teams with client or product-specific sustainability-related objectives. Our investment teams also receive risk reporting from the Investment Risk, Analytics and Research Department.

The Management Committee ultimately makes the key decisions on the firm's sustainability strategy and objectives for the firm. It has delegated responsibility to the ESG Oversight Group (ESG OG) for oversight of the firm's strategic approach to ESG (including sustainability-related risks and opportunities) regarding investment strategies and client activities, and, along with the Head of ESG, for overseeing the ESG function.

The ESG OG coordinates the firm's approach to ESG and aims to ensure the firm meets the rapidly evolving demands of ESG from an investment, client and regulatory perspective. The group makes recommendations on key ESG disclosures to the Management Committee and/or legal entity boards. It will also escalate any significant ad-hoc matters as and when required. The group is chaired by a Baillie Gifford partner and comprises partners and senior representatives from the investment, client and ESG teams.

The ESG OG reports to the Management Committee, the Equity Leadership, Multi Asset and Income Leadership, and Clients Management groups. These reporting lines help ensure that our research and stewardship activities align with and remain valuable and relevant to our clients and investment teams.

The ESG AG supports the ESG OG and ensures the firm meets its sustainability-related regulatory requirements and product and client-specific sustainability commitments. This Group comprises individuals from our ESG function, as well as the Clients, Business Risk, Compliance and Legal departments.

The ESG PLROG is responsible for overseeing and challenging implementation plans, sustainability-related fund changes and external reporting, to ensure they address sustainability-related regulatory requirements. The group also monitors emerging sustainability-related legal and regulatory risks, ensuring appropriate actions are taken to address or mitigate these risks, including escalation to the ESG AG when necessary. The group comprises individuals from the Compliance and Legal departments.

Governance and oversight of ESG data

We use a range of data providers to support our consideration of sustainability-related risks and opportunities, as well as the sustainability-related products that we manage. The advantage of these third-party providers is the breadth of their coverage and standardised approach. This allows for a quick understanding of potential risks and opportunities. However, we are aware of the challenges and limitations associated with using ESG data, including reliance on these data providers. It is therefore crucial that we have appropriate processes in place to ensure a high standard of diligence in the selection, governance and oversight of the vendors and the data they provide.

When selecting a new third-party ESG data provider, we conduct initial due diligence, evaluating their suitability against our requirements, including assessing their methodology, coverage and data delivery methods. Once selected, we conduct ongoing due diligence, escalating issues to the third-party provider where necessary. The Vendor Management Team, within our Business Risk Department, is tasked with ensuring effective relationships and operational interactions with key third-party providers, recognising that using third-party vendors effectively can support client service and stewardship activities. Each provider has a named relationship manager internally responsible for ensuring that the provider offers the level of service we require and ongoing due diligence. The level of oversight depends on the nature of the services provided. Providers of critical or important services and those with access to sensitive data are subject to enhanced vendor assessments. For ESG data, relationship management responsibilities lie with a member of the ESG Data Team.

MSCI is our primary source of raw ESG data for internal research, mandate compliance and reporting purposes. As our primary provider, we established quarterly service calls during the year with MSCI to give us a forum to discuss emerging queries. We have found the regular cadence of meetings helpful in establishing an improved understanding of supplier developments and quickly resolving any queries that have arisen with the data. We have also implemented a data quality checking process that allows us to investigate any discrepancies and raise these with MSCI where necessary. We consider ways to improve our data quality checking process on an ongoing basis.

Data metrics required for reporting are calculated in-house per recognised guidance and regulations. We are actively improving data processing, introducing automation where possible and looking for ways to receive and ingest data from a wider set of data providers.

The ESG data landscape is rapidly developing, and data quality and methodology currently face industry-wide challenges, such as a lack of corporate disclosures and evolving regulatory requirements. These limitations are mitigated primarily through our in-house research, active company engagement and cross-referencing key metrics against different data providers.

