Ashmore

Sustainability Report 2022

About this Report

Welcome to the Ashmore Group 2022 Sustainability Report.

The aim of this report is to provide a comprehensive overview of Ashmore's approach to sustainability across Ashmore's business activities. The report is intended for all Ashmore stakeholders and will also be of particular interest to clients.

This report should be read in conjunction with Ashmore's Annual Report, the Engagement Report, and the TCFD Report, which are available which is available on the Ashmore Group website at www.ashmoregroup.com

Foreword

From Ashmore Group plc CEO, Mark Coombs

Ashmore is a specialist Emerging Markets investment manager with a 30-year track record of investing clients' capital in emerging markets. This success is linked with a deep understanding of the importance of acting as a responsible investor and staying abreast with our clients' expectations of what is considered best-in-class stewardship of their capital.

Ashmore's governance framework, strong team-based culture, and proven investment philosophy with the consideration of Environmental, Social and Governance (ESG) factors integrated into all equity, fixed income, and alternatives strategies, means we are well-positioned to continue to help our clients achieve their investment objectives.

Over the past year, we have further strengthened our engagement process and we are proud to publish our first Engagement Report. An important milestone for Ashmore in 2021 was joining the Net Zero Asset Managers Initiative ('NZAMI') and subsequently submitting our Interim Target in July 2022. Another important area has been the continued implementation of the Task Force for Climate-Related Financial Disclosures' (TCFD) recommendations, resulting in a stand-alone 2022 TCFD Report. This has been complemented by our continued efforts to provide clients with GHG emission data as part of standard reporting, most of which has now been rolled out.

Ashmore continues to be a signatory to the United Nations Global Compact (UN GC), and I am again pleased to confirm that Ashmore reaffirms its commitment to their 10 principles. Our communication of progress is outlined in this report on page 13.

As an Emerging Markets focused investment manager, Ashmore's success is inextricably linked with the achievement of sustainability goals in the markets in which we operate and invest. We recognise how developing countries are likely to face a disproportionate impact from some of the sustainability challenges facing the world today, particularly the risks associated with climate change. Yet, Ashmore believes that this is also where the most interesting investment opportunities associated with the attainment of the Paris Agreement and the United Nations Sustainability Development Goals (SDGs) will take place and that, over time, this can be a valuable source of alpha. We further believe that to address the clear challenges posed by climate change, a responsible investor should help developing economies transition over the medium to longer term to more sustainable and ultimately carbon-neutral activities through ongoing and supportive investment, and we at Ashmore look forward to contributing to this objective.

The Ashmore Foundation provided over the year social impact grants to charitable organisations working in Emerging Markets where Ashmore operates, as well as additional Covid-19 related grants and emergency relief donations in response to the humanitarian crisis in Ukraine. Ashmore will donate the equivalent of 0.5% of the Group's profit before tax to charities, including The Ashmore Foundation, representing a total payment of £0.6 million contributing towards the plc's carbon offsetting programme as well as other charitable activities.

More generally, Ashmore is proud of its progress on responsible investment initiatives during the year and remains committed to making further progress.

Mark Coombs
Chief Executive Officer
September 2022

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About Ashmore Group

Ashmore is a specialist Emerging Markets manager with 30 years' experience of investing in these markets. During this time, it has established a diversified range of six headline investment themes with focused strategies under each theme. These themes capture the broad range of investable and scalable investment opportunities available across the diverse Emerging Markets universe.

External debt

Invests in debt instruments issued by sovereigns and quasi-sovereigns and denominated in foreign currencies.

Blended debt

Asset allocation across the external debt, local currency, and corporate debt investment themes, measured against tailor-made blended indices.

Local currency

Invests in local currencies and local currency-denominated instruments issued by sovereigns, quasi-sovereigns and companies.

Equities

Invests in equity and equity-related instruments including global, regional, country, small cap, frontier, and multi-asset opportunities.

Corporate debt

Invests in debt instruments issued by public and private sector companies.

Alternatives

Invests in private equity, healthcare, infrastructure, special situations, distressed debt, and real estate opportunities.

The Group's products are available in a wide range of fund structures covering the full liquidity spectrum from daily-dealing pooled funds through to multi-year locked up structures. Ashmore provides investors with access to new investment strategies as Emerging Markets continue to evolve.

Three factors will drive longer-term growth in the Group's assets under management:

1. The Emerging Markets will continue to develop and evolve, with broader, deeper and more accessible capital markets contributing to the range and scale of investment opportunities;
2. Investor allocations to Emerging Markets will increase from very underweight levels currently;
3. Ashmore will continue to innovate in order to provide access to new investment strategies.

AuM classified by mandate 2022 (%)

Local currency	32%
Blended debt	24%
External debt	21%
Corporate debt	11%
Equities	10%
Alternatives	2%

AuM by investor type 2022 (%)

Pension plans	27%
Corporates / Financial institutions	25%
Sovereign wealth funds	22%
Central banks	15%
Intermediary retail	5%
Funds / Sub-advisers	3%
Governments	2%
Foundation / Endowments	1%

AuM by investor geography 2022 (%)

Europe (ex UK)	32%
Asia Pacific	26%
Americas	19%
Middle East & Africa	17%
UK	6%

Sustainability critical to success

As an Emerging Markets focused investment manager, Ashmore's success has, always been dependent on understanding sustainability in the markets in which it operates and invests.

Ashmore recognises the role it plays in the deployment of its clients' capital and the impact this can have on sustainability of the environment and broader society. As such, the Group aims to integrate responsible investing across its operations, coordinated by the Head of Responsible Investment and ESG Policy. Board accountability is ensured through the Group's specialised ESG Committee (ESGC), which has overall responsibility for Ashmore's sustainability and responsible investing framework across its operational and investment activities.

Ashmore's responsibility further extends to all its stakeholders and includes managing its operations in ways that effectively ensure the health and wellbeing of its employees. The Firm's distinctive culture means that Ashmore ensures that its employees are able to work in a constructive environment, which enables personal and professional development.

Understanding and achieving sustainability can take many forms, but arguably some of the greatest impact and change can be achieved in the Emerging Markets. Two areas that are particularly relevant to these markets are:

- Environmental challenges: specifically, the effects of climate change which already can be acutely felt by companies and communities in these markets, including many in which Ashmore operates and invests. In recognition of this, the Group is a supporter of the Task Force on Climate-Related Financial Disclosures (TCFD) as well as the Net Zero Asset Management Initiative (NZAMI).
- Inequality and wealth disparity: this can present significant challenges in developing markets, and the social investments made by The Ashmore Foundation[1] aim to empower communities at the extreme end of these disparities.

Ashmore's commitment to act as a responsible investor extends to support for and membership of global and industry-specific initiatives, including the UN Principles for Responsible Investment (UN PRI), the UN Global Compact (UN GC), and Climate Action 100+. Ashmore will continue to develop its approach in line with regulatory requirements and in so doing contribute to the evolving industry practice.

Ashmore's broad and encompassing approach to sustainability is centred on three pillars, shown on page 7, covering the breadth of its corporate operations, investment activities, and social impact investing by The Ashmore Foundation. These pillars are not mutually exclusive but provide a framework enabling Ashmore to define and pursue its sustainability objectives. This report describes in more detail some of the factors relevant to each pillar.

[1] The Ashmore Foundation is a company limited by guarantee, registered in England (6444943) and is a registered charity in England and Wales (1122351). The Ashmore Foundation is a separate and distinct legal entity from Ashmore Group plc.

