

Table 1

**Statement on principal adverse impacts of investment decisions on sustainability factors**

**Financial market participant: Ashmore Investment Management Ireland Limited (AIMIL)**

**Summary**

Ashmore Investment Management (Ireland) Limited (AIMIL) [LEI: 549300XPZ1FZFHNHOW61] considers principal adverse sustainability impacts of its investment decisions on sustainability factors. The present statement is the consolidated statement on principal adverse impacts on sustainability factors statement of AIMIL for the funds it manages.

The management of these funds has been delegated by AIMIL to Ashmore Investment Management Limited ("AIML" or the "Investment Manager"), and as such, principal adverse sustainability impacts are considered by AIML at the investment decision level taking due account of the size, nature and scale of activities and the types of financial products available, and to the extent sufficient relevant and appropriate data (either from a reputable source or through the Investment Manager's own initial and on-going due diligence process) can be obtained.

This statement on principal adverse impacts on sustainability factors covers the reference period from 1 January 2023 to 31 December 2023.

**Summary of the principal adverse impacts:**

Included in this reporting is the corporate and sovereign mandatory indicators (AIMIL has no exposure to real estate) across all funds under AIMIL, as well as one voluntary environmental and social indicator for each of the two asset classes.

This is the second year the Investment Manager is publishing the principal adverse sustainability impacts indicators for AIMIL, and the focus has continued to be on ensuring data quality and coverage. Over the year the Investment Manager has worked together with its ESG data provider MSCI to ensure the presentation and calculation of the indicators are accurate and useful. Over 2024, the Investment Manager intends to further investigate to what extent the principal adverse sustainability impacts indicators can be increasingly integrated into the Ashmore ESG Scorecard process in relation to investment decision making. To the extent possible, the Investment Manager will prioritise the consideration of principal adverse sustainability impacts indicators based on the relevance of those impacts considering the type of the specific financial product. The Investment Manager will seek to mitigate any such adverse impacts identified (or which subsequently arise) through engagement, stewardship activities, and through its investment decision making and exclusion practices as outlined in Ashmore Group's ESG Policy.

In the below table, the Investment Manager outlines the principal adverse sustainability impacts for corporates and sovereigns (four quarters aggregated) as far as data quality and access allowed, including the mandatory indicators and relevant voluntary indicators. Indicators which stand out related to climate in 2023 was the marked reduction of PASI 1-3 on GHG emissions of issuers as well as 'exposure to companies active in the fossil fuel sector' which was down from 36% of the portfolio's market value last year to 23% in 2023. Of the voluntary indicators, 'investments in companies without carbon emission reduction initiatives' in 2022, 51% of the entity's assets under management did not have emission reduction targets aligned with the Paris Agreement. It was welcomed to see that this is down to 42% in 2023 as this has been an area the Investment Manager has been focused on e.g. through explicitly considering it in the corporate ESG analysis. Biodiversity and deforestation are increasing concerns for investors. Consequently, it remains welcome to see 'activities negatively affecting biodiversity-sensitive areas' at only 0.35% (slightly down from 0.47% last year) and with a high data coverage of 84%.

Indicators related to social issues which stand out include 'violations of UN Global Compact and OECD Guidelines' which at 5% has notably reduced compared to the previous year. This is an indicator which the Investment Manager will continue to monitor closely and is a core area identified for engagement. Another data point related to corruption which is a known ESG risk in Emerging Markets, is highlighted by the voluntary indicator 'average corruption score', which indicated that the average Corruption Perception Index score of the entity is 42. The level of corporate gender diversity in Emerging Markets is typically not as high as in many developed markets and consequently, the 21% female to male board members under 'board gender diversity' was considered positive.

