

Baillie Gifford Sustainable Growth Fund

The Fund uses a Sustainability Focus label: it invests mainly in assets that focus on sustainability for people or the planet.

SDR sustainability-related disclosure document

Baillie Gifford & Co Limited | LEI: 213800QRECG98M5WRY73

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Sustainability Goal

The Fund aims to invest (at least 70%) in companies covering a broad range of sustainability topics but whose products or services are creating value for society by addressing significant global challenges.

In order to be considered as addressing a significant global challenge, a company's products or services must be aligned with one or more of the following headline themes:

- 1. People** (the welfare of people) sub-themes may include, but are not limited to:
 - enhancing access to healthcare, extending healthy life expectancy (good health and wellbeing, reducing deaths and illnesses from infectious disease);
 - deepening financial inclusion (equality of rights to economic resources and financial services, strengthening financial institutions to expand services for all); and
 - delivering essential infrastructure (clean water and sanitation, developing reliable and sustainable infrastructure to support economic development and human wellbeing);
- 2. Planet** (the condition of the planet), sub-themes may include, but are not limited to:
 - doing more with less (responsible consumption and production);
 - preserving natural capital (enhancing conservation and sustainable use, reducing habitat degradation); and
 - mitigating and adapting to climate change (taking climate-related action); and
- 3. Prosperity** (broadening prosperity across society) sub-themes may include, but are not limited to:
 - lowering barriers to entrepreneurship (enhancing opportunities for small and medium enterprises);
 - supply chains with integrity (encouraging companies to adopt transparent practices); and
 - providing fair and decent work (safe and secure working environments, equal opportunities and ending discrimination)

These headline themes and sub-themes align with the United Nations Sustainable Development Goals (“**UN SDGs**”) which serve as a universal blueprint for achieving peace and prosperity for society and the environment.

To ensure a company's products or services are meeting the sustainability objective, the Investment Adviser will assess either the revenue or profits derived from the company's products or services.

While no specific material negative environmental or social outcomes are expected as a result of the Funds pursuing its sustainability objective, there is no guarantee that the sustainability objective will be met or that assets in the portfolio will positively contribute to address significant global challenges.

Sustainability Approach

What the Fund will invest in: The Fund will invest at least 70% in shares or other transferable securities of companies anywhere in the world, provided the Investment Adviser considers such companies are addressing significant global challenges in the headline themes of: **People, Planet and Prosperity**. At least 70% of the Fund's assets are required to meet the sustainability objective. To be considered as meeting the sustainability objective, companies should demonstrate that either (i) at least 30% of its revenues or (ii) at least 30% of its profits are derived from its products or services that are aligned with a significant global challenge. This is the ‘Standard of Sustainability’.

When selecting assets for the Fund the Investment Adviser will apply certain revenue-based screens, assess compliance with its United Nations Global Compact policy and carry out a proprietary assessment to evaluate a company's creation of value for society. In addition, the Investment Adviser will manage the portfolio to support the goal of net zero greenhouse gas (‘GHG’) emissions by 2050 or sooner, in line with global efforts to limit warming to 1.5C (“net zero”). Companies will be priorities for engagement on the basis of their net zero alignment.

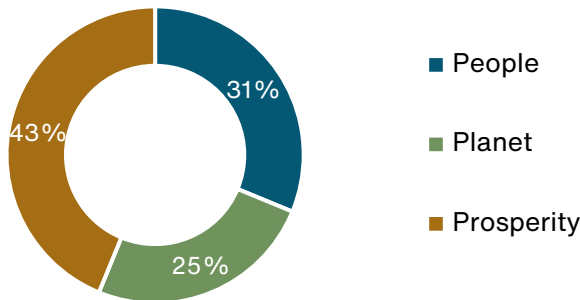
Other assets the Fund may also invest in: The Fund may invest up to 30% in companies that do not align with the sustainability objective provided they do not conflict with it. Other transferable securities of companies anywhere in the world, money market instruments, deposits and cash may be held in the portfolio for efficient portfolio management reasons.

Stewardship Approach: The Investment Adviser will select priority engagement candidates on an ongoing basis, determined by balancing the materiality of the matter identified for engagement to the long-term success of the company with the feasibility of the engagement being successful. As stewardship is undertaken primarily for long-term improvements, it is unlikely that positive outcomes may be achieved in the short term. Companies' progress will be reported on annually.

Sustainability Metrics

The key performance indicators (KPIs) listed below provide a measure of how companies in the portfolio are meeting the Fund's sustainability objective.

Portfolio Thematic Alignment:



As at 28 February 2025, the **total percentage of portfolio assets which meet the sustainability objective is 79.7%**. This is split into the headline themes of **People, Planet and Prosperity**. More information can be found in the Funds **annual Sustainability Report** and the Fund **prospectus**. Totals may not sum due to rounding

Which UN SDGs are being addressed by the portfolio:



✓ As at 28 February 2025 the Sustainable Growth portfolio aligned to **10** of the UN SDGs.

Images: © United Nations Department of Public Information. Based on the Sustainable Growth Team's views.

Investment Adviser's assessment of portfolio companies' net zero targets through its 'Climate Audit' process:

Leading	Preparing	Lagging
Companies committed to reductions in line with their fair share of a science-based 1.5C-aligned pathway, with appropriate demonstrations of targets, intent and strategic coherence.	Companies with disclosure and narrative that suggest they are preparing to set 1.5C-aligned targets in the near future.	Companies lacking sufficient disclosure or suitably robust targets, where the pathway to improvement is currently uncertain.
Leading: 51% of portfolio companies	Preparing: 27% of portfolio companies	Lagging: 20% of portfolio

Source: Assessed according to Baillie Gifford's internal assessment framework described in the firmwide **TCFD-aligned Climate Report**. As at 28 February 2025. Excludes cash.

The Investment Adviser uses the categories above to determine whether companies in the portfolio are aligned with the goal of net zero greenhouse gas emissions by 2050 or sooner. Companies in the leading bucket are considered to be aligned already; those in the preparing category are deemed to be on track to be aligned; and those in the lagging category are not deemed to be on track at the current time. The Investment Adviser anticipates these figures will improve over time. 2% of portfolio companies by count did not have assessments available as at 28 February 2025.

More Information

For more information please refer to below relevant documents:

Prospectus | KIID | TCFD | Factsheet | Sustainability Report

Further information on sustainable investment labels can be found on the **FCA website**.

For our legal notices and disclosures please visit [bailliegifford.com/disclaimers](https://www.bailliegifford.com/disclaimers).

Contact Us

For further information about the Fund or Baillie Gifford's range of OEICs, please contact our Client Relations Team on 0800 917 2113, visit our website at [bailliegifford.com](https://www.bailliegifford.com), or email enquiries@bailliegifford.com