Engagement Report

For year ending 31 December 2024

Contents

Introduction and executive summary	3
Direct engagement	4
Collaborative, Collective and Thematic engagement	12
Escalation	19
Exercising rights and responsibilities	22

Source: Ashmore for all charts, graphs, and figures unless stated otherwise.

Introduction and executive summary

Ashmore considers 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 and long-term interests. As a responsible investor, Ashmore also believes that strong relationships and constructive engagement with sovereign and corporate issuers will lead to better outcomes for clients and issuers.

The Ashmore Engagement Strategy consists of four areas – outlined in this report:

- direct engagement with issuers;
- collaborative, collective and thematic engagement efforts;
- escalation strategies; and
- the exercise of 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. In 2024 Ashmore engaged with 55 issuers across 70 engagement efforts. Topics for engagement were broad in nature and ranged from climate change to cyber security. These efforts are further complemented by more systematic forms of engagements.

During 2024, Ashmore continued its participation in collaborative engagement efforts including its work with Climate Action 100+ and Mining 2030, given the reliance many emerging markets economies have to commodities and by association, the mining sector.

Ashmore also evolved its thematic focus by continuing to employ a structured approach to thematic engagement, with a focus on deforestation. This included collaborative and collective engagements with Investor Policy Dialogue on Deforestation ('IPDD') and Spring, a UN PRI initiative for nature, addressing the systemic risk of biodiversity loss with the aim to the protect the long-term interest of investors.

In addition, in cases where Ashmore determines that its engagement efforts are not yielding the desired results, the Group may choose to escalate the engagement. This can include writing to the issuer or requesting meetings with a company's board. Other forms of escalation approaches include a downgrade of the Ashmore ESG score, a vote against the re-election of Directors, or divestment. Divestment is typically 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. Consequently, as far as practically possible Ashmore aims to vote on all votable ballots and in 2024 voted on 99% of the relevant votes presented. Ashmore has an active approach to voting with all votes being instructed by its portfolio managers. As a result, in 2024 21% of votes were against management while 6% of votes were contrary to ISS recommendations.

Direct engagement

Ashmore engages with both sovereign and corporate issuers as part of an ongoing constructive dialogue with government officials and company management as well as other key stakeholders.

As a longstanding investor in emerging market economies, Ashmore recognises the importance of ongoing issuer engagement as part of its investment strategy. Ashmore also believes that stewardship helps to safeguard and enhance the risk-adjusted returns of clients' investments and helps to align the interests of issuers with those of its investors. Consequently, through effective stewardship, Ashmore aims to deliver long-term performance for clients. Furthermore, Ashmore believes engagement with issuers can influence investment outcomes as it is an important avenue both for managing specific risks and opportunities as well as a lever to have a mutually beneficial impact on sustainability matters.

Primarily, direct engagements are in relation to sovereign debt, corporate debt, and listed equities, which accounts for the majority of the Group's AUM. The Ashmore engagement strategy is consistently implemented across Ashmore's offices and asset classes as far as practically possible to ensure expectations are met and firmwide practices are shared. Nonetheless, it is acknowledged that there will be certain differences to reflect local requirements and norms.

Defining 'engagement'

Ashmore has adopted the UK Investment Consultants Sustainability Working Group (ICSWG)'s definition of an 'engagement' as:

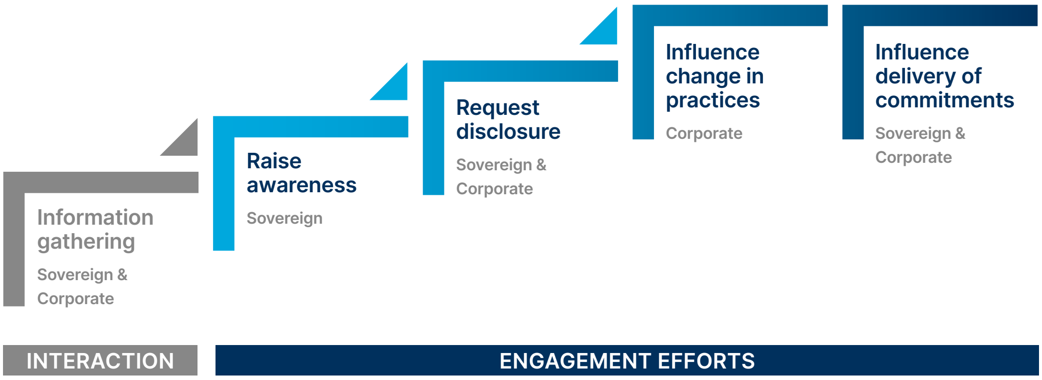
"a purposeful, targeted communication with an entity on particular matters of concern with the goal of encouraging change at an individual issuer and/or the goal of addressing a market-wide or system risk."

The majority of Ashmore's engagement efforts are conducted on a bilateral basis, led by relevant portfolio managers and typically triggered by the identification of idiosyncratic ESG risks or sustainability matters. In addition, thematic engagement efforts are conducted, prompted by the nature of Ashmore's investments, and relevant requirements with respect to the UK Stewardship Code (UKSC), the EU's Sustainable Financial Disclosure Regulation (SFDR), and the Taskforce for Climate-Related Financial Disclosures (TCFD) or related to sustainability themes significant to emerging markets. All engagement activity is overseen by the Ashmore ESG Committee.

As in previous years, Ashmore's approach is to ensure engagements are in-depth and of high quality. Over 2024, Ashmore conducted 70 engagement efforts with 55 issuers. Included in this were 16 engagement efforts initiated in prior years which Ashmore had also continued to follow up on.

Engagement objectives

Ashmore aims for each engagement effort to have clear, pre-determined objectives. These will vary depending on the asset class. For example, when engaging with corporate issuers it might be considered appropriate to influence changes in practices, while for sovereign issuers it may be more appropriate to frame engagement efforts around the delivery of existing commitments. Efforts to gather information on sustainability topics, or monitoring, continue to be tracked as interactions.