**Description of the principal adverse impacts on sustainability factors**

**Indicators applicable to investments in investee companies**

Adverse sustainability indicator	Metric	Impact 2023	Impact 2022	Explanation	Actions taken, and actions planned and targets set for the next reference period	Coverage	
<b>CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS</b>							
Greenhouse gas emissions	<b>1. GHG emissions</b>	Scope 1 GHG emissions	318,587.39 tCO2e	714,684.74 tCO2e	Sum of portfolio companies' Carbon Emissions - Scope 1 (tCO2e) weighted by the portfolio's value of investment in a company and by the company's most recently available enterprise value including cash (EVIC).	<b>Data:</b> Source MSCI	61%
		Scope 2 GHG emissions	34,356.90 tCO2e	54,894.53 tCO2e	Sum of portfolio companies' Carbon Emissions - Scope 2 (tCO2e) weighted by the portfolio's value of investment in a company and by the company's most recently available enterprise value including cash (EVIC).	<b>Coverage:</b> By the nature of investment in Emerging Markets, there is scope for improving the coverage of this indicator and Ashmore will continue to explore ways to improve data coverage and data quality. Coverage has remained relatively stable since last year.  <b>Action taken:</b> Over the past year Ashmore has significantly reduced its entity GHG emissions as can be seen from the historical comparison of PASI 1-3.  <b>Action planned:</b> Ashmore will continue to work on improving the calculation and coverage of issuers' GHG emissions.	61%
		Scope 3 GHG emissions (from 1 January 2023)	1,246,276.19 tCO2e	2,328,206.91 tCO2e	Sum of portfolio companies' Scope 3 - Total Emission Estimated (tCO2e) weighted by the portfolio's value of investment in a company and by the company's most recently available enterprise value including cash (EVIC).		61%
		Total GHG emissions	1,600,080.25 tCO2e	3,097,898.12 tCO2e	The total annual Scope 1, Scope 2, and estimated Scope 3 GHG emissions (tCO2e) associated with the market value of the portfolio. Companies' carbon emissions are apportioned across all outstanding shares and bonds (based on the most recently available enterprise value including cash (EVIC)).		61%
	<b>2. Carbon footprint</b>	Carbon footprint	878.35 tCO2e	1,373.69 tCO2e	The total annual Scope 1, Scope 2, and estimated Scope 3 GHG emissions associated with 1 million EUR invested in the portfolio. Companies' carbon emissions are apportioned across all outstanding shares and bonds (based on the most recently available enterprise value including cash (EVIC)).		61%
	<b>3. GHG intensity of investee companies</b>	GHG intensity of investee companies	2,584.64 tCO2e	3,512.25 tCO2e	The portfolio's weighted average of its holding issuers' GHG intensity (Scope 1, Scope 2 and estimated Scope 3 GHG emissions/EUR million revenue).		85%
	<b>4. Exposure to companies active in the fossil fuel sector</b>	Share of investments in companies active in the fossil fuel sector.	22.69%	35.91%	The percentage of the portfolio's market value exposed to issuers with fossil fuels related activities, including extraction, processing, storage and transportation of petroleum products, natural gas, and thermal and metallurgical coal.	<b>Data:</b> Source MSCI  <b>Action taken:</b> Over the past year Ashmore has significantly reduced its exposure to companies active in the fossil fuel sector compared to the previous year. This has been done partially by monitoring issuers' revenue from fossil fuel and where relevant exclude certain issuers depending on a product and/or client preferences.	84%
	<b>5. Share of non-renewable energy consumption and production</b>	Share of non-renewable energy consumption and production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources.	81.50%	85.60%	The portfolio's weighted average of issuers' energy consumption and/or production from nonrenewable sources as a percentage of total energy used and/or generated.		59%

