

Corporate Social Responsibility report

Ashmore Group plc

Signatory of:



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I. Introduction

Ashmore¹ recognises the importance of Corporate Social Responsibility (CSR) incorporating transparency, fairness, accountability and integrity and believes that these principles are fundamental to the Group's operations.

The Group continues to monitor best practice developments in all relevant areas of CSR, including its approach to investing, community programmes, employees, and environmental management. Ashmore's CSR programme and initiatives are designed to be relevant to the nature and scale of its business and to protect and reinforce the Group's reputation and integrity. Ashmore looks forward to building upon these firm foundations for the future.

Consistent with the various philosophies explained herein, Ashmore is a signatory of the UN Principles for Responsible Investment (UNPRI).

II. Investing In Emerging Markets²

Investment approach

Ashmore is a leading Emerging Markets fund manager with over 20 years' experience of investment expertise through active management across its core investment themes: external debt, local currency, corporate debt, blended debt, equities, multi- strategy, alternatives in addition to currency overlay/liquidity.

A detailed description of each of Ashmore's individual investment themes is set out on its website www.ashmoregroup.com/investment-themes. The split of assets under management between each of the investment themes by mandate and by investor type is set out in Ashmore's annual and interim reports and in investor presentations which are published on its website.

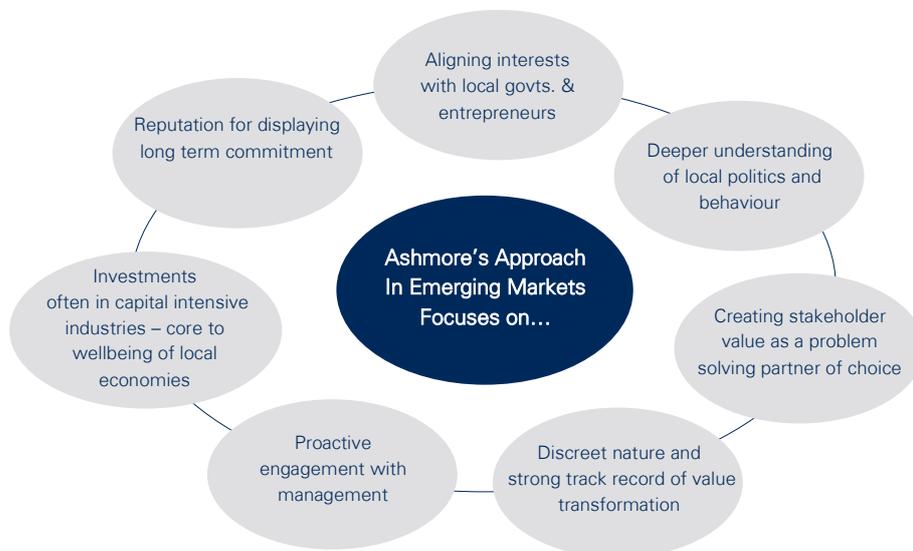
Ashmore's Investment Committees' processes ensure a consistent and holistic approach to all investments within its clients' portfolios. Ashmore's experience in managing investments within the Emerging Markets has enabled it to experience first-hand the advantages of qualitatively evaluating environmental, social and governance factors and incorporating them within its portfolios.

Ashmore believes that there are many potential asset classes in emerging countries as well as many different risk return profiles which it will be able to offer its clients in the future. As capital markets grow rapidly in Emerging Markets Ashmore aims to participate in that

¹ Ashmore Group plc and its affiliated companies in and outside the UK.

² An emerging market is any country which is considered middle income or low income by the World Bank. Under this definition emerging market countries constitute approximately 80 per cent of the global population

growth, enabling access to these markets by both developed world pools of capital and also, increasingly, by Emerging Markets pools of capital.



Building long-term constructive relationships that strengthen reputation, build brand and lead to further deal flow

Business conduct and integrity

Ashmore believes that its reputation as an **ethical, trustworthy provider of investment services** is essential to its core purpose of helping clients to build their financial security. Ashmore seeks to establish and maintain long-term relationships with its clients and intermediaries and believes this to be a fundamental pre-requisite for the growth of its business.