Methods of engagement

Each engagement effort consists of one or more activities designed to achieve the engagement objective. Methods used for such activities with issuers include:

• Conferences	• Phone/video calls	• Formal letters
• Email correspondence	• Questionnaires	• In-person meetings

For engagements in 2024, 30% were done via in-person meetings. Of the remaining engagement activities, 29% were done over calls, including video calls, 30% as part of email correspondence, and the remaining during conferences, by letter or questionnaire. Ashmore's engagements were typically conducted with a combination of the following groups:

• Board of Directors	• ESG / Sustainability team	• Investor relations
• Executive Management	• Senior management	• Government representatives

55
Number of issuers with which Ashmore engaged.

70
Number of engagement efforts undertaken by Ashmore.

Direct engagement during 2024

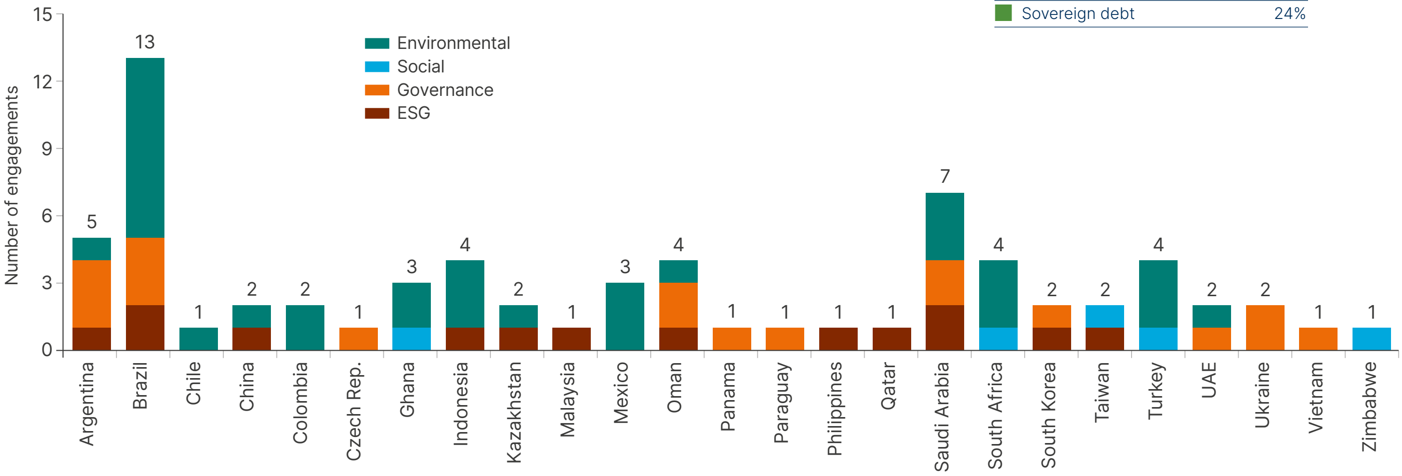
Figure 1 shows Ashmore's engagement efforts across equities, corporate debt, and sovereign debt. The continued focus on sovereign engagements resulted in 17 sovereign-related engagement efforts in 2024, which is consistent with the prior year.

In 2024 Ashmore engaged with corporates and sovereign issuers in 25 different countries as shown in Figure 2. The most frequent were in Brazil, Saudi Arabia and Argentina.

Figure 1

Corporate debt	51%
Equities	25%
Sovereign debt	24%

Figure 2



Key engagement topics

Whilst Ashmore invests exclusively in emerging markets, the countries making up this investment universe have their own set of sustainability characteristics. Notwithstanding, there are certain sustainability topics that are particularly relevant to investors, and Ashmore believes there is benefit from engaging with issuers on such matters.

The physical and transition risks of climate change are relevant to many emerging market issuers. It is therefore an important engagement topic partly because it is considered a multiplier issue, meaning that action on climate change (SDG 13) can also influence other Sustainable Development Goals. As such, Ashmore remains committed to managing these potential risks and opportunities.

Furthermore, good governance, which would include governance in relation to sustainability matters, is a topic of relevance in many emerging markets. This is particularly the case in formulating and implementing policy action which in turn may influence clients' portfolio returns. The thematic engagement focus on climate related topics enables Ashmore to better understand and assess the motives and actions being considered by issuers to address those climate-related matters.

Climate change affects countries in emerging markets differently to those in developed markets. For example, many emerging market countries have the added challenge of having to balance GHG emission reduction ambitions with an understandable need to provide energy security to their population. It is also not unusual for these countries to significantly rely on natural resources; be that fossil fuel related or commodities such as timber, beef, or soy; adding an additional challenge to aligning their economies with sustainability goals.

Furthermore, many emerging market countries are in the position of both being the countries with exposure to physical impacts of climate change, while also being the ones which require resources and investment to adapt to such impacts. These markets remain in need of finance to enable them to participate in the energy transition, making it a potentially rewarding area of engagement with potential for positive impact. Furthermore, this must be done in a way that considers the social implications of the energy transition i.e. it needs to be a Just Transition for it to succeed. Understanding this complexity and how climate change is likely to impact emerging market issuers, is therefore relevant to consider when investing in emerging markets. Read more about how Ashmore engages on climate change in the collaborative and collective example on page 16.

The mining and processing of many of the critical minerals essential for the energy transition largely take place in emerging markets countries. Such countries include the Democratic Republic of the Congo (cobalt), Chile (copper and lithium), Indonesia (nickel), South Africa (platinum, iridium) and China (graphite, rare earths, processing stage). While underpinning many of the activities needed for this energy transition, mining activities are also linked to environmental degradation, and despite being a source of employment the sector also has to appropriately address the potential impact on the local communities and human rights. Read more about how Ashmore engages on mining in the collaboration example on page 17.

Forests represent one of the world's most important carbon sinks and tropical forests are home to some of the most biodiverse areas in the world. The majority of deforestation is occurring in emerging markets countries where the causes of the loss of forest are linked to commercial agriculture, extractive activities, and habitat expansion. Ashmore has therefore identified deforestation as an appropriate thematic engagement focus for 2024. Read more about how Ashmore engages on deforestation in the thematic example on page 13.

The above issues are closely interlinked. Mining drives deforestation, ecosystem degradation, and biodiversity loss yet provides employment for local communities and is also part of the solutions to mitigate climate change. Forests are inextricably linked to climate change due to their ability to store carbon. Deforestation, or reforestation, are therefore important levers when considering sustainability goals.