	6. Energy consumption intensity per high impact climate sector (Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector)	NACE Code A (Agriculture, Forestry and Fishing)	NA	4.06 GWh/million EUR revenue	The portfolio's weighted average of Energy Consumption Intensity (GWh/million EUR revenue) for issuers classified within NACE Code A (Agriculture, Forestry and Fishing)	<p><b>Data:</b> Source MSCI</p> <p>Coverage: For certain NACE sectors there is no impact data due to lack of exposure to the relevant sector and/or issues with coverage. Ashmore will continue to monitor this with the aim of improving coverage.</p> <p><b>Action taken:</b> The use of green energy is consistently considered as part of the Ashmore ESG Scorecard taking into account the nature of Emerging Markets investing.</p>	61%
		NACE Code B (Mining and Quarrying)	1.74 GWh/million EUR revenue	1.98 GWh/million EUR revenue	The portfolio's weighted average of Energy Consumption Intensity (GWh/million EUR revenue) for issuers classified within NACE Code B (Mining and Quarrying)		61%
		NACE Code C (Manufacturing)	2.13 GWh/million EUR revenue	3.38 GWh/million EUR revenue	The portfolio's weighted average of Energy Consumption Intensity (GWh/million EUR revenue) for issuers classified within NACE Code C (Manufacturing)		61%
		NACE Code D (Electricity, Gas, Steam and Air Conditioning Supply)	8.82 GWh/million EUR revenue	9 GWh/million EUR revenue	The portfolio's weighted average of Energy Consumption Intensity (GWh/million EUR revenue) for issuers classified within NACE Code D (Electricity, Gas, Steam and Air Conditioning Supply)		61%
		NACE Code E (Water Supply; Sewerage, Waste Management and Remediation Activities)	NA	N/A	The portfolio's weighted average of Energy Consumption Intensity (GWh/million EUR revenue) for issuers classified within NACE Code E (Water Supply; Sewerage, Waste Management and Remediation Activities)		61%
		NACE Code F (Construction)	0.16 GWh/million EUR revenue	0.07 GWh/million EUR revenue	The portfolio's weighted average of Energy Consumption Intensity (GWh/million EUR revenue) for issuers classified within NACE Code F (Construction)		61%
		NACE Code G (Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles)	0.58 GWh/million EUR revenue	0.93 GWh/million EUR revenue	The portfolio's weighted average of Energy Consumption Intensity (GWh/million EUR revenue) for issuers classified within NACE Code G (Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles)		61%
		NACE Code H (Transportation and Storage)	1.87 GWh/million EUR revenue	0.6 GWh/million EUR revenue	The portfolio's weighted average of Energy Consumption Intensity (GWh/million EUR revenue) for issuers classified within NACE Code H (Transportation and Storage)		61%
		NACE Code L (Real Estate Activities)	2.71 GWh/million EUR revenue	1.69 GWh/million EUR revenue	The portfolio's weighted average of Energy Consumption Intensity (GWh/million EUR revenue) for issuers classified within NACE Code L (Real Estate Activities)		61%
Biodiversity	7. Activities negatively affecting biodiversity-sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas.	0.35%	0.47%	The percentage of the portfolio's market value exposed to issuers' that reported having operations in or near biodiversity sensitive areas and have been implicated in controversies with severe or very severe impacts on the environment.	<p><b>Data:</b> Source MSCI</p> <p><b>Action taken:</b> Regular training is provided within Ashmore, and this has included biodiversity and deforestation.</p> <p><b>Action planned:</b> Ashmore is increasingly focusing on deforestation as an engagement theme, which would aid management of this adverse impact.</p>	84%
Water	8. Emissions to water	Tons of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average.	3,425.82 metric tons	9,945.57 metric tons	The total annual wastewater discharged (metric tons reported) into surface waters as a result of industrial or manufacturing activities associated with 1 million EUR invested in the portfolio. Companies' water emissions are apportioned across all outstanding shares and bonds (based on the most recently available enterprise value including cash (EVIC)).	<p><b>Data:</b> Source MSCI</p> <p><b>Coverage:</b> Ashmore recognises that the coverage of these indicators are very limited and will continue to explore with its data provider ways to improve data coverage and data quality.</p>	1%
Waste	9. Hazardous waste and radioactive waste ratio	Tons of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average.	3.21 metric tons	5.9 metric tons	The total annual hazardous waste (metric tons reported) associated with 1 million EUR invested in the portfolio. Companies' hazardous waste is apportioned across all outstanding shares and bonds (based on the most recently available enterprise value including cash (EVIC)).	<p><b>Data:</b> Source MSCI</p> <p><b>Coverage:</b> Ashmore recognises that the coverage of these indicators are very limited and will continue to explore with its data provider ways to improve data coverage and data quality.</p>	20%

**INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS**

Social and employee matters	<p><b>10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises</b></p>	<p>Share of investments in investee companies that have been involved in violations of the UN GC principles or OECD Guidelines for Multinational Enterprises.</p>	5.08%	12.64%	<p>The percentage of the portfolio's market value exposed to issuers with very severe controversies related to the company's operations and/or products.</p>	<p><b>Data:</b> There is no official UN Global Compact violators. The indicator presented is based on MSCI's assessment.</p> <p><b>Coverage:</b> Due to coverage issues from MSCI in two of four quarters, the adverse impact metrics represents the data for Q3 and Q4.</p> <p><b>Action taken:</b> Ashmore has been reviewing its exposure to issuers considered 'violators' of UN GC principles by third-party data providers and created relevant engagement plans.</p>	84%
	<p><b>11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises</b></p>	<p>Share of investments in investee companies without policies to monitor compliance with the UN GC principles or OECD Guidelines for Multinational Enterprises or grievance /complaints handling mechanisms to address violations of the UN GC principles or OECD Guidelines for Multinational Enterprises.</p>	48.02%	48.08%	<p>The percentage of the portfolio's market value exposed to issuers that are not signatories in the UN Global Compact.</p>	<p><b>Action planned:</b> Ashmore will continue to engage with such issuers as well as engage with the data providers to ensure that it is clear to the issuers what action they need to take to no longer be considered in breach of the principles.</p>	84%
	<p><b>12. Unadjusted gender pay gap</b></p>	<p>Average unadjusted gender pay gap of investee companies.</p>	16.85%	19.85%	<p>The portfolio holdings' weighted average of the difference between the average gross hourly earnings of male and female employees, as a percentage of male gross earnings.</p>	<p><b>Data:</b> Source MSCI</p> <p><b>Coverage:</b> Ashmore will continue to explore ways to improve data coverage and data quality.</p>	5%
	<p><b>13. Board gender diversity</b></p>	<p>Average ratio of female to male board members in investee companies, expressed as a percentage of all board members.</p>	20.64%	19.75%	<p>The portfolio holdings' weighted average of the ratio of female to male board members.</p>	<p><b>Data:</b> Source MSCI</p> <p><b>Action taken:</b> Board gender diversity is consistently considered as part of the Ashmore ESG Scorecard taking into account the nature of Emerging Markets investing.</p>	79%
	<p><b>14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)</b></p>	<p>Share of investments in investee companies involved in the manufacture or selling of controversial weapons.</p>	0.00%	0.00%	<p>The percentage of the portfolio's market value exposed to issuers with an industry tie to landmines, cluster munitions, chemical weapons or biological weapons. Note: Industry ties includes ownership, manufacturing and investments. Ties to landmines do not include related safety products.</p>	<p><b>Data:</b> Source is Ashmore's assessment of issuer involvement in controversial weapons, and MSCI.</p> <p><b>Exclusion:</b> Ashmore monitors issuers' involvement in controversial weapons and excludes these across the firm's investments. This indicator flagged from MSCI the exposure to one company due to potential dual use components. Ashmore does not consider such components to necessarily indicate manufacturing or selling of controversial weapons and in this case, has made its conclusions following engagement with the company.</p>	100%

