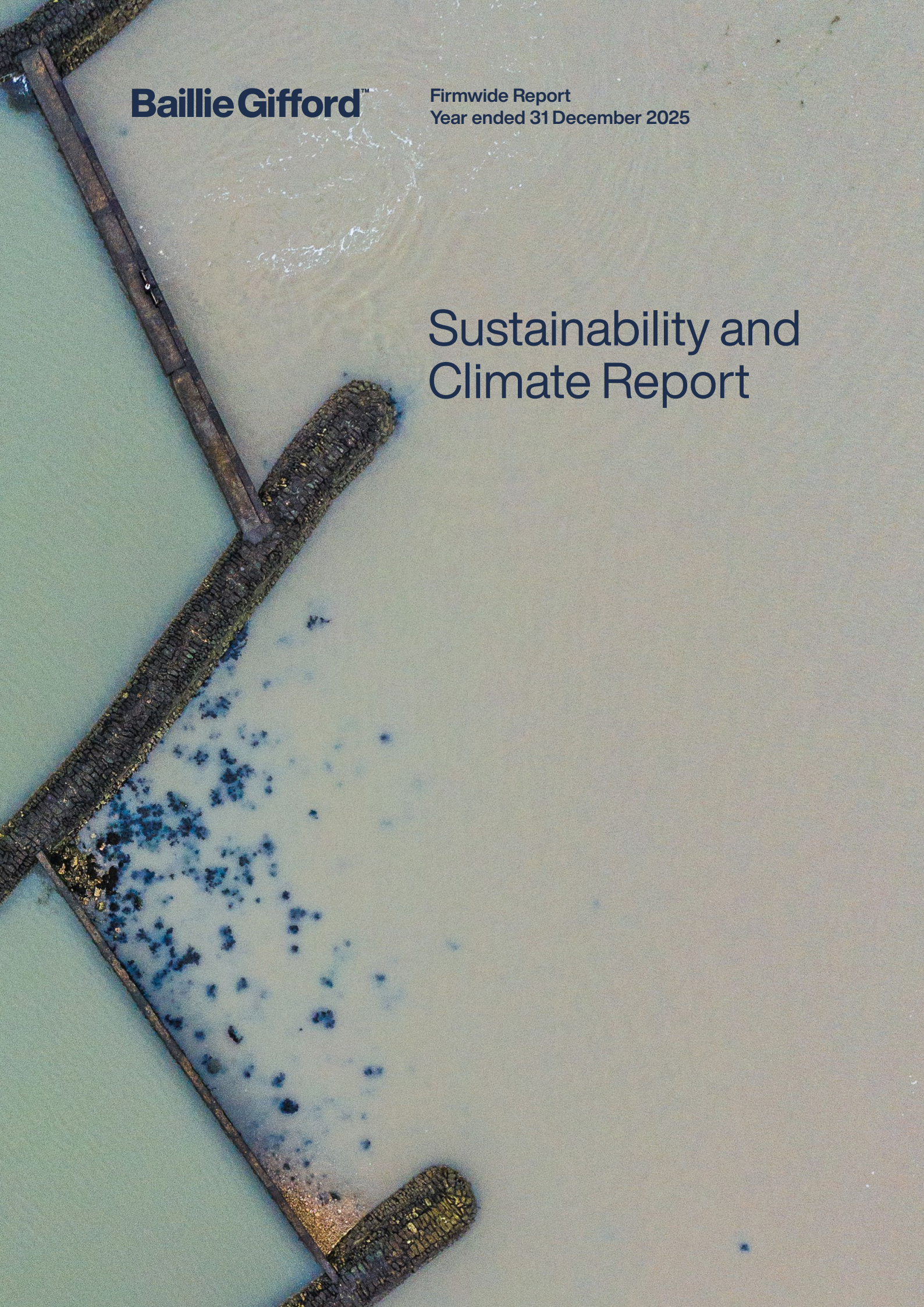




Baillie Gifford™

Firmwide Report
Year ended 31 December 2025

Sustainability and Climate Report

Note on sustainability and climate reporting requirements

For the purposes of the UK's FCA (Financial Conduct Authority) requirements, this report serves as (i) our TCFD (Taskforce on Climate-related Financial Disclosures) Entity Report prepared in accordance with the FCA's ESG (Environmental, Social and Governance) Sourcebook climate-related disclosure rules introduced by PS21/24, covering our 'TCFD in-scope business' (being our activities in portfolio management, managing UK UCITS (Undertakings for Collective Investment in Transferable Securities) and managing UK AIFs (Alternative Investment Funds)); and (ii) our Sustainability Entity Report prepared in accordance with the FCA's ESG Sourcebook sustainability disclosure rules introduced by PS23/16, covering the assets managed within our 'sustainability in-scope business' (being our activities in managing UK UCITS and managing UK AIFs). The governance, strategy, risk management and metrics described in this report apply across both our TCFD in-scope business and our sustainability in-scope business.

The reporting entity is Baillie Gifford & Co ('Baillie Gifford', 'the firm', 'we' and 'our') and incorporates relevant disclosures for Baillie Gifford & Co Limited, including its roles as Authorised Corporate Director of Baillie Gifford's UK OEICs (Open Ended Investment Company) and AIF Manager for relevant UK-domiciled AIFs. Where disclosure obligations apply specifically to Baillie Gifford & Co Limited, this is indicated within the relevant sections of the report.

Where we refer to assets under management (AUM) or present quantitative information, we do so on a Baillie Gifford group basis unless otherwise stated. Group AUM includes the assets managed within our sustainability in-scope business, as well as other assets and activities outside that scope. As such, the asset coverage for AUM and certain metrics may be broader than the sustainability in-scope business perimeter. The sustainability in-scope business assets represent 26% of group AUM as at 31 December 2025.

We also provide product-level (fund-level) reports for individual products for our clients, including UK and non-UK funds, in line with applicable regulatory requirements and our client reporting commitments.

For UK-authorised funds and relevant UK-domiciled unauthorised AIFs that fall within scope of the FCA's product-level sustainability and climate disclosure requirements, this includes disclosures prepared in accordance with the FCA ESG Sourcebook. These reports can be found on relevant product pages of our website.

Our consideration of sustainability and climate-related factors is undertaken in the context of our fiduciary duty to clients and our objective of long-term value creation. The relevance and weight given to such factors varies across strategies and client mandates. We do not apply a uniform sustainability or climate approach across all portfolios, and investment decisions remain subject to each strategy's objectives and constraints. Whilst every effort has been made to describe these accurately in this report, fund documentation remains the primary source of such information and should always be consulted for information on individual funds.

The report covers the period 1 January 2025 to 31 December 2025.

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 May 2026 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 document are for illustrative purposes only.

Baillie Gifford™

Contents	About Baillie Gifford	02
	Quick facts	03
	About this report	04
	Governance	06
	Strategy: Our approach	10
	Material themes	18
	Risk management	30
	Metrics	38
	Compliance statements	47

About Baillie Gifford

Baillie Gifford is an investment management firm founded in 1908 and headquartered in Edinburgh, UK. We employ around 1,600 people based mainly in Scotland, with additional offices worldwide. As at 31 December 2025, we managed £202.7bn of clients' assets.

We aim to add value for clients, support companies and benefit society through thoughtful, long-term investment. This commitment applies across all our strategies. In our public and private equities business, our ambition is to be regarded as the best long-term growth manager globally.

Approximately 93 percent of assets under management (AUM) are invested in listed equities, and we also offer multi-asset, income-generating and private company funds. We have a global and diversified client base ranging from individual investors to large institutional clients and public pension funds.

Our group entity is Baillie Gifford & Co ('BG & Co'), which is the parent entity of Baillie Gifford & Co Limited ('BG & Co Limited') and Baillie Gifford Overseas Limited ('BGO'). BG & Co provides portfolio management and advisory services to UK clients, while BGO provides these services to non-UK clients. BG & Co Limited operates as the manager of a series of UK undertakings for collective investment in transferable securities (UCITS), non-UCITS retail schemes (NURS), Canadian collective investment funds and investment trusts. BG & Co Limited delegates portfolio management services to BG & Co and BGO.



Quick facts

Staff



1626
people

Representing 70 nationalities from across the globe

Assets under management



£202.7
billion

Invested for clients in some of the most exciting companies in the world

Offices



11
worldwide

From our head office in Edinburgh to New York, Shanghai, Amsterdam and more

Partners



59
partners

Our partners, who wholly own the firm, have an average tenure of 20 years

Specialists



40

Sustainability and climate professionals working across the firm

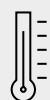
Average investment period



7
years

We typically invest in companies for 5–10 years, and sometimes much longer

Operational emissions



95
percent

Targeted reduction in Scope 1 and 2 greenhouse gas emissions from our operations by the end of 2026

AI interactions



4x

Interactions by staff with approved large language model platforms quadrupled in 2025

Charities



104

Charities supported through our philanthropy programme in 2025

About this report

This is our first combined Sustainability and Climate report, produced in line with UK asset manager sustainability and climate reporting requirements. It aims to provide an overview of how we address sustainability and climate-related risks and opportunities (SCRROs) as they relate to our activities as a firm. We view these issues as potentially material to our overall task of delivering returns to clients who choose to invest their money with us.

The report is structured into several sections – governance, strategy, risk management and metrics – which have now become established in UK reporting requirements and in the

International Financial Reporting Standards (IFRS) S1 (sustainability) and S2 (climate) disclosure standards. As part of the strategy section, we have included a summary of the material themes which we believe are driving the most material SCRROs for the firm.

The report describes the overall approach taken across Baillie Gifford, except where stated. Reports providing more detail on the approach taken by individual investment products are available, where applicable, on the relevant product pages of our [website](#).



| Governance

Governance

Partnership structure

As a private partnership, Baillie Gifford does not have outside shareholders or external financial obligations. This means we can avoid an excessive focus on short-term profits driven by the cycle of financial reporting and the need to pay shareholder dividends. We believe this arrangement provides greater stability and strong alignment with the long-term approach we take to investing on behalf of our clients.

Each of our partners is jointly liable for the firm's obligations, and this liability is unlimited. As business owners, each partner plays a supervisory role alongside their day-to-day duties, including management roles. The partnership structure shapes our overall approach to governance and our general ethos as a firm, as set out in **Our Shared Beliefs**.

The partners have established the Management Committee as the group with primary responsibility for the oversight and management of Baillie Gifford, including strategy, business planning, governance, financial management and remuneration. The Management Committee therefore has overall responsibility for sustainability and climate-related risks and opportunities (SCRROs) and assessing the firm's approach. If required, SCRROs can be escalated to the Management Committee who will assess and determine appropriate action.