Our approach is centred on three pillars

Corporate Responsibility	Responsible Investment	The Ashmore Foundation
Ensure the Firm is managed to the highest social and environmental standard, in-line with local expectations	Ensure we invest aligned with expectations of a 'responsible investor' and pay particular attention to the risks stemming from ESG concerns and the sustainability impacts of our investments	Philanthropic efforts to make a social and environmental difference in the communities in which we invest

Financial year 2021/22 highlights

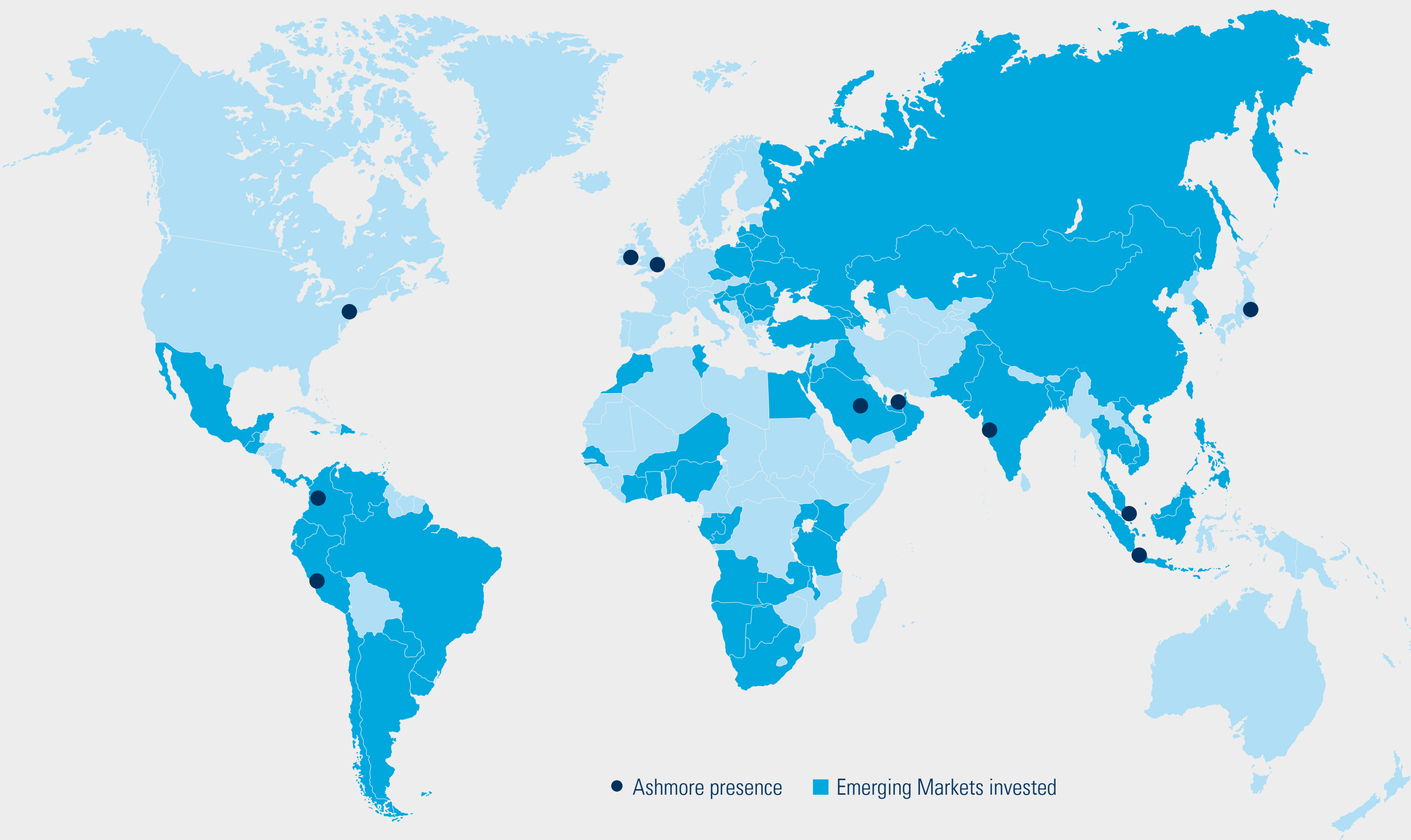
Ashmore has continued to develop and refine its approach to sustainability and over the past year made significant progress on several key initiatives at both operational and investment levels. Below are notable achievements in relation to sustainability and responsible investing:

- Introduced flexible working for the Group's employees, tailored to each office location.
- Launched an expanded graduate recruitment scheme in the UK, to underpin the long-term development of a diverse workforce. The first cohort of employees will join the Firm in September 2022.
- The Ashmore Foundation has developed a partnership with the IDEP Foundation in Indonesia, which will be offsetting substantially all of Ashmore's scope 1, 2 and 3 emissions for FY2020/21. The initiatives, including tree planting, are ongoing and IDEP Foundation expects to complete activities during 2022 to fully deliver the offset targets.
- While the return of business travel and use of the Firm's offices during FY2021/22 has contributed to an increase in the Group's GHG emissions compared with the previous year, the Group remains committed to offset these emissions in an effective and socially responsible manner through projects overseen by The Ashmore Foundation.
- Improved or maintained the Group's ESG ratings issued by relevant agencies, including MSCI and Sustainalytics.
- Continued to develop investment track records in the four dedicated ESG strategies covering external debt, corporate debt, blended debt, and equities.
- Enhanced climate-related disclosures in accordance with the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations and the Financial Conduct Authority's listing rules for premium-listed companies.
- Joined the Net Zero Asset Managers Initiative (NZAMI) in July 2021 and submitted the Interim Target last July.
- The Group's investment team joined a second collaborative engagement with an Emerging Markets issuer through the Climate Action 100+ initiative.

Corporate responsibility

Ashmore's approach to corporate responsibility recognises the role the Firm plays in wider society and is underpinned by values of transparency, fairness, accountability, and integrity across the Group's worldwide operations.

Ashmore's Emerging Markets investments – a worldwide network



315	11	~80
Employees	Offices worldwide	Emerging Markets countries represented in portfolios

The nature of Ashmore's business as an investment manager and its consistent single operating platform means that corporate responsibility can be considered and understood in a relatively small number of areas, listed in the table below, and explained in more detail on the following pages.

Social	As a traditional asset management business, employees are a critical asset to Ashmore. The Firm's responsibilities to its employees are well understood and reflected in its commitments to diversity, career development, health and safety, including workplace benefits, and a remuneration policy that delivers a long-term alignment of interests between employees, clients, and shareholders.
Governance	Ashmore's Board of Directors maintains a distinctive culture across the Firm, with a strong 'tone from the top' that outlines clear expectations, standards, and the importance of accountability to employees. In addition to the governance arrangements described in the corporate governance section and the Section 172 statement of the Annual Report, corporate responsibility is also underpinned by the following factors: • A commitment to upholding high ethical standards across the Group's operations and to minimising the risks associated with financial crime. • The Board has ultimate responsibility for risk management and control. This encompasses a wide range of principal and emerging risks, as described in the Annual Report. • Ashmore has operations in multiple regulatory and tax jurisdictions and manages its business in a responsible and transparent manner.
Environment	Ashmore's business is based primarily on intellectual capital so its direct operational impact on the environment is limited. However, the Group manages the environmental risks it faces responsibly, and described below are specific developments in the areas of GHG emissions and carbon offsetting.

In recognition of its approach to corporate responsibility, Ashmore is a constituent of the FTSE4Good equity index. It has a 'AA' ESG rating from MSCI, and a Sustainalytics ESG score of 18.3, which places it in the 'low exposure to ESG risk' category.

Policy documents

Ashmore has a number of policies and other documents that support its approach to corporate responsibility. These include documents that are for employee use, that are made available to the Group's clients, and that are publicly available on the Group's website, such as those listed below:

- ESG Policy
- Supplier Code of Conduct
- Modern Slavery Act
- Conflicts of interest statement
- Complaints handling procedure
- UK tax strategy
- FTSE Women Leaders Review data

Social

The Group's priority is to attract, develop, manage, and retain employees to achieve its strategic growth objectives and to create value for its stakeholders. The success of Ashmore's approach to human resources and its support of corporate responsibility is reflected in the low levels of unplanned staff turnover (FY2021/22: 10.5%).

Ashmore aims to have employee policies and procedures that reflect best practice within each of the countries where it has a presence, and Ashmore requires employees to act ethically and to uphold the standards expected by the Group's clients. This means having policies and practices that make Ashmore an attractive place to work in respect of the day-to-day operating environment and culture, and in respect of medium to long-term growth for employees; personally, professionally, and financially.