Ashmore believes that it is just this complexity that makes the emerging markets such an interesting and rewarding place to invest. These are the markets where substantial gains and rewards can be achieved and Ashmore's depth and expertise of investing in emerging markets enables it to bring industry best practice to these markets through its engagement efforts.

Engagement themes

E	**ENVIRONMENTAL – 33 engagement efforts**	
	Climate change	**20**
	• Decarbonisation and climate	16
	• Strategy and other	4
	Environment	**13**
	• Natural resource and biodiversity	9
	• Pollution, waste, recycling	4
S	**SOCIAL – 5 engagement efforts**	
	Society	**2**
	• Inequalities	2
	Workplace	**3**
	• Human Resources	1
	• Human and labour rights	2
G	**GOVERNANCE – 18 engagement efforts**	
	Strategy, Financial and Reporting	**7**
	• Strategy, financial and reporting	6
	• Cyber security	1
	Core Governance	**6**
	• Shareholder rights	2
	• Policy and leadership	2
	• Remuneration	2
	Board	**5**
	• Independence and oversight	5
ESG	**ESG – 14 engagement efforts**	
	• Reporting	4
	• Sustainability and ESG	5
	• Sustainable financing	5
	Total engagement efforts	**70**

Examples

Bilateral engagement – Equities

What was the key issue/trigger for the engagement?	A sportswear producer which Ashmore is invested in has a complex manufacturing supply chain concentrated in a region where there are reported allegations of labour malpractice requiring additional due diligence. Separately, Ashmore has engaged with the company with the aim to enhance the credentials of their climate policy.
What became of the engagement objective?	Ashmore requested that the company update their cotton procurement procedure and enhance their supply chain traceability, its disclosure, and start providing third-party auditor verification. Subsequently, the company was also requested to consider renewable energy sources via increased solar energy installation, rather than relying on carbon offsets to reduce their GHG emission impact. The company was also encouraged to facilitate the same for their supply chain.
What activities did Ashmore do over the year?	Ashmore has engaged with the company on a multiyear basis through in person company management and investor relations meetings, as well as raising questions at investor conferences. The company has responded constructively to the suggestions. The company was kept under review for evidence of action which contributed to Ashmore not adding to the stock holding for a period of time.
What was the outcome?	The company has since announced several supply chain enhancements and also upgraded its supply chain management. This has included improving supplier admissions standards, carrying out audits (which include those with labour welfare, human rights and an environmental focus), as well as arranging training sessions for suppliers. The number of their suppliers being audited has increased and the company's ESG policy has also been mapped to suppliers. In October 2024, the company also reported it had facilitated the installation of solar energy systems for 71 suppliers. Currently, four of the company's self-operated factories have also installed solar energy systems, and they continue to encourage more suppliers to increase the ratio of solar energy power generation in their factories.
What were the implications for Ashmore's investment?	Whilst the company has made progress, its supply chain is still an area of potential risk and monitoring for evidence of ongoing policy improvement continues. Overall, Ashmore is encouraged by the steps made to date and would now consider adding to the holding in the portfolio, subject to other financial considerations.

Bilateral engagement – Sovereign Debt

What was the key issue/trigger for the engagement?	The aim was to address governance issues with a Latin American sovereign, as improving these would help the country achieve investment-grade status more quickly, thereby opening access to a broader investor base and reducing borrowing costs.
What became of the engagement objective?	The objective was to highlight the importance of strengthening institutions and combating corruption, while encouraging the government to continue pursuing reforms aimed at improving governance.
What activities did Ashmore do over the year?	In Q1 2024, Ashmore met the Minister of Finance and discussed the importance of strengthening the country's institutions and combating corruption, noting how these efforts could help address one of the key factors that could deter rating agencies from upgrading the sovereign to investment grade.
What was the outcome?	The outcome was that the Minister of Finance reaffirmed the government's commitment to strengthening institutions and combating corruption, recognising its significance in addressing concerns from rating agencies and progressing toward an investment-grade status. The Minister of Finance provided a detailed update on the progress of laws already enacted and those announced as being in development to enhance governance, transparency, and institutionality, along with a clear timetable for implementing additional reforms within the year.
What were the implications for Ashmore's investment?	Ashmore considers this specific engagement to be successful and had continued constructive dialogue with the government. For example, in July 2024, a few months after the engagement meeting, the credit ratings agency, Moody's, recognised some of progress made on economical and governance matters by raising the sovereign's long-term issuer and senior unsecured bond ratings to investment grade. This is an important step towards possible inclusion in investment grade debt indices, which usually require investment grade ratings from two ratings agencies. Ashmore therefore remains constructive on the outlook for the government bonds at this time.

Bilateral engagement – Sovereign Debt

What was the key issue/trigger for the engagement?	The initial trigger for the engagement was a specific request in which an asset owner approached Ashmore with a proposal to engage with a quasi-sovereign oil producer to reduce its methane-related emissions. The client sought ways to address the issue and hoped that Ashmore's involvement could lead to a mutually beneficial outcome for the oil producer, the client and Ashmore, given the impact of methane as a greenhouse gas to climate change and air pollution.
What became of the engagement objective?	One of the objectives for this engagement was to communicate Ashmore's support for the goals announced/reaffirmed in the quasi-sovereign issuer's Sustainability Plan, including: a target gas utilisation level in Exploration & Production from 2024; achieving zero routine flaring in Exploration & Production by 2030; a target reduction in methane emissions in all business lines by 2030; and reducing GHG emissions intensity by 2030.
What activities did Ashmore do over the year?	Ashmore facilitated a meeting with the issuer and the client in June 2024 to discuss how the partnership could help achieve these sustainability goals. During this meeting, Ashmore emphasised its commitment to supporting the issuer on its emissions reduction journey and outlined potential ways Ashmore could contribute, particularly in dialogue with government stakeholders.
What was the outcome?	The meeting was very positive, with officials of the quasi-sovereign expressing a clear alignment with the sustainability targets and an openness to collaboration with both Ashmore and the client. Both Ashmore and the client were encouraged by the feedback and the potential for ongoing progress.
What were the implications for Ashmore's investment?	Ashmore will continue to engage with the issuer and assess the progress toward its sustainability targets. This is expected to be a multi-year engagement, as addressing the objectives raised will take time.