The firm also has a number of subsidiary legal entities, each with its own board, which are responsible for approving SCRRO-related disclosures relating to those entities. More details on Baillie Gifford's governance and risk management frameworks can be found in the firm's **[governance and risk disclosures](#)**.

The role of management groups

The Management Committee delegates responsibility for the firm's strategic approach to investment and client-related SCRROs to the ESG Oversight Group (ESG OG). The ESG OG is chaired by a Baillie Gifford partner and comprises partners and senior representatives from the Investment, Client and ESG functions, including the Head of ESG. The group will escalate issues as necessary to the Management Committee and/or legal entity boards and reviews key disclosures prior to final sign-off by those groups. The ESG OG also reports as necessary to Equity Leadership, Multi Asset and Income Leadership, and Client Management groups.

The firm also has an ESG Assurance Group (ESG AG), which reviews the firm's compliance with SCRRO-related regulatory requirements and product and client-specific commitments. It also oversees the effectiveness of controls and internal assurance processes relating to SCRROs. It comprises members from our ESG, Clients, Business Risk, Compliance and Legal departments and can escalate to the ESG OG where required.

The ESG Policy, Legal and Regulatory Oversight Group (ESG PLROG), which is responsible for assessing specific legal and compliance aspects of our approach to SCRROs, supports the ESG AG. The group comprises individuals from the Compliance, Legal and Business Risk departments.

Baillie Gifford's financial planning process is overseen by the Finance Committee and covers the firm's strategy, including key business assumptions on revenue, costs and client AUM flows on a regional and global basis. As such, income from products with sustainability and climate-related mandates, and costs associated with sustainability and climate impacts, can be captured. We are continually evolving this process and exploring advancements in our financial modelling capabilities to aid our assessment of risks and opportunities, including those relating to sustainability and climate.

The role of investment teams

On a day-to-day basis, the primary responsibility for identifying, assessing and managing investment-related SCRROs lies with individual investment teams. They are expected to undertake this as part of investment research, analysis and engagement activities. They are guided by their evaluation of the materiality of these risks and opportunities to investment outcomes and client mandates. For this task, some teams are supported by an integrated ESG analyst. All teams also have access to support from the firm's central Climate, Voting and ESG data teams. Many investment teams also receive data and analysis from the Investment Risk, Analytics and Research Department, including SCRRO-related metrics.



Overview of firmwide sustainability and climate-related governance

	Role and responsibility	Provision of data and tools	Research and analysis	Management and decision making	Oversight
ESG Services	Supports stewardship and voting activity related to SCRROs	•	•	•	
ESG Data Team	Providing ESG data and systems for investment analysis and reporting	•			
Climate Team	Providing coordination and support on climate approach; identifying climate-related risks	•	•	•	
ESG Analysts	Company-level research and engagement in support of individual investment strategies	•	•	•	
Investment Risk, Analytics and Research Department	Integrates SCRROs data into 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	Review emerging Legal and Regulatory risks and escalate, where necessary, to ESG Assurance Group				•
ESG Assurance Group	Assurance over ESG-related regulatory requirements and ESG commitments			•	•
ESG Oversight Group	Oversight of ESG approach across the whole firm			•	•
Investment Risk Committees	Review of key sustainability-related risk metrics from portfolios, as necessary			•	•
Management Committee	Approval of strategy and priorities; oversight of BG & Co and group entities			•	•
Legal Entity Boards	Oversight on behalf of the relevant respective entities				•

Strategy: Our approach

Strategy: Our approach

We are a research-driven, active investment manager whose objectives are to add value for clients, support companies and benefit society through thoughtful investment. Our average holding period is over seven years for listed equities. This means we try to look beyond short-term 'noise' to consider issues that may affect holdings' and funds' ability to grow over the long term, which often includes broader sustainability and climate factors. We have served many of our clients for decades and are a significant entity in our own right, operating since 1908 with a longstanding responsibility to our employees and wider stakeholders.

Our overall strategy for addressing SCRROs is to empower teams across the firm to act in the best interests of their clients and the different investment strategies we offer. Our clients have a variety of different objectives and obligations concerning SCRROs and our aim is to meet their specific needs. Investment and client teams therefore retain the autonomy needed to meet clients' requirements. Details of specific fund-level objectives can be found in relevant fund documentation. We always invest in accordance with the mandates clients give us and the policies of our individual investment funds.



Investment funds with specific sustainability and climate objectives

We offer several funds which, in addition to a primary financial objective, have sustainability and/or climate-related characteristics or objectives. Relevant information is provided in fund documentation. Available on [our website](#)¹. These funds include:

UK Sustainability Disclosure Regulation (SDR) labelled funds that use a 'Impact' or 'Focus' label:

Fund	FCA label status (under SDR)
Baillie Gifford Positive Change Fund	Sustainability Impact
Baillie Gifford Sustainable Growth Fund ²	Sustainability Focus

UK SDR non-labelled funds that include sustainability-related terms:

Fund
Baillie Gifford European Fund
Baillie Gifford Global Alpha Paris-Aligned Fund
Baillie Gifford Managed Fund
Baillie Gifford Responsible Global Equity Income Fund
Baillie Gifford UK and Worldwide Fund
Baillie Gifford UK Equity Alpha Fund
Baillie Gifford UK Equity Core Growth Fund
Baillie Gifford Monthly Income Fund
Baillie Gifford Defensive Growth Fund ³

¹Baillie Gifford offers a range of investment products which may vary by jurisdiction. Not all funds are available in every country, and availability depends on local regulatory requirements and investor eligibility. Please refer to the Baillie Gifford website for details of the funds available in your region.

²The resolution for the proposed merger of Baillie Gifford Sustainable Growth Fund with Baillie Gifford Global Alpha Paris-Aligned Fund was approved at the extraordinary general meeting of the Shareholders of Baillie Gifford Sustainable Growth Fund on 24 April 2026. Further information can be found on the Baillie Gifford website.

³The merger of Baillie Gifford Defensive Growth Fund with Baillie Gifford Monthly Income Fund was completed on 17 April 2026. Further details can be found on the Baillie Gifford website.

EU Sustainable Finance Disclosure Regulation (SFDR) Article 8 funds that promote environmental and/or social characteristics:

Fund
Baillie Gifford Worldwide Sustainable Growth Fund
Baillie Gifford Worldwide Responsible Durable Growth Fund
Baillie Gifford Worldwide Pan-European Fund
Baillie Gifford Worldwide US Equity Growth Fund
Baillie Gifford Worldwide Long Term Global Growth Fund
Baillie Gifford Worldwide Japanese Fund
Baillie Gifford Worldwide Islamic Global Equities Fund
Baillie Gifford Worldwide Emerging Markets Leading Companies Fund
Baillie Gifford Worldwide Responsible Global Alpha Paris-Aligned Fund
Baillie Gifford Worldwide Global Alpha Fund
Baillie Gifford Worldwide Discovery Fund
Baillie Gifford Worldwide China Fund
Baillie Gifford Worldwide China A Shares Growth Fund
Baillie Gifford Worldwide Asia ex Japan Fund

EU SFDR Article 9 funds with a sustainability objective:

Fund
Baillie Gifford Worldwide Positive Change Fund

To meet UK reporting requirements, we also produce TCFD-aligned reporting for our 31 open-ended investment companies (OEICs) and 12 investment trusts. These reports can be found on [our website](#).

All our investment funds have the necessary resources and organisational arrangements designed to support the effective operation of these

funds for the benefit of clients. This includes access to a wide range of research materials, metrics and data (explained further in the metrics section), and the ability to meet investee company representatives and other stakeholders. They also have support from the firm's client, legal and administrative functions with respect to product selling and marketing.

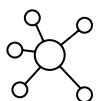
Our Stewardship Principles

An important aspect of our approach to managing SCRROs is our interactions with holdings. Our stewardship approach is guided by our **Stewardship Principles**, a set of principles that frame our expectations of the companies we invest in on behalf of clients. This principles-based approach helps shape our interactions with holdings and ensure our investment teams have the freedom and retain the responsibility to act in clients' best interests.



Long-term value creation

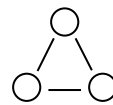
We believe that companies that are run for the long term are likely to be better investments over our clients' time horizons. We encourage our holdings to be ambitious, focusing on long-term value creation and capital deployment for growth. We know events will not always run according to plan. In these instances we expect management to act deliberately and provide appropriate transparency. 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 may sometimes be in supporting management when others don't.



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 for structures, people and processes that 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.

More information about our stewardship approach and activities can be found in our **Stewardship Principles and Guidelines** and our annual **Investment Stewardship Activities report**.



Alignment in vision and practice

Alignment is at the heart of our stewardship approach. We seek the fair treatment of all holders alongside the interests of management. 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.



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 so we 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 climate-related client responsibilities

Our firmwide **Statement of climate-related intent and ambition** sets out our climate-related investment beliefs and associated commitments we make on behalf of clients, which are reflected in the approaches described in this report. These include:

- Transparent analysis and communication of climate-related opportunities and risks are available for all funds.
- We communicate climate-related disclosure and strategy expectations to holdings, tailored for investment materiality and client mandates. These expectations form the basis for engagement as appropriate.
- We do not impose firmwide activity-based exclusions, but all fossil fuel-related holdings are subject to rigorous research and engagement to ensure clients' interests are protected across our investment time horizons. Pooled funds may apply activity-based exclusions in line with their stated objectives. This is disclosed in relevant fund documentation. Segregated clients may also instruct exclusions upon request.
- We give clients the option (subject to sufficient client demand) of investing in funds supporting the goals of the Paris Agreement that meet their investment and stewardship objectives.

Funds supporting the goals of the Paris Agreement

Some of our clients wish to invest in line with the Paris Agreement to limit the global average temperature rise to well below 2C and ideally 1.5C. We offer a selection of funds that aim to support the achievement of this goal. Over the course of 2025, the proportion of our total AUM with this mandate increased to 31.9%.

These funds' objectives are explained clearly in fund documentation and may include reference to company assessments, stewardship and the achievement of net zero greenhouse gas emissions globally over time. Each fund is managed independently in line with its investment objectives which ultimately inform the investment decisions made. All such funds have the following attributes:

- All companies are assessed using our Climate Assessment framework (described in the Risk Management section) which considers industry and regional contexts.
- All companies must have what we determine to be a plausible pathway to alignment. Companies we assess to be 'Leading' and/or 'Solutions Innovators' will be viewed as aligned with the goals of the Paris Agreement.
- An active stewardship approach is used that encourages and supports the alignment of all companies in the fund with the goals of the Paris Agreement. Engagement and proxy voting action will be assessed on a case-by-case basis and prioritised by a mix of climate materiality, transition positioning and investment relevance.
- Ambitious milestones are used to guide stewardship activity and monitor portfolio alignment with the goals of the Paris Agreement.