Diversity

Ashmore is committed to providing equal opportunities and seeks to ensure that its workforce reflects, as far as is practicable, the diversity of the many communities in which it operates. Ashmore will not discriminate because of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race (which includes colour, nationality and ethnic or national origins), religion or belief, sex or sexual orientation, or any other irrelevant factor, and has built a culture that values meritocracy, openness, fairness, honesty, and transparency.

Furthermore, diversity of thought is critical to Ashmore's success. To achieve this, Ashmore aims to attract and develop diverse teams. At Ashmore, such diversity is integral to the culture of the Group and encompasses, amongst other things; experience, skills, tenure, age, geographical expertise, professional background, gender, ethnicity, disability, and sexual orientation.

Ashmore is proud to have a diverse workforce with employees from 36 different countries. Figure 1 illustrates Ashmore's diverse workforce through the self-identified lenses of ethnicity.

Figure 1: Employee ethnicity

Ashmore is proud to have a diverse workforce with employees from **36 different countries**.

Asian	29%
Black	2%
Hispanic	18%
Middle Eastern/North African	5%
Mixed Race	1%
Other	1%
White	34%
No response	10%

Figure 2: Ashmore's gender split

	Male	Female	Total
Board of Directors	3	2	5
Operating Committee	10	1	11
Direct Reports	56	19	75

Ashmore provides data to the FTSE Women Leaders Review, as summarised in Figure 2. The proportion of female Board Directors was 40% at 30 June 2022, and is currently 50%. The Senior Independent Director is female. Ashmore therefore complies with the FCA's diversity and inclusion requirements, applying for financial years starting on or after 1 April 2022, for at least 40% of Board members to be women and for at least one senior Board position to be a woman.

Ashmore operates a zero-tolerance policy towards harassment and bullying and has a formal policy that documents the organisation's commitment to ensuring employees are treated with respect and dignity while at work.

Recruitment and career development

Ashmore believes that its distinctive business model and culture lead existing employees to recommend Ashmore as an employer and in so doing enables the Group to attract the most talented candidates.

Ashmore provides all employees with a comprehensive induction on joining the business, which introduces the company's structure, culture, operations, and practices. This includes all elements of compliance issues, an understanding of the key business ethics operating within the Ashmore Group, and up-to-date information on relevant regulations.

Ashmore supports professional development or qualifications that will assist employees in maintaining and developing their levels of competence. As part of this, Ashmore believes that constructive performance management is an essential tool in the effective management of its people and business. The performance management cycle comprises setting objectives and an annual performance appraisal against those agreed objectives. Output from this performance process is used to assist with decisions on remuneration, and career development and progression.

Ashmore is committed to internal progression of its employees whenever this is possible, to ensure that it retains the most talented people. The diverse and global nature of its business allows the Group to consider placing talented individuals into different business and career opportunities within its worldwide office network, to foster their development, and to benefit clients.

Workplace benefits

Ashmore recognises the diverse needs of its employees in managing the responsibilities of their work and personal lives and believes that achieving an effective balance in these areas is beneficial to both Ashmore and the individual. Employee health and wellbeing is vital to sustained performance at work, and Ashmore therefore operates a range of schemes to support employees' physical wellbeing. For example, in London, Ashmore operates a mental health wellbeing scheme, and has a designated Mental Health First Aider.

Ashmore also operates in the UK an integrated healthcare approach whereby its private medical health provider and occupational health clinics work hand in hand to promote wellness amongst employees. Similar healthcare arrangements are also offered by Ashmore's international offices.

During the year, Ashmore introduced the opportunity for employees to work remotely for a specified period during the week. This recognises similar developments across the industry and the experience of the past few years during which employees worked effectively in remote locations while subject to government restrictions related to the Covid-19 pandemic.

Remuneration

Ashmore's distinctive remuneration philosophy, described in detail in the Remuneration Report, is a critical factor underpinning the Group's culture, designed to achieve a long-term alignment between employee remuneration and the interests of clients, shareholders, and other stakeholders.

Ashmore recognises that individuals have different personal requirements dependent on the stage of their life or career. In response to this, it provides employees with a range of benefits, both non-financial and financial, in addition to basic salaries.

Health and safety

Ashmore promotes high standards of health and safety at work and has a comprehensive health and safety policy that highlights the Group's commitment to ensuring employees are provided with a safe and healthy working environment. For example, in London, Ashmore carries out regular risk assessments of premises and provides staff with safety training including the provision of training to fire wardens and first aid representatives. Ashmore also engages external consultants to carry out regular health and safety and fire assessments. Similar arrangements are also made in other Ashmore offices.

There were no reportable accidents in the financial year in the UK or overseas premises.

Human rights and modern slavery

Ashmore supports the United Nations Universal Declaration of Human Rights. Ashmore has developed a Supplier Code of Conduct that applies to all suppliers that provide goods or services to Ashmore and outlines the basic ethical requirements that suppliers must meet in order to do business with the Group, including affording employees the freedom to choose employment and not using any form of forced, bonded, or involuntary labour (including child labour).

Ashmore investing in local communities

Ashmore recognises the positive impact it can have on the communities where it operates and is committed to creating lasting benefits in those locations where the Group has a presence. Beyond support for The Ashmore Foundation, employees across all offices are encouraged to engage with and to support local community projects. This commitment is reflected in Ashmore's policy enabling employees to take one day annually to support charitable projects.

Ashmore employees drive local volunteering initiatives and take part in a range of activities to support disadvantaged communities in their local vicinity. Ashmore continues to make an annual donation to homeless charity Crisis, in support of its Christmas card campaign.

Obsolete equipment

Ashmore's London office provides obsolescent computers to Computer Aid, a UK registered charity that provides developing countries with access to technology that can support education and improve lives. Computer Aid sends the equipment to various projects across the Emerging Markets and provides Ashmore with details of where they are used. Any units that are not usable are disposed of in an environmentally friendly manner.

Governance

Ashmore's Board of Directors maintains a strong corporate culture employing high standards of integrity and fair dealing in the conduct of the Group's activities, compliance with both the letter and the spirit of relevant regulations and standards of good market practice in all jurisdictions where the Group operates.

Stakeholder interests

The Board has identified the below main stakeholder groups. Please refer to the Section 172 statement in the Annual Report for more information on how the Board considers these stakeholders in its decision-making and its approach to engagement.

Stakeholders	Key Factors
Clients	Delivering investment performance for a diversified client base is critical to Ashmore's success as a specialist Emerging Markets asset manager.
Shareholders	The support of Ashmore's shareholders, with an appropriately long-term investment horizon, is important to enable Ashmore to fulfil its strategic growth ambitions.
Employees	Ashmore's 315 employees are a critical asset, and the Group's priority is to attract, develop, manage, and retain employees to deliver the Group's potential.
Society	Ashmore recognises the impact its activities may have on wider society and takes this responsibility seriously.
Regulators	Ashmore's business comprises global operating hubs and independent local asset management platforms, operating under several different regulatory jurisdictions.
Third-party service providers	The efficiency and scalability of Ashmore's operating platform relies in part on high-quality third-party service providers.

Ethical standards

The Board aims to ensure that the Group is fit and proper to undertake its business, to safeguard the legitimate interests of Ashmore clients, and to protect Ashmore's reputation.

Whilst there have been no whistleblowing reports this year, Ashmore considers it important that there is a clear and accessible process through which staff can raise such concerns. Therefore, it has procedures in place to enable employees to raise concerns confidentially regarding behaviour or decisions that are perceived to be unethical. This includes use of a third-party agency to provide staff with an independent whistleblowing channel and the Chairman of the Audit and Risk Committee acts as the nominated Board Director for whistleblowing.

Financial crime risks

Ashmore is committed to minimising the risk that the Firm is used for the purposes of financial crime, including money laundering, bribery and corruption, fraud, and market abuse. To achieve this aim, Ashmore has adopted a number of risk-based policies and procedures for each area of financial crime, as described in the Risk management section of the Annual Report. The Firm provides training to all employees in relation to anti-money laundering and countering terrorist financing, including customer due diligence requirements, identifying money laundering, suspicious activity, and financial crime.