Overview of our firmwide sustainability-related governance

	Role and responsibility	Provision of data and tools	Research and analysis	Management and decision making	Oversight
ESG Data Team	Providing ESG data and systems for investment analysis and reporting	•			
Climate Team	Providing coordination and support on climate approach	•	•	•	
ESG Analysts	Company-level research and engagement in support of individual investment strategies	•	•	•	
Investment Risk, Analytics and Research Department	Integrating ESG metrics into investment risk reporting		•		
Investment Managers	Investment decision-making, research, analysis and company engagement		•	•	
Portfolio Construction Groups	Portfolio review and decision-making			•	
Product Groups	Design, commercialisation, evolution and management of investment products			•	
Operations Managers	Running of Baillie Gifford buildings, operations and processes	•	•	•	
Operations Environment Group	Reviewing action and progress towards operational footprint targets			•	
ESG Policy, Legal and Regulatory Oversight Group	Reviewing emerging Legal and Regulatory risks and escalate, where necessary, to ESG AG				•
ESG Assurance Group	Identification and monitoring of regulation, legislation and operational delivery of ESG			•	•
ESG Oversight Group	Oversight of ESG approach across the whole firm			•	•
Investment Risk Committees	Review of key sustainability-related risk metrics from portfolios			•	•
Management Committee	Approval of strategy and priorities; oversight of Baillie Gifford & Co and group entities			•	•
Legal Entity Boards	Oversight on behalf of the relevant respective entities				•

Our strategy

This section addresses the actual and potential impacts of sustainability-related risks and opportunities on BG & Co Limited's assets under management and financial planning.

Our firm's strategy remains consistent year-over-year. We aim to add value for clients, support companies and benefit society through thoughtful long-term investment. Our sustainability approach supports this strategy through providing the relevant expertise to investment teams to ensure we understand and act in accordance with the mandates our clients give us. Our long-term, active approach to investment means looking beyond the narrow scope of traditional company analysis to consider the factors that may affect our holdings' ability to thrive over the long term. We aim to add value for clients by broadening our perspective to better understand what the future might bring and which investments stand the best chance of succeeding.

We believe that, over the long run, financial performance and appropriate management of sustainability factors are often intertwined. Therefore, we integrate analysis of material sustainability factors into our investment process because we believe it strengthens our ability to deliver long-term returns. Our investment strategies operate with a high degree of autonomy. Although some characteristics are broadly shared, differences may exist between strategies and asset classes.

In addition, some of our strategies or funds go beyond considering and integrating sustainability factors in their investment research and decision-making activities and make specific sustainability-related commitments. These can be either through an explicit sustainability objective or by promoting sustainability characteristics (detailed in the next section).

The guiding principle for our investment strategies is to focus on material sustainability factors (see 'Material sustainability-related issues' section on page 12). We define these as factors that are likely to affect the financial condition or operating performance of a holding or a portfolio, with a positive or negative impact on long-term investment returns. For strategies with explicit sustainability-related commitments, we may adopt a broader materiality definition that goes beyond the strictly financially material. Where this is the case, it is set out in relevant client and product documentation.

Products that have explicit sustainability objectives or promote sustainability characteristics

We recognise that clients have diverse sustainability needs and preferences as part of their investment objectives. To this end, BG & Co Limited has made available two categories of sustainability-related products:

- i. **SDR-labelled products** that use one of the FCA's sustainability labels (Sustainability Focus and Sustainability Impact); and
- ii. products that **do not use an SDR label but are marketed with sustainability-related terms** and therefore promote sustainability characteristics in line with the SDR naming and marketing rules.

The tables on the following page includes details of these products, including links to consumer-facing disclosures (CFD). Further information on the sustainability approach and strategy for these funds can be found on the relevant fund pages on our website. Information contained in CFDs allows clients to navigate the market and find products that meet their sustainability needs and preferences.