Using this approach, each fund will report regularly on the extent to which its holdings are aligning with the goals of the Paris Agreement. The suitability and effectiveness of the process for each fund will be reviewed regularly and will consider factors such as the fund's underlying investment philosophy, client mandates, industry guidance, technology and societal trends, regulation and government action.

Our operational emissions

We think it's important that we run our operations efficiently and minimise the direct impacts of our day-to-day activities, travel and running of our offices. Although these impacts are relatively small in relation to our assets under management, we have a responsibility to play our part in emissions

reductions goals in the UK and to minimise our long-term operational impacts. In the following table we set out our operational emissions reductions targets and progress we have made towards achieving them. Further details of our operational emissions can be found in the metrics sections of this report.

		Progress status
Operational targets	Progress comments	● = achieved ● = in progress and on track ● = off track
Work towards the achievement of net zero greenhouse gas emissions for our own operations by 2040.	This is the overarching ambition which covers the constituent parts below. Details of progress for each component are outlined below.	●
Halve Scope 1, 2 and 3 greenhouse gas emissions per full-time employee by 2025 from a 2019 baseline.	In 2019 this was 10.23tCO ₂ e per full-time employee. At the end of 2025, our figure was 4.4tCO ₂ e per full-time employee which equates to a 57% reduction. It should be noted that our 2019 figure did not include Scope 3 emissions from purchased goods and services, so this has also been removed from the 2025 figure for the purpose of reporting progress on this target. Details of the full 2025 figure can be found in the metrics section.	●
Realise a 95 percent reduction in market-based Scope 1 and 2 emissions between 2021 and 2026.	As at the end of 2025, we have achieved a 26% reduction in our Scope 1 and 2 emissions against our baseline. Our move to a new head office in Edinburgh is a key component in achieving our Scope 1 and 2 emissions reductions however this has been delayed, meaning this target is now off track. We expect to complete our move by Q3 2026. Where possible, we continue to use renewable contracts or power purchase agreements for all offices globally.	●
Achieve a 50 percent reduction in Scope 3 business travel emissions by 2032 from a 2023 baseline ⁴ .	We intend to pursue our Scope 3 objectives through business travel improvements and engagement with staff and suppliers. During the last year, we achieved a 15.4% year-on-year reduction in our business travel emissions in 2025 compared to 2024. This gives us a 30% reduction in business travel emissions from the 2023 baseline. In 2025 we invested in Sustainable Aviation Fuel to mitigate the effects of our business travel emissions. We will continue to evaluate and contribute to solutions for currently unavoidable or residual emissions.	●
Aim to ensure that by 2032, at least 70 percent of suppliers, by contribution to Scope 3 emissions from purchased goods and services, have robust net zero aligning strategies, or will be under engagement.	Our current supply chain emissions are being affected by exceptional expenditures in relation to our head office move. As of the end of December 2025, 35% of our suppliers had targets that were in progress or fully validated by the SBTi. We will continue to work with our supply chain to promote emissions measurement and target setting.	●

Our Operations Environment Group is responsible for the management of climate-related risks to our buildings and processes. This group's objectives are to promote the firmwide environmental goals and monitor performance in areas such as building energy management, business travel and waste

management, particularly at our new Edinburgh headquarters. The firm also maintains broader business resilience planning and protocols, which can be activated in the event of a specific threat to the firm's operational integrity, such as a severe weather event.

⁴We use a 2023 baseline for our Scope 3 emissions targets because the Covid pandemic caused these emissions to change considerably. Our Scope 1 and 2 emissions baseline is 2021 as these emissions remained relatively consistent throughout the Covid pandemic.

Our philanthropic activities

Charities and other voluntary organisations play an important role in addressing many sustainability and climate issues around the world. As a successful business, we believe we have a responsibility to support organisations to achieve a positive impact in the communities they and we operate in. Our **philanthropy programme** provides support to over 100 charities annually, who are engaged in a diverse range of activities spanning everything from poverty alleviation to youth sports to ecosystem restoration. Our giving is purely philanthropic, and we aim to support organisations for multiple years, building lasting relationships and involving Baillie Gifford staff where possible.



Material themes

Material themes

As long-term investors, we take a broad view of sustainability and climate-related risks and opportunities (SCRROs). We are not constrained by pre-set topics or checklists and prefer to look at how the world is changing and what this means for economic growth, client outcomes and the context in which we operate. This section highlights several broad themes that we believe present material SCRROs for the firm.

In assessing materiality, we have considered potential impact on our investment outcomes, our delivery for clients and our own operations. However, in the context of investment specifically, the relevance of individual themes and the appropriate response can differ by individual investment strategy and client mandate. These themes are also highly interconnected and may interact with each other to produce more localised or systemic influences, which are not discussed in detail here. We expect to further develop our thinking over the coming years.

For each theme, we include a summary of the issue, some implications for our business and strategy, and the steps we are taking to manage risks and build resilience. Where relevant, we refer to different timeframes: short (0–3 years), medium (3–10 years) and long (10+ years). More detailed information about specific elements of our risk management approach (particularly around climate change) is included in the Risk Management section.



Societal implications of Artificial Intelligence (AI)

Issue

AI is an all-purpose, enabling technology with the potential to reshape many aspects of daily life on a scale similar to the introduction of electricity or the invention of the internet. In addition to its basic utility, it can improve productivity, reduce costs, remove barriers, and accelerate innovation and new discoveries. From an investment perspective, companies that use it effectively may be able to extend their advantage over the competition, helping to deliver durable growth over the longer term. Globally, AI was a significant growth theme in 2025 and therefore remains clearly relevant to investment outcomes.

However, uncertainties exist about the broader effect AI will have on society in the short, medium and long term. AI arrives at a time when concerns about the effects of internet-based technologies on people's wellbeing, privacy and mental health are rising, leading to regulatory action in some countries and changes in consumer behaviour. The potential for AI to replace people's jobs is another concern that may constrain its deployment or cause growing resistance. In the longer term, the possibility of achieving artificial general intelligence (AGI) brings with it major questions about humans' relationship with technology and the extent to which outcomes can be controlled effectively.

Concerns also exist about the impact of AI demand on energy, water and materials, particularly if data centres are constructed in areas where demand for these and other resources is already strained. More broadly, the rapid development of AI could drive further geopolitical competition or inequality.

Implications for Baillie Gifford

From an operational point of view, improvements in AI large language models over 2024 and 2025 have benefited Baillie Gifford. We use them to help extend our research and analysis capabilities and to assist with various internal processes. This has helped free up time for deeper investment insight and has allowed us to be more effective at prioritising time for client relationships. From an investment perspective, AI now forms a major theme in our investment cases for companies in our funds and has the potential to significantly disrupt business models across many sectors, with major implications for returns and growth.

However, we are acutely aware of the significant 'unknowns' associated with the technology and the potential implications for the firm could be profound. AI may well usher in a new age of productivity that rapidly accelerates growth and living standards, to the benefit of all. But it may also radically reshape society in ways that create significant challenges for us, our clients and the companies we invest in.

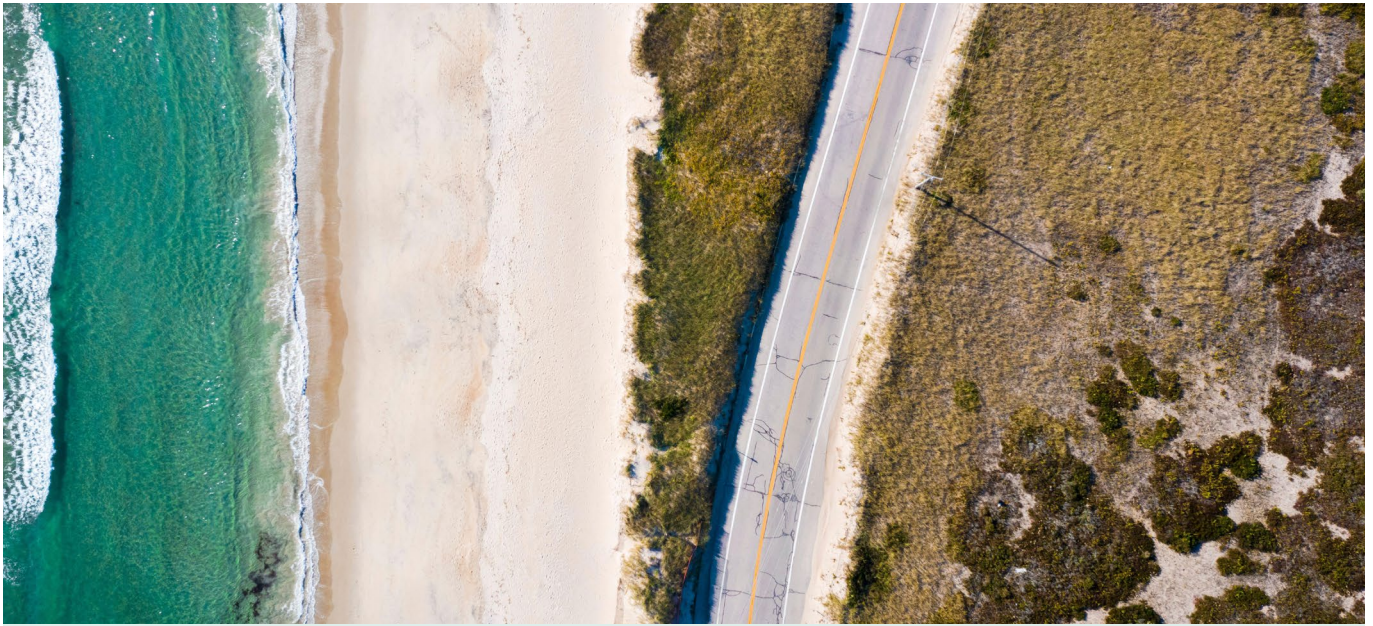
Our approach

We are highly focused on understanding what AI means for investment opportunities and how we operate as a firm more broadly. At present, we believe the ability to use AI as a complement to human judgment is key, allowing us to spend more time on thinking, calibrating and questioning our analysis. We do not, however, believe that AI tools can substitute for investment conviction or for the stewardship activities that responsible investing requires.