Responsible investing across Ashmore’s themes

Ashmore aims to ensure that the governance bodies of the investments it makes comply with their own industry standards and best practice, treat their employees fairly, have active community programmes and operate with sensitivity to the environment. Ashmore has made investments in a number of renewable energy projects in different countries including hydro-electricity, geothermal energy and sugar-based ethanol production. Investments have also been made in a Middle East based technology company which provides systems products and services for the reduction and recycling of waste and the preservation, protection and restoration of the environment; and, in China, in a company which makes batteries for electric vehicles, principally for use in buses. These investments on behalf of clients reflect Ashmore’s overall approach to combining ethical investing with sound business practice.

Amongst the initiatives undertaken in South America, is the establishment of an Environmental and Social Management System (ESMS) for the management of investments of a new investor fund in Colombia within the Alternatives investment theme. This fund has

been developed in a form and substance acceptable to the Inter-American Development Bank (IDB) and International Finance Corporation (IFC).

Ashmore's funds and segregated accounts each have a specific investment mandate which sets out the parameters for investment. Within the Equities and Corporate Debt themes Ashmore is able to screen client portfolios to meet client requirements for geographic, sector and stock specific restrictions. Stock specific restrictions may include securities which meet clients' own ESG criteria.

Examples of investment areas where screening of portfolios can be offered based on (or informed by) client requirements (using recognised investment industry identifiers and coding into Ashmore's portfolio management system) include:-

- Alcohol
- Animal / Food products
- Armaments manufacturers or dealers
- Gambling
- Pornography
- Tobacco

Ashmore at all times seeks to comply with all sanctions imposed by applicable government authorities, and also at a geographical level; and screens across all investment themes for countries which are on the United Nations and EU/UK Sanctions and the US Office of Foreign Assets and Control (OFAC) lists, for example during the Russia/Ukraine crisis.

Environmental, Social and Governance (ESG) philosophy

Equities

ESG criteria tend to be focused primarily on equity investing because of the influence which shareholder interests are able to exert on the management of a particular company.

Ashmore believes that the way in which companies manage their relations with stakeholders can have an impact on business performance. These stakeholders encompass employees, local communities, wider society, governments, supply chains, customers and the natural environment. There are a wide range of ESG issues which could be relevant for a company depending on the industry in which it operates and its specific business profile. ESG issues can become new sources of risk or opportunities for companies, and a company's ability to respond to these issues can therefore act as an early signal of long-term competitiveness. To the extent practicable, Ashmore routinely monitors the ESG performance of the companies in which it invests through on-going company visits and other information channels. Generally, companies disclose corporate governance practices through corporate policies, stock market listings, and market press releases (for example, Brazil has a separate category for companies committed to corporate governance best practice). Companies may also disclose environmental and social practices in annual reports

and other reports to investors. These are then highlighted, as appropriate, in Investment Committee reports when relevant.

Ashmore's top down allocation model evaluates country stock metrics relative to history and one year forward. Hence, the risk premium imputed by the market to a given country is captured. To make this more explicit, however, Ashmore reviews ESG rankings of countries within its mandate per output from Bloomberg. The scoring and ranking is based on ESG principles as rated by World Bank, US Energy Information Administration, Heritage Foundation and Economist Intelligence Unit. Ashmore also evaluates country exposures weekly at its portfolio managers' meetings, and considers country risks in the review channels.

ESG metrics are used to measure, analyse, and rank securities. Assessments at the stock level tend to be qualitative and based on company public disclosures, interviews and/or company visits. In addition, Ashmore gathers information from market related channels, such as suppliers and clients. These assessments are then factored into the valuation and profitability metrics, which are evaluated relative to history, country and industry comparators. Companies that rank highly will exhibit higher multiples and vice versa.

As a global investor, Ashmore recognises that legislation and best practice standards vary among countries and regions, and that it must remain sensitive to these differences. However, at a minimum, Ashmore expects the companies in which it invests to comply with the national legislation that applies to them.

Alternatives

Ashmore's Alternatives investment theme often involves its funds taking significant stakes in investee companies. In such circumstances Ashmore is in a **position to positively engage with the management** of these companies. In many cases Ashmore believes it to be beneficial to its investors to be pro-active in promoting its brand locally by improving the livelihoods of the employees in those companies where it has a significant stake. When undertaking initial due diligence on any investments within the Alternatives theme Ashmore's deal memorandum checklist takes into account the consideration of ESG issues within the investment analysis and decision making process, and the investee company's own ESG practices.