Ashmore is committed to ensuring that it verifies the identity of its clients before a business relationship commences and that this is valid throughout the course of the relationship.

Reporting to industry initiatives where Ashmore is a signatory

As signatory to several industry initiatives Ashmore has certain reporting obligations. These include the United Nations Principles for Responsible Investment (UN PRI), where reporting takes place each March (this has been delayed over the past year and is next expected in 2023), the Task Force for Climate-Related Financial Disclosures (TCFD), which is published both as a stand-alone TCFD Report and included in Ashmore's Annual Report, update on Ashmore's Net Zero Asset Management Initiative (NZAMI)'s Interim Target which was recently submitted in July 2022, and the United Nations Global Compact (UN GC) where the annual reporting is included in the section below.

United Nations Global Compact

The United Nations Global Compact was launched in 2000 to harness the power of collective action in the promotion of responsible corporates. It is a framework for businesses that are committed to aligning their operations and strategies with the 10 principles in the areas of human rights, labour, the environment, and anti-corruption.

As a signatory, Ashmore is proud to reaffirm in 2022 its support of the 10 principles included in the CEO's foreword.

Communication on progress

The table below represents Ashmore's actions to improve continually the integration of the UN GC principles into the Firm's business strategy, culture, and daily operations.

Stakeholders	Description of actions	Measurement of progress
Human Rights	Supporter of the Universal Declaration of Human Rights. • Modern slavery and human trafficking statement published on website. • Commitment to ensuring employees are treated with respect and dignity while at work. • Commitment to ensuring employees are provided with a safe and healthy working environment.	There were no reports of incidents of bullying or harassment during the year. There were no health and safety incidents or breaches during the year. After a prolonged period of remote working during the Covid-19 pandemic, Ashmore's employees returned to the Group's offices during the period.
Labour	Gender diversity tracking across all offices. Data submitted to the FTSE Women Leaders Review. • Supplier code of conduct to maintain a strong corporate culture employing high standards of integrity and fair dealing published on website. • Commitment to staff personal development through ongoing training.	Ashmore has two female Non-executive Directors[1] and continues to promote gender diversity across the organisation.
Environment	Established initiative to offset all reported operational CO_2 emissions (scope 1-3). • Further improved disclosures aligned with TCFD recommendations.	Ashmore has previously taken measures to reduce emissions at its largest location. This included the installation of LED lights and efficient temperature management, which resulted in a 22% reduction in emissions at the time.
	• Policies and procedures covering each area of financial crime. • Whistleblower policies and procedures in place.	Staff receive ongoing training on various aspects of financial crime. There have been no whistleblower incidents reported during the year.

[1] As at 30 June 2022. A third female Non-Executive Director joined the Board in August 2022.

Information security and data protection

Ashmore's client base comprises institutions, such as pension funds and central banks, and intermediaries that provide access to retail investors. Consequently, the Firm does not handle substantial quantities of sensitive personal data, and that data which is gathered and held relates primarily to its employees.

The Group has comprehensive and, necessarily, confidential Information Security and Data Protection policies that are reviewed at least annually and apply to all employees and offices. These policies also apply to all third parties that process Ashmore Group plc's personal data.

The Board is ultimately responsible for the Group's risk management and internal control systems and for reviewing their effectiveness. The Group considers principal and emerging risks, and associated controls and mitigants relating to information security and data protection, within this framework.

The following sections provide a summary of the principles and processes in place to manage data protection and information security.

Data protection

Ashmore processes (i.e. collects, uses, and destroys) personal data in accordance with applicable privacy laws, including the General Data Protection Regulations (GDPR) in the United Kingdom and the European Union.

The Firm's Data Protection Policy establishes a set of principles, listed below, to govern how the Firm uses personal data.

- **Lawfulness, Fairness and Transparency:** Personal data shall be processed lawfully, fairly, and in a transparent manner in relation to individuals.
- **Purpose Limitation:** Personal data shall be collected for specified, explicit, and legitimate purposes and not further used or otherwise processed in a manner that is incompatible with those purposes.
- **Data Minimisation:** Personal data shall be adequate, relevant, and limited to what is necessary in relation to the purposes for which they are processed.
- **Accuracy:** Personal data shall be accurate and, where necessary, kept up to date; every reasonable step must be taken to ensure that personal data that are inaccurate, having regard to the purposes for which they are processed, are erased, or rectified without delay.
- **Storage Limitation:** Personal data shall be kept in a form which permits identification of individuals for no longer than is necessary for the purposes for which the personal data are processed.
- **Respect for Individuals:** Personal data shall be processed in accordance with individuals' legal rights.
- **Integrity and Confidentiality:** Personal data shall be processed in a manner that ensures appropriate security of the personal data, including protection against unauthorised or unlawful processing and against accidental loss, destruction, or damage, using the appropriate technical or organisational measures.
- **Safe Transfer:** Personal data shall not be transferred abroad without adequate safeguards being put in place in accordance with the law.

In accordance with relevant laws and regulations Ashmore respects and aims to comply with individuals' rights as they relate to their data. For example, the Data Protection Policy recognises the following rights under GDPR legislation:

- to ask whether the Firm holds personal data and/or to receive a copy of that data;
- to restrict or object to processing of personal data;
- to prevent processing for direct marketing purposes;
- to object to decisions being taken by automated means;
- in certain circumstances, to have inaccurate personal data rectified, blocked, erased, or destroyed; and
- to claim compensation for damages caused by a breach of the GDPR.

Furthermore, in accordance with GDPR, Ashmore commits to keeping the use of legally defined special category personal data, such as that relating to an individual's ethnic origin, to a minimum and to restrict its availability only to those people who need to know it.

The Firm maintains a register that describes its processing of personal data in accordance with the relevant legal requirements.

Information security and cyber security

Information security (including cyber security) is identified as a principal risk to the business which is subject to Ashmore's governance, policies and procedures and risk assessment. Ashmore assesses, monitors, and controls data security risk, and ensures that there is adequate communication between the key stakeholders, which include senior management and IT, human resources, risk management and control, and legal and compliance departments.

Ashmore has a layered security model, within which multiple complementary technologies and processes are employed. Ashmore staff undertake mandatory training in matters of information security (including cyber security). Ashmore routinely deploys security updates to its systems and undertakes regular vulnerability testing of its networks and systems using a specialist service provider. The Board's Audit and Risk Committee receives an annual report on the Group's cyber security arrangements, and the Group has a culture of continuous improvement that means improvements can and do occur throughout the year.

Ashmore undertakes appropriate pre-contractual due diligence for new suppliers. Ashmore also maintains appropriate oversight of cyber security arrangements for all key partners, ensuring there is additional monitoring and protection regarding their cyber security. For example, Ashmore affirms and/or attests with key partners on an annual basis that they have not been susceptible to cyber security attacks and vendors have taken all reasonable steps to continuously monitor and protect themselves on cyber security weaknesses.

Tax strategy

As a large, multi-national organisation with a diverse geographic footprint, Ashmore seeks to create value for its shareholders and clients by managing its business in a commercial, tax efficient, and transparent manner, within the remit of applicable tax rules and bearing in mind the potential impact of its actions on its brand and reputation. Ashmore aims to comply with all relevant tax laws and fiscal obligations, including accurate calculation and punctual settlement of tax liabilities and correct and timely lodging of relevant tax returns and other required documentation with relevant tax authorities.

Environment

Ashmore's business is based fundamentally on intellectual capital, and it does not own its business premises, therefore its direct impact on the environment is limited and there are few environmental risks associated with the Group's activities. Nevertheless, Ashmore has a responsibility to manage these risks as effectively as possible.

The Group continues to promote energy efficiency and the avoidance of waste throughout its operations. Ashmore's largest occupancy is at its headquarters at 61 Aldwych, London where it has a single floor of approximately 19,000 square feet in a nine storey multi-tenanted building. Electricity usage in London is separately monitored by floor, with energy efficient lighting installed. The building landlord allocates the usage of other utilities based on occupied floor space.