We are encouraging staff to find the most effective uses of AI in their day-to-day work, and we have tested several different large language model platforms over the course of 2025. Our usage – measured by the number of staff interactions with the different models – has roughly quadrupled through the year, and all staff are completing mandatory AI literacy training. Our aim is to provide our staff with the best tools that will enhance our investment and client servicing capabilities, while ensuring that we use AI in a safe, secure and responsible way. To coordinate this, we established an Emerging Technology Governance Group that has produced a governance framework and staff guidance on responsible AI use.

From an investment perspective, our ESG analysts have undertaken research on areas such as AI governance, AI's effects on employment, its energy use and environmental impact. Working together with our Investment Risk, Analytics and Research Department, some investment teams have also been assessing the implications of potential future AI scenarios on funds. This helps inform our engagement with holdings on these issues, such as our recent private company investment, **Anthropic**.

Looking to the medium to long term, we try to bring in external perspectives to augment our thinking. An example is our support for the Edinburgh University Futures Institute, where Professor Shannon Vallor holds the Baillie Gifford Chair in the Ethics of Data and Artificial Intelligence and is Co-Director of the Centre for Technomoral Futures.



Physical impacts of a changing climate and nature

Issue

2025 saw the global average temperature reach almost 1.5C above the pre-industrial average and the ten warmest years on record have all occurred since 2015. Continued warming of the atmosphere and oceans is expected to further intensify instances of flooding, wildfires, heatwaves, sea level rise and other impacts over the short, medium and long term. Recent evidence also suggests the climate system may be more sensitive to rising greenhouse gas emissions than previously thought. Climate change also negatively affects natural systems and biodiversity, which are being degraded in many places due to human activity, such as overfishing and deforestation.

These physical impacts are already affecting companies in many parts of the world and have the potential to exacerbate other socio-political issues. This could be through direct effects on physical assets and homes, or through disruptions to food production, water availability, supply chains, transport and other infrastructure. While adaptation measures offer some insulation from physical impacts (for example, the building of flood defences) they can be costly and time consuming to implement at scale. Rises in the cost of insurance in prone areas, or its removal altogether, mean that some assets may be devalued or even written off, with knock-on societal and economic effects.

Implications for Baillie Gifford

The most material implications for the firm over the short term are likely to emerge as a result of impacts to company fundamentals and portfolio risk. Local and regional physical impacts on these companies could contribute to reduced revenues, increased costs and disrupted supply chains, harming growth and therefore client returns. However, these impacts are sporadic and difficult to predict.

Over the medium to long term, on current trajectories, these impacts are likely to become more systemic, pose more difficulties for a broader range of investee companies and become more challenging to address through portfolio construction. Nature-related pressures (notably water stress and disruption linked to deforestation) are increasingly a factor, too. Over the longer term, there is greater uncertainty about the emissions path the world takes, the sensitivity of the climate system to those emissions and the ability of society to adapt to changes. Prolonged, compounding physical damage and ecosystem degradation would likely reshape growth opportunities and the durability of business models across the investable universe.

From an operational perspective, impacts are likely to remain relatively modest in the short term, due to the mostly lower-risk locations of our main office in Edinburgh, UK. Over the medium to long term, more systemic impacts could affect our operations more directly and potentially those of our clients, as well.

Our approach

In 2025, we continued to develop our assessment of physical risk in companies and funds, recognising the growing materiality. Individual companies are exposed to both physical and transition risks, which may aggregate in and across funds to form risk clusters or concentrations that may not be obvious, a classic investment risk concentration question. Accordingly, we are expanding our ability to assess risk concentrations in investment funds by specific geographies and hazards, to support effective management of this component of investment risk. Our work with groups such as the University of Exeter and Trex contribute to our thinking on these issues.

We also incorporate physical climate risks into our climate scenarios (described in the Risk Management section) that our investment teams continue to engage with. These scenarios aim to develop investment team understanding of how physical risks such as extreme weather events, chronic temperature increases, water stress, and associated disruptions to operations, assets, and supply chains could affect companies and funds over short-, medium- and long-term horizons.

We continue to work to further develop our understanding of nature-specific risks. Our partnership with the James Hutton Institute has been valuable, as have conversations with investee companies, other researchers and data providers working on these issues. Our Climate Assessment framework (described in the Risk Management section) includes assessment of water and deforestation-related risks, and we continue to evolve our approach to addressing these issues where they may be material to client outcomes.



Energy and resource transition

Issue

The production and use of energy and natural resources are evolving rapidly, supported by technological innovation across energy generation, energy storage, consumer goods, industry and transport. Efforts to reduce greenhouse gas emissions and limit environmental damage add further momentum, but this is occurring alongside continued growth in global energy demand and rising material consumption linked to economic development.

This transition also appears to be increasingly multi-speed and 'disorderly', with variations in policy support, public discourse, technology adoption and infrastructure constraints all becoming significant factors affecting the transition across different geographies and jurisdictions. These dynamics have material implications for companies, consumers and governments, with the potential to impact energy costs, asset values and business models. While a timely and well-managed transition could support more resilient and sustainable economic outcomes over the longer term, a more disorderly transition – as now seems more likely – increases the risk of higher costs, economic disruption and uneven impacts across societies.

Implications for Baillie Gifford

Many of our clients have clear climate objectives of their own, including regulatory obligations in some cases, and therefore need to understand how these risks and opportunities could impact their assets.

Across the firm, our exposure to fossil fuel companies and those operating in climate-material and resource-intensive sectors such as mining, agriculture and cement is well below that of the market as a whole (measured against the MSCI ACWI Index; more details are provided in the metrics section of this report). However, almost all companies use energy and resources to some degree, and all are affected by the nature of the unfolding transition. We also continue to believe there is significant growth potential for companies that can meet the clean energy and resource-efficiency needs of the future.

The implications for our operations are generally less material from a financial perspective, although our annual energy use in our buildings remains significant. Our new headquarters building in Haymarket, Edinburgh, uses modern heating, ventilation and lighting systems to avoid the need for a gas connection and to help reduce our operating costs.

Our approach

Given the potential materiality of these issues to many of our investment holdings and client mandates, we retain specialist knowledge and expertise in our central ESG Team to help support investment and client teams. These specialists are also involved in mandatory client reporting (through product-level TCFD reports) and help facilitate workshops and research projects both internally and externally.

From an investment perspective, our primary methodology for evaluating transition risk and opportunity is our proprietary Climate Assessment framework, described in the Risk Management section. This structured, firm-wide process provides a bottom-up assessment of transition adaptability at the company level, and a consistent mechanism for identifying potential

engagement priorities. This is augmented with our work on climate scenarios – also described in the Risk Management section – where we capture some of the broader implications of the energy and resource transition.

In 2025, we carried out a review of mandates that support the goals of the Paris Agreement, confirming our approach to these funds as described in the Strategy section. We also updated our firmwide **Statement of climate-related intent and ambition**.

For our own buildings and processes, we recognise the need to reduce our direct emissions footprint and our operational footprint targets and metrics are set out in more detail in other sections of this report.



Geopolitics and national security

Issue

The world is experiencing heightened geopolitical tension and conflict, which has prompted many governments to prioritise national security measures. This is leading to increased spending on defence and the development of new technologies and infrastructure, as well as growing instability and shifting alliances. Public attitudes are also changing, with national security and defence seen as growing concerns for citizens in many countries. This is reflected in regulatory shifts and some asset owners reassessing their stance on exposure to the defence sector.

Implications for Baillie Gifford

Global instability and uncertainty introduce additional risks to the pursuit of long-term investment returns and client outcomes. While these periods may offer new investment opportunities, particularly for companies that can meet the changing national security needs of governments through their products and services, the potential disruption to global trade and dislocation of established partnerships bring new challenges. Major outbreaks of conflict can have deep and lasting impacts on people and economies, and therefore potentially on our clients, holdings and operations.

Our approach

From a client perspective, we strive to understand client preferences and sensitivities to defence exposure so these can be reflected in the segregated mandates we manage on behalf of our clients. For our pooled vehicles, we are explicit about what, if any, exclusions are maintained on portfolios. Our controversial weapons exclusion policy can be found in our [**ESG Integration Approach**](#) document, and we are continuing to monitor and review this area. We also keep abreast of any changes in the criteria used by third-party providers we use to screen companies.

From an investment perspective, some of our investment strategies are dedicating additional research time to defence and national security issues, supported by ESG analysts, including a 2025 review of the aerospace and defence sector. It is particularly challenging to predict future geopolitical events, especially in the medium to long term. Our priority is therefore to understand the fundamental resilience and adaptability of our holdings and portfolios to these risks.



Rights and freedoms

Issue

The rights and freedoms of people across countries and jurisdictions vary significantly. In some places, progress continues to be made in protecting and strengthening universal standards related to discrimination, employment rights, access to justice, freedom of association, and freedom of expression. In others, these foundations are being weakened through the curtailment of civil liberties, the erosion of judicial independence, and the introduction of restrictive laws and enforcement practices.

Internationally, human rights are codified in a series of multilateral treaties agreed by United Nations member states and articulated through the International Bill of Human Rights. These remain among the most widely endorsed normative principles in modern history.

Companies have different opportunities and risks in terms of health and safety of workers and communities, data privacy and discrimination. Many companies are facing growing scrutiny and increasing expectations by consumers, employees and regulators across different markets.

Implications for Baillie Gifford

The primary impact of these issues on Baillie Gifford arises through the companies in the portfolios we manage on behalf of clients. An uneven landscape of rights and freedoms can create challenges for companies operating across multiple jurisdictions. Complex global supply webs (particularly in commodities, manufacturing and consumer goods) make the effective management of human rights and related topics across the entire operating sphere difficult.

Understanding of how a company addresses rights and freedoms can improve our investment research and the longer-term understanding of opportunities and risks for the business. Companies taking action to respect human rights and freedoms in their operations, supply chains and wider value chains can unlock different opportunities. Companies that fail to effectively manage risks can face legal exposure, operational disruption, loss of trust and damage to their social license to operate, with direct implications for long-term growth and returns. While less common, rights-related issues may also affect us directly through our own employment practices and use of suppliers.

Our approach

We aim to respect rights and freedoms in both our operations and in how we invest on behalf of our clients, consistent with the UN Guiding Principles on Business and Human Rights. We pursue a range of measures to identify, mitigate and manage related risks. **Our Modern Slavery Statement** outlines the steps we take to avoid association with modern slavery or human trafficking, and our **Supplier Code of Conduct** sets out expectations for third-party suppliers on human rights and related standards.

