

Annual Engagement Policy Implementation Statement

1. Introduction

This statement sets out how, and the extent to which, the Statement of Investment Principles ("SIP") produced by the Trustee of the Baillie Gifford & Co Staff Pension Scheme (the "Scheme") has been followed during the year to 31 March 2024 in relation to engagement and voting activity. This statement has been produced in accordance with the Pension Protection Fund (Pensionable Service) and Occupational Pension Schemes (Investment and Disclosure) (Amendment and Modification) Regulations 2018, the subsequent amendment in The Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019 and the statutory guidance on reporting on stewardship in the implementation statement dated 17 June 2022.

The SIP may be accessed at <https://schemedocs.com/baillie-gifford-and-co-statement-investment-principles.html>.

2. Investment Objectives of the Scheme

The Trustee believes it is important to consider the policies in place in the context of the investment objectives it has set. The objectives of the Scheme included in the SIP are as follows:

The Trustee's primary investment objective is to invest the Scheme's assets in such a manner that members' and beneficiaries' benefit entitlements can be paid as and when they fall due.

In doing so, the Trustee will take into consideration the level and variability of the contributions from the sponsoring Employer.

The Trustee also recognises that now the Scheme is closed to future accrual, it will mature over time. With this in mind, the Trustee has set an objective to reduce the Scheme's reliance on the Employer. To this end, the Trustee agreed on a suitable asset allocation and discount rate measured on a self-sufficient basis (a basis that relies on a return from a low risk portfolio that closely matches the liabilities).

As at January 2022, the Scheme achieved the final de-risking trigger and moved to the previously agreed self-sufficiency basis. Although risk had been greatly reduced, the Trustee continued to monitor this closely as the ultimate aim was to reach a fully funded position, as measured on a self-sufficient basis (as described above). Therefore, following an improvement in market conditions, which led to a significant improvement in the Scheme's funding position, the Trustee agreed to further de-risk the Scheme in September 2022. In March 2024, the Trustee agreed to further de-risk the Scheme following additional funding level improvements and removed all growth assets.

3. Policy on ESG, Stewardship and Climate Change

The Scheme's SIP includes the Trustee's policy on Environmental, Social and Governance ("ESG") factors, stewardship and Climate Change (under section 7. *Responsible Investment*). This policy sets out the Trustee's beliefs on ESG and climate change and the processes followed by the Trustee in relation to voting rights and stewardship. The Scheme's SIP was last reviewed in August 2023 (albeit further changes to the SIP have been made post Scheme year end related to the above-mentioned de-risking) which mainly covered changes due to the Scheme's consolidation of growth holdings, with the allocation to the Diversified Growth Fund being disinvested and the proceeds invested into the Long Term Global Growth Investment Fund ("LTGG") managed by Baillie Gifford & Co ("Baillie Gifford"). The SIP was also updated to reflect a more comprehensive detailing of the investment beliefs and focus areas for the voting policy of the Trustee following the DWP guidance issued in June 2022.

In order to establish these beliefs and identify policies consistent with those beliefs agreeable to the Trustee, the Trustee engaged in discussions with both its investment consultant and equity fund manager, Baillie Gifford, on ESG and responsible investment during the previous Scheme year and the members of the Trustee's Board of Directors then engaged in an iterative process to commit those beliefs and policies to paper in a form which was agreeable to all. These discussions covered ESG factors, stewardship and climate change as well as regulatory developments related to these areas. The Trustee keeps its policies under regular review with the SIP subject to review at least annually. During the March and June 2023 meeting cycles, the Trustee's Investment Committee received detailed training on the latest guidance from DWP in relation to requirements for Implementation Statements and Voting Policies going forward and key points were summarised and briefing papers were shared for the benefit of subsequent full Board meetings.