Bilateral engagement – Corporate Debt

What was the key issue/trigger for the engagement?	Ashmore's Corporate Debt team is invested in the debt of an Eastern European financial institution and identified elevated levels of Lost Time Injury Frequency Rate (LTIFR) in the issuer's reporting. The reported LTIFR per million hours worked was notably above average both for the global sector and for companies which are inherently more dangerous, such as mining. If these figures were indeed calculated using industry standard, this was a serious concern for employee well-being.
What became of the engagement objective?	The primary objective of engagement was to draw the figures to the bank's attention and verify that the calculation process was comparable to other companies, given that these metrics are used in Ashmore's ESG scorecard to assess social 'S' risks of the issuer.
What activities did Ashmore do over the year?	Ashmore contacted the bank's Head of Internal Relations & Strategic Analysis and discussed the unusually high figures. Ashmore presented average statistics for the global sector and for riskier industries which then triggered an evaluation of whether the bank's figures were accurate and calculated using standard methodology; a critical step being the bank agreeing to verify that they were not reporting the Total Reportable Injury Rate (TRIR) which factors in smaller injuries, not resulting in a lost working day.
What was the outcome?	Whilst this engagement effort is currently ongoing, Ashmore expects the bank to report improved figures in their next sustainability documentation.
What were the implications for Ashmore's investment?	At present, Ashmore remains invested in the bank, and will continue to liaise with their management to confirm that this obscurity was the result of incomparable reporting methodology.

Collaborative, collective and thematic engagement

Ashmore believes that there is value in collaborating with investor and industry groups when engaging with issuers to enhance value and achieve appropriate sustainability outcomes. Furthermore, the Group finds that by engaging collaboratively and joining collective initiatives, it can reach a wider number of issuers and that such avenues are particularly suitable for policy engagement.

Ashmore has adopted the definition provided by the Investment Consultants Sustainability Working Group (ICSWG) on collaborative and collective engagement as:

"a form of engagement where investors work with each other in some way to achieve a common engagement goal".

Ashmore is willing to engage and act collectively with other investors, where appropriate and in the interests of clients, and permitted by regulations. In addition, Ashmore will, when it considers it relevant, also respond to policy consultations and topics relevant to its strategy, and support public letters focused on sustainability issues. For example, Ashmore is a member of the UN Principles of Responsible Investment (UN PRI), which also conducts forms of policy engagements on behalf of its members. As such, Ashmore is a member of the Climate Action 100+ collaborative investor initiative, as well as Mining 2030, IPDD, and UN PRI's stewardship initiative for nature, Spring.

Although the nature of these collaborative, collective and thematic engagement initiatives means that it is not always possible to measure quantitatively the contribution to the success of the initiatives themselves, the examples below are included to highlight some reflections of the Group's involvement.

Issued: May 2024
MARKET COMMENTARY
Ashmore

Rooting for change:
Investor engagement and EM deforestation risk
By Ben Underhill

The pivotal role of forest preservation in the battle against climate change is well understood. Forests provide a crucial carbon sink, the destruction of which will further accelerate global warming. Indeed, an estimated 15% of global carbon emissions can be attributed to deforestation,[1] second only to the burning of fossil fuels.

The 2021 United Nations Climate Change Conference (COP26) was marked by an ambitious statement signed by over 100 countries to halt and reverse deforestation and land degradation by 2030. The following year, the UN's 15th Convention on Biodiversity (COP15) saw the adoption of the historic '30×30' global target, which aims to protect at least 30% of the world's land and ocean by 2030. Yet, despite these pledges, deforestation rates remain high. Tragically, the vast majority occurs in the tropical rainforests of the developing world; biomes that harbour over 50% of the Earth's biodiversity.

While Developed Markets (DM) can somewhat offset the impact of resource depletion through imports, Emerging Markets (EM) are more reliant on their natural resources. Put simply, deforestation is fundamentally unsustainable – environmentally, socially, and economically. As a result, particularly within EM, exposure to the practice brings huge risks to local communities, businesses, and economies. As investors, it is essential both to understand these risks and to work to manage them.

[1] See – https://iucn.org/resources/issues-brief/forests-and-climate-change

Continued overleaf 1

Thematic engagement – Deforestation

Our involvement in initiatives such as IPDD and Spring are aligned with our thematic engagement focus on deforestation. This is because deforestation is relevant to factors including climate, biodiversity, food and water security as well as human rights e.g. indigenous populations. These factors also pose a financial risk which is relevant in the consideration of investment risks to portfolios.

During 2024, Ashmore published a paper titled *"Rooting for change: Investor engagement and EM deforestation risk"* in which we highlighted the pivotal role of forest preservation in the battle against climate change and the value of forests as carbon sinks.

- In particular, the paper considered the relevance to emerging markets. From an investment perspective, Ashmore therefore recognises that the preservation of natural ecosystems, particularly forests, is integral to the long-term success of many EM economies. For example, in Latin America and Southeast Asia, forests are cleared to grow crops, dig mines, and create space for cattle. In Africa, trees are cut largely for subsistence agriculture and fuelwood, which remains a primary energy source for many of those local communities. Therefore, when it comes to tackling deforestation, conflicts of interest exist from the individual to the federal level.
- For investors, reducing exposure to deforestation is an important consideration from both a portfolio risk and sustainability perspective. Similar to other unsustainable business practices, continued deforestation presents various threats to asset prices. These can manifest through issuer-specific regulatory and reputational risks, which can lead to more expensive financing, or stranded assets and potentially loss of market access. There is also a growing awareness among investors of the systemic risk that deforestation could bring to the future earnings of certain companies. Unchecked, deforestation will undermine productivity across sectors that depend either directly or indirectly on natural inputs. For example, the effects of large-scale deforestation raise the likelihood of lower agricultural revenues due to potential droughts or loss of productive land due to flooding and landslides.
- The creation and enforcement of robust government policies will be a vital component in mitigating deforestation risk. Multilaterally pooled public finance, if allocated effectively, can also provide important incentives. However, private companies also have a role to play alongside governments in aligning business and supply chain activities with the preservation of the natural world with its ability to both selectively allocate capital and engage with corporate and sovereign issuers; Ashmore believes the financial sector can be an important positive catalyst here.