In 2023, we developed a set of **Human Rights Principles** to support investment teams in navigating complex and context-specific situations. We recognise that these issues are rarely binary and continue to refine our analytical tools and stewardship responses. During 2025, examples of human rights due diligence included research and engagement with some of the mining companies we invest in on their safety and community relations and targeted research on 'gig economy' worker protections in parts of Asia, relevant to several holdings.

For certain funds, as detailed in fund documentation, we apply a norms-based evaluation to assess companies against the United Nations Global Compact (UNGC) principles. Where companies are assessed as non-compliant, they may be subject to engagement, monitoring or divestment, in line with our **Exclusion Policy**. We also use voting and engagement selectively and proportionately where rights-related risks are judged to be material to long-term outcomes. Baillie Gifford is also committed to upholding the UNGC principles across its own operations.



Differing client priorities on climate and sustainability

Issue

As a manager serving a diverse range of clients and strategies, we recognise that sustainability expectations are varied and continue to evolve in response to a range of factors including shifting beneficiary demands and changing regulatory expectations and requirements. This is coupled with increased scrutiny of the investment industry's approach to SCRROs in the media and public discourse, which has, in some cases, led to legal action and regulatory changes.

Implications for Baillie Gifford

This variation adds a degree of complexity to our task of serving clients. While we remain confident in our ability to serve all clients, we are conscious that the legal, reputational and regulatory considerations associated with doing so have grown.

Our approach

We seek to understand and serve differing client expectations on sustainability and climate matters through clear product design, disciplined investment implementation and transparent disclosures. We will not overstate firmwide consistency where client objectives, mandates or regulatory requirements differ. Our published entity-level **policies and guidelines** set **out a common** framework for the governance, assessment and management of sustainability-related risks and opportunities. However, in response to differing client expectations, the way sustainability considerations are reflected in investment strategy, stewardship, portfolio construction and reporting may differ where clients have distinct objectives, constraints or expectations. Where such differences are material, we explain them in relevant product-level disclosures and cross-refer accordingly.



Our people

Issue

The investment management industry continues to evolve, with advances in AI reshaping how data is analysed and insights are generated. While technology enhances productivity and broadens access to information, long-term investment success remains dependent on human judgement, intellectual curiosity and the ability to interpret complexity over time.

For research-driven, actively managed portfolios, sustained performance relies on attracting and developing people with diverse perspectives, deep expertise and the confidence to think independently. Ensuring we use emerging technologies to enhance, not replace, human insight is therefore central to our continued success.

Implications for Baillie Gifford

Our ability to deliver long-term investment outcomes depends on the quality and commitment of our people. Clients choose Baillie Gifford not only for our investment philosophy but for the depth of thinking, continuity of relationships and sense of partnership they experience.

To sustain this, we want to remain a place where thoughtful, ambitious individuals can build enduring careers, develop their judgement and contribute meaningfully to our collective success.

Failing to nurture and support our people would weaken the foundations of our investment approach and the trust clients place in us.

Our approach

Our **People Report** outlines how we seek to build and sustain a culture that supports long-term thinking and individual growth. We aim to create an inclusive environment where diverse perspectives are welcomed and where curiosity, integrity and collaboration are valued.

Learning and development are embedded in our day-to-day work. We encourage people to deepen their expertise, broaden their interests and develop sound judgement over time. Development is shaped by individual strengths and aspirations as well as role requirements, recognising that long-term careers are rarely linear.

We continue to invest in early career pathways – including internships, graduate programmes and apprenticeships – to ensure a diverse and sustainable pipeline of talent. At the same time, we are integrating new technologies in ways that enhance productivity and insight while preserving the human judgment at the heart of our investment approach.

Risk management

We have detailed some of the approaches the firm takes to managing the sustainability and climate-related risks and opportunities (SCRROs) described in the Material Themes section. This section provides more information about core elements that apply more broadly across our investment activities: integration into the investment process; firmwide oversight; our Climate Assessment framework and climate scenario analysis.

Integration into the investment process

Most of our investment funds are relatively concentrated. Our approach to risk management, therefore, centres on integrating in-depth research and analysis into the bottom-up investment process (both stock selection and portfolio construction). This is undertaken within investment teams for both potential and existing holdings, informed by our **Stewardship Principles and Guidelines**, tailored to the specific philosophy and process of each investment team.

The work is supported by analysts from our ESG and climate teams, who use a range of external and internal data and research tools for company-specific analysis, as well as providing additional thematic research and analysis when required. Research focuses on understanding the materiality of SCRROs to holdings and ultimately to investment performance. For climate insights, Baillie Gifford's climate scenarios and Climate Assessment framework (described in this section) are also used. Ultimately, the goal is to determine if climate and sustainability factors could be material to holdings' prospects over the typical holding period (usually five to ten years or beyond).

Material SCRROs are incorporated into the investment process, which may influence the initial purchase, engagement, and/or an adjustment to the holding size or sale. If engagement takes place, the objective may be to fact-find, assess or influence – with the aim of reducing risks to long-term returns and maximising opportunities. Typically, we want to understand whether a company has the capacity to address the material issues identified successfully. If we have concerns, we may consider additional actions such as further engagement, voting or potentially divestment (more details can be found in our **ESG Integration Approach**, with examples in our **Investment Stewardship Activities Report**).

Such actions are always considered in the context of our investment view of a holding, its place within a portfolio, and the mandate we have from our clients.

In constructing our portfolios, we focus on companies with the potential and intent to improve, not just those that score well today. This approach can apply to 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 can grow and develop, and this applies to both SCRROs and financial returns.

Firmwide assurance and oversight

The firm uses several mechanisms to help provide additional assurance and oversight of sustainability and climate risk management. These are coordinated mainly through regular reporting to the ESG Assurance Group and ESG Oversight Group and include:

- 01. Investment risks.** To help provide firmwide oversight of potential sustainability and climate-related risks in investment funds, the ESG Assurance Group reviews several indicators on a quarterly basis. If these indicators exceed certain thresholds, this may prompt further discussion with investment teams and potentially escalation to the Equity or Multi Asset investment risk committees if necessary. We acknowledge that they do not always capture specific issues faced by our holdings or portfolios and are not appropriate for some asset classes. The indicators currently in use are as follows:
- Weighted average carbon intensity versus benchmark
 - Fossil fuel exposure versus benchmark
 - United Nations Global Compact (UNGC) non-compliance exposure
 - Climate Assessment coverage
 - Third-party ESG risk ratings versus benchmark

We have also integrated climate metrics into some investment risk reports, which are provided to investment managers by Baillie Gifford's Investment Risk, Analytics and Research Department. These metrics are intended to help support investment managers in identifying emerging climate-related risks across the portfolio. They are also used in our product-level TCFD-aligned climate reporting, where relevant.

- 02. Portfolio-level commitments.** Our Business Risk Team conducts regular assessments to verify that investment funds that have made sustainability or climate commitments to clients are upholding those commitments in their investment activities and client communications. Over the course of 2025, we also conducted a review of funds supporting the goals of the Paris Agreement and updated the guidance that exists for investment and client teams in relation to these commitments.

- 03. Firmwide risks.** The ESG Oversight Group leads oversight of the firm's approach to SCRROs. To further enhance this, we began developing a sustainability risk dashboard in 2025 to help coordinate the identification of potential risks to the firm, their compatibility with our risk appetites and existing risk frameworks, and the controls in place to mitigate them. The dashboard covers all activity across the firm, grouped into the following risk areas: clients, investment and stewardship, corporate activity, investment performance and reputation. We expect to develop this approach further over 2026.

Climate risk insights: Scenario analysis

Over the past three years, we've worked with two external organisations – the Deep Transitions project and Independent Economics – to develop climate scenario narratives to enrich our thinking on how climate-related risks and opportunities may impact companies, the portfolios we construct for clients, and therefore the firm. More detail about the scenarios project can be found on our website's [climate scenarios page](#). The narratives explore three pathways, explained further in the table:

- A rapid 'orderly' transition where global net zero emissions are reached around 2050, limiting global warming to 1.5C above preindustrial averages by the end of this century.
- A 'disorderly' transition, which ultimately keeps average temperature rises to less than 2C by the end of this century.
- A 'hothouse' world scenario with at least 2.5C of warming above pre-industrial levels by the end of the century.

	Smooth, orderly transition (1.5C by 2100)	Volatile, disorderly transition (<2C by 2100)	'Hothouse' world (>2.5C by 2100)
Climate	Significant but managed change; resilience retained	Worsening impacts	Major challenge to resilience; regional collapses in food/water systems
Politics	Coordination and trade supports transition	Initially divided, then more united	Fractured; protectionism rises
Policies	Well-signalled and proactive; early action	Initially diverse, then higher-cost and sometimes disruptive	Fragmented; supporting incumbents then biased to adaptation
Society	Rapid shifts in behaviour; circular and 'just transition'	Uneven development; self-reliance; inequality	Individualistic; higher levels of inequality, migration and conflict
Energy technologies	Technology tipping points reached early, influencing many sectors	Fragmented energy system limits cost reductions; innovation comes later	Fossil fuel dependency extended, costs higher, late-stage radical solutions
Adaptation responses	Varied and successful; managed across the global economy	Unequal; significant fiscal drain in some countries	Critical: agriculture, water, healthcare, climate defences
Finance	Multi-lateral financial reform supports investment flows to transition	Contradictory investments; market shocks from abrupt policy change	Greater variability; insurance contracts; adaptation costs pull investment from elsewhere

At present, we believe qualitative approaches are more valuable than purely quantitative ones because they allow us to explore the complexities and knock-on effects of future scenarios at a level of detail that is a better fit with our longer-term growth-oriented investment approach. This is challenging with purely quantitative approaches, which depend on numerical data and modelling that inevitably miss or misrepresent the wider interdependencies and implications of different transition pathways.

Over 2025, our central Climate Team expanded the range and application of scenario narratives, including different combinations of pace, technology, policy and physical change. Further workshops were held with several of our investment teams to help them consider the implications for

their investment portfolios. Some of this work is reflected in our fund-level TCFD-aligned climate reports, which are a regulatory requirement for our UK-managed investment funds (and are available on our fund website pages). Colleagues from our finance department also participated in a workshop to explore how different climate scenarios could be relevant to the firm's financial planning.

We also ran several workshops and conference sessions for clients to help them gain insights into the climate scenario process and apply it to their own thinking. Feedback from these sessions has been very positive, with clients finding our approach a useful addition to the purely quantitative techniques available.