The following work was undertaken during the year relating to the Trustee policy on ESG factors, stewardship and climate change. Having considered the Baillie Gifford & Co Stewardship Principles (the "Stewardship Principles"), and engaged with Baillie Gifford to ensure shared understanding of how they will be applied, the Trustee has adopted the Stewardship Principles as its own given its alignment with them. This Engagement Policy Implementation Statement sets out how Baillie Gifford's engagement and voting policies, set-out in its Stewardship Principles document, were followed and implemented during the year; that implementation was also the subject of reporting by Baillie Gifford to the Trustee.

(As engagement and voting policies are only applicable to growth asset holdings that have voting rights, the sections below do not include any commentary in relation to the matching assets managed by Insight Investment Management (Global) Limited ("Insight").)

Engagement

The Trustee engages and meets with Baillie Gifford, its growth asset fund manager, on at least an annual basis for an update on ESG matters which provides the opportunity for the Trustee and its investment consultant to ask questions, including about how the fund manager's policies have been applied in the context of particular stocks. The growth portfolio was predominantly invested in LTGG for the majority of the year to 31 March 2024 and, consequently, LTGG is the area of focus for the Trustee. It should be noted that all LTGG assets were removed prior to 31 March 2024.

In November 2023, the Investment Sub-Committee met with Baillie Gifford to understand LTGG's progress across the year towards its stewardship priorities. This covered five key areas: disinvestment in response to ESG factors, direct engagement with companies, contrasting 2022 and 2023 AGM outcomes for significant holdings within the mandate and specific questioning of Baillie Gifford on the application of its Stewardship Principles. Further details of these discussions are outlined later in this statement.

In that meeting the Trustee also reviewed its growth asset allocation in light of the Stewardship Principles and engaged with the Governance and Sustainability team to ensure the application of those Stewardship Principles to its growth asset holdings and continuing alignment of those Principles with the Trustee's own current beliefs. This allowed the Trustee to confirm that Baillie Gifford's overall approach was in line with the statements set out in its SIP and that the Trustee believes Baillie Gifford's policies on voting rights and engagement, as set out in its Stewardship Principles document, have been implemented appropriately over the year, in line with its own views.

At its March 2024 meeting, the Trustee received an update from senior members of Baillie Gifford's Governance and Sustainability team on the firm's overall policy and ESG approach. The Trustee also reviewed its previous growth asset allocation in light of the Stewardship Principles and engaged with the Governance and Sustainability team to ensure the application of those Stewardship Principles to its growth asset holdings over the year in question. This allowed the Trustee to confirm that Baillie Gifford's overall approach had been in line with the statements set out in its SIP and that the Trustee believes Baillie Gifford's policies on voting rights and engagement, as set out in its Stewardship Principles document, have been implemented appropriately over the year, in line with its own views. The Trustee

confirmed that Baillie Gifford is a signatory of the 2020 UK Stewardship Code that took effect on 1 January 2020.

The investment performance report is reviewed by the Trustee on a regular basis by its Investment Committee (this includes the investment performance of both growth and matching assets). It includes details on how each fund manager is delivering against its specific mandates. In addition, the report outlines purchases, additions, sales and reductions as well as top holdings within each fund.

The Trustee also procures from Baillie Gifford details of its engagement process as well as the names of companies Baillie Gifford has engaged with over the year. The Trustee has questioned and challenged its fund manager on its engagement activity over the year to 31 March 2024 to better understand the outcomes of those company engagements.

Baillie Gifford engages regularly with management and board members of companies to identify and understand issues and to monitor performance. Voting is a measure of activity in ESG matters but the Trustee considers that engagement at the highest level (with the Chair and/or CEO) on the material ESG issues is a more substantive piece of work and can have more useful long-term consequences. The Trustee procures reports from Baillie Gifford which outline the number and nature of these engagements, and this shows a high level of dialogue which, over time, is intended to encourage improvements on ESG issues. These engagements are carried out by both the analysts from the Governance and Sustainability team and Baillie Gifford's investment managers responsible for the strategy and stock-picking. This aligns with the Trustee's objective of ensuring that ESG matters are an important part of the investment process.

The Trustee regularly makes use of its investment consultant's ESG ratings engaging with both its investment consultant and Baillie Gifford on them.