Ashmore is committed to active engagement on deforestation with both corporate and sovereign issuers. By leveraging long-standing issuer relationships and collective investor engagement vehicles, the Group aims to advocate for practices which prioritise the protection and restoration of forests. Ashmore has continued to assess progress on ongoing engagements, as well as the potential exposure of its portfolios to deforestation-related risk. As with the Group's broader ESG strategy, the deforestation engagement initiative is underpinned by Ashmore's fundamental interest in the development and resilience of the countries in which it invests.

Examples of Collaborative and Collective engagement efforts over 2024

About	**Investor Policy Dialogue on Deforestation** (IPDD) is a global initiative designed to aid collaboration between sovereign debt investors on deforestation issues. Ashmore became a member in early 2024 as part of its thematic focus on deforestation.
Type	Collaborative engagement
Ashmore's involvement in 2024	Ashmore is a member of two engagement groups relevant to emerging markets: one focused on Brazil and one on Indonesia. As part of its involvement with IPDD Brazil, Ashmore signed an investor letter in support of Brazil ratifying the Escazú Agreement. Separately, in September 2024 Ashmore visited operations based in Brazil's Amazon rainforest, which include the biggest iron ore mine pit in the world. The mines occupy 3% of the Carajas National Forest, and the remaining 97% remains a protected area in partnership with local institutes. The visit covered a comprehensive tour of the operations (including both copper and iron ore facilities), and allowed the team to understand the different stages of monitoring and control in place. It also included visits to the Environmental Control Centre (which monitors both vibrations and air and water quality), and the Geotechnical Monitoring Centre (which is used to monitor dams and other structures to control movements), as well as to the mine pits themselves and to the copper facilities in Salobo. This provided a useful opportunity for the team to engage and ask questions to the workers managing the operations on the ground and understand how facilities have evolved and improved over time. In relation to its work with IPDD Indonesia, during 2024 it was agreed that Ashmore would be part of a delegation to visit Indonesia in the early part of 2025 as part of the IPDD priority engagement. The delegation will meet various stakeholders ranging from regulators like OJK, Ministry of Finance, Bappenas, IDX Stock Exchange to large corporations. The aim is to engage and support the country on the topics of sustainable finance roadmap, encourage more protection of Indonesia's forest assets, and strengthen disclosures of issuers in line with recognised standards.
Outcome	The IPDD initiative has been helpful in continuing to raise awareness and to facilitate dialogue between investors and governments. By its nature, this is expected to be a multi-year engagement which started during 2024 and Ashmore is continuing its involvement.

Examples of Collaborative and Collective engagement efforts over 2024

spring
A PRI stewardship initiative for nature

About	**Spring** is a global initiative carried out under the stewardship of UN PRI. It is designed to convene institutional investors to use their influence to halt and reverse biodiversity loss across the globe by 2030. Spring aims to address the systemic risk of nature loss to societies and secure long-term value creation by enhancing corporate practices, ultimately generating positive, real-world outcomes. Ashmore became a member in early 2024 as part of its thematic focus on deforestation.
Type	Collaborative engagement
Ashmore's involvement in 2024	Ashmore serves as co-lead of one of the engagement groups working with a South American corporate issuer. For example, during the year, three meetings were held within the Spring steering group to evaluate which requests to make of the Company. It was agreed that the focus should be on traceability and deforestation. The steering group also enlisted an NGO specialist to gain further insights as to suitable technical points to consider. The work with the NGO specialist has been insightful due to their ability to use their local resources to conduct detailed on the ground investigations which then formed the basis of specific questions to put to the issuer. This has been an important development during the year.
Outcome	The aim of the engagement is to continue the work of stakeholders to raise awareness and align the interests of the engagement team and the issuer. The engagement remains ongoing at this time.

Examples of Collaborative and Collective engagement efforts over 2024

Climate Action 100+

About	**Climate Action 100+** (CA100+) is a global investor initiative to address climate change, focused on the world's top GHG emitters. Ashmore has been a signatory to CA100+ since 2019.
Type	Collaborative and Collective engagement
Ashmore's involvement in 2024	As part of the initiative, Ashmore is involved in working groups, including with one Latin American state-owned energy provider, one focused on a Middle Eastern state-owned energy provider, and one focused on a Latin American pulp and paper company. With exposure to these issuers across sovereign debt, corporate debt, and equity strategies, Ashmore representatives from both fixed income and equity teams continued to participate in these engagement efforts during 2024. In 2024, Ashmore was also a co-lead on the engagement efforts with the pulp and paper company. For example, engagement topics included the methodological implications of the CA100+ benchmark and how these apply to forest operations. Ashmore continues to support climate action as a signatory to The Investor Agenda's Investor Statement to governments on ambitious climate policy.
Outcome	Ashmore considers that through ongoing dialogue progress on sustainability topics will continue to be made in relation to companies operating in industries with inherent material omissions; however by its nature and taking into account the balance between environmental and social complexities inherent in emerging markets, progress will likely take time. To date, the engagement dialogues have been useful to gain a better understanding of these issuers approach to climate related risks and opportunities. Ashmore expects to continue to engage on this topic during 2025.

Examples of Collaborative and Collective engagement efforts over 2024

Mining 2030

About	**Mining 2030** is a collaborative investor-led initiative seeking to define a vision for an overall socially and environmentally responsible mining sector by 2030, and to develop a consensus about the role of finance in realising this vision. Ashmore became a member of Mining 2030 in 2023.
Type	Collaborative engagement
Ashmore's involvement in 2024	During 2024, Ashmore participated in a number of discussions and initiatives arranged by Mining 2030. For example, efforts had included engagement with a large Brazilian miner. This company signed up to adhere to the Global Industry Standard on Tailing Management (GISTM), a Mining 2030 initiative. Tailings management remains an area of consistent engagement between Ashmore and the company, and consequently the opportunity to escalate these efforts further through structured collaborative engagement was valuable. The specific engagement objective included highlighting to the company the importance investors place on safety and progressing towards zero dams in emergency* level.
Outcome	Ashmore has continued its work with Mining 2030 to establish best practices in the mining sector and also to provide feedback on the approach adopted by Mining 2030. In relation to the above example, the number of dams at various emergency levels continues to have potential investment consequences. Furthermore, it had triggered MSCI to list them on their United Nations Global Compact violator list, making the continued investment in the issuer challenging in certain portfolio cases. The company continues to make progress to deliver on their commitments and needs to balance the urgency of reaching zero dams in emergency level with achieving this in a safe way as too high a pace could compromise the structure of the dams.

