Ashmore – Sustainability Risk Statement

A "**sustainability risk**" is an environmental, social or governance ("**ESG**") event or condition that, if it occurs, could cause an actual or potential material negative impact on the value of an investment. Sustainability risks are integrated into the investment decisions of Ashmore Investment Management (Ireland) Limited ("**Ashmore Ireland**") and Ashmore Investment Management Limited (the "**Investment Manager**") and the investment advice of any relevant investment advisor to the Investment Manager (each such advisor, an "**Investment Advisor**") in relation to various funds from time to time, including real estate investment funds, in accordance with Ashmore's ESG policy as provided on the Investment Manager's website which is updated from time to time.

In accordance with Ashmore's ESG policy, sustainability risk analysis is integrated into the relevant investment and advisory processes in the same way as Ashmore assesses macroeconomic risk, financial performance and credit metrics. It acts as both a form of risk management and a source of alpha generation. Ashmore's sustainability risk analysis involves a consideration of all relevant sustainability risks, including for example, natural disasters risk and risks related to incidents of environmental pollution, societal stability, product quality and safety issues, supply chain and labour risks, health and safety failings, human rights violations and changes in the regulatory environment relating to sustainability. This is an indicative list only, and Ashmore recognises that the universe of relevant sustainability risks will grow and evolve over time.

The integration of sustainability risks under Ashmore's ESG policy is fundamentals-driven, such that investment teams have discretion as to how best to utilise the ESG information in their investment and advisory processes. The process is, however, built around a framework which includes the following tools and resources, as applicable:

- **ESG scoring process** – the portfolio managers, analysts and Investment Advisor, as applicable score each issuer[1] by assessing its current level of performance against developing ESG best practice as well as the quality of its policies and initiatives which seek to improve its ESG performance. This scoring process enables the portfolio managers and analysts to consider the sustainability risks associated with an investment in the relevant issuer, amongst other ESG considerations. The ESG scores of each issuer are reviewed at a minimum every 12 months and may be reviewed sooner on a key events-basis. The Investment Committee and the relevant theme sub-Investment Committee have oversight of the ESG scoring process and its application in investment decisions.
- **Climate-related assessments** – Ashmore believes that climate change has the potential to significantly impact the long-term value of assets, thereby affecting an issuer's or an investment's performance, as applicable. To ensure that these risks are appropriately incorporated into the value of assets, Ashmore incorporates climate-related assessments into its valuations.
- **Monitoring** – the portfolio managers, analysts and Investment Advisor, as applicable periodically monitor each issuer and investment a range of metrics as applicable, including the sustainability risks associated with an investment in each issuer. Any new or heightened sustainability risks will in the first instance be raised with the issuer, where appropriate. Depending on the outcome of this engagement, the issue will be formally raised and addressed through the relevant theme sub-Investment Committee.

[1] This includes all asset classes and issuers e.g. sovereign debt, corporate debt, equities and alternatives (such as private equity/debt, healthcare, infrastructure and real estate developers)

- **In-depth ESG data** – in performing ESG analysis, including sustainability risk analysis, the portfolio managers, analysts and investment advisors use a variety of external secondary data sources, which are complemented by research and site visits, meetings with companies and other stakeholders and data provided by third parties, which add depth of understanding, and help substantiate the data from Ashmore's own research and assessment.

- **Training** – Ashmore seeks to provide its investment teams with appropriate training to enable them to integrate ESG assessment, including sustainability risk assessment, into their investment analysis. Furthermore, relevant changes to Ashmore's ESG policies and procedures are carried forward through Ashmore's ESG Committee. As the ESG Committee includes representation from across the organisation (including the Investment Teams, Operations, Risk Management and Corporate Development), this ensures that all relevant teams are updated and trained in a timely manner.

This "Sustainability Risks Statement" is being published, *inter alia*, to comply with the requirement under Regulation (EU) 2019/2088 of the European Parliament and of the Counsel of 27 November 2019 on sustainability-related disclosures in the financial services sector to publish information about the policies of Ashmore Ireland and the Investment Manager on the integration of sustainability risks in their investment decision-making and investment advisory processes.

Nothing in this "Sustainability Risks Statement" shall constitute a promotion by Ashmore Ireland, the Investment Manager, any Investment Advisor or any product in respect of which any Ashmore entity acts as manager, portfolio manager, investment advisor or similar of any environmental and/or social characteristics within the meaning of Article 8 of the Disclosure Regulation, notwithstanding anything to the contrary in any communications of Ashmore Ireland, the Investment Manager, any Investment Advisor or any product in respect of which any Ashmore entity acts as manager, portfolio manager, investment advisor or similar.