Engagement Activity

Baillie Gifford, the growth asset fund manager, engaged with companies over the period under review on a wide range of different issues, including ESG matters. The fund manager provided examples of instances where they had engaged with companies they were invested in or about to invest in which resulted in a positive outcome. These engagement initiatives are driven mainly through regular engagement meetings with the companies that the fund manager invests in or by voting on resolutions at companies' Annual General Meetings.

Long Term Global Growth Investment Fund

- Over the last year the manager engaged with 20 different companies on 24 different engagement issues.
- Of the 32 topics discussed, the most common themes were: corporate governance and environmental & social issues.

Key information on the number of engagements undertaken over the prior year is summarised below:

Total number of engagements	24
- Environmental topics discussed	8
- Social topics discussed	5
- Governance and Strategy topics discussed	19

Total number of topics discussed	32

Source: Baillie Gifford & Co

Baillie Gifford also provided a summary of some of its impactful engagement activities as a fund manager, although they note that they are hesitant to claim that the engagements have prompted change as correlation does not necessarily imply causation:

Impactful Engagements		
Company	Engagement	Result
Long Term Global Growth Investment Fund		
NVIDIA Corporation	<p>Engagement on energy efficiency in the supply chain</p> <p>While NVIDIA is clearly highly focused on energy efficiency in its own design processes, Baillie Gifford would like it to maximise its influence through its supply chain to support the progress of others.</p> <p>Baillie Gifford have been engaging with NVIDIA since 2021 to develop its Scope 3 emissions reporting and to set full value chain science-based targets.</p> <p>During a small group investor call in April 2024, they pressed the company on greater specificity in its emissions estimates, the setting of reduction targets, examples of positive product impacts (known as avoided emissions), and discussion of physical climate risks. NVIDIA is particularly well-placed to support better integration of physical climate science given its co-development of the Earth-2 super-computer which aims to develop a digital twin of the planet specifically to enhance climate modelling.</p>	<p>The company, represented by the CFO and head of sustainability, committed to a fuller update on science-based targets within six months. It also confirmed progress with Earth-2 and that it continued to work closely with suppliers such as Taiwan Semiconductor Manufacturing Company Limited to understand their decarbonisation levers. Baillie Gifford will continue to engage with the company on this topic.</p>
Kering	<p>Engagement on board governance</p> <p>Baillie Gifford had a meeting with Kering, the luxury group, to discuss</p>	<p>After careful consideration, Baillie Gifford decided to vote against the remuneration report. They believed the Balenciaga scandal to be of direct relevance to ESG metrics contained in the</p>

proposals on the agenda for its 2023 Annual General Meeting. Baillie Gifford's primary goals were to test for levels of stretch in remuneration, register its disappointment in the consistently poor board attendance of Emma Watson, and understand the key learnings from the inquiry into the Balenciaga scandal - an incident that had implications for brand equity.

executive annual bonus and, therefore, should have been reflected in the performance outcome. These metrics included "entrench Kering's culture and values" and "strengthen the culture of ethics within the group". The fact that the related components of the plan paid out at 100 per cent was an indication to Baillie Gifford of a weak remuneration structure and deficient application of the policy. Kering now appears to be taking a thoughtful approach through the updates it is making to internal processes in response to the Balenciaga incident.

Tesla, Inc.

Engagement on changes to the board and its ability to oversee management.

During this engagement Baillie Gifford questioned the level of board independence, which is lower than other similar companies particularly with the appointment of JB Straubel to the board given his previous role as chief technology officer of Tesla. Through the engagement Baillie Gifford were satisfied that the appointee will be an effective non-executive director. Tesla's point about continuing to monitor board composition reflects the importance that they place on the ability of non-executive directors to provide this robust challenge in order for the board to be effective.

Baillie Gifford's discussions provided assurance that the Tesla board retains the requisite skills and experience to support management's delivery of the long-term strategy. Baillie Gifford will continue to monitor the board's composition and will support future appointments which enhance its ability to provide effective stewardship of the business.