Recycling programmes operate for appropriate disposable materials. The Company seeks to minimise the use of paper and wherever possible chooses paper materials that have been sustainably sourced and are Forest Stewardship Council® (FSC) or equivalently accredited.

Mandatory greenhouse gas emissions reporting and SECR requirements

In line with the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013, since 1 October 2013 all companies listed on the main market of the London Stock Exchange have been required to report their greenhouse gas (GHG) emissions in their annual report. In addition, effective from 1 April 2019, Ashmore Group plc is also required to adhere to the mandatory Streamlined Energy and Carbon Reporting (SECR) regulation introduced by the UK Government.

Ashmore Group plc is required to report its Scope 1 and 2 emissions as part of mandatory GHG reporting and SECR. The Group has provided a summary of this information in its Directors' Report as well as below.

Operational control methodology

Ashmore has adopted the operational control method of reporting. The emissions reported below are for the 11 offices around the world where Ashmore exercised direct operational control in the 2021/22 financial year. These office emissions, as well as emissions originating from their operations, are those which are considered material to Ashmore Group.

Emissions scopes

Mandatory GHG reporting requires emissions associated with scope 1 (direct emissions) and scope 2 (indirect emissions from purchased electricity, heating, and cooling) to be reported.[2] The GHG Protocol, to which this reporting exercise adheres, require organisations to calculate their scope 2 emissions both in terms of 'market-based' emissions and 'location-based' emissions.[3] This information is set out below.

It is not obligatory to report scope 3 (indirect emissions from the inputs and outputs to the main business activity – i.e. supply chain and consumer/end-user related emissions). However, for completeness, Ashmore will continue to report on selected scope 3 emission categories to offer a wider picture to stakeholders and investors.

Furthermore, Ashmore also publishes GHG emissions data of a representative selection of its investment products in its TCFD Report.

Data exclusions

Whilst every effort has been made to collect full and consistent data from all international offices, in some cases information was not available. The following approaches were therefore taken to account for this:

- In those instances, where a full 12 months' data was not available, estimation techniques have been applied to estimate missing consumption periods. Where no country data was available for the current reporting year, previous years have been used to estimate 2021/22 consumption based on headcount numbers.
- A number of offices were able to provide data only for the whole building in which they reside. No sub-metered data was available for each tenant in these cases. In these instances, the share of the total floor area occupied by an office was used to apportion the total consumption.
- Where monthly electricity and water data is not available it has been estimated using the monthly average calculated for the months of data provided. Where no electricity and water data is available, the data was estimated using the previous year (FY2020/21) data and scaled to FY2021/22 using FTE (Full-time Employee) as the base for comparison.
- Where offices were not able to provide any waste data for their buildings it was not deemed appropriate to estimate this, due to the uncertainties surrounding the varying nature of building sizes, modes of working and cities' waste disposal infrastructure, amongst other factors. It has also not been possible to make use of data supplied in litres, as the density of the waste is unknown.

Methodology

The Carbon Emissions Report was prepared by Carbon Responsible Ltd using the GHG Corporate Reporting and Accounting Standard, and using UK Government Reporting and Conversion methodology and conversion factors, on the 28th of July 2022.

All input data, calculations, conversion factors and estimations are included in workbooks for each of Ashmore's offices. The figures relate to the required elements of scope 1 & 2 emissions alongside optional scope 3 elements.

Ashmore's consumption and emissions

- In FY2021/22 Ashmore Group emitted a total of 654 tCO_2e across its global offices for all scopes (including scope 3). Scope 3 accounted for 58% of the total emissions, scope 2 for 34% and scope 1 accounted for 8%.
- 2.2 tCO_2e were generated per full-time employee (FTE), an increase from 0.8 tCO_2e/FTE in 2020/21.
- Overall, Ashmore Group's GHG emissions increased by 188% compared with last year and decreased by 5% compared with the baseline year of FY2019/20. The significant difference in emissions compared with FY2020/21 is primarily due to the impact of the Covid-19 global pandemic, which resulted in a reduction in office-based working and air travel in the prior year.

[2] Ashmore's Scope 1 emissions relate to gas and fuel combustion, refrigerant usage, and vehicles.
Ashmore's Scope 2 emissions relate to purchased electricity.
Ashmore's Scope 3 emissions relate to water usage, electricity (transmission and distribution), 3rd party vehicles, business travel, hotels, and waste.

[3] www.ghgprotocol.org/files/ghgp/Scope%202%20Guidance_Final.pdf

The following tables show the proportion of Ashmore Group's energy consumption and emissions related to emissions in the UK and offshore area.

Ashmore Group's Consumption by Scope

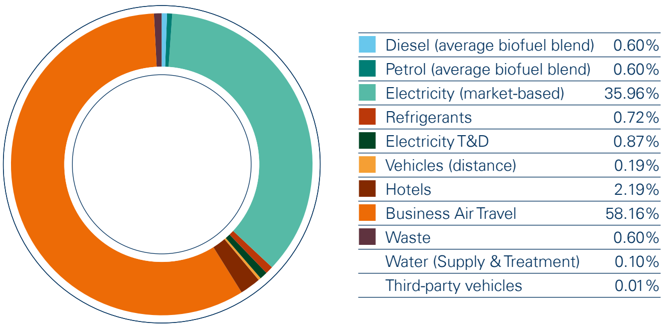
Figure 3: Year-on-year change in emissions for Ashmore Group from FY19/20 to FY21/22[4]

Scope	Tonnes CO_2e			% change	
	2019/20	2020/21	2021/22	2019/20 - 2021/22	2020/21 - 2021/22
Scope 1	35.1	43.0	51.9	48%	21%
Scope 2 (location-based)	200.1	138.4	227.3	14%	64%
Scope 2 (market-based)	233.4	154.7	221.1	-5%	43%
Scope 3	421.3	29.3	380.4	-10%	1,200%
Total	**689.7**	**227.0**	**653.9**	**-5%**	**188%**

Ashmore Group's emissions by source

The emission profile was generated by various sources, across the three scopes. As a proportion of the total emissions, the biggest source of emissions was generated by business air travel (52%), followed by electricity (market-based) generation (34%), and natural gas (7%). All other emission sources contributed 2% or less of the total emissions.

Figure 4: Emissions by source



Ashmore Group's emissions by office location per full-time employee

Figure 5: Change in emission intensity metrics by each office (per FTE and per m²)

Ashmore office	2019/2020		2020/2021		2021/2022		% difference (from baseline FY19/20)	
	TCO_2e/FTE	$kgCO_2e/m^2$	TCO_2e/FTE	$kgCO_2e/m^2$	TCO_2e/FTE	$kgCO_2e/m^2$	TCO_2e/FTE	$kgCO_2e/m^2$
Colombia	0.5	31.0	0.1	7.0	1.0	53.6	92%	73%
Dubai (UAE)	25.2	1,540.0	4.7	278.0	18.2	946.8	-28%	-39%
India	–	–	–	–	5.6	150.1	–	–
Indonesia	2.0	74.0	0.5	17.0	0.7	24.0	-67%	-68%
Ireland	0.7	130.0	0.6	156.0	0.3	47.8	-57%	-63%
Japan	2.1	100.0	0.8	40.0	1.4	67.1	-33%	-33%
Peru	0.3	6.0	0.2	5.0	1.1	12.0	258%	100%
Saudi Arabia	5.5	161.0	2.8	114.0	5.0	199.9	-10%	24%
Singapore	1.2	59.0	0.2	10.0	1.1	49.6	-8%	-16%
UK	2.1	160.0	0.7	54.0	1.8	135.2	-13%	-15%
USA	4.1	177.0	1.3	46.0	5.4	183.8	33%	4%

[4] Using market-based emissions.

Emissions have also been calculated using an 'intensity metric', which enables Ashmore to monitor how well it is controlling emissions on an annual basis, independent of fluctuations in the levels of its activity. As Ashmore Group is a 'people' business, the most suitable metric is 'emissions per FTE'. Ashmore's emissions per FTE are shown in the table on page 17.