Products with explicit sustainability objectives or promoting sustainability characteristics during the reporting period

Fund	FCA label status (under SDR)
Baillie Gifford Positive Change Fund	Sustainability Impact (effective December 2024)
Keystone Positive Change Investment Trust PLC ²	Sustainability Impact (effective December 2024)
Baillie Gifford European Fund	Unlabelled (effective December 2024)
Baillie Gifford Global Alpha Paris Aligned Fund	Unlabelled (effective December 2024)
Baillie Gifford Managed Fund	Unlabelled (effective December 2024)
Baillie Gifford Responsible Global Equity Income Fund	Unlabelled (effective December 2024)
Baillie Gifford UK and Worldwide Fund	Unlabelled (effective December 2024)
Baillie Gifford UK Equity Alpha Fund	Unlabelled (effective December 2024)
Baillie Gifford UK Equity Core Fund	Unlabelled (effective December 2024)

Products with explicit sustainability objectives or promoting sustainability characteristics after the reporting period

Fund	FCA label status (under SDR)
Baillie Gifford Monthly Income Fund	Unlabelled (effective January 2025)
Baillie Gifford Defensive Growth Fund	Unlabelled (effective March 2025)
Baillie Gifford Sustainable Growth Fund	Sustainability Focus (effective April 2025)

²Keystone Positive Change closed in March 2025. Following the passing of the special resolution on 28 March 2025, the Company was placed into voluntary liquidation and has ceased to use a label.

Material sustainability-related issues

As noted, this report focuses on the sustainability-related issues we believe are most likely to impact the financial or operating performance of the assets we invest in on our clients' behalf.

Our bottom-up and context-specific approach to evaluating sustainability-related topics means we assess their materiality on a case-by-case basis. We have, however, identified themes that we believe are more likely to be material, given the broad applicability of the topic (for example, governance and climate) or the specifics of the types of companies we tend to invest in. We expect many of these will remain broadly relevant, while others will emerge over time.

In addition to potentially being investment material, these issues are also regularly discussed by and important to many of our institutional clients, regulators and other market participants.

Addressing these issues effectively in our investment processes – alongside other material issues as appropriate – strengthens our ability to deliver long-term returns for our clients and meet our commitments to them. This is critical to our ongoing success. The potential impact on long-term returns varies and depends on several factors, including but not limited to the type, extent, complexity and duration of an issue, the prevailing market conditions and any mitigating factors.

Governance

As a long-term growth investor, the boards of the companies we invest in through our listed equity and bond holdings have an important responsibility to safeguard our clients' interests. At the minimum, we expect the board to fulfil its responsibilities effectively, including board composition and succession planning, capital allocation parameters, executive remuneration, and its audit and control function. It should support and oversee the executive management team in implementing the business strategy, bringing different views and protecting the interests of the company's stakeholders, helping to ensure the business's long-term sustainability. Boards also play a key role in overseeing the assessment, management and reporting of sustainability risks and opportunities.

Climate change

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. We regard the climate transition as a material investment factor and a threat to companies' ability to operate if they remain unaware of or unprepared for its potential impacts.

We have invested significantly in developing a set of qualitative climate scenarios to help us consider various future pathways and their implications for our clients' holdings. These scenarios have been created with input from several academic research partners and shared extensively with interested clients. You can read more about this project on our [website](#).

Our **TCFD-aligned Climate report**, available on our website, provides more information on our wider climate change approach. It includes descriptions of the most material climate-related risks and opportunities we have identified across our investment, client and operational activities. As required by UK regulation, we also publish product-level TCFD-aligned Climate reports for the open-ended investment companies (OEICs) and investment trusts managed by BG & Co Limited, which can be found on the relevant product literature pages.

In response to client demand, we have several investment products that limit exposure to fossil fuel holdings. **Our Exclusion policy** and the individual investment product's documentation provide further details on how we apply fossil fuel holding exposure limits and other norms and/or sector-based exclusions.

Natural resources and biodiversity

Nature and biodiversity loss can pose significant risks to long-term business functioning and the well-being of economies. Sources of risk may include increased raw material or resource costs, regulation and taxation, resource availability and supply-chain disruption. The sustainable management of nature and biodiversity is becoming more of a priority for some businesses and governments, which are taking steps to better understand and manage nature-related risks. We aim to integrate the assessment of such issues into our fundamental research and now include water and deforestation flags for high-impact companies into our Climate Assessment process. More information on our 'Climate Assessment' process can be found in our **TCFD-aligned Climate Report**. Our ability to evaluate the significance of these issues improves as we access more data sources and engage with more holdings on these topics. We regularly engage with industry initiatives and data providers and continue exploring the usefulness of structured frameworks for investors and our clients.