*Emergency: A condition that develops unexpectedly, which endangers the structural integrity of a dam and/or downstream human life or property, and requires immediate action.

Examples of Collaborative and Collective engagement efforts over 2024

Planet Tracker

About	**Planet Tracker** is a non-profit think tank focused on aligning capital markets with planetary boundaries.
Type	Collective engagement
Ashmore's involvement in 2024	Ashmore signed an investor letter published by Planet Tracker requesting petrochemical companies producing plastics to transition to safe and environmentally sound practices by reducing fossil fuel dependency and eliminating hazardous chemicals. The letter included five investor expectations for accelerated corporate action on plastics focused on plastics circularity. To strengthen engagement efforts with petrochemical companies on plastic, Ashmore also hosted an educational talk by the charity CommonSeas who presented on the challenge of plastic pollution and its prevalence in emerging markets.
Outcome	Plastics pollution continues to be a prevalent environmental concern in many emerging markets, and Ashmore's aim is to continue its engagement efforts in this space.

Escalation

Ashmore conducts engagement efforts as part of confidential and constructive dialogue with issuers and accepts that where this is not yielding the desired results, there might be a need to take a different approach. This could be where specific concerns are repeatedly raised with management without signs of these being reasonably considered, where no clear action materialises, or it could be where ethical concerns warrant the escalation of activities. Any escalation activities conducted would take account of the relationship Ashmore has with the issuer and the relevance to the investment strategy.

The aim of any escalation tends to be achieving the original engagement objective although through stronger means. In certain situations Ashmore accepts that there may need to be a degree of compromise. Whilst Ashmore's intention is not to 'name and shame' issuers, where appropriate, the Group may make its position public should it consider this to be the appropriate action at the time.

Escalation activities

Ashmore considers escalation activities on an exception basis. Whether an engagement activity is considered 'an escalation' is dependent on the situation and context.

Ashmore looks to maintain good relations with issuers in its belief that constructive dialogue is more likely to yield the intended results, not to mention the resource-intensive nature of certain escalation activities. Ashmore expects investees to respond to requests in a timely manner. Where they fail to respond or to appropriately engage in dialogue on the matters raised, the investment team may review its investment decision in consideration of the materiality of the issue and its impact on the long-term value of the investment.

Portfolio managers have several escalation-related options as listed below:

- Write formal letter to company
- Request meetings with Board or other independent directors
- Collaborative engagement
- Downgrade Ashmore's ESG score
- Engage with regulators and policymakers
- Vote against Directors
- Vote against Management proposals at shareholder meetings
- Make concerns public
- File or support shareholder resolutions
- Divestment

Ashmore's approach to engagement aims for consistency across its offices. However, Ashmore is conscious of how stewardship expectations vary across the markets it invests in and attempts to strike a balance between being clear about expectations of issuers while also accommodating the different stages of stewardship across markets. For example, there is guidance and public expectations when it comes to issuer engagement, including escalation, in the UK and northern Europe, but this is not the case in many other developed and emerging markets.

For sovereign issuers, there were no specific cases of escalation during the period. For corporate issuers, there were a number of escalations, two of which are described below.

Example of Escalation – Equity

What was the key issue/trigger for the engagement?	The completion of Ashmore's ESG scorecard for an Asian healthcare company highlighted the high percentage of treasury shares the company held. These enable the founders to have de-facto control of the company and also depressed the share price, thereby disadvantaging minority shareholders.
What became of the engagement objective?	Ashmore requested that the company cancel the treasury shares they held at the time, which accounted for approximately 22% of the shares outstanding.
What activities did Ashmore do over the year?	Poor governance was recorded in the ESG scorecard which weighed on the 'quality' view of the company, a key stock attribute target. Ashmore engaged over an approximately two-year period with company management to request the treasury shares be cancelled and that the company also enhance and better institutionalise their dividend policy.
What was the outcome?	There has since been a greater regulatory policy focus on the sector to better align value and to improve the treatment of minority shareholders, which includes carrying out share buybacks. Despite this improving government policy backdrop, the company had shown little motivation to improve.
What were the implications for Ashmore's investment?	After a protracted period of engagement and limited evidence of progress, the Investment Committee took the decision to exit the investment in the company.

Example of Escalation – Corporate Debt

What was the key issue/trigger for the engagement?	Following the default of an Asian real estate company, management appeared to lose focus regarding their commitment toward carbon emissions reduction. Delays in housing unit deliveries and an increasing number of quality issues heightened the potential risk of social unrest, with protests against developers and local government officials prompting government intervention.
What became of the engagement objective?	The primary objective of the engagement was to assess whether the company was willing to commit to its carbon reduction strategy and to evaluate the feasibility of an accelerated debt restructuring. Such restructuring would also enable management to refocus on completing contracted housing units.
What activities did Ashmore do over the year?	Ashmore engaged with management on multiple occasions throughout the year but was unable to secure any commitment from them regarding a carbon reduction plan. The company cited financial constraints as a barrier to implementing such measures. Simultaneously, their willingness to engage in restructuring discussions declined, resulting in a lack of progress despite several investors actively advocating for it. This contrasted with other developers facing similar challenges, who demonstrated greater openness to restructuring negotiations with bondholders.
What was the outcome?	In June 2024, Ashmore revised its ESG score by lowering the Environmental (E) score and the Social (S) score. The Governance (G) score had previously been reduced to the lowest possible level, and remained unchanged.
What were the implications for Ashmore's investment?	Following the decision of the Investment Committee, Ashmore subsequently exited all holdings across its funds.

Exercising rights and responsibilities

Ashmore sees voting, and more broadly, stewardship as a core responsibility and aligned with its clients' interests. Furthermore, active voting can be used as a tool to influence issuers and is therefore an integral part of the Engagement Strategy.

As far as practically possible, Ashmore's aim is to vote on all relevant proxies presented by portfolio companies. If the portfolio manager has a concern, then it seeks to engage with the company management, Board of Directors, or other stakeholders to address the issue. The review of voting statistics is a standard item on the ESG Committee's agenda. The voting process is kept as consistent as possible across Ashmore's offices, appreciating local variations.

Protecting the financial interests of its clients is the primary consideration for Ashmore. This generally means proxy voting with a view to enhancing the value of the securities held by or on behalf of Ashmore's clients.