Fixed income

Within Emerging Market Debt segregated accounts, Ashmore offers clients the flexibility to implement their ESG constraints related to specific countries, sectors and securities (for example, restricted lists, concentration limits etc.).

Engagement

Within mature markets, ethical investing has often been portrayed as a 'negative' concept i.e. it involves a decision not to invest in a certain way. Whilst these concepts are well accepted in mature markets Ashmore believes that they are not necessarily conducive to helping emerging economies develop. In the context of developing countries Ashmore

believes that it is also possible to apply other concepts such as engagement within the ethical investment debate.

In the Equities theme Ashmore believes that good corporate governance helps to align the interests of company management with those of its shareholders. Where possible, Ashmore seeks to maintain constructive dialogue with company management.

Ashmore considers whether companies have corporate governance frameworks that are in line with applicable country codes and serve shareholder interests. Views on corporate governance do not constrain investment decisions however; often the best investments can be in companies where an improvement in corporate governance practices is anticipated. In many jurisdictions, and to the extent consistent with Ashmore's fiduciary duty to its clients, Ashmore exercises voting rights as a means to signal views to company management. Ashmore has developed detailed guidelines to guide voting decisions, but will, as appropriate, consider resolutions on a case-by-case basis taking into account all available information.

The majority of Ashmore's assets continue to be invested in either fixed income (the majority of which is sovereign) or local currencies. In the case of fixed income investments, Ashmore's ability to have an influence is generally limited to a decision whether or not to invest. However, at a country level Ashmore believes that it is able to exert an influence through dialogue with governments and central banks. In order to assist with the debate on the broader issues affecting emerging markets, to enhance the understanding of these markets globally and to address market failures, Ashmore engages with numerous international public sector financial institutions with the objective of aiding transparency and best practice. **Engagement with a country, as opposed to disengagement**, is akin to many small pressures every day as opposed to one 'big stick'. By remaining engaged over an extended period of time it is often possible to have a positive influence and to add credibility.

Where Emerging Markets are concerned therefore, it is believed that in certain circumstances it may be **more beneficial to keep investment flowing** combined with the influence which accompanies it in order to continue being able to help a country's population. In country specific terms at the extreme, being cut off from capital may allow undemocratic rulers to control their people by attributing blame for economic problems to foreign actions. Sanctions may be counter-productive and may reduce the welfare of the population considerably. Conversely, to the extent that governments pursue policies that are not in the best interests of that country then this is likely to become a bad investment proposition. Hence Ashmore takes investment and engagement/disengagement decisions on a case by case basis relative to the specific circumstances and investment criteria in the best interests of clients.

Ashmore does not always evaluate quantitative variables in its assessment of country risk but will also examine qualitative factors such as the relationship between politics and economics and their interaction. Ashmore has always sought to develop networks locally in order to adopt a better quality of forward looking decision making in this area and to promote an understanding of local cultures and politics.

Proxy voting and corporate actions

Subject to specific mandate restrictions, Ashmore is generally responsible for voting proxies and taking decisions in connection with proxy voting with respect to equities, bonds, loans or other debt instruments held by or on behalf of the clients for which it serves as investment manager/adviser.

Where Ashmore is given responsibility for proxy voting and corporate actions, it will take reasonable steps under the circumstances to ensure that proxies are voted in the best interests of its clients. Protecting the financial interests of its clients is the primary consideration for Ashmore in determining how to protect such interests. This generally means proxy voting with a view to enhancing the value of the securities held by or on behalf of Ashmore's clients, through maximising the value of securities, taken either individually or as a whole.

UK Stewardship Code

Details on how, and the extent to which, Ashmore complies with the principles of the UK Stewardship Code are described separately on the Ashmore website at:

<https://www.ashmoregroup.com/investor-relations/corporate-governance>

III. Community

The Ashmore Foundation

The Ashmore Foundation

Investing locally in Emerging Markets communities

The Ashmore Foundation was established in January 2008 and seeks to make a positive and sustainable difference to disadvantaged communities and particularly young people in the Emerging Markets communities in which Ashmore operates and invests. To achieve this goal, the Ashmore Foundation aims to develop long-term relationships with high impact, locally based non-government organisations (NGOs). The Ashmore Foundation's financial support enables these organisations to directly enhance human welfare, opportunities and skills.