Climate risk insights: Climate Assessment framework

Our Climate Assessment framework sets the criteria for in-depth assessments of individual companies, based on a methodology designed and regularly reviewed by our central Climate Team. It helps inform investment and engagement activity and

provides consistency for funds supporting the goals of the Paris Agreement. The framework provides a consistent way of assessing companies' positioning and adaptability alongside their potential role in the transition. The assessment is completed by analysts in investment teams supported by the central Climate Team and is regularly reviewed to ensure it remains relevant and fit for purpose. Companies are assessed on two dimensions:

Dimension 1: Ambition, targets and strategic coherence

This dimension aims to assess the extent of each company's ambitions and targets to reduce their direct and indirect emissions – and holistic strategic integration – in line with the long-term stated goals of the Paris Agreement (i.e. a global average temperature rise of well below 2C and ideally 1.5C by the end of the century). Assessments are based on our own research, company engagements and guidance from groups such as the Science Based Targets initiative (SBTi), the Transition Pathway Initiative (TPI) and the Institutional Investors Group on Climate Change (IIGCC).

The concepts of alignment and the pathways themselves are still evolving and there is no perfect definition. We feel it is important to look beyond emissions to include topics including physical risk and resilience, biodiversity and social factors too. Alignment may also need to take account of sector and regional differences, and technological evolution. Companies are also affected by the extent to which the policy environment they operate in prioritises decarbonisation, as well as the dependence of their business model on ongoing supportive policy. Our Climate Assessment incorporates these considerations. For reporting purposes, companies are categorised into one of three groups, and the distribution is reported in the Key Metrics section of this report:

Lagging

Companies are lacking sufficient disclosure or suitably robust reduction targets for material emissions sources. Misaligned spending and weak accountability make the pathway to improvement uncertain and the commitment to decarbonise inconsistent with achieving timely global net zero.

Preparing

Companies with disclosure and narrative that suggests they have or are preparing to set <2C-aligned targets in the near future across all material emissions sources. This is a momentum-based assessment and may also include companies with strong targets that are yet to demonstrate sufficient delivery.

Leading

Companies are committed to credible Paris-aligned decarbonisation targets where material emissions are covered: appropriate 1.5C alignment for Scope 1 and 2 with a <2C minimum alignment ambition for material Scope 3. Targets are backed by integrated strategy, capex and governance. Companies are also beginning to show appropriate levels of real-world emissions reduction.

Dimension 2: Potential transition role

This dimension aims to assess the positioning of each company relative to a successful transition in line with the goals of the Paris Agreement. It identifies the most material contribution each company can make, whether as solutions innovators, transitioning industrials, carbon light platforms or something else. The judgements are

company-specific rather than being founded on sector-based assumptions and are qualitative in nature. This allows us to classify companies in the same sector into different categories depending on their distinct role and capabilities in the transition. As the technology, policy and social backdrops continue to evolve, we expect continued evolution to our approach. This dimension has five categories:

Solutions Innovator

Companies whose core business growth is through the innovation and commercialisation of products and services that will underpin a successful transition; these companies may either be improving or transforming the status quo.

Potential Accelerator

Companies that are carbon-light by direct emissions (and would otherwise fall into the Potential Influencer category) but have a unique opportunity to drive a significant acceleration of the transition (eg cultural leaders, large lobbying power, value chain leverage); potential influence can be considered of systemic importance.

Potential Influencer

Companies that are carbon-light by direct emissions with the opportunity to accelerate the transition through their choices and influence; potential influence is likely bounded, rather than systemic, in nature.

Potential Evolver

Companies that tend to be carbon-heavy, or strongly embedded in the higher carbon economy, but are beginning to develop plausible pathways to transition. This may be through pivots in value chain, products or business model. We look for technical plausibility and/or strategic intent.

Materially Challenged

Companies whose core business model remains fundamentally misaligned with a timely net zero world. Primary products or services will face structural decline as global decarbonisation proceeds. There is a lack of credible transition pathway for growth, or managed decline, within a low-carbon economy.

Climate Assessment framework coverage

Across the firm, the Climate Assessment framework is applied to our top 250 corporate holdings by AUM at least annually and all corporate holdings in funds supporting the goals of the Paris Agreement (in 2025, this covered 94 percent of our AUM). Within individual investment teams, a variety of approaches to coverage are taken, depending on investment priorities and client mandates. The options include:

- **Full portfolio coverage:** Climate Assessments are undertaken for all holdings. This is the default option for funds supporting the goals of the Paris Agreement.
- **Material sector coverage:** Climate Assessments are undertaken for companies operating in 'climate material sectors' and those who are among the top 25 largest companies in the world. Our definition of 'climate material' (explained in the Metrics section) references the Net Zero Investment Framework 2.0 (NZIF 2.0) material and high-impact sector guidance.
- **Third-party metrics:** Full portfolio Climate Assessments are not systematically undertaken, but third-party data and metrics are used to provide insights at the portfolio level.

Details of how the Climate Assessment framework is applied for specific portfolios can be found in the relevant TCFD-aligned product-level report, where available. These reports can be found on the fund literature pages of our website for UK-managed portfolios and are available for other portfolios upon request.

Climate Assessment of our top 50 holdings

The following table shows the positioning of our top 50 corporate holdings by AUM against the two dimensions of the Climate Assessment. At the end of 2025, these companies accounted for approximately 57 percent of the firm's total AUM. Aggregated results for our total AUM are shown in this report's Key Metrics section.

Climate Assessments of our top 50 holdings

Potential transition role	● Solutions Innovator	Space Exploration, Rocket Lab Corp		CATL, BYD Company, Samsara Inc
	● Potential Accelerator New category in 2024	MercadoLibre, PDD Holdings, Cloudflare, Reddit, HDFC Bank	B3	Tencent Holdings, Spotify Technology, Netflix, Meta Platforms, Microsoft, Prosus, Atlassian, AIA Group, Alphabet
	● Potential Influencer	Sea, Adyen, Nu Holdings, AppLovin, ByteDance Ltd., Roblox Corporation, Intuitive Surgical, Wise, BeOne Medicines	Shopify, Disco	
	● Potential Evolver	Coupang, Meituan, DoorDash, Keyence, SK Hynix, Ferrari	TSMC, NVIDIA, Samsung Electronics, Advantest, Kweichow Moutai	Amazon, ASML, Hermès International, DSV, Atlas Copco, L'Oréal, Novo Nordisk, Ryanair
	● Materially Challenged			
		● Lagging	● Preparing	● Leading
Ambition, targets and strategic coherence				

| Metrics

Metrics

Our approach to firmwide metrics

Each of Baillie Gifford's investment strategies is managed individually, with its own philosophy and in line with the mandates and expectations of its clients. TCFD-aligned climate reports and sustainability reports are available for many products within these strategies and are available on our website's fund literature pages.

The metrics provided here are on a whole-firm basis for the Baillie Gifford entity as at the end of December 2025. We produce these metrics using a combination of external data suppliers and our own research. Metrics rely on third-party estimates, modelling assumptions and incomplete issuer disclosure, and therefore are subject to uncertainty and may change over time. Although we cannot guarantee that data sourced from external suppliers is complete, up-to-date and accurate, we take reasonable steps to verify the data internally and with our data suppliers before including it in this report. Using our own research to develop metrics for our assessment of holdings' transition role and emissions-reduction goals also helps address gaps in data from external data suppliers.

The following tables cover as much of our total AUM as feasible under each metric. Baillie Gifford predominantly invests in listed equities, which account for around 93 percent of our total AUM. Listed equities tend to have relatively good availability of reported or estimated data from our external data providers, though with some gaps, particularly in emerging markets, off-index and smaller-cap names. Data from companies can be subject to time lags due to differing company reporting cycles.

Similarly, data availability across the multi-asset and fixed-income asset types is generally good. However, for some holdings – for example, where portfolios invest in external funds or emerging markets assets – data is less readily available from our data suppliers. Cash and derivatives have been excluded for now.

For comparison purposes only, we have also provided equivalent metrics for the MSCI All Country World Index (ACWI), which represents the performance of large-cap and mid-cap stocks across 23 developed and 24 emerging markets and serves as a reasonable global benchmark.

We believe that implied temperature rise (ITR) and climate value-at-risk (CVaR) metrics are not yet practicable for entity-level reporting purposes due to methodological constraints that struggle to incorporate the complexities and knock-on effects of climate change and the energy transition. We have therefore chosen not to include these metrics in this report but will continue to review our approach in future publications.

Governance of sustainability and climate data

We use a range of external data providers to support our approach to SCRROs and to help provide the metrics in this report and fund-specific client reporting. When selecting a third-party 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 and escalate issues to the third-party provider as needed. The Vendor Management Team, within our Business Risk Department, is tasked with ensuring effective relationships and operational interactions with key third-party providers. For sustainability and climate data, relationship management responsibilities also lie with an ESG Data Team member.

MSCI is our primary source of raw sustainability and climate data for internal research, mandate compliance and reporting purposes. We have regular service calls with MSCI throughout the year, and we have implemented a data quality checking process that allows us to investigate any data issues and raise these with MSCI where necessary. Metrics required for reporting are calculated and checked in-house.

The sustainability and climate data landscape continues to evolve but remains subject to data quality and availability issues at times. We aim to mitigate these risks through our in-house research, active company engagement and cross-referencing key metrics across different data providers.

Incorporation of sustainability factors into investment products, by AUM

These metrics summarise AUM employing sustainability and climate-related factors. The categories used are based on those recommended by the Principles for Responsible Investment (PRI).

	Total (£bn)	% of total AUM
ESG integration	176	87
Screening and ESG integration	20	10
Sustainability-themed and ESG integration	5	2
No ESG integration	2	1

No ESG integration relates solely to cash holdings. Segregated mandates have been classified according to the screening and/or sustainability themes of the underlying strategies in which they are invested, rather than any mandate-specific restrictions. The proportion of AUM supporting the goals of the Paris Agreement quoted earlier in the report is calculated based on a different methodology and therefore not shown separately in this table.

Company engagement metrics

These metrics summarise the number and theme of sustainability-related engagements with investee companies over the course of 2025. Further details are available in our [Investment Stewardship Activities report](#).

Engagement theme	Number of engagements
Environmental	116
Social	94
Governance	402
Strategy	120

Investment-related emissions metrics

These metrics are required under UK Financial Conduct Authority reporting requirements and provide information on the emissions associated with the assets we invest in on behalf of clients. Further details are provided in the footnotes. All Baillie Gifford metrics are provided on a firmwide basis, where data is available.