Relationships with regulators, customers and wider stakeholders

We expect our holdings to operate in a way that takes account of all relevant legal and regulatory guidelines and supports good stakeholder relations. Relevant practice areas include:

- Responsible marketing.
- Data privacy and security governance.
- Responsible taxation approaches.
- How the company manages product and service issues, such as product quality and integrity, complaint handling, safety recalls and compensation.

Successful management of these relationships helps companies avoid risks associated with regulatory fines/censures, litigation and wider reputational damage. This, in turn, supports their ability to deliver value in the long term for our clients.

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.

Diversity and inclusion

We believe board diversity can influence 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. Companies should take steps to understand and, where necessary, improve board-level diversity.

An organisation's culture should be managed to ensure all employees are treated fairly 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.

Financial planning

Guided by the Management and Finance Committees, Baillie Gifford's financial planning process covers the firm's strategy, including key business assumptions on revenue, costs and client assets under management (AUM) flows on a regional and global basis. As such, income from products with sustainability objectives and sustainability-related costs associated with the firm's operations and investment capabilities are captured through this process. We are continually evolving this process and exploring advancements in our financial modelling capabilities to aid our assessment of risks and opportunities.

Assessing and managing sustainability-related risks and opportunities

We integrate the identification and assessment of investment-relevant sustainability-related risks and opportunities into our bottom-up investment research process guided by **Our Stewardship Principles and Guidelines**. This process helps shape idea generation, holding selection and identifying engagement priorities during our ownership.

The individual investment strategy teams lead the stock-level research. Collaboration between teams is encouraged, and research is supported and guided by specialists in our central climate, voting and ESG data functions, among others. Research focuses on understanding the materiality of sustainability-related issues to holdings and ultimately to investment performance. To aid in this assessment, we use external research providers, as described earlier, to identify different risks and opportunities, supplementing this with our own research where appropriate to determine our position on individual companies.

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 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: ambition, targets and strategic coherence, and potential transition role. We reviewed the process in 2024, resulting in refinements to the assessment criteria and categorisation. More information on our 'Climate Assessment' process can be found in our **TCFD-aligned Climate Report**.

Our primary means of managing sustainability-related risks at the individual holding level is through initial and ongoing research and company engagement. Conversations with companies are led primarily by our investment teams, aligning with their philosophy and process, but with expert support from our ESG function.

The objective may be to fact-find, assess or influence to help reduce risks to long-term returns and maximise opportunities. When determining the type of work we undertake, we assess priorities relative to investment materiality and evaluate our capacity for influence. We want our engagement activities to support management to realise long-term ambitions while providing appropriate challenge. We want to understand whether a company has a plan and the resources to address critical and material issues identified, whether strategies are being implemented, and progress is being made. Our **Investment Stewardship Activities Report** has more information on our engagement activities.

If we feel that holdings are not making sufficient progress in mitigating sustainability-related risks or accessing potential opportunities, we may communicate our expectations and seek to deepen our understanding of their approach. In some circumstances, we may take escalatory action if we fail to see meaningful improvement in what we believe is a material issue. This could include voting action at a company's annual general meeting, or collaborating with other investors or relevant industry initiatives. Ultimately, if we determine that a company faces material risks that it is unable or unwilling to mitigate, we may divest.

In constructing our portfolios, we focus on companies with the potential and intent to improve, not just those that score well today. This approach applies to all aspects of the investment strategy, including investing in companies at depressed points in the business cycle if improvement is anticipated, or those with weak financial returns that we believe will strengthen. Instead of limiting investments to yesterday's winners, we see potential in companies that intend to grow into champions.

Monitoring sustainability-related risk and opportunities

Baillie Gifford integrates the monitoring of sustainability-related risks into its broader risk management approach. The ESG AG receives quarterly reports against sustainability-related risk indicators. These indicators highlight portfolios that exceed thresholds, prompting further discussion and potential escalation to the Equity or Multi Asset and Income Investment Risk committees.