The Ashmore Foundation has a full time Director in order to develop and manage the Foundation's affairs. The board of trustees consists of six Ashmore employees in addition to one independent trustee. Ashmore also 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 Ashmore Foundation. The Ashmore Foundation is supported solely by Ashmore and its employees globally. Crucially, this support from employees extends beyond financial aid through to active engagement in fundraising – such as the Ashmore Three Peaks Challenge which raised over £53,000 for two grantees - and a network of support which includes mentoring and helping NGOs expand their network of contacts.

The Ashmore Foundation's focus of work is designed in response to the fact that, despite economic growth in Emerging Markets, disadvantaged communities in many countries remain affected by poverty and lack access to basic healthcare, services and education opportunities that are both a basic right and could greatly improve their life situations. Moreover, a thriving civil sector is essential to democratic development in nascent and emerging nations.

The three main areas of focus for the Ashmore Foundation are:

Education

- Making education more inclusive for vulnerable children and young people
- Improving access to and quality of education
- Preparing disadvantaged students for real life

Health

- Increasing knowledge of and access to nutrition, safe water and sanitation Improving access to basic health services (particularly maternal and child health)
- Reducing risky behaviours of young people through education

Livelihoods

- Providing vocational training for disadvantaged young people
- Building community knowledge, resources and capacities for sustainable local enterprise
- Supporting effective social enterprise which benefits disadvantaged groups

The Ashmore Foundation currently has seven priority countries (Brazil, Colombia, Mexico, India, Indonesia, Philippines and Turkey) based on the location of Ashmore offices and significant investments, as well as the existence of a strong civil sector and clear social needs on which the Ashmore Foundation can focus. Supporting locally based NGOs in EM reflects Ashmore's desire to 'give back' to the countries that have contributed to its profitability, supporting empowerment and local capacity in Emerging Markets.

The Ashmore Foundation supports civil society organisations through two grants schemes; small grants of up to £5,000 of unrestricted funding and partnership grants which are longer term funding relationships, typically between £20,000 and £50,000 per year over three years. Whilst The Ashmore Foundation does not accept unsolicited applications, small grants are specifically designed to support employee recommended organisations. Partnership grantees are sourced through recommendations from experts, existing partners and detailed research undertaken by Ashmore Foundation staff.

All proposals to the Ashmore Foundation undergo a rigorous assessment which is designed to review not only the proposed activities but the organisation as a whole – taking into consideration day to day management, strategic governance, charitable activities and results, resources and accountability. The level and depth of due diligence is proportionate to the size of the grant under consideration.

In addition to the grants programme, the Ashmore Foundation supports civil society organisations through funding partnerships with other foundations, These partnerships enable the Ashmore Foundation to bring to its resources to bear with the skills and expertise of other organisations to most effectively support civil society.

Through the Ashmore Foundation, close to £2.5 million has been committed to more than 50 charitable causes throughout the Emerging Markets since inception in 2008.

www.ashmorefoundation.org

IV. People

Ashmore directly employs approximately 300 people in 11 countries worldwide, excluding employees in companies significantly controlled by funds that Ashmore manages. Ashmore's people have always been its most important asset, at the heart of everything it does. The Group has many talented people and it remains a priority to develop, manage and retain this talent in order to deliver the potential of the organisation. Ashmore wishes to be an employer which the most talented people aspire to join wherever it operates.

Ashmore recognises that the involvement of its employees is key to the future success of the business and adopts a practice of keeping employees informed on significant matters affecting them, via email and in meetings arranged for the purpose. Ashmore is also committed to following good practice in employment matters, recognising the part this plays in attracting and retaining staff.

Ashmore seeks to ensure that its workforce reflects, as far as practicable, the **diversity of the many communities** in which its operations are located. Ashmore also 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. Ashmore encourages employees to act ethically and to uphold clearly the standards of practice which its clients have come to expect. It also means ensuring that employees understand the strategic aims and objectives of the Group and are clear about their role in achieving them.