Tesla, Inc.

Continuing engagement from last year on reporting against the Paris Climate Agreement

This engagement followed the previous year's resolution on provision of a report on how the company's corporate lobbying is aligned with the Paris Climate Agreement. Baillie Gifford noted that Tesla's core mission is to accelerate the world's transition to sustainable energy and its entire business strategy is in alignment with the Paris Climate Agreement. Tesla believe additional disclosures would be burdensome with no real benefit to shareholders and Baillie Gifford concurs with that view. Baillie Gifford have since had a broader engagement priority regarding the company's commitment to set decarbonisation targets for manufacturing facilities.

Following this engagement, Tesla asked Baillie Gifford specifically for feedback on their latest Impact Report, which they provided in September 2023. As part of that feedback, Baillie Gifford encouraged interim decarbonisation targets to be set and disclosed. The feedback given was acknowledged by Tesla but any updates have yet to materialise.

PDD Holdings

Continuing engagement from last year on concerns on lack of diversity of board

Baillie Gifford had concerns over the lack of diversity on PDD's board, with the board being all male. The company had advised that it was looking for more diverse candidates and hoped to make progress on this. Baillie Gifford failed to see any progress in this area and therefore escalated their engagement deciding to take voting action on the chair of the nomination committee at the 2023 AGM.

The company had appreciated the feedback from Baillie Gifford and advised that it understood their position. Following these engagements, in August 2023, PDD appointed a female director to the board which addressed previous concerns. Baillie Gifford have not had further engagement with the company on this topic since.

The Trustee is active in challenging the fund manager, Baillie Gifford, in relation to voting and engagement. The Trustee specifically challenges the fund manager on voting deemed to be against the Trustee's investment beliefs, focussing on its stewardship priorities/themes. It is expected that, when the fund manager presents to the Trustee, the Trustee will ask those presenting to highlight key voting and engagement activity and its impact on the growth asset portfolio.

Significant Votes

DWP released a set of Implementation Statement requirements on 17 June 2022, "Reporting on Stewardship and Other Topics through the Statement of Investment Principles and the Implementation Statement: Statutory and Non-Statutory Guidance" to be adopted in all Implementation Statements for schemes with years on or after 1 October 2022. The most material change was that the Statutory Guidance provides an update on what constitutes a "significant vote".

- A significant vote is defined as one that is linked to the Trustee's stewardship priorities/themes;
- A vote could also be significant for other reasons, e.g. due to the size of holding; and
- The Trustee is to include details on why a vote is considered significant and the rationale for the voting decision.

The Trustee's key themes which it has prioritised are: **climate change, modern slavery, pay & safety in the workforce and inclusive and diverse decision-making.**

Voting Activity

The Trustee does not use the direct services of a proxy voter. While its growth asset fund manager, Baillie Gifford, is cognisant of proxy voting advisers' voting recommendations (such as ISS, Glass Lewis, IAS (India Specific), ZD Proxy (China A Specific) and Si2 (US Environmental and Social shareholder proposals), they do not delegate or outsource any stewardship activities or follow or rely upon those advisers' recommendations when deciding how to vote. All client voting decisions are made in-house by Baillie Gifford which votes in line with its in-house policy and not with the proxy voting advisers' policies. Over the last 12 months to 31 March 2024, the key voting activity related to the growth asset portfolio is summarised below.

- Key information on the votes undertaken over the year are summarised below in relation to the **Long Term Global Growth Investment Fund (LTGG)**:
 - Baillie Gifford was eligible to vote on 420 resolutions during the year to 31 March 2024.
 - Baillie Gifford voted on 96% of resolutions.
 - Of Baillie Gifford's total number of votes, c.94.1% were votes with management and c.5.2% were against management. Baillie Gifford abstained from a small number (c. 0.7%) of resolutions.

