

Controversial Weapons Policy

Group Policy Document

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About this Document

Purpose

The purpose of this policy (the “Policy”) is to set out the implementation of Ashmore’s approach to investments and engagements with entities responsible for the manufacturing, distribution and maintenance of Controversial Weapons.

Audience

The policy applies to all portfolios managed by Ashmore Group and its subsidiaries, including Ashmore sponsored funds and third-party mandates.

Document Overview

This document summarises the policy of Ashmore Group plc and its affiliated companies¹ (collectively “Ashmore”) in observing and upholding our position on controversial weapons.

Contact

This document is administered by the Group’s ESG function. If you have any questions or comments regarding the information contained in this document, please email: esg@ashmoregroup.com

¹ Affiliated companies comprise the ultimate holding company Ashmore Group plc and all other active companies the majority of whose equity interests are directly or indirectly owned by Ashmore Group plc.

Controversial Weapons Policy

Introduction

Ashmore Group is committed to supporting international conventions that ban the production and distribution of controversial weapons.

This policy sets out the implementation of Ashmore's approach to investments and engagements with entities responsible for the manufacturing, distribution and maintenance of Controversial Weapons.

Scope

This policy includes all financial instruments issued by the Excluded Companies.

The policy applies to all portfolios managed by Ashmore Group and its subsidiaries, including Ashmore sponsored funds and third-party mandates.²

Definition

Ashmore considers those weapons that have a disproportionate and indiscriminate impact on the lives of civilians that often continues years after a conflict has ended as controversial.

This encompasses cluster munitions, anti-personnel mines, nuclear weapons, depleted uranium weapons, and chemical and biological weapons. The controversial weapons are regulated by international conventions as outlined below:

- Cluster Munitions – As defined by the Convention on Cluster Munitions (Oslo Convention) adopted in 2008 which prohibits the production, stockpiling, transfer and use of cluster munitions
- Anti-personnel landmines – As defined by the Anti-Personnel Landmines Treaty (The Ottawa Treaty) 1997, which prohibits the production, stockpiling, transfer and use of anti-personnel landmines and requires their destruction
- Biological Weapons – As defined by the Biological Convention on the prohibition, production, stockpiling of Bacteriological (Biological) and Toxin Weapons and to ensure their destruction which came into force in 1975
- Chemical Weapons – As defined by the Chemical Weapons Convention which prohibits the development, production and stockpiling of chemical weapons and provides for their destruction adopted in 1992
- Nuclear Weapons – As defined by the Treaty on the Prohibition of Nuclear Weapons adopted in 2017, which prohibits the development, testing, production, stockpiling or use of nuclear weapons.

Implementation

Based on the above definitions, Ashmore will restrict investment in any company identified as involved in the production and distribution of controversial weapons. By involvement, Ashmore means that the company's products or services are directly used in the production of such weapons.

² Ashmore is able to customise client portfolios to meet specific requirements for geographic, sector and stock specific restrictions, such as alcohol, animal/food products, armaments manufacturers or dealers, gambling, pornography, tobacco and coal.

Ashmore has developed a proprietary methodology to identify and develop its list of Excluded Companies. In substantiating allegations of involvement, Ashmore's investment teams will engage with the company management. Additionally, Ashmore draws on a range of third party sources alongside internal search and company engagement.

Ashmore acknowledges inconsistencies in publically available information in this area and will not knowingly invest in companies involved in such activities.

The exclusion list is maintained by Compliance and is reviewed and updated on a quarterly basis.

Investment in excluded companies identified through this process is restricted through Ashmore's internal compliance system.

Any exception to the restrictions laid out in this policy must be approved by Ashmore's ESG committee. Ashmore will work with clients whose customised portfolio requirements may conflict with the scope of this policy.

This policy is subject to review on an annual basis.