

Product name:
Baillie Gifford Worldwide Health Innovation Fund

Legal entity identifier:
213800TYF72YDBW2F804

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**.

That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?	
<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> Yes	<input checked="" type="checkbox"/> <input type="checkbox"/> No
<input type="checkbox"/> It made sustainable investments with an environmental objective : ___%	<input checked="" type="checkbox"/> It promoted Environmental/Social (E/S) characteristics and while it did not have as its objective a sustainable investment, it had a proportion of 38.0% of sustainable investments
<input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy	<input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
<input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	<input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
<input type="checkbox"/> It made sustainable investments with a social objective : ___%	<input checked="" type="checkbox"/> with a social objective
	<input type="checkbox"/> It promoted E/S characteristics, but did not make any sustainable investments



To what extent were the environmental and/or social characteristics promoted by this financial product met?

The Fund met the following environmental and/or social characteristics:

1. Responsible business practices in accordance with the United Nations Global Compact Principles for Business ('UNGC').
2. Active consideration of environmental and/or social issues through proxy voting applied in line with the Investment Manager's ESG Principles and Guidelines document.
3. Meaningful Improvements in health outcomes for primarily large segments of the population assessed qualitatively through the Investment Manager's proprietary research framework.

There were no exceptions noted in the attainment of the environmental and/or social characteristics promoted by the Fund during the reference period. No specific index has been designated as a reference benchmark for the purpose of attaining the environmental and/or social characteristics promoted by the Fund.

Subsequent to the reference period, the following sustainability indicator was introduced and is reflected in the pre-contractual template appended to the current Prospectus:

4. Minimum environmental and/or social standards achieved through the exclusion of business activities that the Investment Manager has deemed to be harmful to the environment and society respectively.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

● *How did the sustainability indicators perform?*

Indicator	To September 2022
Compliance with UNGC Policy	99.2*
Holdings voted in line with Voting and Engagement Guidelines	99.2*
Holdings qualitatively assessed to meet the social and governance criteria	99.2*

*All holdings are in compliance with this indicator. The percentage above is an expression of the total portfolio less the portion of assets (such as cash or derivatives) which cannot count towards a positive assessment against the indicator.

● *What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?*

38.0% of the Fund was invested in economic activities that contribute to a social objective (sustainable investments) during the reference period. These economic activities contributed to such objectives as they generated a certain level of revenues, either through products and/or services, that are aligned with the broader sustainable objectives of society as currently best defined by the United Nations Sustainable Development Goals ('SDGs'). The Fund did not commit to

invest in economic activities that qualify as environmentally sustainable under the six environmental objectives of the EU Taxonomy.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

● ***How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?***

How were the indicators for adverse impacts on sustainability factors taken into account?

At the time of investment and during the reference period, mandatory indicators for adverse impacts in Table 1 of Annex I of the SFDR Regulatory Technical Standards ('SFDR RTS') and opt-in indicators for adverse impacts selected by the Investment Manager in Tables 2 and 3 of Annex I of SFDR RTS deemed to indicate the presence of a principal adverse impact were assessed and excluded or monitored depending on the principal adverse impact indicator. When not explicitly excluded from inclusion in the Fund's portfolio, principal adverse impacts were monitored through stewardship activities which includes the following non-exhaustive actions to mitigate or reduce principal adverse impacts: (a) voting (b) dialogue and engagement and (c) collaborative activities.

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

The Investment Manager assessed holdings using a norms-based evaluation and the Fund complied with the Investment Manager's policy on assessing breaches of United Nations Global Compact Principles for Business as outlined in the Investment Manager's ESG Principles and Guidelines document. As such, in the Investment Manager's opinion, all holdings operated in accordance with the principles set out in the United Nations Global Compact for Business and related standards, including the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights during the reference period.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the Union criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the Union criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



How did this financial product consider principal adverse impacts on sustainability factors?

The Fund considered principal adverse impacts in line with the investment managers Principle Adverse Impacts Due Diligence Policy that is available on the Investment Manager's website. The Fund considered principal adverse impacts on a qualitative basis primarily through (a) compliance with the Investment Manager's controversial weapons exclusion policy as outlined in the Investment Manager's ESG Principles and Guidelines document and (b) compliance with the Investment Manager's policy on assessing breaches of the United Nations Global Compact Principles for Business as outlined in the Investment Manager's ESG Principles and Guidelines document.

Subsequent to the reference period, the Fund also excluded holdings that the Investment Manager has deemed to be harmful to the environment and society: holdings that generate (i) more than 10% of annual revenues from the production and/or distribution of armaments; (ii) more than 30% of annual revenues from the production or distribution of thermal coal and; (iii) more than 5% of annual revenues from the production of tobacco. This is reflected in the pre-contractual template appended to the current Prospectus.

The above considerations mitigated principal adverse impacts, some of which are associated with principal adverse impact indicators in Table 1 of Annex I of SFDR Regulatory Technical Standards, and were supplemented by controversies monitoring, voting and engagement policies.



What were the top investments of this financial product?