In line with guidance, the Trustee has identified its 'significant vote' topics to be climate change, modern slavery, pay & safety in the workforce and inclusive & diverse decision-making. More information is provided on these votes below, but, given the number of votes undertaken throughout the year, the Trustee has focused on those which are significant in its eyes. Where the Trustee is concerned that a significant vote may have been cast by Baillie Gifford against its investment beliefs, it has engaged with Baillie Gifford in the first instance to understand its rationale for doing so. The Trustee believes that engagement by its fund manager on material ESG issues is a more substantive piece of work than voting and can have more useful long-term consequences; an "engagement first" approach is favoured and allowing time for that to happen may inform voting activity. Subsequently, if the Trustee disagrees with its fund manager's voting rationale, it will challenge Baillie Gifford on it

and intimate the Trustee's expectations for future voting activity. The Trustee monitors its fund manager's voting activity periodically and will escalate any recurring concerns appropriately.

In providing more information on the 'significant vote' topics below, the Trustee has considered how best to express the size of the Scheme's holdings as at the date of the vote. To do so in relation to e.g., Amazon.com as a percentage of that company's issued share capital would be meaningless and result in a very small percentage.

Consequently, given the very small percentages which would result if calculations were performed on the basis of "attributed issued share capital held indirectly by the Scheme through the pooled funds in which it invests, the Trustee has determined that it will be more helpful to members to express the percentages below on the basis of the value which each individual stock holding represented as a percentage of the aggregate value of the Scheme's growth asset portfolio as at the date of the relevant vote. The guidance published by the Department for Work & Pensions permits disclosure of the approximate size of the Scheme's holding as at the date of the vote as a percentage of its portfolio.

Long Term Global Growth Investment Fund - Significant Votes:

- **Amazon.com Annual General Meeting on 24 May 2023**
 - **Holding as % of Scheme Growth Assets:** 5.8%
 - **Key Topics:** Objective of Net Zero greenhouse gas emissions.
 - **Resolution:** Request for a report on how the company's climate strategy is consistent with a 'just' transition.
 - **Vote:** Baillie Gifford voted for this shareholder proposal (against management recommendation).
 - **Voting Rationale:** Baillie Gifford supported this resolution because Amazon's pledge to reach net zero by 2040 suggests dramatic transformations are imminent. Baillie Gifford believe they should carefully consider the impacts their climate strategy will have on stakeholders and any barriers to implementation.
 - **Outcome of the vote (i.e. did resolution pass or fail):** Fail - 69.62% of votes were against the resolution. Baillie Gifford continue to engage with Amazon on climate issues. Their ESG analyst and Head of Climate had a one-on-one call with Amazon in September 2023 specifically to discuss its climate strategy, and also wrote a letter to Amazon about its supply chain emissions.
 - **When was the vote communicated to the Company:** Post-AGM

- **Amazon.com Annual General Meeting on 24 May 2023**
 - **Holding as % of Scheme Growth Assets:** 5.8%
 - **Key Topics:** Objective of Net Zero greenhouse gas emissions.
 - **Resolution:** Request for a report on how its lobbying is consistent with its climate commitments.
 - **Vote:** Baillie Gifford voted for this shareholder proposal (against management recommendation).
 - **Voting Rationale:** Baillie Gifford would like to see the company expand on its current reporting, specifically regarding risk assessment and procedures. Baillie Gifford believe ensuring congruence between its stated commitments and its actions will support it in achieving sustainable long term growth.
 - **Outcome of the vote (i.e. did resolution pass or fail):** Fail
 - **When was the vote communicated to the Company:** Post-AGM

- **Amazon.com Annual General Meeting on 24 May 2023**
 - **Holding as % of Scheme Growth Assets:** 5.8%
 - **Key Topics:** Inclusive and diverse decision-making.
 - **Resolution:** Request for a report on gender/racial pay gap.
 - **Vote:** Baillie Gifford voted for this shareholder proposal (against management recommendation).
 - **Voting Rationale:** Baillie Gifford has supported this shareholder resolution at Amazon for the last three years. They believe that women and minorities are underrepresented in leadership positions compared with the broader workforce, and reporting the unadjusted median gap would help to assess structural bias regarding job opportunity and pay. Baillie Gifford believe a diverse workforce supports future business growth.
 - **Outcome of the vote (i.e. did resolution pass or fail):** Fail
 - **When was the vote communicated to the Company:** Post-AGM