The sustainability risk indicators include:

- Portfolios with a weighted average carbon intensity (calculated on a Scope 1, 2 and material Scope 3 basis) above the equivalent weighted average carbon intensity (WACI) of the performance benchmark used by the portfolio.
- Portfolios with higher exposure to fossil fuel activities than the performance benchmark used by the portfolio.
- Portfolios with more than five per cent of total assets under management (AUM) invested in holdings that have not been assessed using Baillie Gifford's Climate Assessment process.
- Portfolios with greater per cent exposure to United Nations Global Compact (UNGC) non-compliant companies than the performance benchmark used by the portfolio.
- Portfolios with a high Sustainalytics ESG risk rating and higher than that of the performance benchmark used by the portfolio.

We recognise that quantitative indicators such as these do not fully capture the complexities faced by our holdings and so do not provide a complete picture of the risks and opportunities across our portfolios. They can, however, indicate the need for further assessment.

Our approach to monitoring sustainability risk may also differ by investment strategy or asset class, where data availability may be limited, for example, concerning private assets or where specific metrics may be more appropriate for corporates. We will continuously evolve these indicators and incorporate other sustainability-related insights into our portfolio-level risks and opportunities.

Sustainability risk metrics are also incorporated into investment risk reports provided to investment managers, helping them identify emerging risks across portfolios. The Business Risk Department monitors controls related to integrating sustainability factors and ESG commitments into the investment process, periodically meeting with strategy ESG analysts, where relevant, to assess ongoing compliance with these controls.

Key metrics

For our initial sustainability reporting, we have chosen to share sector-specific topics in the Sustainability Accounting Standards Board (SASB) Standard for the 'Asset Management and Custody Activities' industry. SASB Standards enable organisations to provide industry-based disclosures about financially material sustainability-related topics that could reasonably be expected to affect the entity's cash flows, access to finance or cost of capital over the short, medium or long term. The metrics provided below are specific to BG & Co Limited, unless it is more meaningful to present at the Baillie Gifford group level (eg topics subject to group policies).

All data is as at 31 December 2024, unless otherwise noted.

Transparent information and fair advice for customers

Code	Accounting metric	Response and/or disclosure source
FN-AC-270a.1	(1) Number and (2) percentage of licensed employees and identified decision-makers with a record of investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings	BG & Co Limited does not have employees. Portfolio management is delegated to BG & Co. In the interest of transparency, no individual who holds Senior Manager Functions (SMFs) within BG & Co has been identified with a record of investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings.
FN-AC-270a.2	Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of financial product-related information to new and returning customers	BG & Co Limited has not incurred any monetary losses due to legal proceedings associated with marketing and communication of financial product-related information to new and returning customers.
FN-AC-270a.3	Description of approach to informing customers about products and service	We seek clear consumer understanding, focusing on providing clients with the information they need to make an informed decision. We keep consumer understanding at the forefront of the design and delivery of our communications. Products and services must be fit for purpose and designed to “meet the needs, characteristics and objectives of a target group of customers and distributed appropriately”. In other words, clients should expect what we offer them to work as we have said it will and to be appropriate for their needs. Baillie Gifford produces a wealth of content describing our products and services in our online literature and documents library. We recently partnered with a third-party research company to test various retail-facing materials, including written content, podcasts, events and webinars. We are using the feedback from these sessions to improve our communications. Financial promotions approvals require consideration of ‘greenwashing risk’ as a formal part of Baillie Gifford’s process. This reflects the importance of talking about ESG, and managing potential greenwashing risk, to meet the FCA’s rules requiring promotional material to be fair, clear and not misleading. Baillie Gifford’s existing processes and standards deliver outcomes aligned with the FCA’s anti-greenwashing requirements and with the standards expected by the Advertising Standards Agency.

Employee diversity & inclusion

Code	Accounting metric	Response and/or disclosure source
FN-AC-330a.1	Percentage of (1) gender and (2) diversity group representation for (a) executive management, (b) non-executive management, (c) professionals, and (d) all other employees	BG & Co Limited does not have any employees. For information on Diversity & Inclusion at the Baillie Gifford group level, please see our 2024 Diversity & Inclusion Report . This report covers the period to 31 March 2024.