The list includes the investments constituting the **greatest proportion of investments** of the financial product during the reference period which is: 21 Dec 2021 to 30 Sep 2022

Largest Investments	Sector	Country	% Assets
ShockWave Medical Inc	Manufacturing	United States	6.8
argenx	Manufacturing	Netherlands	6.6
Moderna Inc	Professional, Scientific and Technical	United States	6.0
Genmab	Professional, Scientific and Technical	Denmark	5.8
Sartorius Pref.	Manufacturing	Germany	5.3
Illumina	Manufacturing	United States	5.0
Anylam Pharmaceuticals	Manufacturing	United States	4.9
Edwards Lifesciences Corp	Professional, Scientific and Technical	United States	4.6
M3	Information and Communication	Japan	4.6
10X Genomics Inc Class A	Professional, Scientific and Technical	United States	3.8
Ambu	Manufacturing	Denmark	3.7
Alk-Abello	Professional, Scientific and Technical	Denmark	3.6
Wuxi Biologics Cayman Inc	Professional, Scientific and Technical	China	3.0
Dexcom Inc	Manufacturing	United States	2.9
ResMed	Manufacturing	United States	2.9

If cash and/or derivatives are within the top investments during the reference period, they are not presented in the table above and have been replaced by a holding that promotes environmental and/or social characteristics. We believe that excluding investments that are not used to promote environmental and/or social characteristics leads to greater transparency.



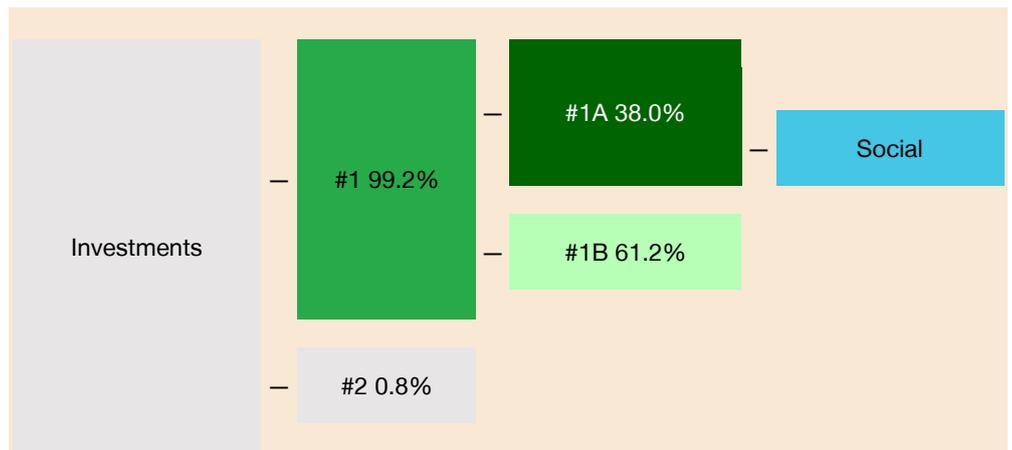
Asset allocation

describes the share of investments in specific assets.

What was the proportion of sustainability-related investments?

● *What was the asset allocation?*

In order to meet the environmental and/or social characteristics promoted by the Fund, it invested at least 99.2% in global equities of companies involved in the healthcare industry (directly although it may have also invested indirectly through eligible collective investment schemes) that are aligned with the same characteristics. This included 38.0% investment in sustainable investments with social objectives. The remaining proportion of the investments was used for liquidity and/or efficient portfolio management purposes and did not incorporate any of the environmental and/or social characteristics promoted by the Fund. Any minimum environmental or social safeguards regarding the remaining proportion of the investments is covered in a specific section below.



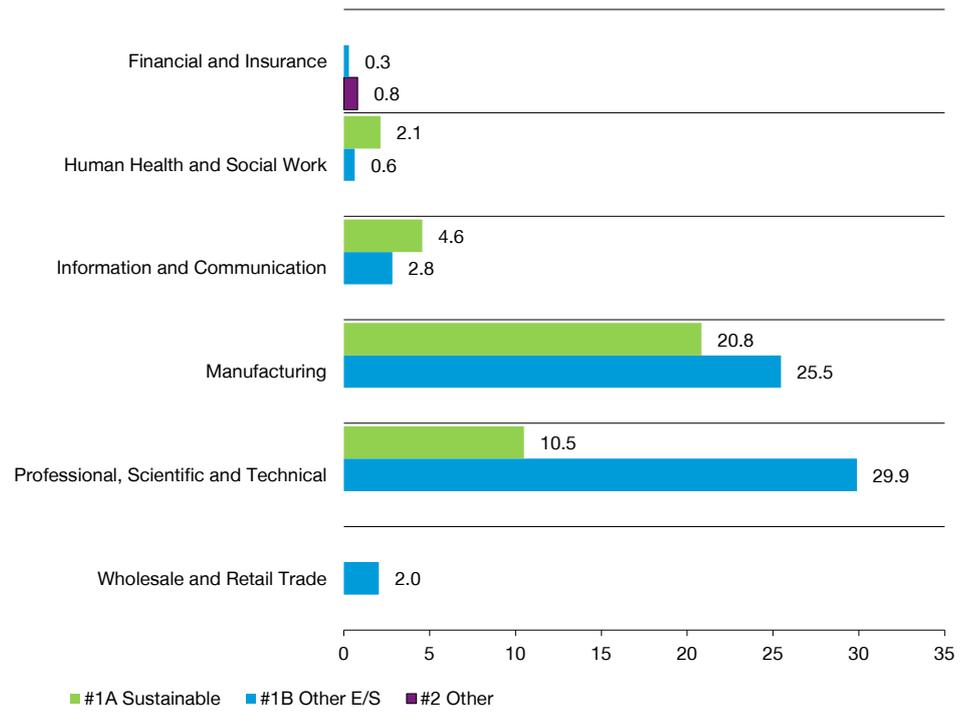
#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers environmentally and socially sustainable investments.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

