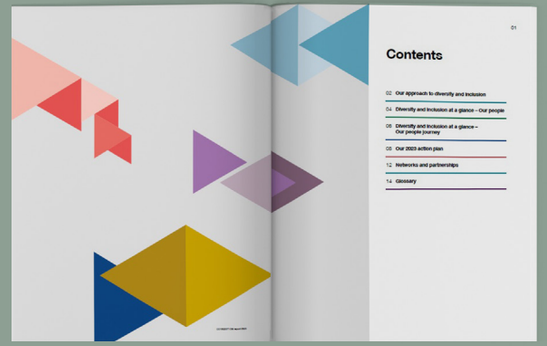


01

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02 Our approach to diversity and inclusion

Our story so far

At Baillie Gifford, we aspire to be one of the most culturally and cognitively diverse investment management firms in the world. Our commitment to diversity and inclusion (D&I) has been longstanding and is underpinned by our D&I Vision and Our Shared Beliefs. In this, our first D&I report, we share our progress to date, our current challenges and our goals and action plan to address them.

Our approach

We believe the diverse minds of our people bring different perspectives and enable more challenge and debate, leading to better decisions.

As with our investment approach, in D&I we want to drive meaningful improvements. We think this is most likely to be achieved by balancing our bottom-up approach with direction and commitment from the top. This is why D&I is the shared responsibility of all the senior partners of the firm.

This report outlines our goals and 2023 action plan. Analysis of our people data, colleague insights and input from our employee networks continue to inform and guide our approach.

Our progress

The creation of our Diversity and Inclusion Group (DIG), in 2020, has been instrumental in driving progress on a day-to-day working practices and inclusive recruitment have contributed to clear signs of progress.

We are encouraged by reductions in our gender pay gap, more diverse talent pipelines and progress in our early careers programme. The ethnicity pay gap remains high and while our data may fluctuate on a year-to-year basis we continue to take a long-term strategic view.

Where we can do more

Gender, ethnicity and socio-economic representation are challenges for the asset management industry, and we are no exception to this. We are working hard to increase the representation of these groups, but progress has been frustratingly incremental. To do this, we must refine our understanding of and accountability for D&I across all colleagues.

Inclusion is another area where we can do more. Our staff engagement survey (SES) has shown positive results of the firm, but we have noted that this sentiment can vary for women and colleagues from an ethnic minority background. Our Inclusion Index, which measures how a sense of belonging is experienced, is also an indicator that we have more to achieve.

Acting on D&I data is a continuous focus. We use it to inform our D&I priorities from across the firm, assess where progress has been made and where there is more to do. To deepen our understanding, we will be asking colleagues to share their socio-economic background, neurodiversity and disability data.

Thinking differently

Industry charters

The rationale for individual charters can be persuasive. Our intention and approach are broadly aligned with many of these, however, we prefer to learn from the research it has undertaken. We are also mindful of the risk that the actions that will drive sustainable change at Baillie Gifford. We focus on establishing impactful partnerships with select industry organisations that are also engaged with industry bodies to shape and influence how asset management as a whole drives change in D&I.

Targets

While targets can be useful in certain settings, we feel they would detract from our culture and long-term approach to growing talent and encouraging internal mobility.

This doesn't mean that it isn't important to have a clear understanding of where we need to improve, how we make progress and how we will be held to account.

We have non-executive sub-efforts on understanding where our areas of challenge are and creating an action plan to address them. We have also established a sub-committee improving our processes, transparency of approach and accountability for progress at key and that our goals and action plan set an intentional and transparent path to drive meaningful change.



03

Our goals

Attract, develop and retain talent

Our staff are the representation of the societies we live in and the clients we serve. We want to be the firm on diversity(s) where we recruit from, developing programmes and opportunities that support our people and identifying and addressing barriers in our processes, policies, and approach across all career stages.

How we will measure our progress

- Annual measuring and reporting of gender and ethnicity data across three key stages, hiring, promotion and leavers.
- Publish our gender and ethnicity pay gaps.

On long-term ambitions

- Increase gender representation across senior management, Investment Professionals and Partners, from 29% to 40-60% (min. 40% women, 20% any gender).
- Provisible ethnicity representation reflected in senior management and across our boards and committees.