Where appropriate, Ashmore will inform issuers of planned negative votes as part of its engagement efforts, including engaging with the companies in advance of an upcoming shareholder meeting should it consider the resolutions contentious.

Ashmore discloses its firm-wide Proxy Voting Policy on its website.

Fixed income

As a bondholder, Ashmore has a responsibility to exercise its rights and responsibilities. Whilst as bondholders, the portfolio manager is not typically required to vote on governance issues, it frequently uses engagement to inform its investment decisions, which ultimately has an impact on issuers. The fixed income approach in seeking amendments to terms and conditions, contracts, and other legal documentation depends on the issue in question, type of security held, investment strategy and the fiduciary duty to act in clients' best interests. Bondholder meetings tend to be less frequent but follow a similar approach to that of listed equities. The following forms of proxy votes are typical of those presented to Ashmore for debt: accelerations, exchanges, corporate reorganisations, restructurings, events of default, bankruptcy proceedings, and buy-backs.

Ashmore's in-house Legal team is responsible for all contractual matters and where appropriate, will seek external advice. Additionally, the Legal team manages the more complex private debt and alternatives transactions. The lawyers responsible for these areas work alongside portfolio managers as well as other departments to ensure transactions are structured and executed in a highly professional manner and to ensure the legal documents reflect the commercial objectives and have the rights and protections necessary to protect the investment made on behalf of the Ashmore funds and accounts.

Listed equities

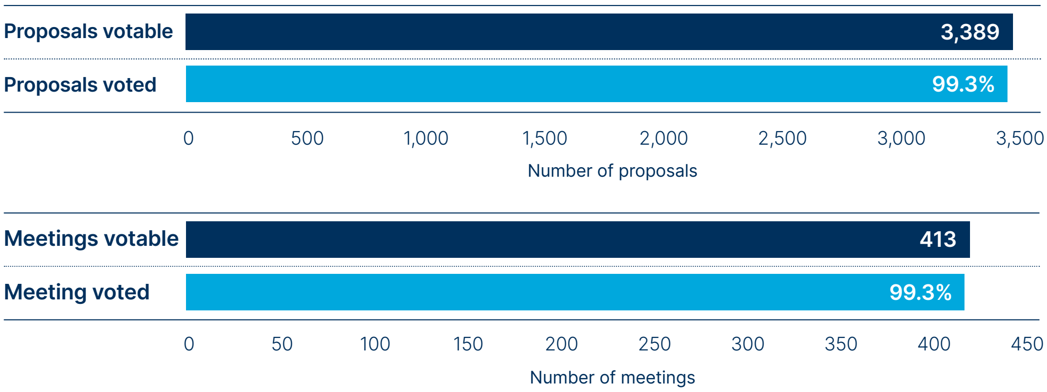
The following forms of proxy votes are typical (but not exhaustive) of those Ashmore is presented with: election of directors, ratification of auditors, management and director remuneration, changes to capital structures, takeovers, mergers and corporate restructurings, and corporate policy issues. There are usually only a limited number of social and environmental related votes.

99.3%

Percentage of votable proposals on which the Firm voted.

During the year, Ashmore voted on 99.3% of votable proposals that it was able to vote on.[1] Reasons for why the Group did not vote on the remaining 0.7% include situations where voting would have led to restrictions being placed on the security until the upcoming meeting, or due to logistics and timing considerations or where Ashmore exited the company before the votes took place.

Figure 3: Voting statistics over 2024



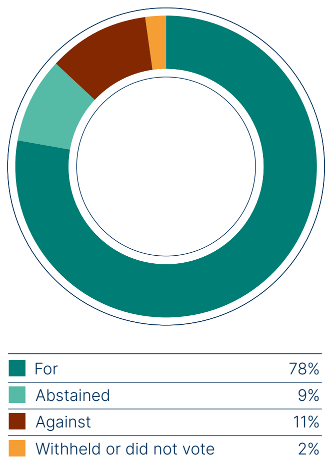
Client overrides and direct voting

Ashmore has a long-standing tradition of supporting institutional clients who wish to instruct the voting. The Group has clients who wish to maintain their right to cast votes directly or to set out voting principles, and Ashmore welcomes the opportunity to take into account clients' values and preferences.

Voting decisions are made by the portfolio manager responsible for the investment. This process is supported by the Operations team, which administers the proxy voting process. Ashmore's equity portfolio managers aim to vote on all proxies presented to them, using the ISS platform or equivalent to submit votes.

Figure 4 shows Ashmore's voting record for 2024. While 78% of votes were for the proposal, the Firm abstained from 9% of the votes, voted against 11%, and withheld or did not vote on 2% of votes.

Figure 4: Vote cast statistics[2]

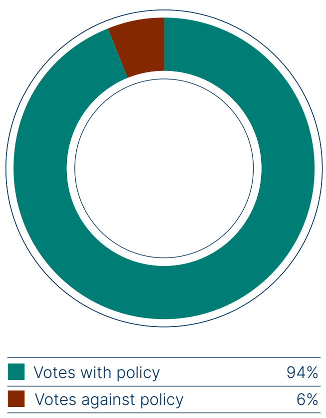


Proxy advisers

ISS research and voting recommendations are available to the Ashmore portfolio managers to help inform voting decisions. While portfolio managers take into account this information from ISS, they maintain full discretion as to how to vote on any one resolution or as in-line with client instructions.

During 2024 Ashmore applied ISS's house policy, which was followed for 94% of the resolutions. For the remaining 6% the portfolio managers chose to vote against ISS's advice, believing this to be in the best interests of clients.

Figure 5: Vote alignment with ISS Policy



1 This therefore excludes sanctioned issuers where Ashmore would be prohibited from voting.

2 Figures may not total 100% due to a variety of reasons, such as lack of management recommendation, scenarios where an agenda has been split voted, multiple ballots for the same meeting were voted differing ways, or a vote of 'Abstain' is also considered a vote against management.

In cases where Ashmore's voting decision was either against management's recommendations or shareholder resolutions, this would be either based on ISS recommendations or where the portfolio manager believed these not to be in clients' interests.

For example, as shown in Figure 6, Ashmore voted against management on 12% of resolutions. This type of active management is encouraged at Ashmore.