● **In which economic sectors were the investments made?**



NACE Sector	NACE Sub-Sector
Financial and Insurance Activities	Insurance, reinsurance and pension funding, except compulsory social security
Human Health and Social Work Activities	Human health activities
Information and Communication	Computer programming, consultancy and related activities
	Publishing activities
Manufacturing	Manufacture of basic pharmaceutical products and pharmaceutical preparations
	Manufacture of computer, electronic and optical products
	Other manufacturing
	Repair and installation of machinery and equipment
Professional, Scientific and Technical Activities	Scientific research and development
Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles	Wholesale trade, except of motor vehicles and motorcycles

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflects the “greenness” of investee companies today.

- **capital expenditure (CapEx)** shows the green investments made by investee companies, relevant for a transition to a green economy.

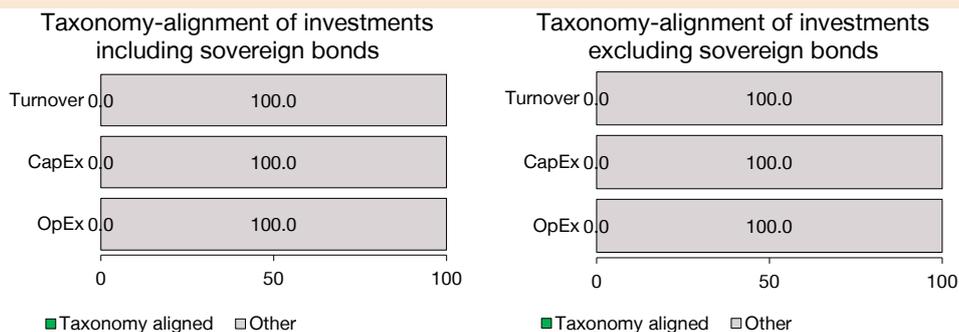
- **operational expenditure (OpEx)** reflects the green operational activities of investee companies.



To what minimum extent were sustainable investments with an environmental objective aligned with the EU Taxonomy?

There were no sustainable investments in the portfolio with an environmental objective aligned with the EU Taxonomy during the reference period.

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



* For the purpose of these graphs, ‘sovereign bonds’ consist of all sovereign exposures

Enabling activities

directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities

are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What was the share of investments in transitional and enabling activities?

Reporting Period	% Transitional	% Enabling
From Dec 21, 2021 to Sep 30, 2022	0.0	0.0



What was the share of socially sustainable investments?

The share of sustainable investments with a social objective was 38.0% during the reference period. As such, the Fund has exceeded the total minimum proportion of sustainable investments commitment as outlined in the pre-contractual document.



What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?

The investments included under "#2 Other" were primarily cash and cash equivalents used for liquidity purposes, but may have also included investments used for efficient portfolio management purposes (e.g. currency forwards to reduce currency risk). As such, these investments did not affect the promoted environmental and/or social characteristics of the Fund. The assessment of counterparties and issuers for cash management (including cash and cash equivalents) focuses on creditworthiness of these parties, which can be impacted by sustainability risks.



What actions have been taken to meet the environmental and/or social characteristics during the reference period?

The Fund was actively managed and focused on investing in global equities selected from companies involved in the healthcare industry and which are innovative in areas such as diagnostics, treatment and prevention and contribute to solving a problem for the healthcare system in a method that cares about its patients. The consideration of sustainable investment factors was integral to the Fund's investment process, both before investment and through ongoing monitoring, in the form of ESG focused investment research and targeted company engagement. The Fund used positive screening through the Investment Manager's targeted questions embedded in its proprietary research framework, norms-based evaluation and active ownership to determine whether a company is managed and behaving responsibly and to support the attainment of the promoted environmental and/or social characteristics and these were implemented on a continuous basis through ongoing compliance with, and monitoring of, the binding commitments outlined in the pre-contractual documents.

Subsequent to the reference period, the Fund included business activity-based exclusions excluding holdings that generate (i) more than 10% of annual revenues from the production and/or distribution of armaments; (ii) more than 30% of annual revenues from the production or distribution of thermal coal and; (iii) more than 5% of annual revenues from the production of tobacco.

SFDR requires that products promoting environmental and/or social characteristics do not invest in companies which do not follow good governance practices. As such, the Investment Manager has a policy to apply good governance tests on areas covering sound management structures, employee relations, remuneration of staff and tax compliance. All companies held in the Fund passed these tests.