Carbon offsetting

Ashmore Group plc donates 0.5% of its profit before tax to charities each year, a proportion of which it donates to The Ashmore Foundation. Within the Foundation's donation is a specific amount to support the Group's objective to offset its greenhouse gas emissions. In this way, the initiative will have not only the desired offsetting outcome but also deliver social benefits in the emerging countries in which Ashmore invests and operates.

Ashmore sets its internal carbon price annually using the past three months rolling average market price of the first carbon futures contract traded on the European Energy Exchange. For the year ending 30 June 2022, the internal carbon price is EUR 83.46 (prior year: EUR 50.20). Ashmore will continue to review its internal carbon price methodology as industry best practice evolves.

Financial year 2021/22 initiative
IDEP Foundation – Indonesia

Eduforest learning activity with schoolchildren

To offset the prior year's GHG emissions, The Ashmore Foundation selected the IDEP Foundation in Indonesia, a country in which Ashmore has a substantial local presence in the form of its asset management business, Ashmore Asset Management Indonesia.

IDEP focuses on sustainable development with the philosophy of "helping people to help themselves". With the support provided by The Ashmore Foundation, it oversees a community-based agroforestry project in West Bali, with a range of environmental and social targets including the ability to offset carbon emissions through tree planting and forest conservation.[5]

The project's activities in the year will offset 203 tCO_2 emissions, substantially all of the 227 tCO_2e scope 1, 2, and 3 emissions reported by Ashmore Group plc for FY2020/21. The initiatives, including tree planting, are ongoing and IDEP expects to complete activities during 2022 to deliver the full offset. Importantly, IDEP has delivered beneficial environmental and social outcomes in the following areas:

- Established a community monitoring group to map and monitor at least 100 hectares of forest, with more to follow.
- 330 hectares of natural forest is being conserved.
- Providing livelihood alternatives to timber activities for 100 community members in the tourism industry (forest camping and trekking).
- Improved income capacity for low-income families through post-harvesting activities, for example coffee production and seed-saving.
- 424 students from three schools participated in tree-planting, improving their knowledge of conservation and climate change.
- Ongoing training of families in permaculture, agroforestry, and business management.

Future initiatives

The Ashmore Foundation continues to research and plan initiatives to support Ashmore's carbon offsetting objectives. While the scale of individual initiatives tends to be relatively targeted, the Group nonetheless believes that this approach is optimal because it helps communities in emerging countries and has greater direct impact than, for example, generically acquiring carbon-related securities.

[5] This approach means that the initiative may not be verified by a third-party certification body. Ashmore will review the requirements for certification over the coming years.

Responsible investment

Ashmore recognises that being a responsible investor brings with it a duty to act in a manner that benefits wider society. This responsibility is particularly acute in the markets in which Ashmore invests and operates, with the need to balance ESG factors with the financial wellbeing of Emerging Markets sovereigns and corporates.

Ashmore's purpose is to deliver long-term investment outperformance for clients and to generate value for shareholders through market cycles, while ensuring it acts as a responsible investor and steward of clients' capital. Ashmore's philosophy is underpinned by a fiduciary responsibility to its clients. Ashmore recognises the importance of responsible investing and the related opportunities and risks it presents.

The integration of the assessment of ESG risks and opportunities as well as an enhanced consideration of sustainability issues in the investment process has been an area of significant focus for the Firm. Ashmore aims to work collaboratively with its clients to develop a broad suite of products across the responsible investment spectrum.

Figure 6: Responsible investing is broad and often interpreted differently

	Traditional investing	Responsible investing	Sustainable investing	Impact investing	Philanthropy
	Financial returns driven				
			Sustainability impact driven		
Objective	Financial returns		+ Enhanced focus on sustainability issues	+ Focus or priority of sustainability impacts	Sustainability impacts only
Lens		ESG Risk lens	+ Sustainability lens		Sustainability lens only
Lever		+ Exclusions + Voting + Consideration of ESG risk	+ Consideration of sustainability issues + Active voting + Active engagement		
SFDR	Article 6		Article 8	Article 9	Out of scope
Ashmore	**All other funds**		**ESG-labelled funds**		**The Ashmore Foundation**

An ESG or 'sustainability risk' is an environmental, social or governance ('ESG') event or condition that, if it occurs, could cause an actual or potential material negative impact on the value of an investment. In accordance with Ashmore's ESG Policy, analysis of ESG factors is integrated into the investment processes in a similar way to how Ashmore assesses macroeconomic risk, financial performance, and credit metrics. This analysis combines risk factors, including for example, natural disasters risk and risks related to incidents of environmental pollution, societal stability, product quality and safety issues, supply chain and labour risks, health and safety failings, human rights violations and changes in the regulatory environment relating to sustainability. This is an indicative list only, and Ashmore recognises that the universe of relevant ESG risks will continue to evolve over time.

It should be noted that industry-wide standards and approaches evolve and therefore ESG can mean different things to different investors. Moreover, Ashmore recognises that many investors continue to evaluate the role that ESG will play in their strategies and portfolios.

Responsible Investment Governance

The responsibility for Ashmore's responsible investment activities lies with the Board, which delegates to the ESG Committee (ESGC) chaired by the Chief Executive Officer (CEO) and managed by the Head of Responsible Investment and ESG Policy.

The Committee meets formally at least quarterly and has representation from across the organisation, in particular the investment teams, risk management, operations, investor relations, distribution, and legal. Ashmore's integrated approach to ESG assessment means that reviews of ESG investment related activities are undertaken by the investment committees and the relevant theme sub-investment committees. The ESGC reviews and ensures the maintenance and integrity of all responsible investment/ESG processes and procedures.

Integrating ESG in the Investment Process

Ashmore has explicitly integrated the analysis of ESG factors into its investment processes, which reflects its philosophy that the incorporation of non-financial factors is essential to building a robust understanding and assessment of an issuer, and that over time this will improve investment performance, promote better corporate business models, and help foster more sustainable economic development. As with its credit and financial analysis, Ashmore's ESG research is primarily proprietary in nature, based on research visits and meetings with issuers, with additional context obtained using third-party data.

Ashmore's approach to ESG integration includes the use of proprietary ESG scorecards that are applied and implemented consistently across all the strategies managed by the Firm. Every issuer which is either owned or considered for investment, is scored. These scorecards form an integral part of the investment assessment both prior to holding as well as throughout until exiting. The ESG scores are reviewed at least annually and are also flagged for review on an event-led basis. These consider both historical and forward-looking factors and assess issuers on a global absolute basis (as opposed to relative-to-peer-group) to promote a 'best-in-class' scoring mind set.

Whilst governance-related issues have historically dominated non-financial factor assessment in Emerging Markets, climate and social equalities have notably risen in importance as both a driver of risk as well as opportunity. The ESG factors below have been identified by Ashmore to be of particular importance for assessment, seen through an Emerging Markets lens.

Figure 7: Factors considered in the ESG scorecard

	Corporate	Sovereign
Environmental E	Global impact including GHG emissions, local impact including water and waste management, incidents of environmental pollution, energy management, and use of green energy, policies, and innovations to limit negative impact.	Carbon emissions, clean energy development, climate adaption strategies, natural disasters risk and preparedness, resource use, and environmental regulations.
Social S	Employee diversity and inclusion, customer welfare, human rights and community relations, labour practices including health and safety, supply chain management, materiality of philanthropy spend, and product quality and safety.	Basic needs of population, societal stability, human development, economic freedom, labour rights, and inequality.
Governance G	Transparency and disclosure, governance structure, fair representation of minority interests, public listing and reporting, management accessibility, long-term incentive scheme KPIs, and strategies to mitigate the impact of ESG risks.	Progress to sustainability, institutional strength, rule of law, democratic processes, and corruption.

Sovereign issuers are scored by Ashmore's sovereign bond investment teams. The corporate debt and equities teams share the responsibility for the evaluation of the issuers that have issued either corporate debt and equity instruments, resulting in Ashmore having one common, joint ESG issuer assessment across asset classes. Furthermore, all the ESG scoring sheets, notes, and engagement activities are shared across Ashmore.