- **Amazon.com Annual General Meeting on 24 May 2023**
 - **Holding as % of Scheme Growth Assets:** 5.8%
 - **Key Topics:** Pay and safety in the workforce.
 - **Resolution:** Shareholder resolution on freedom of association.
 - **Vote:** Baillie Gifford voted for this shareholder proposal (against management recommendation).
 - **Voting Rationale:** Baillie Gifford supported this shareholder resolution as, in light of several recent high profile controversies, they believe that shareholders would benefit from a more thorough examination of the compliance of the company's policies and practices with international fundamental rights.
 - **Outcome of the vote (i.e. did resolution pass or fail):** Fail
 - **When was the vote communicated to the Company:** Post-AGM

- **Amazon.com Annual General Meeting on 24 May 2023**
 - **Holding as % of Scheme Growth Assets:** 5.8%
 - **Key Topics:** Pay and safety in the workforce.
 - **Resolution:** Request for a third-party audit on warehouse working conditions.
 - **Vote:** Baillie Gifford voted against this shareholder proposal (in line with management recommendation).
 - **Voting Rationale:** Baillie Gifford opposed this resolution last year and believe the company has continued to improve and enhance its disclosures, for example, now disclosing injury rates. Baillie Gifford believe the enhanced disclosure will allow them to monitor progress on this issue and do not believe additional disclosure is necessary at this time.
 - **Outcome of the vote (i.e. did resolution pass or fail):** Fail
 - **When was the vote communicated to the Company:** Post-AGM

- **Coupang Annual General Meeting on 15 June 2023**
 - **Holding as % of Scheme Growth Assets:** 2.0%
 - **Key Topics:** Inclusive and diverse decision-making.
 - **Resolution:** Election of Director.
 - **Vote:** Baillie Gifford voted for this management proposal (in line with management recommendation).

- **Voting Rationale:** Baillie Gifford voted for the election of a male Nomination and Governance Committee chair. The Trustee challenged this decision as it does not align with the Trustee's engagement priority of inclusive and diverse decision making. Baillie Gifford responded stating that, at the 2023 AGM, Coupang nominated its first female director to the board and so was making progress on this matter. Baillie Gifford noted that Coupang is a 'young' company, only having listed in 2021. They believe that diversity is important to good governance but they do not have a formulaic approach to what constitutes a sufficient representation of various aspects of diversity. Baillie Gifford confirmed in this context that they do not consider that opposing a director due to a formulaic lack of gender diversity would be appropriate. The Trustee accepted this voting rationale.
- **Outcome of the vote (i.e. did resolution pass or fail):** Fail
- **When was the vote communicated to the Company:** Post-AGM

- **Dexcom Inc Annual General Meeting on 18 May 2023**
 - **Holding as % of Scheme Growth Assets:** 4.2%
 - **Key Topics:** Pay and safety in the workforce.
 - **Resolution:** Request for median pay gap reporting.
 - **Vote:** Baillie Gifford voted against this shareholder proposal (in line with management recommendation).
 - **Voting Rationale:** Baillie Gifford opposed this resolution as they are satisfied that the company committed to provide this reporting and that it is currently working with consultants on this. The Trustee challenged the vote decision as it did not align with its stewardship priorities and themes. Baillie Gifford explained that DexCom had committed to working with an external consultant and begin disclosing pay gap analysis annually from 2024 along with its EEO-1 data (regulatory data on workforce composition). Baillie Gifford considered this commitment sufficient so opposed the shareholder proposal, and committed to continuing to monitor and engage with the company. The Trustee accepted this voting rationale.
 - **Outcome of the vote (i.e. did resolution pass or fail):** Fail
 - **When was the vote communicated to the Company:** Post-AGM

- **Intuitive Surgery Annual General Meeting on 27 April 2023**
 - **Holding as % of Scheme Growth Assets:** 3.3%
 - **Key Topics:** Pay and safety in the workforce.
 - **Resolution:** Request for a report on gender/racial pay gaps.
 - **Vote:** Baillie Gifford voted for this shareholder proposal (against management recommendation).