Ashmore works to **ensure employee policies and procedures reflect best practice** within each of the countries where it has a presence. 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 also in respect of medium to long term growth for employees, personally, professionally and financially.

High ethical standards

Ashmore's Board of Directors seeks to maintain a strong corporate culture employing high standards of integrity and fair dealing in the conduct of the firm's activities, compliance with both the letter and the spirit of relevant laws and regulations, and standards of good market practice in all jurisdictions where the Group's business is carried out. The Board's aim is to enable Ashmore to demonstrate that the Group is fit and proper to undertake its business, to safeguard the legitimate interests of Ashmore clients and protect Ashmore's reputation.

Ashmore's UK regulated financial services entities are Ashmore Investment Management Limited (AIML) and Ashmore Investment Advisors Limited (AIAL) which are authorised and regulated by the Financial Conduct Authority (FCA). Other investment management subsidiaries located overseas are regulated by the appropriate authorities in the countries of domicile. Compliance is a key element in the overall investment architecture of the

organisation. The **compliance function is fully integrated** and co-ordinates the compliance process across all entities in the group. Compliance maintains a detailed Compliance Manual which all employees are required to acknowledge that they have read and understood. Regular compliance training is given to all employees and new employees are required to attend a compliance induction process.

Ashmore **actively promotes high ethical standards**. To support this objective, Ashmore has a published Code of Ethics that sets out the culture, standards and operating principles that guide its actions in the markets in which it operates.

Personal securities trading by employees is subject to compliance approval procedures and is monitored to ensure this does not lead to a conflict of interest. Employees are not permitted to solicit or accept any inducements which are likely to conflict with their duties to clients.

Compliance declarations

All employees are required to sign a declaration that they acknowledge and understand the Code of Ethics. Personal securities trading is subject to a separate declaration on a regular basis. Employees are also regularly required to acknowledge and sign a declaration relating to the maintenance of their training and competence. Information on the receipt of declarations is reported to the Risk and Compliance Committee.

Further details on internal controls and risk management processes are contained in Ashmore's Annual Report which is also available on its website.

Financial crime

Ashmore is committed to minimising financial crime (including money laundering, bribery and corruption, fraud and market abuse). Ashmore has adopted risk-based policies and procedures on financial crime and is committed to ensuring that its customers' identification will be satisfactorily verified before a business relationship commences and this is on-going throughout the course of the relationship.

Training is provided 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 has procedures in place to afford staff with a means of airing concerns about behaviour or decisions that are perceived to be unethical. This can be done either directly or on a confidential basis about possible wrongdoing in the firm ('whistleblowing procedures').

Recruitment

Ashmore believes that its unique business model and culture leads existing employees to recommend Ashmore as a good place to work to help the Group to attract the most talented candidates.

Training

Ashmore employs qualified, talented professionals to manage clients' money and to work in support functions. However, Ashmore recognises that **development is a career-long activity** and so it will also support any necessary professional development or qualifications that will assist employees in developing and maintaining their levels of competence. All employees are provided with a comprehensive induction on joining the business providing an introduction to the company's structure, culture, operations and practices which includes amongst these areas all elements of compliance issues, an understanding of the key business ethics operating within the Ashmore group, current best practice and up-to-date information on relevant regulations.

Continuing professional development is also taken very seriously at Ashmore, and all staff must undertake bi-annual reviews of the learning and development they have undertaken during the review period and formally document and record their achievements.

Communication

Ashmore communicates with all employees worldwide via e-mail and also uses employee meetings to facilitate the exchange of views with senior management and discuss the progress made by the group.

On an annual basis, Ashmore aims to bring together employees from all global locations, either in person or through video or telephone conferencing, in order to **facilitate better relationships and communication** between areas of the group and to ensure that there is a consistent strategy message delivered to all employees.

Employee development

Ashmore believes that constructive performance management is an essential tool in the effective management of its people and business. Ashmore ensures all employees are competent to undertake their roles, have access to training as it is required, and can demonstrate their continuing professional development.

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, career development and progression.

Progression and recognition

Ashmore is committed to internal progression of its employees to ensure that it retains the most talented people.

The **diverse and global nature of our business** allows the organisation to consider placing talented individuals into very different opportunities around the globe and into very different types of businesses in order to foster their development, and to benefit clients.