Ashmore's alternatives theme covers a diverse range of real assets in private equity, healthcare, infrastructure, special situations, distressed debt, and real estate opportunities. As such, the approach to ESG integration is tailored to the context of each market. Notwithstanding, the ESG scoring of these issuers is also conducted using the same proprietary ESG scoring methodology described above. Wherever possible, Ashmore also incorporates ESG assessment frameworks, which align to internationally accepted standards, including the PRI and the International Finance Corporation (IFC) Performance Standards for Real Estate investments. Furthermore, Ashmore's investment teams seek to ensure that its frameworks comply with local regulations and standards.

Ashmore has aimed to align its investment approach, including how ESG issues are integrated, with the investment horizon of its clients. This is primarily done through dialogue with the clients to account for liquidity requirements, performance objectives, and sustainability preferences.

Responsible investing solutions

In addition to the integration of ESG analysis across all investment themes, Ashmore has several dedicated ESG products[6] covering external debt, corporate debt, blended debt, and equity strategies.

Ashmore has managed dedicated Emerging Markets ESG strategies in both fixed income and equity since 2019 and 2020, respectively. These approaches consider sustainability issues and opportunities in more depth and set a higher standard for ESG performance in the determination of the investable universe, as well as in position-sizing and portfolio construction. In addition, we apply a wider set of industry and issuer exclusion criteria including those relating to revenues generated by issuers from the manufacture, distribution or sale of any defence, gambling, and tobacco, given their high negative externalities. It also means excluding industries that have high sustainability impact with a viable low-risk alternative, namely fossil fuels that can be replaced by renewables.

For client managed segregated mandates, Ashmore also customises client portfolios to meet specific ESG requirements for geographic, sector, and stock specific restrictions, as well as those mentioned above.

Firm-wide exclusions

In general, across all funds and segregated mandates, Ashmore restricts investment in companies engaged in the manufacture, distribution, and maintenance of controversial weapons. The scope and breadth of this restriction is outlined in Ashmore's Controversial Weapons Policy available on Ashmore's website. Ashmore funds and segregated mandates also restrict investing in issuers that Ashmore determines to have significant[7] involvement in the manufacture, distribution or sales related to pornography.

Furthermore, Ashmore seeks to comply with applicable government authorities, and where appropriate, screens investments against the UN Security Council and EU/UK sanctions and the US Office of Foreign Assets and Control lists.

As noted above, for the ESG product range, Ashmore applies minimum ESG score criteria. Any issuer that fails to meet the minimum combined score on any of the E, S or G scores, according to Ashmore's ESG scoring process, are automatically excluded from the portfolio. For additional information on this process, please refer to Ashmore's ESG Policy available on Ashmore's website.

[6] These include Article 8 funds under SFDR defined as "any Fund which promotes, among other characteristics, environmental or social characteristics, or a combination of those characteristics, provided that the companies in which the investments are made follow good governance practices."

[7] Significant involvement = any issuer generating > 10% revenue from pornography or related activity.

Contributing to the net zero transition

Ashmore recognises the importance for the financial sector to contribute to Climate Action (Sustainable Development Goal 6), and the related net zero transition. To achieve the economic transformation required to deliver 'net zero by 2050' financial flows must become aligned with a low-carbon economy and incentivise climate mitigation and adaption. This is particularly the case in Emerging Markets where there is a need to balance the low-carbon transition with improved access to energy and where the need for funding is paramount.

The main framework for asset managers in this regard is the Net Zero Asset Managers Initiative (NZAMI), which Ashmore joined in July 2021. Ashmore recently submitted its NZAMI Interim Target, and this is expected to be the main mechanism by which Ashmore addresses climate change mitigation.

As part of the NZAMI Interim Target, Ashmore has identified the scope of its AUM, which is to be managed in line with the net zero target, which initially will account for 6% of the Firm's AUM. Ashmore has included in the scope its ESG-labelled range of pooled funds, which includes all its SFDR Article 8 pooled funds. In addition, any client mandates managed to at least the same net zero ambition as that of Ashmore's Interim Target will be considered 'in scope'.

Ashmore will introduce a phased approach to include further funds and mandates within the scope where it has discretion to do so and believes it is aligned with clients' interests. Ashmore will engage with clients to include further mandates in this regard as well as continue to develop net zero solutions.

Ashmore has adopted the Net Zero Asset Owner Alliance (NZAOA) Target Setting Protocol to guide its implementation of NZAMI commitments. This framework recommends a combination of portfolio-specific targets, sector-specific targets, financing solutions, and engagement.

The equity and corporate debt assets aligned to net zero by 2050 will be managed to a portfolio decarbonisation reduction target of at least 22% by 2025 and at least 49% by 2030 (using 2021 as base year), in line with the recommended range by the NZAOA's Protocol, based on the Weighted Average Carbon Intensity metric. Absolute Carbon Footprints will also be made available and tracked to monitor alignment with the net zero intention.

Furthermore, Ashmore will also target climate-related engagement with the 20 investee companies with the highest owned emissions, as per recommendations by the Protocol.

Task Force on Climate-Related Financial Disclosures

Ashmore is a supporter of the Financial Stability Board's Task Force on Climate-Related Financial Disclosures (TCFD) and welcomes the recent incorporation by the UK's Financial Conduct Authority (FCA) of the recommended disclosures into its listing rules and its reporting requirements for financial services companies.

Ashmore recognises the responsibilities it has both as a premium-listed company on the London Stock Exchange and as a specialist Emerging Markets investment manager acting as a steward of clients' capital. It explicitly considers climate-related risks and opportunities in its operations and investment processes as recommended by the TCFD framework.

Ashmore understands the challenges faced by emerging economies and the environmental trade-offs that can have a greater impact on emerging nations compared with developed countries.

Ashmore has developed GHG emission reporting for its corporate and sovereign investments, which will be made available to clients to aid them in their own TCFD reporting.

The TCFD Report for FY2021/22 is published as a stand-alone report as well as included in this year's Ashmore Annual Report. Below is included a summary of the disclosures for each of the 11 TCFD recommendations across the four main sections: governance, strategy, risk management, and metrics & targets.

Governance

1. **The Board's oversight of climate-related risks and opportunities**
   In line with Ashmore's Corporate Governance framework, Ashmore's Board has delegated day-to-day responsibility of climate-related issues to Ashmore's Executive Directors and the Group's specialised committees. The Board is updated at least annually on the Group's Responsible Investment Strategy, which includes climate-related topics.

2. **Management's role in assessing and managing climate-related risks and opportunities**
   The ESG Committee is the primary forum for responsible investment matters and is chaired by the CEO with representatives from across the Group. The assessment and management of ESG risks and opportunities into investment processes, including those related to climate, is also monitored through Ashmore's investment committees.

Strategy

3. **Climate-related risks and opportunities identified over the short, medium, and long term**
   Over the short term, medium term, and long term, Ashmore has identified limited direct exposure to material operational climate-related risks. Identified transition risks include the evolving regulatory environment, with opportunities which include the need for capital to flow to Emerging Markets to fund the low-carbon transition.
   The consideration of transitional and physical climate-related risks forms part of Ashmore's ESG assessment – an integral part of the investment process.

4. **The impact of climate-related risks and opportunities on businesses, strategy, and financial planning**
   The identified climate-related issues outlined above have not significantly affected Ashmore's business, strategy, and financial planning. The main identified impact is that relating to the development of investment solutions to respond to changing regulation and demand.
   The extent to which climate-related issues, including the transition to a lower-carbon economy, impacts individual investments is assessed through the ESG scorecard

5. **The resilience of Ashmore's strategy considering different climate-related scenarios**
   Ashmore concludes that its operational strategy will prove to be resilient if faced with more severe effects of climate change.
   Ashmore continues to examine ways in which climate-related scenario analysis can be used to augment the Board's review and challenge of Ashmore's strategy and to assist in the ongoing development of the Group's investment management capabilities.

Risk management

6. **Process for identifying and assessing climate-related risks**
   Ashmore's internal control framework provides an ongoing process for identifying, evaluating, and managing the Group's emerging and principal risks, and identifies associated controls and mitigants. This includes Ashmore's Principal Risk Matrix, which explicitly identifies climate risk.
   For Ashmore's Investment Management function, climate-related risks are identified and assessed as part of the ESG scorecard.