- **Voting Rationale:** Baillie Gifford supported this resolution because the company does not currently disclose the unadjusted median gap, and they believe this would help to assess structural bias regarding job opportunity and pay.
- **Outcome of the vote (i.e. did resolution pass or fail):** Fail
- **When was the vote communicated to the Company:** Post-AGM

- **Kering Annual General Meeting on 27 April 2023**
 - **Holding as % of Scheme Growth Assets:** 2.2%
 - **Key Topics:** Pay and safety in the workforce.
 - **Resolution:** Request for executive remuneration reports.
 - **Vote:** Baillie Gifford voted against this shareholder proposal (in line with management recommendation).
 - **Voting Rationale:** Baillie Gifford opposed three resolutions on this topic because of concerns with the stretch of ESG performance targets, and lack of downward discretion to reflect the Balenciaga scandal.
 - **Outcome of the vote (i.e. did resolution pass or fail):** Fail
 - **When was the vote communicated to the Company:** Post-AGM

- **Netflix Annual General Meeting on 1 June 2023**
 - **Holding as % of Scheme Growth Assets:** 3.8%
 - **Key Topics:** Inclusive and diverse decision-making.
 - **Resolution:** Election of Director.
 - **Vote:** Baillie Gifford voted for this management proposal (in line with management recommendation).
 - **Vote Rationale:** Baillie Gifford voted for the election a male Nomination and Governance Committee member. The Trustee challenged this decision as it does not align with the Trustee's engagement priority of inclusive and diverse decision making. Baillie Gifford responded stating that the Netflix board is 25% female (3 out of 12 directors are women). The board was previously 36% female which reduced after the departure of Susan Rice to take up a position in the Biden administration. She was replaced by a man, Strive Masiyiwa, Zimbabwean founder of telecom Econet Global, which brought down the gender representation (although enhanced ethnic diversity), but the priority for the board was building out its international experience. Netflix takes diversity such as gender and race into account when recruiting. Baillie Gifford do not doubt that Netflix takes diversity seriously, and do not expect investee companies to recruit simply to satisfy formulaic diversity expectations. The Trustee accepted this voting rationale.
 - **Outcome of the vote (i.e. did resolution pass or fail):** Fail

- **When was the vote communicated to the Company:** Post-AGM

- **Netflix Annual General Meeting on 1 June 2023**
 - **Holding as % of Scheme Growth Assets:** 3.8%
 - **Key Topics:** Pay and safety in the workplace.
 - **Resolution:** Request that the company adopt and disclose a freedom of association and collective bargaining policy.
 - **Vote:** Baillie Gifford voted for this shareholder proposal (against management recommendation).
 - **Voting Rationale:** Baillie Gifford believe that labour issues are identified as a material risk in the company's financial statements. They think that shareholders would benefit from a greater understanding of Netflix's policy and approach to this matter. Its lack of policy lags other large technology companies and may open it up to increased reputational risk, particularly in light of past and ongoing controversies.
 - **Outcome of the vote (i.e. did resolution pass or fail):** Fail
 - **When was the vote communicated to the Company:** Post-AGM

- **Netflix Annual General Meeting on 1 June 2023**
 - **Holding as % of Scheme Growth Assets:** 3.8%
 - **Key Topics:** Climate change.
 - **Resolution:** Request for a report on how the company is protecting retirement plan beneficiaries from climate risk in the company's default retirement options.
 - **Vote:** Baillie Gifford voted against this shareholder proposal (in line with management recommendation).
 - **Voting Rationale:** Baillie Gifford opposed a shareholder resolution requesting a report on how the company is protecting retirement plan beneficiaries from climate risk in the company's default retirement options. They believe that retirement plan beneficiaries already have sufficient choice of investment and the resolution is unnecessary.
 - **Outcome of the vote (i.e. did resolution pass or fail):** Fail
 - **When was the vote communicated to the Company:** Post-AGM

- **NVIDIA Annual General Meeting on 22 June 2023**
 - **Holding as % of Scheme Growth Assets:** 8.4%
 - **Key Topics:** Inclusive and diverse decision making.
 - **Resolution:** Election of Director.