Metric	Baillie Gifford	MSCI ACWI
Carbon emissions⁵		
Total Scope 1 and 2 emissions (tCO ₂ e)	4,784,007	N/A
Total Scope 3 emissions (tCO ₂ e)	33,131,677	N/A
Total Scope 1, 2 and 3 emissions (tCO ₂ e)	37,915,684	N/A
Carbon footprint⁶		
Scope 1 and 2 emissions (tCO ₂ e) per \$m invested	18	40
Scope 1, 2 and 3 emissions (tCO ₂ e) per \$m invested	144	324
Weighted average carbon intensity⁷		
Scope 1 and 2 emissions (tCO ₂ e) per \$m revenue	55	117
Scope 1, 2 and 3 emissions (tCO ₂ e) per \$m revenue	540	827
Emissions data availability and disclosure from holdings⁸		
% of total AUM invested in holdings where reported Scope 1 and 2 emissions data is available from our data provider	71	92
% of total AUM invested in holdings where estimated Scope 1 and 2 emissions data is available from our data provider	20	8
% of total AUM invested in holdings where Scope 1 and 2 emissions data is not available from our data provider	9	0
% of total AUM invested in holdings where estimated Scope 3 emissions data is available from our data provider	91	100
% of total AUM invested in holdings where Scope 3 emissions data is not available from our data provider	9	0
% of total AUM invested in holdings disclosing to CDP annually	55	85

Source: Baillie Gifford, MSCI and CDP.

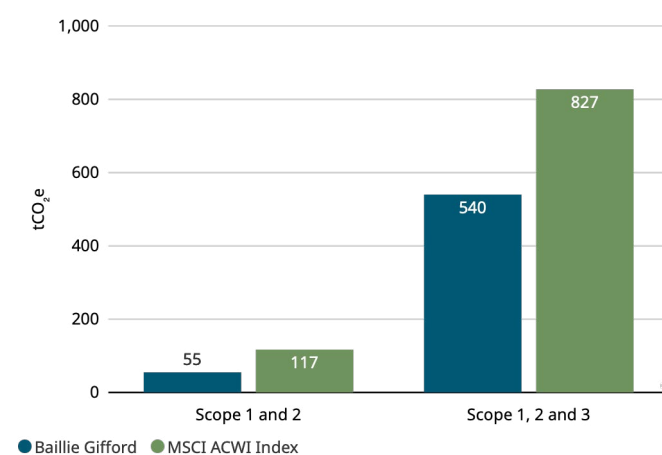
⁵ Total emissions represents the absolute GHG emissions from assets held, allocated on a proportional basis. This means a portfolio holding 1 percent of a holding's enterprise value would be attributed 1 percent of the holding's emissions. Given that this is a total emissions metric, figures for the MSCI ACWI as a whole are not shown.

⁶ Carbon footprint (or 'financed emissions') represents the aggregated GHG emissions per million £/\$ invested and allows for comparisons of the carbon intensity of different portfolios.

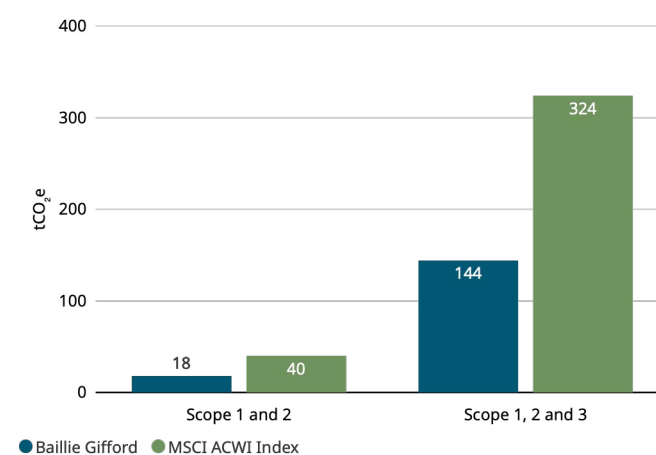
⁷ WACI represents the aggregated carbon intensities per \$m revenue of the companies in a portfolio, scaled by holding size. The WACI metric, therefore, helps measure a portfolio's exposure to high carbon intensity companies.

⁸ These metrics provide a guide to the level of reported versus estimated versus unavailable data in all emissions metrics.

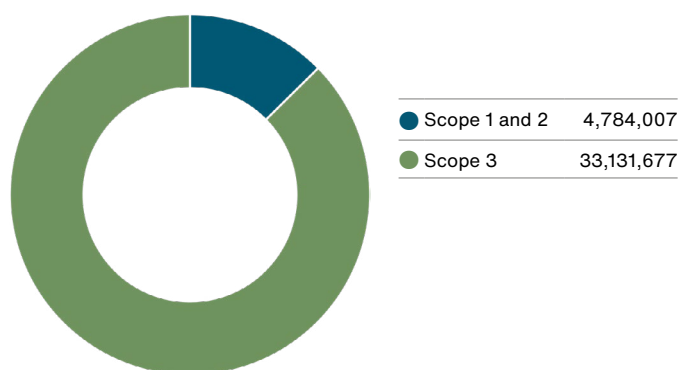
Weighted average carbon intensity for all holdings (tCO₂e per \$m revenue)



Carbon footprint for all holdings (tCO₂e per \$m invested)



Total carbon emissions from all holdings (tCO₂e)



Investment-related climate transition alignment metrics

These metrics include Baillie Gifford's own assessments of transition alignment through our Climate Assessment framework, as well as third party data sources.

Metric	Baillie Gifford
Baillie Gifford's assessment of holdings' ambition, targets and strategic coherence⁹	
● % of total AUM with targets assessed as 'Leading'	32.1
● % of total AUM with targets assessed as 'Preparing'	23.7
● % of total AUM with targets assessed as 'Lagging'	42.3
% of total AUM not assessed	1.9

Source: Assessed according to Baillie Gifford's internal assessment framework.

Our assessment of holdings' potential transition role¹⁰	
● % of total AUM assessed as 'Solutions Innovators'	6.8
● % of total AUM assessed as 'Potential Accelerators'	22.8
● % of total AUM assessed as 'Potential Influencers'	29.9
● % of total AUM assessed as 'Potential Evolvers'	38.6
● % of total AUM assessed as 'Materially Challenged'	0.4
% of total AUM not assessed	1.5

Source: Assessed according to Baillie Gifford's internal assessment framework.

Metric	Baillie Gifford	MSCI ACWI
Science-based targets¹¹ alignment among holdings		
% of total AUM invested in companies with targets approved by the SBTi	32	53
% of total AUM invested in companies who have committed to set targets approved by the SBTi	2	4

Source: Baillie Gifford, SBTi and MSCI.

Low Carbon Transition score¹²		
% of total AUM with top quartile score (7.5–10)	6	9
% of total AUM with bottom quartile score (0–2.5)	1	3

Source: Baillie Gifford and MSCI.

⁹ These metrics are based on Baillie Gifford's Climate Assessment framework, which is explained in more detail in the Risk Management Section of this report.

¹⁰ These metrics are based on Baillie Gifford's Climate Assessment framework, which is explained in more detail in the Risk Management Section of this report.

¹¹ Using the framework and methodology developed by the SBTi. 'Approved' companies are those whose net zero targets have been validated by the SBTi. 'Committed' companies are those that have submitted a commitment letter and are in the process of setting and submitting science-based net zero targets, or their targets are currently being validated.

¹² Score provided by MSCI representing a multi-dimensional risk and opportunity assessment. The higher the score, the more positive the alignment with an accelerating energy transition. More details can be found on MSCI's Climate Data and Metrics webpages.

Investment-related sector exposure metrics

These metrics provide some additional insight into firmwide exposure to sectors particularly associated with climate-related risks and opportunities.

Metric	Baillie Gifford	MSCI ACWI
Exposure to 'climate material' sectors¹³		
% of total AUM invested in companies in climate-material sectors	48	63
Exposure to fossil fuel companies¹⁴		
% of total AUM invested in companies classified as fossil fuel companies	0.57	2.98
Exposure to companies with fossil fuel revenues (includes fossil fuel companies)¹⁵		
% of total AUM invested in any company with >5% revenues from oil and/or gas activities ¹⁶	1.25	8.12
% of total AUM invested in companies with >5% revenues from thermal coal mining and sale ¹⁷	0.01	0.10
% of total AUM invested in companies with >5% revenues from thermal coal power generation	0.03	0.87

Source: Baillie Gifford and MSCI.

¹³ This metric is intended to show the proportion of the portfolio invested in companies operating in sectors that are materially relevant to addressing climate change. Our definition references IIGCC material and high-impact sector guidance that now includes banking, real estate and agriculture as standard, alongside cement, mining, oil and gas, industrials, among others, plus semiconductors. These sectors have material sources of greenhouse gas emissions in their value chains with likely greater exposure to transition risk, alongside the opportunity to decarbonise the wider economy. Mapped by Baillie Gifford to the GICS sub-industry.

¹⁴ This metric measures the percentage of total AUM invested in companies classified as fossil fuel companies using the NACE classification system, ie companies whose main activity is classified as any of the following: mining of coal and lignite; extraction of crude petroleum and natural gas; support activities for petroleum and natural gas extraction; manufacture of coke and refined petroleum products.

¹⁵ This metric measures the percentage of total AUM invested in companies generating more than five percent revenues from fossil fuel activities. This metric includes all exposure to fossil fuel companies listed above, and they should not be summed together. Some companies may be counted in more than one category.

¹⁶ Includes oil and/or gas distribution, retail, equipment and services, extraction and production, petrochemicals, pipelines and transportation, and refining. Excludes biofuel production and sales, and trading activities.

¹⁷ Includes the mining of thermal coal (including lignite, bituminous, anthracite and steam coal) and its sale to external parties. Excludes metallurgical coal, coal mined for internal power generation, intra-company sales of mined thermal coal and revenue from coal trading.

Our people metrics

These metrics provide diversity information on Baillie Gifford's employees, where available. More detail is available in our [People Report](#).