How we will measure our progress

- Annual measuring and reporting of employee engagement, inclusion and wellbeing staff survey scores.
- Monitor engagement levels with 'Protect', the independent whistleblowing charity, and the volume of employee relations cases to identify any trends and opportunities.

On long-term ambitions

- Create an inclusive environment in which all staff feel safe, included and valued – across all diversity demographics.
- Increase the participation rates of individuals from ethnic minority backgrounds in our staff surveys.
- Increase our retention rates for individuals from ethnic minority backgrounds.

Create a culture where everyone of diverse different lived lives, included and valued

To ensure we can harness diversity of thought, we must continue to build a culture in which all feel included and valued. We are continuing to learn and engaging in conversations with colleagues where we feel behaviours are not aligned with our Shared Beliefs.

How we will measure our progress

- Annual measuring and reporting of staff D&I data disclosure rate and application rate across the firm.
- Regular engagement with groups of staff and managers with D&I training, initiatives and annual D&I reporting.

On long-term ambitions

- Increase our D&I data disclosure rates across all locations.
- Use intersectional D&I data to inform and guide future goals and actions.

Drive accountability across the firm

We must be more transparent through our D&I reporting and continue to be more transparent about our progress and challenges with our staff, clients and wider stakeholders.

We aim to meet best practice standards in D&I reporting. We want to be transparent about our progress and challenges with our staff, clients and wider stakeholders.

We aim to create an office environment that supports all staff to thrive. Through innovative design we aim to create an office that is inclusive and flexible to the needs of our individual colleagues.

Our HR Business Partners support leaders with implementing their people plans and so work well placed to ensure D&I is embedded into everyday conversations.

We aim to meet best practice standards in D&I reporting. We want to be transparent about our progress and challenges with our staff, clients and wider stakeholders.

Developing our D&I data and broader understanding, governance and accountability for progress against our goals and how colleagues experience our culture.

The DIG has responsibility for the D&I strategy and approach. The group is committed to improving the transparency of our goals and progress towards them.

Our goals are supported by an annual action plan which can be found on page 8.

04 Diversity and inclusion at a glance – Our People

Our people

The data provided in this report is as at 31 December 2022 (for reference, data at 31st December 2019 is also provided).

Location

Total number of staff – 2,050
of which 1,839 are permanent

We are based out of 65 locations

Age

The firm has no data for gender of Ethnicity data on 97% which has allowed us to calculate our gender pay and ethnicity pay gaps

Approximately 50% of employees have shared their ethnicity information or have opted to 'Prefer not to say' when asked to complete their profile

Gender (%)

We support colleagues to self-identify if/as they express their gender. To comply with UK privacy laws, GDPR and to protect the identity of colleagues we are not able to identify any data for teams or breakdown of gender by location/level.

Ethnicity (%)

The data is followed over UK gender and ethnicity, descriptive of where it's necessary for reporting purposes to group and together

Gender pay gap (UK)

	2018	2022
Median pay gap (%)	18.2 ▽	12.9
Median bonus gap (%)	23.4 ▽	16.1

Our median gender pay gap, including partners, has improved in 2022 to 16.1%

Ethnicity pay gap (UK)

Our UK ethnicity pay gap is in the range of 0% to +5%, which we do not consider a statistically significant gap.

Wider pay monitoring

Engagement rates for sexual orientation and trans status are not yet high enough to report meaningfully. We aim to set outcome for reporting in excess and we will continue to keep this under review.



05

Gender

How we work

In 2021, we introduced our Ways of Working principles to support colleagues to work in a way that suits them.

11% of staff work part-time

86% of staff – permanent and FTE in 2019

In 2019, we introduced our Parental Leave Policy to all staff globally.

55% of holidays are who took shared parental leave in 2022 were men

The average length of parental leave taken by

21 days (2019)

46 days (2022)

Hiring (% or total new)

	2018		2022	
Early careers	35	75	51	49
Experienced hires	46	54	42	58

Development (% of total promotions)

	2018		2022	
Firmwide promotions	54	44	49	50
Promotions into senior management	60	40	58	42

Gender representation across decision making committees and groups

	Level 7	Level 6	Level 5	Level 4	Levels 1-3
	25	39	34	52	52
	75	61	66	48	48

Level 7 being the strategic decision making groups

Leavers (% of total leavers)

	2018		2022	
	49	54	59	63

Women Men Undisclosed

06

Ethnicity

How we work

In 2021, we introduced our Ways of Working principles to support colleagues to work in a way that suits them.