Figure 6: Vote alignment with Management

Votes with management	88%
Votes against management	12%

Figure 7: Proposal categories

Management proposals

	Votes	%
Audit related	188	5
Capitalisation	202	5
Company articles	255	7
Compensation	326	9
Director election	1,053	29
Directors related	381	11
Miscellaneous	53	1
Non-routine business	193	5
Routine business	852	24
Strategic transactions	64	2
E&S blended	2	–
No research	6	–
Social	7	–
Takeover related	3	–
Mutual funds	1	–

Examples

Ashmore has again adopted the approach prescribed by the Pensions and Lifetime Savings Association (PLSA) to standardise voting reporting to institutional investors. The outcome of the equity resolutions Ashmore voted on in 2024 can be found below using the PLSA format.

Figure 8: 2024 voting

PLSA Question	Ashmore
How many meetings were you eligible to vote at?	413
How many resolutions were you eligible to vote on?	3,607
What % of resolutions did you vote on for which you were eligible?	99%
Of the resolutions on which you voted, what % did you vote with management?	88%
Of the resolutions on which you voted, what % did you vote against management?	12%
Of the resolutions on which you voted, what % did you abstain from voting?	9%
In what % of meetings, for which you did vote, did you vote at least once against management? *	21%
What % of resolutions, on which you did vote, did you vote contrary to the recommendation of your proxy adviser?	6%

*This number also includes votes withheld and abstained.

Please find some examples below, aligned with what Ashmore considers 'significant votes' as per PLSA guidance.

Figure 9: Voting examples

Company sector	MATERIALS	HEALTHCARE	CONSUMER DISCRETIONARY	FINANCIALS	CONSUMER STAPLES
Date of vote	20 March 2024	30 August 2024	24 October 2024	21 August 2024	22 March 2024
Approximate size of fund's/mandate's holding as at the date of the vote (based on % of selected portfolio/s)	2%	2%	2%	2%	1%
Summary of the resolution	Election of directors	Executive compensation	Capitalisation: the issuance of equity securities without pre-emptive rights	Audit related	Election of directors
How Ashmore voted	AGAINST	AGAINST	AGAINST	AGAINST	AGAINST
Whether Ashmore communicated its intent to vote against management to the company ahead of the vote	Ashmore's concerns were highlighted.	Ashmore's concerns were highlighted.	Ashmore's concerns were highlighted.	Ashmore's concerns were highlighted.	Ashmore's concerns were highlighted.
Rationale for the voting decision	Ashmore voted against the resolution as a form of escalation. This followed little improvement in environmental performance despite our engagement over a prolonged period, including the request for publicly reported net zero strategy and science-based targets.	Ashmore voted against the resolution given the proposed employee stock ownership plan (ESOP) gave the company flexibility in the exercise price, whilst we would advocate this be fixed at current market price. This would better align management with the interests of shareholders. The vesting conditions were also not disclosed, and neither were the KPIs which form the basis for awarding share options.	Ashmore voted against the resolution given our disagreement with the proposal to issue shares without the approval of minority shareholders	Ashmore voted against the resolution given inadequate disclosure around the non-audit fees paid to the Company's auditors.	Ashmore voted against the resolution after assessing the board structure to lack sufficient independence and also as having a lack of market orientated leadership.
Outcome of the vote	FOR	FOR	FOR	FOR	FOR
Implications of the outcome e.g. lessons learned and likely future steps in response to the outcome	The company was given a lower ESG score which weighs on the 'Quality' view.	The company has since provided greater discourse on their ESOP scheme including the vesting period. Taken in combination with generally strong ESG performance, the company's ESG score was not downgraded.	The company has been penalised via the ESG scorecard weighing on the 'Quality' view of the company.	The concern is a potential area of future engagement. In the context of overall strong ESG performance and a willingness from management to improve, the company has not been penalised	The company has been penalised via the ESG scorecard weighing on the 'Quality' view of the company.
Criteria used to assess the vote as 'most significant'	Trigger for position size reduction in the portfolio.	Significant position size in the portfolio.	Significant position size in the portfolio, and which remains under review.	Significant position size in the portfolio.	Trigger for position size reduction in the portfolio.

Note: Instructions of Do Not Vote are not considered votes, and in cases of different votes submitted across ballots for a given meeting, votes cast are distinctly counted by type per proposal where total votes submitted by type may be higher than unique proposals voted.

Figures may not total 100% due to a variety of reasons, such as lack of management recommendation, scenarios where an agenda has been split voted, multiple ballots for the same meeting were voted differing ways, or a vote of 'Abstain' is also considered a vote against management.

Contact us

Ashmore Group plc

61 Aldwych, London WC2B 4AE
T: +44 (0)20 3077 6000

www.ashmoregroup.com

Important information: This document is issued by Ashmore Group plc, whose subsidiaries Ashmore Investment Management Limited and Ashmore Investment Advisors Limited are authorised and regulated by the Financial Conduct Authority. The information and any opinions contained in this document have been compiled in good faith, but no representation or warranty, express or implied, is made as to accuracy, completeness or correctness. Save to the extent (if any) that exclusion of liability is prohibited by any applicable law or regulation, Ashmore, its officers, employees, representatives and agents expressly advise that they shall not be liable in any respect whatsoever for any loss or damage, whether direct, indirect, consequential or otherwise however arising (whether in negligence or otherwise) out of or in connection with the contents of or any omissions from this document. Past performance is not a reliable indicator of future results. This document does not constitute and may not be relied upon as constituting any form of investment advice and prospective investors are advised to ensure that they obtain appropriate independent professional advice before making any investment.

This document does not constitute an offer to sell or an invitation to buy shares in Ashmore Group plc or any other invitation or inducement to engage in investment activities. Certain statements, beliefs and opinions in this document are forward-looking, which reflect the Company's current expectations and projections about future events. By their nature, forward-looking statements involve a number of risks, uncertainties and assumptions that could cause actual results or events to differ materially from those expressed or implied by the forward-looking statements.

Forward-looking statements contained in this document regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. The value of investments, and the income from them, may go down as well as up, and is not guaranteed. Past performance cannot be relied on as a guide to future performance. Exchange rate changes may cause the value of overseas investments or investments denominated in different currencies to rise and fall. The Company does not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. You should not place undue reliance on any forward-looking statements, which speak only as of the date of this document.