Gender

Firm

	March 2020 (%)	March 2025 (%)
Man	51.6	51.9
Woman	47.3	46.2
Not Disclosed	1.0	1.7
Other	0.1	0.2

% point change of women over 5-year period: **-1.1%**

Partnership¹⁸

	March 2020 (%)	March 2025 (%)
Man	86.0	74.6
Woman	14.0	25.4

% point change of women over 5-year period: **11.5%**

Senior Management¹⁹

	March 2020 (%)	March 2025 (%)
Man	73.8	63.1
Woman	26.2	33.3
Not Disclosed	–	3.6

% point change of women over 5-year period: **7.2%**

Ethnicity

Firm

	March 2020 (%)	March 2025 (%)
White	87.6	83.9
Ethnic Minority	9.3	11.4
Not Disclosed	3.0	4.7

% point change of ethnic minorities over 5-year period: **2.1%**

Partnership

	March 2020 (%)	March 2025 (%)
White	95.3	91.5
Ethnic Minority	2.3	5.1
Not Disclosed	2.3	3.4

% point change of ethnic minorities over 5-year period: **2.8%**

Senior Management

	March 2020 (%)	March 2025 (%)
White	95.4	85.7
Ethnic Minority	3.1	3.6
Not Disclosed	1.5	10.7

% point change of ethnic minorities over 5-year period: **0.5%**

¹⁸ As at 1 April 2025; Partners are co-owners of the firm.

¹⁹ The most senior staff across the firm. Typically heads of department or senior managers with significant responsibility who are not partners.

Operational emissions metrics

The following table covers emissions from our operational activities (excluding investments), which are reported in line with the Greenhouse Gas Protocol emissions accounting standards. Year-over-year changes to emissions may be influenced by changes in the reporting scope

and/or the emission conversion factors we must use. We also publish energy and emissions data and explanations in line with the UK's Streamlined Energy and Carbon Reporting regulations (SECR) within Baillie Gifford Overseas Ltd and Baillie Gifford & Co Ltd Annual Reports and Consolidated Financial Statements.

Measure	2024	2025	% change
Energy consumption (kWh)			
Energy use	7,439,065	7,641,329	2.7
Greenhouse gas emissions (tCO₂e)			
Total Scope 1 emissions	526	402	-23.6
Total Scope 2 emissions (location-based)	1,062	1,040	-2.1
Total Scope 2 emissions (market-based)	1,016	122	-88.0
Total Scope 1 and 2 emissions (location-based)	1,588	1,442	-9.2
Scope 3 emissions from purchased goods and services	10,085	10,252	1.7
Scope 3 emissions from fuel and energy related activities (location-based)	510	543	6.5
Scope 3 emissions from waste generated in operations	159	149	-6.3
Scope 3 emissions from business travel	6,449	5,454	-15.4
Scope 3 emissions from employee commuting and home working	957	904	-5.5
Total Scope 3 emissions (excluding investments)	18,160	17,302	-4.7
Intensity metrics			
Total Scope 1, 2 and 3 emissions (excluding investments)	19,748	18,744	-5.1
Scope 1 and 2 emissions per full-time equivalent employees (tCO ₂ e per FTE)	0.88	0.84	-4.5
Scope 1, 2 and 3 emissions per full-time equivalent employees (tCO ₂ e per FTE)	10.9	10.9	-
Full time equivalent employees	1,811	1,720	-5.0

Compliance statements

Sustainability and Climate Entity Report – Baillie Gifford & Co Limited

Reliance on climate-related disclosures made by Baillie Gifford group

The Baillie Gifford group provides one essential service to its clients, namely asset management. Whilst different legal structures have been established to accommodate different client types, the essential services remain the same. As such, we present climate-related disclosures consistent with TCFD Recommendations and Recommended Disclosures at Baillie Gifford group level.

The FCA rules on TCFD entity reports also require firms to ensure that any material deviations between their approach under the TCFD Recommendations and Recommended Disclosures and the climate-related financial disclosures contained within the group report are clearly explained. Although metrics for the entire Baillie Gifford group will be different (to some extent) to BG & Co Limited's metrics, we have not chosen to present climate-related metrics at BG & Co Limited level due to the following reasons: (a) strategies are offered either as segregated accounts (managed either by Baillie Gifford & Co or Baillie Gifford Overseas Limited depending on client jurisdiction) or pooled vehicles (managed by BG & Co Limited), the decisions taken for segregated accounts and pooled vehicles are drawn from the same underlying view on the relevant stocks and (b) disclosing metrics at the level of each entity that is part of the Baillie Gifford group could lead to misleading information due to double-counting (eg assets will be included in both metrics for BG & Co Limited as well as Baillie Gifford & Co due to delegation in respect of a series of UK UCITS and, NURS and investment trusts) and the rules provide an exemption from the disclosure of metrics if to do so would result in disclosures that are misleading.

Public TCFD product report – unauthorised AIF

The FCA's ESG Sourcebook (ESG 2.3.2R) requires a UK AIFM that manages an unauthorised AIF listed on recognised investment exchange, including investment trusts, to include an adequately contextualised and prominent cross-reference and hyperlink to this report, in its TCFD entity report.

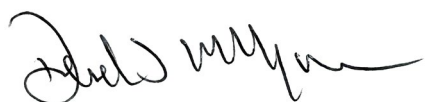
To meet its regulatory obligations, BG & Co Limited has prepared and published TCFD product reports for the following investment trusts covering the same reporting period as the TCFD entity report:

- Baillie Gifford China Growth Trust plc
- Baillie Gifford European Growth Trust plc
- Baillie Gifford Shin Nippon PLC
- Baillie Gifford UK Growth Trust plc
- Baillie Gifford US Growth Trust plc
- Edinburgh Worldwide Investment Trust plc
- Keystone Positive Change Investment Trust plc
- Pacific Horizon Investment Trust PLC
- Scottish Mortgage Investment Trust PLC
- The Baillie Gifford Japan Trust PLC
- The Monks Investment Trust PLC
- The Schiehallion Fund Limited
- The Scottish American Investment Company P.L.C.

Compliance statement

The disclosures in this report, including group disclosures relied upon and cross-referenced in this report, are consistent with the TCFD Recommendations and comply with the FCA's ESG Sourcebook, including the requirements set out in Policy Statement PS23/16 (Sustainability Disclosure Requirements (SDR)). Reasonable steps have been taken to ensure that disclosures, to the extent they are relevant and/or possible, also reflect sections C and D of the TCFD Annex entitled 'Guidance for All Sectors' and 'Asset Managers', respectively. We view climate-related disclosures as evolutionary and endeavour to continue to improve these disclosures over time.

This statement is made pursuant to the FCA's ESG Sourcebook (ESG 2.2.7R and ESG 5.6.6R) requiring a firm's entity reporting to include a compliance statement, signed by a member of senior management of the firm.



Director of Baillie Gifford & Co Limited

Derek McGowan

31 May 2026

Sustainability and Climate Entity Report – Baillie Gifford Overseas Limited

Reliance on climate-related disclosures made by Baillie Gifford group

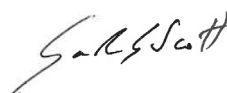
The Baillie Gifford group provides one essential service to its clients, namely asset management. Whilst different legal structures have been established to accommodate different client types, the essential services remain the same. As such, we present climate-related disclosures consistent with TCFD Recommendations and Recommended Disclosures at Baillie Gifford group level.

The FCA rules on TCFD entity reports also require firms to ensure that any material deviations between their approach under the TCFD Recommendations and Recommended Disclosures and the climate-related financial disclosures contained within the group report are clearly explained. Although metrics for the entire Baillie Gifford group will be different (to some extent) to BGO's metrics, we have not chosen to present climate-related metrics at BGO level due to the fact that although the group has established two entities to manage segregated accounts (BGO for non-UK clients and Baillie Gifford & Co for UK clients), the decisions taken for these segregated accounts (regardless of jurisdiction) are drawn from the same underlying view on the relevant stocks. Also, as BGO provides portfolio management services to Baillie Gifford & Co Limited, disclosing metrics both at the level of BGO and Baillie Gifford & Co Limited could lead to misleading information due to double-counting and the rules provide an exemption from the disclosure of metrics if to do so would result in disclosures that are misleading.

Compliance statement

The disclosures in this report, including group disclosures relied upon and cross-referenced in this report, are consistent with the TCFD Recommendations and Recommended Disclosures. Reasonable steps have been taken to ensure that disclosures, to the extent they are relevant and/or possible, also reflect sections C and D of the TCFD Annex entitled 'Guidance for All Sectors' and 'Asset Managers', respectively. We view climate-related disclosures as evolutionary and endeavour to continue to improve these disclosures over time.

This statement is made pursuant to FCA's ESG Sourcebook (ESG 2.2.7R) requiring a firm's entity reporting to include a compliance statement, signed by a member of senior management of the firm.



Partner of Baillie Gifford & Co and Director
of Baillie Gifford Overseas Ltd

Gavin Scott
31 May 2026

Sustainability and Climate Entity Report – Baillie Gifford & Co

Reliance on climate-related disclosures made by Baillie Gifford group

The Baillie Gifford group provides one essential service to its clients, namely asset management. Whilst different legal structures have been established to accommodate different client types, the essential services remain the same. As such, we present climate-related disclosures consistent with TCFD Recommendations and Recommended Disclosures at Baillie Gifford group level.

The FCA rules on TCFD entity reports also require firms to ensure that any material deviations between their approach under the TCFD Recommendations and Recommended Disclosures and the climate-related financial disclosures contained within the group report are clearly explained. Although metrics for the entire Baillie Gifford group will be different (to some extent) to BG & Co's metrics, we have not chosen to present climate-related metrics at BG & Co level due to the fact that although the group has established two entities to manage segregated accounts (BG & Co for UK clients and Baillie Gifford Overseas Limited for non-UK clients), the decisions taken for these segregated accounts (regardless of jurisdiction) are drawn from the same underlying view on the relevant stocks. Also, as BG & Co provides portfolio management services to Baillie Gifford & Co Limited, disclosing metrics both at the level of BG & Co and Baillie Gifford & Co Limited could lead to misleading information due to double-counting and the rules provide an exemption from the disclosure of metrics if to do so would result in disclosures that are misleading.

Compliance statement

The disclosures in this report, including group disclosures relied upon and cross-referenced in this report, are consistent with the TCFD Recommendations and Recommended Disclosures. Reasonable steps have been taken to ensure that disclosures, to the extent they are relevant and/or possible, also reflect sections C and D of the TCFD Annex entitled 'Guidance for All Sectors' and 'Asset Managers', respectively. We view climate-related disclosures as evolutionary and endeavour to continue to improve these disclosures over time. This statement is made pursuant to FCA's ESG Sourcebook (ESG 2.2.7R) requiring a firm's entity reporting to include a compliance statement, signed by a member of senior management of the firm.



Managing Partner of Baillie Gifford & Co

Tim Campbell
31 May 2026

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The figures in this report are aggregations and calculations which draw upon data from our external data providers, principally MSCI.

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