Remuneration

Ashmore's remuneration structure is designed to align the interests of employees with shareholders. It is believed that by making sure **employees are truly stakeholders in the business**, their actions and decisions will consistently be for the benefit of clients, shareholders and the Company.

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

Financial

- Annual discretionary compensation scheme
- Defined Contribution Pension Scheme
- Group Life Assurance
- Season Ticket Loans

The annual discretionary compensation scheme is structured to be compliant with the relevant regulatory guidelines. This scheme involves both an annual cash bonus as well as an equity award. Ashmore encourages employees to take a long-term view of both their and Ashmore's performance and the decisions they make, and has structured the equity scheme such that this proportion of the employees' remuneration is deferred for five years.

Non-financial

- Holiday
- Private Medical scheme
- Annual wellbeing medicals

Ashmore recognises the importance of ensuring that the work/life balance of employees is appropriate. Employees are therefore given generous annual leave entitlements in addition to all public holidays.

Ashmore's **employees' health and wellbeing is vital to their sustained performance** at work and therefore facilities are provided for employees to cycle to work or take part in other sporting activities from work.

In the UK, Ashmore operates an integrated healthcare approach whereby its private medical health provider and occupational health clinics work hand in hand to promote wellness amongst employees. Ashmore offers the following facilities:

- Private Medical care is provided for employees and their families, in addition to annual well-woman or well-man health checks for staff
- Ashmore also provides eye-test vouchers for employees. VDU users are also entitled to vouchers to purchase glasses if required
- Annual flu jabs and any required business travel vaccinations are also provided free of charge, in addition to access to a Private GP service

- Childcare voucher options are also available to provide our employees with the flexibility to match the composition of their total remuneration to their personal circumstances

Similar healthcare arrangements are also offered in many of Ashmore's international offices.

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 employs over 29 different nationalities throughout the organisation. The gender balance is currently 65% male and 35% female³.

Gender Diversity (number of employees)



It is the Group's policy to give appropriate consideration to applications from disabled persons, having regard to their particular aptitudes and abilities. For the purposes of training, **career development and progression** (including those who become disabled during the course of their employment) all are treated on equal terms with other employees. 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 whilst at work.

Health and safety

The health and welfare of employees is very important to the Group.

Ashmore promotes high standards of health and safety at work and has a comprehensive health and safety policy which is incorporated into the staff handbook and which highlights the commitment to ensuring employees are provided with a safe and healthy working environment. In London Ashmore carries out regular risk assessments of premises and provides staff with safety training including training to fire wardens and first aid representatives. Ashmore also engages external consultants to carry out regular health and safety and fire assessments in its London premises.

There have been no reportable accidents in the UK or international premises.

³ At 30 June 2014

Taxation

Ashmore is committed to paying tax in accordance with all relevant laws and regulations and complying with all fiscal obligations in the territories in which it operates. To facilitate this, the Group works to create and maintain transparent and open working relationships with all relevant tax authorities. Ashmore aims to maximise value for its shareholders and clients by managing its business in a tax efficient and transparent manner, within the remit of the applicable tax rules.

Human rights

Ashmore supports the United Nations Universal Declaration of Human Rights.

V. Environment

As a company whose business is fundamentally based on intellectual capital and does not own its business premises, Ashmore has a limited direct impact on the environment but nevertheless recognises that it has a responsibility to manage this as effectively as possible. The Group continues to **promote energy efficiency and the avoidance of waste** throughout its operations and a number of initiatives, such as the recycling of paper, glass and other waste and the use of 'green' energy, are encouraged.

Property

Ashmore does not own any of the buildings where it occupies floor space and invariably buildings in which it does have a lease are multi-tenanted and costs are apportioned to each tenant pro-rated according to occupancy.

Ashmore's largest property occupancy is at its headquarters at 61 Aldwych, London where it occupies 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 renewable energy accounting for a minimum of 10 % of supply. Energy efficient lighting is installed in the building with sensors which turn lights off when no movement is detected. The building has received an Energy Performance Certificate with an Asset Rating of 98.

Mandatory greenhouse gas emissions reporting

As of the 1 October 2013 all companies listed on the Main Market of the London Stock Exchange are required to report their Scope 1 and 2 Greenhouse Gas emissions (GHGs) in their Annual Report.