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86% of staff – permanent and FTE in 2019

In 2019, we introduced our Parental Leave Policy to all staff globally.

55% of holidays are who took shared parental leave in 2022 were men

The average length of parental leave taken by

21 days (2019)

46 days (2022)

Hiring (% or total new)

	2018		2022	
Early careers	9	90	33	58
Experienced hires	7	93	15	85

Development (% of total promotions)

	2018		2022	
Firmwide promotions	13	87	16	84
Promotions into senior management	100	0	4	96

Ethnicity with all privacy laws, GDPR and to protect the identity of colleagues we do not identify any data for teams or breakdown of gender by location/level.

Leavers (% of total leavers)

	2018		2022	
	6	94	24	76

White ethnicities Non-ethnic minorities Undisclosed

07

New joiners

76% of new joiners participated in our onboarding survey.

94% feel they can be themselves

93% believe in the firm's purpose

Colleague engagement

72% of colleagues completed our 2022 staff survey.

94% answered both the Inclusion and Belonging questions

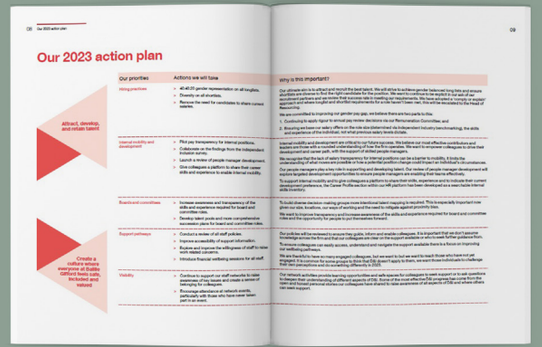
91% feel their opinions matter and are valued within their team

Leavers

Our annual turnover rate is 7% and 75% of leavers completed our leavers survey.

66% felt part of the firm's purpose at work

72% felt part of their team



08 Our 2023 action plan

09

Our 2023 action plan

Attract, develop, and retain talent

Create a culture where everyone of Baillie Gifford's diverse lives included and valued

Our priorities	Actions we will take
Hiring practices	40:40:20 gender representation on all toughies. Diversity on all shortlists. Remove the need for candidates to share current salaries.
Internal mobility and development	Pilot pay transparency for internal positions. Share findings from the findings from the Independent Inclusion survey. Launch a review of people manager development. Give colleagues a platform to share their career skills and experience to enable internal mobility.
Boards and committees	Increase awareness and transparency of the skills and experience required for board and committee roles. Ensure that the pools and more comprehensive succession plans for board and committee roles.
Support pathways	Conduct a review of all staff policies. Improve accessibility of support information. Review and improve the willingness of staff to raise concerns. Introduce financial wellbeing sessions for all staff.
Visibility	Continue to support our staff networks to raise awareness of key issues and create a sense of belonging for colleagues. Encourage attendance at network events, particularly with those who have never been part to us events.

Why is this important?

Our ultimate aim is to attract and recruit the best talent. We will strive to achieve gender balanced long lists and more shortlists are diverse in terms of ethnicity. We will also review our hiring practices to ensure we're explicit in our ask of our applicants and where sought and shortlist requirements for a role haven't been met, this will be escalated to the head of Resourcing.

We are committed to improving our gender pay gap, we believe there are two parts to this.

1. Continuing to apply rigour to annual pay review decisions via our Remuneration Committee; and
2. Bringing we base our salary offers on the role size determined via Independent Industry benchmarking, the skills and experience of the individual and what previous salary levels indicate.

Internal mobility and development are critical to our future success. We believe our most effective contributions and greatest personal satisfaction will be found by working in areas that suit our skills and interests. We want to support colleagues to drive their development and career path. With the support of skilled people managers.

We recognise that the lack of salary transparency for internal positions can be a barrier to mobility. It limits the understanding of what moves are possible or how a potential position change could impact an individual's circumstances.

Our people managers play a key role in supporting and developing talent. Our review of people manager development will look to ensure that managers have the skills and support they need to fulfil this part of their role well.