7. **Process for managing climate-related risks**
   Ashmore's principal risk matrix includes climate-related risks and associated controls and mitigants, and it is challenged on a quarterly basis by both the Risk and Compliance Committee and the Board's Audit and Risk Committee.
   The primary tool for managing issuers' climate-related risks is the ESG scorecard, where an issuer's ESG scores are reassessed at least annually. Ashmore also manages climate-related risks through its engagement efforts with sovereign and corporate issuers on a range of climate-related topics, both directly and in collaboration with other stakeholders.

8. **Integrating the identification, assessment, and management of climate-related risks into the overall risk management**
   Climate-related risks are considered in a similar manner to other emerging or principal risks. The identification, assessment, and management of such risks are integrated fully into Ashmore's robust risk management culture and its internal control framework.

Metrics and targets

9. Metrics used to assess climate-related risks and opportunities

Ashmore uses a combination of qualitative and quantitative approaches to assess climate-related risks and opportunities, encompassing both corporate and investment activities. These will continue to evolve in response to evolving client and regulatory requirements and industry best practice. Quantitative metrics include GHG emissions and an internal carbon price.

10. GHG emissions

Ashmore Group plc reports its scope 1, 2, and 3 GHG emissions. In FY2021/22, the total was 654 tCO_2e (see page 16).

Where appropriate, GHG emissions are now available to Ashmore's clients for individual funds and mandates. In addition, emissions for a representative selection of funds have been included in the full TCFD Report.

11. Climate targets

A principal target for FY2021/22 was to offset the Group's prior year GHG emissions via The Ashmore Foundation, which will result in the offset of 203 tCO_2e.

Ashmore joined NZAMI in July 2021 and the initiative provides the primary target-setting framework for Ashmore's investment management function. The equity and corporate debt assets aligned to net zero by 2050 will be managed to a portfolio decarbonisation reduction target of at least 22% by 2025 and at least 49% by 2030.

Stewardship and engagement

Ashmore believes that through strong relationships with sovereign and corporate issuers of debt and equity, the Firm can positively influence outcomes related to ESG risks and an issuer's management of sustainability concerns. Ashmore sees such active ownership to be an integral part of its fiduciary duty as well as an important tool to enhance and preserve the value of its clients' investments.

Building on the Firm's previous engagement activities, the Ashmore Engagement Strategy, outlined in the Engagement Report, was updated in 2021 and 2022 to reflect prevailing industry guidance. The updated Strategy consists of four areas: direct engagement with issuers, collaborative and collective engagement efforts, escalation strategies, and exercising voting rights and responsibilities.

The main body of Ashmore's engagement efforts is in the form of engagements between Ashmore's portfolio managers and issuers. These are typically referred to as bilateral engagement efforts that can be triggered by an issuer or sector specific ESG risk or sustainability issue.

Figure 8 shows how Ashmore's engagement efforts are distributed across corporate debt, equities, and sovereign debt.

Figure 8

Corporate Debt	35%
Equities	46%
Sovereign debt	19%

228
Number of issuers with which Ashmore engaged.

331
Number of engagement efforts undertaken by Ashmore.

In 2021 Ashmore engaged with 228 issuers across 331 engagement efforts. Of these, 55% had a pre-determined objective. The main topics for engagement were climate change followed by the need for better ESG disclosure and reporting.

Figure 9: Engagement topics

Environmental	
Climate change	25%
Environment	5%
Social	
Society	7%
Workplace	9%
Governance	
Board	10%
Core governance	8%
Other	14%
ESG	
Generic	22%

Another important component of the Engagement Strategy is engagement conducted as part of collaborative efforts with other investors or collective efforts typically arranged by industry initiatives.

In 2021 Ashmore participated in three such efforts of note: the Firm supported a letter to governments on strong climate action arranged by The Investor Agenda, participated in decarbonisation-focused engagements as part of Climate Action 100+, and published a position paper on the policy required to address the Paris Agreement highlighting the contrasting position of emerging and developed markets.

THE INVESTOR AGENDA ACCELERATING ACTION FOR A LOW-CARBON WORLD

Climate Action 100+

NET ZERO ASSET MANAGERS INITIATIVE

If Ashmore determines that its engagement efforts are not yielding the desired results it might choose to escalate the engagement. This is considered on an exception basis and can take several forms e.g. a downgrade of the Ashmore ESG score, a vote against the re-election of Directors, or divestment. Selling a position is considered a last resort as, by divesting, Ashmore would no longer have the opportunity to directly influence the issuer.

Ashmore considers exercising voting rights and responsibilities to be an important aspect of its role as a responsible investor. Ashmore aims to vote on all votable ballots and voted in 2021 on 93% of the votes presented. Ashmore has an active approach to voting with all votes being instructed by portfolio managers. As a result, in 2021 9% of votes were against management while 4% of votes were against independent advice.

Figure 10: Vote cast statistics

For	81%
Abstain	9%
Withold	1%
Against	9%

Further details are outlined in the Ashmore Engagement Report 2021.

The Ashmore Foundation

Supported by The Ashmore Foundation, The WONDER Foundation provided emergency supplies to 100,000 refugees in Poland and 20,000 Ukrainians on the border.

Emergency relief funding to Ukraine

Following Russia's invasion of Ukraine in early 2022, a humanitarian crisis unfolded displacing over 7 million people and affecting the lives of millions of children and families in the country. In line with the Foundation's commitment to respond to emergencies and ensure civil society organisations and their beneficiaries are supported at their most vulnerable, the Trustees approved donations of USD 100,000 to deliver humanitarian aid and medical supplies to support people displaced by the conflict.

Two of the organisations supported through this funding were Razom who shipped hundreds of tons of tactical medical equipment and supplies to Ukraine, and The WONDER Foundation who provided emergency supplies to over 100,000 Ukrainian refugees in Poland.

The Trustees have approved further support as the crisis continues and the needs of refugees and those affected by the conflict evolves.

Ashmore matched donations made by its employees to the Ukraine emergency funding appeal.

Since its establishment in 2008, The Ashmore Foundation has partnered with over 75 local organisations in 26 Emerging Markets countries to equip women and young people with the skills and resources they need to generate income, drive system change, and have a positive environmental impact on their local communities and beyond.

The Ashmore Foundation functions independently of Ashmore and is registered in the United Kingdom as a charity and company limited by guarantee. It is staffed by an Executive Director who is responsible for managing the Foundation's affairs. The Ashmore Foundation board of trustees consists of 10 Ashmore employees, one Ashmore Group plc Non-executive Director and one independent trustee. In addition to the board of trustees, Ashmore employees are encouraged to engage directly in the governance of the Foundation through involvement in sub-committees.

Ashmore supports the Foundation's charitable activities through the provision of pro-bono office space, administrative support, and a matched funding commitment for employee donations to the Foundation.

Ashmore Group plc donates 0.5% of its profit before tax to charities each year, a proportion of which it donates to The Ashmore Foundation to deliver its charitable grant strategy.

Ashmore employees actively support the Foundation through a global annual giving program as well as organising and participating a range of fundraising events from wine tastings to sports competitions. In previous years employees have summited the UK's three peaks, competed in RideLondon 2022 and walked the length of Hadrian's Wall to raise funds to support the Foundation.

Delivering Social Impact in Emerging Markets

The Ashmore Foundation's grant strategy is underpinned by the belief that gender equity, systems change, and a people-first climate approach are necessary to support economic and social development at a time when inequality continues to rise in the Emerging Markets.

The Ashmore Foundation believes that with the right support and investment in education, employment, and entrepreneurship, people can grow and prosper to break the cycle of poverty that disproportionately affects women and young people in Emerging Market countries. The Foundation therefore focuses its social investment strategy on programmes that aim to equip people with the skills and resources they need to increase their livelihood opportunities, enabling them to meet their basic needs while also supporting economic growth and beginning to address broader societal inequalities.

The Ashmore Foundation

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