**Indicators applicable to investments in sovereigns and supranationals**

Adverse sustainability indicator		Metric	Impact 2023	Impact 2022	Explanation	Actions taken, and actions planned and targets set for the next reference period	Coverage
Environmental	<b>15. GHG intensity</b>	GHG intensity of investee countries.	886.34 tCO2e	901.38 tCO2e	The portfolio's weighted average of sovereign issuers' GHG Emissions Intensity (Scope 1, 2, and 3 emissions/EUR M GDP).	<p><b>Data:</b> Source MSCI</p> <p><b>Action taken:</b> Ashmore has worked on expanding its access to and integration of sovereign GHG emission metrics.</p> <p><b>Engagement:</b> The disclosure of GHG emissions was an important engagement theme over 2023.</p>	100%
Social	<b>16. Investee countries subject to social violations</b>	Number of investee countries subject to social violations (absolute number), as referred to in international treaties and conventions, United Nations principles and, where applicable, national law.	4.00	4.00	The portfolio's number of unique sovereign issuers with European External Action Service (EEAS) restrictive measures (sanctions) on imports and exports.	<p><b>Data:</b> Source MSCI</p> <p><b>Exclusion:</b> Ashmore seeks to comply with applicable government authorities, and where appropriate, screens investments against the UN Security Council, EU Sanctions, and UK Sanctions, and the US Office of Foreign Assets Control lists as per the Ashmore Sanctions Policy.</p>	100%
		Number of investee countries subject to social violations (relative number divided by all investee countries), as referred to in international treaties and conventions, United Nations principles and, where applicable, national law.	6.85%	7.22%	The portfolio's percentage of unique sovereign issuers with European External Action Service (EEAS) restrictive measures (sanctions) on imports and exports.		100%

Table 2

## Additional climate and other environment-related indicators

CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS							
Adverse sustainability impact	Adverse impact on sustainability factors (qualitative or quantitative)	Metric	Impact 2023	Impact 2022	Explanation	Actions taken, and actions planned and targets set for the next reference period	Coverage
<b>Indicators applicable to investments in investee companies</b>							
Emissions	<b>4. Investments in companies without carbon emission reduction initiatives</b>	Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement.	42.42%	51.24%	The percentage of the portfolio's market value exposed to issuers without a carbon emissions reduction target aligned with the Paris Agreement.	<p><b>Data:</b> Source MSCI</p> <p><b>Action taken:</b> Explicitly considering companies' net zero targets became part of the Ashmore ESG Scorecard in 2023, hence it is welcomed to see the reduction in this indicator from the previous year.</p> <p><b>Target:</b> Ashmore will continue to have this indicator assessed for all the corporate issuers in which it invests to the extent relevant.</p>	82%
<b>Indicators applicable to investments in sovereigns and supranationals</b>							
Green securities	<b>17. Share of bonds not issued under Union legislation on environmentally sustainable bonds</b>	Share of bonds not issued under Union legislation on environmentally sustainable bonds.	N/A	N/A	Share of bonds not certified as green.	<p><b>Data:</b> Although data on this indicator is not currently available from the primary PASI data provider, MSCI, within Ashmore, this indicator is nonetheless assessed on an ad hoc basis using alternative data sources until systematic data is available.</p> <p><b>Action planned:</b> Ashmore intends to identify a metric which can be used to consistently report against this principal adverse sustainability impact indicator.</p>	NA (MSCI)