Incorporation of environmental, social, and governance factors in investment management and advisory

Code	Accounting metric	Response and/or disclosure source					
FN-AC-410a.1	Amount of assets under management, by asset class, that employ (1) integration of environmental, social, and governance (ESG) issues, (2) sustainability themed investing and (3) screening		Equity	Bonds	Other invest-ments	Cash & cash equiva-lents	Total (£bn)
		ESG integration only	38.6	2.2	0.7	0.0	41.5
		Sustainability-themed and integration	2.5	0.0	0.0	0.0	2.5
		Screening and integration	6.5	1.2	0.0	0.0	7.7
		No ESG integration	0.0	0.0	0.0	0.6	0.6
		Other investments refer to investments in property, derivatives and externally managed funds. Totals may not sum due to rounding.					
FN-AC-410a.2	Description of approach to incorporation of environmental, social and governance (ESG) factors in investment or wealth management processes and strategies	For details of our approach to integrating environmental, social and governance (ESG) factors into our investment process, see this report's 'Our Strategy' section on page 10.					
FN-AC-410a.3	Description of proxy voting and investee engagement policies and procedures	Voting is integral to our role 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, thereby supporting the outcomes we aim to deliver to our clients. In line with our investment philosophy, our voting analysis is bottom-up and led by each investment case. Rather than applying prescriptive policies, we assess every resolution case-by-case. We believe that a prescriptive approach can lead to unwarranted and, in some cases, perverse outcomes that may not be in the best interests of a particular company, given its stage of development and the wider geographical and industrial context. More information on our approach to voting can be found in our Proxy Voting Guidelines. The importance of our patient approach to engagement cannot be overstated. It is integral to building relationships with companies, understanding the less tangible aspects of an entity, such as corporate culture, facilitating a two-way dialogue, and (where relevant) influencing change. We believe that ongoing dialogue between investors and companies on strategic issues can protect and enhance our clients' long-term returns, which aligns with our investment beliefs, company culture, and client needs. More information on our approach to engagement can be found in our ESG Integration Approach.					

Financed emissions

Code	Accounting metric	Response and/or disclosure source	
FN-AC-410b.1	Absolute gross financed emissions, disaggregated by (1) Scope 1, (2) Scope 2 and (3) Scope 3	Total Financed Emissions Scope 1 (tCO ₂ e)	808,314.6
		Total Financed Emissions Scope 2 (tCO ₂ e)	347,040.5
		Total Financed Emissions Scope 3 Material (tCO ₂ e)	4,656,012.3
		Total Financed Emissions Scope 1, 2 & 3 Material (tCO ₂ e)	5,811,367.4
		For definitions of Scope 1, 2 & 3 Material, please visit our TCFD-aligned Climate Report . The metrics disclosed in this report have been calculated using assets within BG & Co Limited's sustainability in-scope business, and in line with the Global GHG Accounting and Reporting Standard for the Financial Industry, developed by the Partnership for Carbon Accounting Financials (PCAF Standard). Therefore, metrics may differ from other Baillie Gifford disclosures using a different methodology.	
FN-AC-410b.2	Total amount of assets under management (AUM) included in the financed emissions disclosure	AUM included in the Total Financed Emissions Scope 1 calculation (£ bn)	42.9
		AUM included in Total Financed Emissions Scope 2 calculation (£ bn)	42.9
		AUM included in Total Financed Emissions Scope 3 Material calculation (£ bn)	12.2
		AUM included in Total Financed Emissions Scope 1, 2 & 3 Material calculation (£ bn)	12.1