Although the first reporting year for which it must do this is for the financial reporting period ending on 30 June 2014, Ashmore provided a summary of this information in last year's Corporate Social Responsibility section of the Annual Report.

Operational control methodology

Ashmore has adopted the operational control method of reporting which includes those entities over which Ashmore has operational control. The emissions reported below are for the 12 offices around the world where Ashmore exercises direct operational control. These office emissions are those which are considered material to Ashmore .

Emission 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

reported⁴. 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 some Scope 3 emissions in order to offer a wider picture to stakeholders and investors.

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:

- For Ashmore Group's China, Hong Kong and New York offices, no 2013/14 data was available for collection. In these instances, the 2012/13 data (and relevant estimated data) was used instead.
- Refrigerant top-up data was provided for the entire building complex, in which Ashmore Group's India office occupies approximately one-eighth of one of the 60 floors. A scaling factor was applied to estimate refrigerant leakage attributable to Ashmore Group's Indian operations.
- Where possible, missing electricity data was either extrapolated, where less than 12 months' data was available or, where no country data was available, 2013 data was used instead.
- Missing water data was estimated using a per-head average consumption figure, calculated from the offices which did provide data.
- Waste data was estimated for Brazil and Washington based on scaling data gathered for the entire buildings, which Ashmore Group occupies a portion of. For Brazil, 2013 data was used as no current waste data was available. UK office waste data was extrapolated, as less than 12 months' waste data was available. Where offices were not able to provide any data for their buildings it was not deemed appropriate to estimate their waste data, due to the uncertainties surrounding the varying nature of building sizes, modes of working and cities' waste disposal infrastructure amongst other factors.

Methodology

All data has been collected and analysed in line with the GHG Protocol Corporate Accounting and Reporting Standard⁵. Defra's UK and international 2014 emission factors⁶ have been applied. Ashmore has used a customised tool, developed by an independent consultant, Ricardo-AEA Ltd, to undertake the emissions calculations which has also reviewed the data inputs and outputs

⁴ Scope 1 emissions relate to gas combustion and refrigerant usage.
Scope 2 emissions relate to purchased electricity.
Scope 3 emissions relate to water usage, air travel and office waste

⁵ <http://www.ghgprotocol.org/>

⁶ All emissions factors have been selected from the emissions conversion factors published annually by Defra.
<https://www.gov.uk/measuring-and-reporting-environmental-impacts-guidance-for-businesses>

Ashmore's emissions

Air travel accounts for the greatest amount of overall emissions (2133 tonnes CO₂e, 79%). Nearly 19% of Ashmore Group's emissions come from purchased electricity across the business (512 tonnes CO₂e). Waste (based on the data available) accounts for the lowest level of emissions.

Ashmore's Emissions by Scope

Scope	Source	Tonnes CO ₂ e 2012/ 13	Absolute totals Tonnes CO ₂ e (2012/13)	Tonnes CO ₂ e 2013/ 14	Absolute totals Tonnes CO ₂ e (2013/14)
Scope 1	Natural gas	46.9	53.1	54.1	55.5
Scope 1	Refrigerants	6.2		1.4	
Scope 2	Electricity	542.5	542.5	512.0	512.0
Scope 3	Air travel	2098.8	2105.0	2132.5	2139.2
Scope 3	Water	5.3		5.6	
Scope 3	Waste	0.9		1.2	
TOTAL			2700.7	2706.7	