To support internal mobility and to provide colleagues a platform to share their skills, experience and to indicate their career development preference, the Career Profile section within our HR platform has been developed as a searchable internal skills inventory.

To build diverse decision making groups more intentional talent mapping is required. This is especially important now given our size, locations, our ways of working and the need to mitigate against proximity bias.

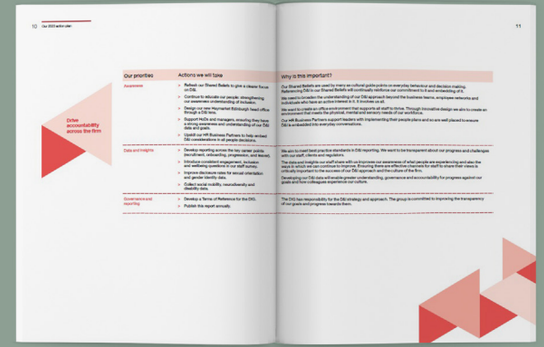
We want to improve transparency and increase awareness of the skills and experience required for board and committee roles and the opportunity for people to put themselves forward.

Our job here will be reviewed to ensure they guide, inform and enable colleagues. It is important that we don't assume knowledge across the firm and that our colleagues see role as the support available or who to seek further guidance from.

To ensure colleagues can easily access, understand and navigate the support available there is a focus on improving our wellbeing pathways.

We are thankful to have so many engaged colleagues, but we want to but we want to reach those who have not yet engaged. We will look to improve the ease with which staff can apply to them, we want those individuals to challenge their own perceptions and so we see the difference it (DIG).

Our network activities provide learning opportunities and safe spaces for colleagues to seek support or to ask questions to deepen their understanding of different aspects of D&I. None of the most effective D&I progress has come from the open and honest personal stories our colleagues have shared to raise awareness of all aspects of D&I and where others can seek support.



10 Our 2023 action plan

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Drive accountability across the firm

Our priorities	Actions we will take
Awareness	Refresh our Shared Beliefs to give a clearer focus on D&I. Continue to educate our people, strengthening our awareness understanding of inclusion. Develop a new Important Edinburgh-based office space, with D&I in mind. Support NeDs and managers, ensuring they have a strong awareness and understanding of our D&I data and goals. Work with our Business Partners to help embed D&I considerations in all people decisions.
Data and insights	Develop reporting across the key areas which matter most to our people, and our broader stakeholders. Introduce consistent engagement with our staff survey and wellbeing questions in our staff survey. Improve disclosure rates for sexual orientation and gender identity data. Collect social mobility, neurodiversity and disability data.
Governance and reporting	Develop a Terms of Reference for the DIG. Publish this report annually.

Why is this important?

Our Shared Beliefs are used by many as cultural guide points on everyday behaviour and decision making. We want to ensure that our Shared Beliefs are continually reinforced and remain relevant to our staff.

Developing our collective understanding of our D&I approach beyond the business teams, employee networks and individuals who have an active interest in it, it. It involves us all.

We want to provide an office environment that supports all staff to thrive. Through innovative design we aim to create an office that is inclusive and flexible to the needs of our individual colleagues.

Our HR Business Partners support leaders with implementing their people plans and so are well placed to ensure D&I is embedded into everyday conversations.

We aim to meet best practice standards in D&I reporting. We want to be transparent about our progress and challenges with our staff, clients and wider stakeholders.

Developing our D&I data and broader understanding, governance and accountability for progress against our goals and how colleagues experience our culture.

The DIG has responsibility for the D&I strategy and approach. The group is committed to improving the transparency of our goals and progress towards them.



12 Networks and partnerships

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Networks and partnerships

Our external partnerships help support us to become more inclusive through expert advice, insights from across other industries and networking opportunities. A selection of some of our partnerships is shown above.



14 Glossary

Glossary

Definitions and explanations

40:40:20
We strive for a gender balance of 40:40:20 (40% men, 40% women, 20% any gender). The 20% for any gender allows for flexibility while also encouraging that not everyone identifies as a man or woman. Our ultimate aim is to attract and recruit the best talent for the role.

DIG
The Diversity and Inclusion Group (DIG) is made up of partners and senior leaders who have delegated responsibility for D&I. Members of the DIG also sit on the firm's other boards and committees or work to achieve our D&I goals and oversee progress towards them.