FN-AC-410b.3	Percentage of total assets under management (AUM) included in the financed emissions calculation	Total Financed Emissions Scope 1 Covered %	82.1
		Total Financed Emissions Scope 2 Covered %	82.1
		Total Financed Emissions Scope 3 Material Covered %	23.4
		Total Financed Emissions Scope 1, 2 & 3 Material Covered %	23.2
As noted in this report's Governance and oversight of ESG data section, we recognise the challenges and limitations in ESG data coverage. Listed equities, which represent 82.6 per cent of the assets under management by BG & Co Limited, generally have well-reported or estimated data from our external providers. Similarly, most multi-asset and fixed-income holdings also have reasonable data from these providers. However, notable data gaps exist for companies in emerging markets, off-index companies with less comprehensive reporting requirements, and smaller-cap companies that typically have fewer resources dedicated to ESG reporting. Furthermore, we also face notable limitations with private companies, which account for 8.6 per cent of AUM, where our analysis depends on voluntary disclosure, resulting in inconsistent data availability. These limitations are mitigated primarily through our in-house research, active company engagement and cross-referencing key metrics against different data providers. We expect coverage levels will improve as reporting standards and practices continue to evolve. It is important to note that cash and cash equivalents, derivatives, and investments in externally managed funds, which account for 2.5 per cent of AUM, are currently excluded from our calculations.			
FN-AC-410b.4	Description of the methodology used to calculate financed emissions	The methodology used to calculate financed emissions aligns with the Global GHG Accounting and Reporting Standard for the Financial Industry, developed by the Partnership for Carbon Accounting Financials (PCAF Standard). The calculation methodology can be found on page 71 of The Standard .	

Business ethics

Code	Accounting metric	Response and/or disclosure source
FN-AC-510a.1	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, antitrust, anti-competitive behaviour, market manipulation, malpractice, or other related financial industry laws or regulations	BG & Co Limited has not incurred any monetary losses due to legal proceedings associated with fraud, insider trading, antitrust, anti-competitive behaviour, market manipulation, malpractice, or other related financial industry laws or regulations.
FN-AC-510a.2	Description of whistleblower policies and procedures	Baillie Gifford's whistleblowing policy applies to everyone who works for Baillie Gifford, including employees, partners and contingent workers. To ensure that Baillie Gifford complies with its global regulatory obligations, some entities also maintain their own compliance policies. The policy reaffirms the firm's commitment to fostering a culture that encourages staff to speak up about suspected wrongdoing or any concerns as soon as possible. It provides staff with guidance on how to raise those concerns (both internally and externally) and states they can do so knowing that their concerns will be taken seriously, investigated as appropriate, and they will be supported at all times. It also reassures staff that they can raise genuine concerns without fear or suffering any form of victimisation or discrimination. The whistleblowing champion and BG & Co's Management Committee receive an annual report, which includes high-level details of whistleblowing cases. This report is made available to Baillie Gifford's regulatory bodies upon request and relevant Baillie Gifford subsidiary boards, including BG & Co Limited, on an ad-hoc basis.

Activity metric

Code	Accounting metric	Response and/or disclosure source
FN-AC-000.A	Total assets under management (AUM)	£52.2bn
FN-AC-000.B	Total assets under custody and supervision	N/A

Compliance statement

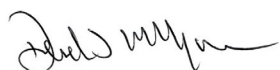
Sustainability Report – Baillie Gifford & Co Limited

Compliance statement

The disclosures in this Sustainability Report, including group disclosures relied upon and cross-referenced in the report, are consistent with the FCA's Policy Statement 23/16 (SDR).

Reasonable steps have been taken to ensure that disclosures fulfill all regulatory requirements for Baillie Gifford & Co Limited.

This statement is made pursuant to FCA's ESG sourcebook (section 5.6.8) requiring a firm's entity reporting to include a compliance statement, signed by a member of senior management of the firm.



Derek McGowan

Director of Baillie Gifford & Co Limited

November 2025

Important information

Please remember investment markets can go down as well as up and market conditions can change rapidly. The value of an investment in a fund and any income from it can fall as well as rise, and you may not get back the amount invested. Further details of the risks associated with investing in a fund, performance history and the full investment objective and policy can be found in the Prospectus, Key Investor Information Document (KIID) and Report and Accounts, which are available by contacting Client Relations or visiting Baillie Gifford's website.

Please also contact Client Relations if you would like a copy of this report (or any of the documents it references) in hard copy or an alternative accessible format.

Contact us at: Client Relations Team,
Baillie Gifford & Co Limited, Calton Square,
1 Greenside Row, Edinburgh EH1 3AN

Call Baillie Gifford's Client Relations Team on
0800 917 2113. Your call may be recorded
for training or monitoring purposes.

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