Table 3

## Additional indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters

INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS							
Adverse sustainability impact	Adverse impact on sustainability factors (qualitative or quantitative)	Metric	Impact 2023	Impact 2022	Explanation	Actions taken, and actions planned and targets set for the next reference period	Coverage
<b>Indicators applicable to investments in investee companies</b>							
Social and employee matters	<b>2. Rate of accidents</b>	Rate of accidents in investee companies expressed as a weighted average.	0.37	0.95	Sum of portfolio companies' recordable incident rate (fatalities, lost time injuries, restricted work injuries and medical treatment injuries) weighted by the portfolio's value of investment in a company and by the company's most recently available enterprise value including cash (EVIC).	<p><b>Data:</b> Source MSCI</p> <p><b>Coverage:</b> There was a marked reduction in coverage from 2022 (37%) to 2023.</p> <p><b>Action taken:</b> The treatment of employees including health and safety is considered as part of the Ashmore ESG Scorecard.</p>	19%
<b>Indicators applicable to investments in sovereigns and supranationals</b>							
Governance	<b>21. Average corruption score</b>	Measure of the perceived level of public sector corruption using a quantitative indicator explained in the explanation column.	41.70	40.54	The weighted average of portfolio's issuers' Corruption Perception Index <b>score</b> (measures the degree to which public sector corruption is perceived to exist in different countries around the world. Data source: Transparency International. Countries with lower score are perceived to be more corrupt).	<p><b>Data:</b> Source MSCI</p> <p><b>Action taken:</b> The level of corruption is considered as part of the Ashmore ESG Scorecard.</p>	100%

## Description of policies to identify and prioritise principal adverse impacts on sustainability factors

The information relating to the principal adverse impact on sustainability factors in Ashmore's ESG Policy is incorporated into investment decision-making through the Investment Manager's proprietary ESG scoring methodology as outlined in the Policy. This is the primary framework used to identify and consider principal adverse impact on sustainability factors. The methodology used to select the indicators included in this report has been to include the full set of indicators and clearly show constraints in data availability and coverage. To identify relevant principal adverse sustainability impact indicators, an exercise was conducted to map the principal adverse sustainability impact indicators to the existing ESG Scoring framework.

How the methodology used can take into account the probability of occurrence and the severity of those principal adverse impacts, including their potentially irremediable character, is being developed due to issues of availability and challenges in the implementation of data on principal adverse impacts on sustainability factors. Any associated margin of error within the methodology is currently not being calculated.

### Governance:

The Ashmore ESG Policy is reviewed and updated annually and signed off by the Ashmore Group ESG Committee and was last approved 1 June 2023. The responsibility for the implementation of the policy within strategies and procedures is allocated by the Ashmore Group plc Board of Directors to the Ashmore Group ESG Committee, which is responsible for setting out the Investment Manager's responsible investing framework and ensuring the appropriate implementation of all elements of this framework across Ashmore's corporate strategy and investment management, and the Investment Committees and the relevant theme Sub-Investment Committees responsible for the investment decisions and all ESG investment-related activities. In particular, oversight of the ESG scoring process and its application in investment management decisions is undertaken by the Investment Committee and the relevant theme Sub-Investment Committees.

### Data sources:

The Investment Manager will use the following sources to obtain data on principal adverse sustainability impacts:

- Company reports and corporate disclosures;
- Direct engagements with investee management; and
- External data sourced from third-party data provider services.

In acquiring the principal adverse sustainability impact data, a review of the main third-party data providers was conducted before selecting one to be the primary data provider. Amongst other factors, the chosen provider was considered on the basis of coverage data applicable to Emerging Markets issuers as well as regulatory reporting considerations and streamlined reporting.

## Engagement policies

The Investment Manager's Engagement Policy (which is in line with the Shareholder Rights Directive II) outlines the Investment Manager's approach to engaging with issuers. This includes how the Investment Manager engages with investees on sustainability matters. Topics for engagement are often identified during the ESG scoring process, which includes the consideration of mandatory and chosen optional principal adverse impacts on sustainability factors. The policy also outlines engagements between portfolio managers and issuers, collaborative and collective engagement efforts, as well as potential escalation strategies. Other policies of relevance to reducing principal adverse impacts includes Ashmore Group's Proxy Voting Policy, and Exclusion Policy.

### Adaption of the policies:

The Engagement Policy and related reports are all updated on an annual basis. The principal adverse indicators are monitored and in cases where there is no reduction of the principal adverse impacts over more than one period reported on and this is considered by the Investment Manager to be a concern potential next steps will be assessed. One such step could be to escalate the engagement as per the Investment Manager's Engagement Policy.