Disability
Under the Equality Act 2010, disability is defined as having a physical or mental impairment that has a "substantial" and "long-term" negative effect on your ability to do normal daily activities.

Diversity
We recognise the importance of recognising and valuing difference among individuals, along the lines of gender, ethnicity, socio-economic background, sexual orientation, age, and disability, for example. It generally refers to the representation of groups that are underrepresented in the workforce and/or who have experienced prejudice. Ironically, in and of itself it does not result in an inclusive environment.

Early careers
Graduate programmes, Internships and apprenticeships.

Ethnicity
An ethnic group or an ethnicity is a grouping of people who identify with each other on the basis of shared attributes that distinguish them from other groups.

Ethnicity pay gap
The ethnicity pay gap shows the difference in the hourly rate of pay between ethnic minority and non-ethnic minority individuals in an organisation.

Ethnic minorities
Refers to all ethnic groups except the White British group, such as Black, Asian and White minorities such as Gypsy, Roma and Irish travellers.

Experienced hires
Refers to someone who has previously or consistently worked before being employed at a new organisation, such as Baillie Gifford.

Gender
Gender is expressed in terms of masculinity and femininity. gender is largely culturally determined and is assumed from the sex assigned at birth.

Gender identity
A person's deeply held core sense of their own gender whether male, female or something else. Their gender may or may not correspond to their biological sex at birth.

Gender pay gap
The gender pay gap is the difference between the average pay of men and women in an organisation. An employer with a gender pay gap of 0% pays men and women at their gender pay gap data at a specific date each year.

Median – we rank each employee's hourly pay from lowest to highest and take the number in the middle of all hourly pay values for women and the same is calculated for the men's hourly pay.

Mean – the total pay for all men is added together and divided by the number of men and the same is calculated for the hourly pay for all women.

HoD
Head of Department with responsibility for a specific business area(s).

HR Business Partners
Colleagues in our HR Team who work closely with each business area to provide guidance and challenge on people matters.

NB: This is not an exhaustive list and D&I terminology is continually evolving, so we accept that we haven't included everything. Definitions relating to gender and ethnicity have been reviewed from UK government and our specialist D&I partners.

Inclusion
This is the meaningful achievement of diversity. This involves creating a culture where all people, regardless of their backgrounds are valued and treated equally, feel empowered and are able to progress.

Industry Charters – D&I
A charter is a voluntary public commitment to promote the values of diversity and inclusion throughout a firm. Charters often provide a roadmap and structured approach for firms to follow as they take actions to progress D&I initiatives.

Internal mobility
The movement of employees (vertically and laterally) to a new career and development opportunity within the firm.

Intersectionality
Individuals do not experience their diversity characteristics in isolation from one another. Intersectionality is central to improving the experience of inequality. For example, patterns of progression in the firm will vary not only by gender, ethnicity or socio-economic background, but by combinations of all three. Policy and practice need to recognise the intersectionality of factors and respond accordingly.

Investment professionals
Investment professionals are employees whose roles work directly with our investment processes and clients.

Neurodiversity
This term refers to the spectrum of cognitive functioning. It recognises that all brains function differently in the world in different ways, often due to conditions such as Autism, ADHD, Dyslexia and Dyscalculia.

Non-binary
An umbrella term for people whose gender identity doesn't sit comfortably with 'man' or 'woman'. Non-binary identities are varied and can include people who identify with some aspects of binary identities, while others reject them entirely.

Our Shared Beliefs
At the core of everything we do at Baillie Gifford are our Shared Beliefs. They help guide us in how we work every day, defining the culture of our firm.

Partner
Co-owner of the firm.

Promotion
Moving into a role of greater responsibility, which is often reflected in more senior job title.

Senior management
The most senior non-partner staff across firm. Typically Heads Of Department or senior managers with significant responsibility.

Sexual orientation
Orientation is an umbrella term describing a person's attraction to other people. This attraction may be sexual and/or romantic and may be to people of the same gender, the opposite gender or to people of a variety of identity based on their attractions, or lack thereof.

Socio-economic background
Relates to a combination of an individual's income, occupation and social background.

Trans
An umbrella term to describe people whose gender is not the same as, or does not sit comfortably with, the sex they were assigned at birth.