- **Vote:** Baillie Gifford voted for this management proposal (in line with management recommendation).
 - **Voting Rationale:** Baillie Gifford voted for the election of a male chair of the Nomination Committee. The Trustee challenged this decision as it does not align with the Trustee's engagement priority of inclusive and diverse decision making. Baillie Gifford responded stating that the NVIDIA board is 23% female (three women out of a relatively large board of 13), with the two newest directors enhancing the board's gender and ethnic diversity. Further, NVIDIA's annual report acknowledges the importance of board diversity and states that it has 'identified and continues to seek highly qualified women and individuals from underrepresented groups to include in the initial pool of potential director nominees'. NVIDIA also states that board diversity is expected to improve by the 2024 AGM. In light of this commitment Baillie Gifford did not consider a vote against to be warranted. The Trustee accepted this voting rationale.
 - **Outcome of the vote (i.e. did resolution pass or fail):** Fail
 - **When was the vote communicated to the Company:** Post-AGM
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- **Workday Inc Annual General Meeting on 22 June 2023**
 - **Holding as % of Scheme Growth Assets:** 2.7%
 - **Key Topics:** Inclusive and diverse decision making.
 - **Resolution:** Election of Director(s).
 - **Vote:** Baillie Gifford voted for this management proposal (in line with management recommendation).
 - **Voting Rationale:** Baillie Gifford voted for the election of two male Governance and Nomination Committee members. The Trustee challenged this decision as it does not align with the Trustee's engagement priority of inclusive and diverse decision making. Baillie Gifford responded stating that the Workday board is 25% female (three women out of a relatively large board of 12) with some of the more recent director appointees being female. Workday confirmed that diversity, including age, race and gender, is taken into account in board recruitment and the board is 50% gender or ethnically diverse. In this context Baillie Gifford do not consider that opposing a director due to a formulaic lack of gender diversity would be appropriate. The Trustee accepted this voting rationale.
 - **Outcome of the vote (i.e. did resolution pass or fail):** Fail
 - **When was the vote communicated to the Company:** Post-AGM

- **Zoom Annual General Meeting on 15 June 2023**
 - **Holding as % of Scheme Growth Assets:** 0.8%
 - **Key Topics:** Inclusive and diverse decision making.
 - **Resolution:** Election of Director.
 - **Vote:** Baillie Gifford voted for this management proposal (in line with management recommendation).
 - **Voting Rationale:** Baillie Gifford voted for the re-election of one director to the Nomination Committee. The Trustee challenged this decision as it does not align with the Trustee's engagement priority of inclusive and diverse decision making. Baillie Gifford responded stating that the Zoom board is 22% female (two women out of a board of 9), with these female directors being appointed in the last two years. Baillie Gifford noted that some of the male directors have relatively lengthy tenures (7-10 years) and followed up with the company after the AGM to ask about its approach to board refreshment. Zoom disclosed that it considers various diversity factors in board recruitment and instructs third-party recruiters to include women and under-represented groups in candidate lists. Baillie Gifford expect that board diversity will continue to improve and will continue to monitor this. The Trustee accepted this voting rationale.
 - **Outcome of the vote (i.e. did resolution pass or fail):** Fail
 - **When was the vote communicated to the Company:** Post-AGM

Signed: *Gordon A Taylor*

Date: *17 September 2024*

For and on behalf of Baillie Gifford & Co Staff Pension Scheme Trustee Limited, the trustee of the Baillie Gifford & Co Staff Pension Scheme