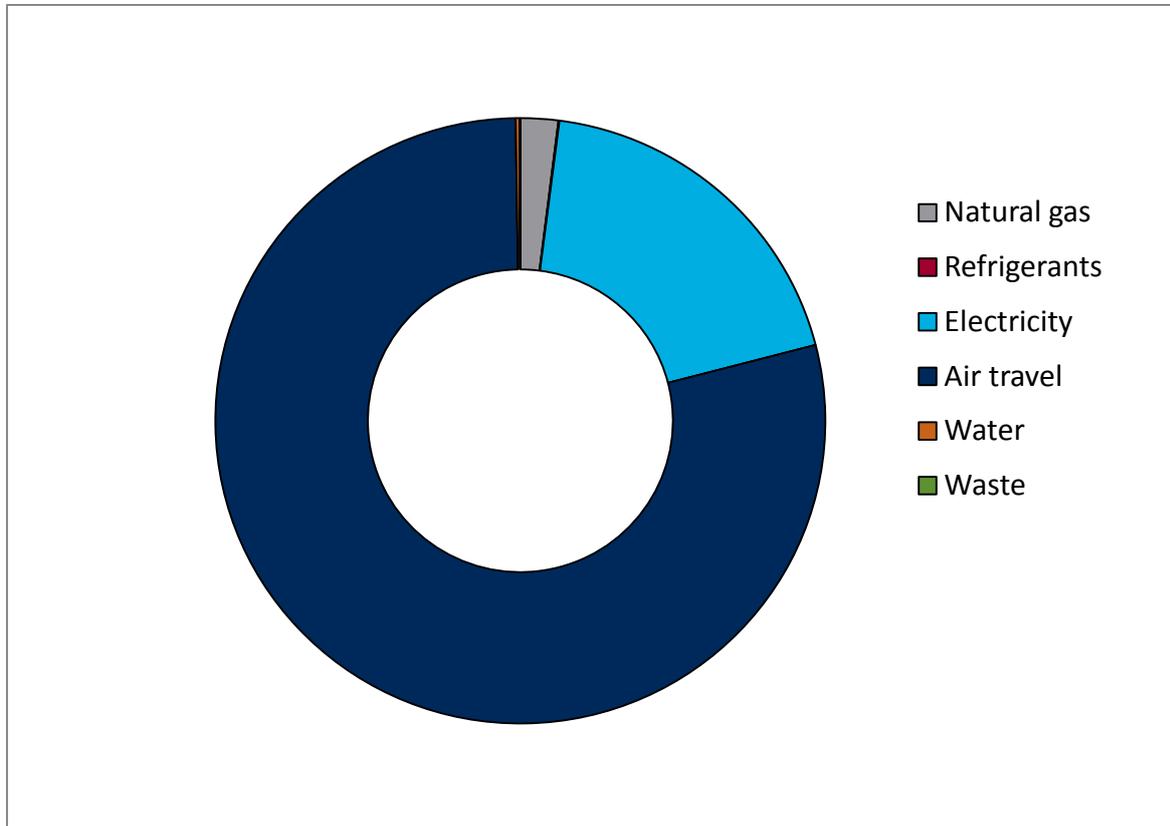
Emissions have also been calculated using an 'intensity metric', which enables Ashmore to monitor how well it is controlling emissions on an annual basis, independent of fluctuations in the levels of its activity. As Ashmore is a "people" business, the most suitable metric is 'emissions per full-time equivalent (FTE) employee'. Ashmore's emissions per person are shown in the table below. Based on available data, tonnes of CO₂e emitted per employee have fallen slightly since 2012/2014⁷.

Emissions per full-time employee

	Tonnes CO ₂ e/employee (2012/ 13)	Tonnes CO ₂ e/employee (2013/ 14)
Scope 1	0.2	0.2
Scope 2	2.0	1.8
Scope 3	7.6	7.6
TOTAL	9.8	9.6

⁷ FTE 2012/13 = 276 employees; FTE 2013/14 = 283 employees.

Ashmore 's emissions by source



Travel

Although Ashmore endeavours to make maximum use of available technology, such as video conferencing, its business model as an investor in Emerging Markets inevitably requires that investment professionals and other members of staff travel frequently to these countries to investigate and monitor opportunities.

Recycling

Ashmore has in place recycling programmes for waste paper, photocopier toners and other disposable materials. Ashmore seeks to minimise the use of paper as part of its clear desk policy and electronic scanning is actively encouraged. All printing is two-sided by default.

Ashmore is conscious of minimising its impact on the environment. For this reason, wherever possible Ashmore chooses paper stocks that have been sustainably sourced and which are Forest Stewardship Council® (FSC) accredited (or equivalent) for its marketing materials and business stationery.

Ashmore provides obsolescent computers to Computer Aid International

Computer Aid, a UK registered charity that aims to reduce poverty through practical ICT solutions. Computer Aid sends these PCs to various projects across Africa and South America and furnishes Ashmore with details of where they are used. Any units that are not usable are disposed of in an environmentally friendly fashion.

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