

Ashmore SRD II Engagement Policy

Group Policy Document

Published: March 2026

Ashmore Engagement Policy

This document summarises the policy of Ashmore Group plc and its affiliated companies (Ashmore) and its approach to investee engagement and how it meets the requirements of the Shareholder Rights Directive (SRD II). The policy covers all client funds and accounts for which Ashmore serves as investment manager or adviser, and outlines how it engages directly with issuers, collaboratively with other investors, collectively with industry initiatives, and how it exercises its voting rights and other responsibilities.

Scope

The Engagement Strategy is consistently implemented across Ashmore's offices and asset classes as far as practically possible to ensure expectations are met and firm-wide practices are shared. Nonetheless, it is acknowledged that there may be certain differences to reflect local requirements and norms. Primarily, this policy applies to sovereign debt, corporate debt, and listed equities, which accounts for the majority of the Group's AUM.

Reporting of Ashmore's engagement efforts

Details of Ashmore's engagement efforts can be found in 'Principle 3: Engagement' in the UK Stewardship Code, available on its website.

UK Stewardship Code

Ashmore continues to be a signatory of the UK Stewardship Code 2020, following its application in 2022. As a company listed on the London Stock Exchange, Ashmore aspires to the standards of best practice that the Code represents. Ashmore's UK Stewardship Code Report can be found on the Group's website.

Direct engagement with issuers

Ashmore believes that through strong relationships and constructive engagement with sovereign and corporate issuers, of debt and equity, the Group can positively influence outcomes related to ESG risks and an issuer's management of sustainability matters, leading to better outcomes for clients. Ashmore sees such active ownership to be an integral part of its fiduciary duty as well as an important tool to enhance and preserve the value of its clients' investments and long-term interests.

As a longstanding investor in Emerging Markets economies, Ashmore recognises the importance of ongoing issuer engagement in its investment strategy. In markets where, historically, corporate disclosure has been less transparent than in developed markets, effective stewardship to promote high standards of corporate governance has been proven to add value and to the success of companies. As an active manager, Ashmore believes that stewardship helps to safeguard and enhance the risk-adjusted returns of clients' investments. Furthermore, good corporate governance supports the alignment of the interests of company management 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 ESG risks and opportunities, as well as a lever to have a mutually beneficial impact on sustainability matters.

Ashmore seeks to engage with issuers, both sovereign and corporate, carried out as part of an ongoing dialogue between the investment teams and government officials and company management as well as other key stakeholders.

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".

This limits 'engagements' to cases where the investment teams are in contact with issuers in order to address a particular topic. However, such engagements form only a part of the interactions between the Group and issuers.

Different approaches to engaging with issuers

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 (UK SC), 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. Ashmore's investment teams record the details of engagement activities, including the final outcomes.

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.

Methods of engagement

The method used to conduct the engagements with an investee will depend on the nature and materiality of the issue being raised, as well as the relative size of Ashmore's investment. Each engagement effort consists of one or more activities designed to achieve the engagement objective.

Ashmore's engagement typically includes:

- Conferences
- Call / zoom
- Formal letters
- Email correspondence
- Questionnaires
- In-person meetings

Ashmore's engagement efforts are typically conducted with the following groups:

- Board-level
- ESG / Sustainability team
- Investor relations
- Executive-level
- Senior management
- Government representatives

Engagement with corporate issuers

Ashmore expects companies to comply with local regulations and corporate governance codes. Company boards should seek to satisfy the reasonable expectations of customers, investors, and employees, as well as acting in a way that demonstrates their responsibility to wider society and to ensure long-term prosperity for all.

Engagement with sovereign issuers

As a long-term holder of government securities on behalf of clients, Ashmore has used this privileged position to engage with borrowing countries on their economic policies, borrowing strategy and the functioning of their institutions. Ashmore's investment teams also use this opportunity to engage sovereign issuers on broader environmental issues, social responsibilities, and governance issues.

As part of monitoring and engagement efforts of sovereign issuers, Ashmore's investment teams will correspond with policymakers, key officials, and other stakeholders on a range of topics that enable them to make more informed investment decisions.

Escalation

Ashmore prefers to conduct engagement efforts as part of confidential and constructive dialogue with issuers but 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.

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 issues 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 options at their disposal 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.

Collaborative and collective engagement

Ashmore believes that there is value in collaborating with investor and industry groups when engaging with issuers. 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 ICSWG's definition of 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 deciding whether to engage or act collectively with other investors, Ashmore considers a range of factors including:

- The sensitivity of the issue being discussed
- If, by acting collectively, the engagement is likely to be more effective
- The alignment of other investors with Ashmore's objectives
- The impact of the collective engagement on the ongoing relationship with the investee

'Collaborative engagement' is considered to be where the Group works with other investors or stakeholders to achieve an engagement objective. 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.

In addition to collaborating with other investors, Ashmore will join collective engagement opportunities with relevant initiatives who bring together investees to engage and discuss focused issues as permitted by regulations. . 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.

Exercising voting rights and other 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 important part of the Engagement Strategy.

As far as practically possible, Ashmore aim 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. All voting decisions are made by the portfolio manager responsible for the investment.

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, often engaging with the companies in advance of an upcoming shareholder meeting should it consider the resolutions contentious.

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.

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.

Proxy advisers and instructed 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.

ISS research and voting recommendations are available to the Ashmore investment teams 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.

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.

Further information about Ashmore's voting position can be found in the Voting Policy, located on the website.

Managing conflicts of interests in relation to the Group's engagement efforts

Ashmore has in place a group-wide policy to identify and manage actual and potential conflicts of interest that may arise between it and its clients or between its different clients, which is available on its website.

All Ashmore employees are required to have an understanding of conflicts of interest. By so doing any conflicts of interest that arise in the ordinary course of business can be dealt with in accordance with established procedures or escalated through line management or the Compliance department. Examples of relevant conflicts of interest may include (but are not limited to):

- Exercising voting rights where the investee company is a client of Ashmore
- Exercising voting rights where an Ashmore employee sits on the board of the investee company
- Restrictions on Ashmore employees investing in investee companies for their own account

More information on conflicts of interests can be found in the UK Stewardship Code.