## References to international standards

### The Paris Agreement:

The Investment Manager's approach to addressing the challenges posed by climate change is framed within the context of meeting the objectives of the Paris Agreement, as set out in our Climate Change Position Paper. The Investment Manager is committed to contributing to the goals of the Paris Agreement and is a member of the Net Zero Asset Managers Initiative (NZAMI). The Investment Manager's net zero commitment is made in the expectation that governments will follow through on their own commitments to the goals of the Paris Agreement, and that the international finance that has been promised to aid Emerging Markets materialises. Furthermore, this ambition for net zero depends on society and companies continuing to set ambitious targets and delivering on their commitments. The methodology used to implement the NZAMI targets is the Target Setting Protocol by the Net Zero Asset Owners Alliance. The equity and corporate debt assets aligned to net zero by 2050 will be managed to a portfolio decarbonisation reduction target of at least 22% by 2025 and at least 49% by 2030, in line with the recommended range by the NZAOA's Target Setting Protocol. Corporate scope 1 & 2 will be included in the targets. Due to lack of reliable data, scope 3 will be tracked and reported on where material but will not be included within the portfolio targets. The portfolio targets are currently limited to corporate holdings as the methodology chosen does not yet have a target setting approach for sovereign issuers. The Investment Manager is considering and evaluating the use of forward-looking climate metrics as part of its approach to scenario analysis. The main principal adverse sustainability impact indicators used to adhere to this are the mandatory environmental principal adverse sustainability impact indicator 1-6 and the voluntary environmental indicator 4.

### The UN PRI:

Ashmore Group is a signatory of the UN Principles for Responsible Investment (UN PRI) and recognises its responsibility as a global actor in supporting the global agenda for achieving a better future for all. Please see Ashmore Group's Sustainability Report for further details of adherence to the UN PRI.

## Historical comparison

This is the second reporting by the Investment Manager on principal adverse sustainability impact indicators, allowing the comparison with last year's reporting. Comparison of selected metrics is provided in the summary section. Coverage numbers remain largely similar to the previous year with only a handful exceptions. There was a notable reduction in the PASIs related to GHG emissions from the 2022 reporting to the 2023 reporting.

## Disclaimer

In preparing the principal adverse sustainability impact-related information contained in this report, a number of key judgements, estimations and assumptions have been made. The processes, methodologies and issues involved are complex. The ESG data, models and methodologies used are often relatively new, are rapidly evolving and are not of the same standard as those available in the context of financial and other information, nor are they subject to the same or equivalent disclosure standards, historical reference points, benchmarks or globally accepted accounting principles. It is not possible to rely on historical data as a strong indicator of future trajectories, in the case of climate change and its evolution. Outputs of models, processed data and methodologies are also likely to be affected by underlying data quality, which can be hard to assess and we expect industry guidance, standards, market practice and regulations in this field to continue to evolve. There are also challenges faced in relation to the ability to access data on a timely basis and the lack of consistency and comparability between data that is available. This means the principal adverse sustainability impact-related forward-looking statements, information and targets discussed in this report carry an additional degree of inherent risk and uncertainty.

In light of uncertainty as to the nature of future policy and market response to climate change and other ESG-related issues, including between regions, and the effectiveness of any such response, and as market practice and data quality and availability develops, the Investment Manager may have to update the models and/or methodologies it uses, or alter its approach to principal adverse sustainability impact analysis and may be required to amend, update and recalculate its principal adverse sustainability impact disclosures and assessments in the future, its principal adverse sustainability impact ambitions, goals, commitments and/or targets or its evaluation of its progress towards its principal adverse sustainability impact ambitions, goals, commitments and/or targets. Revision to principal adverse sustainability impact -related data may mean it is not reconcilable or comparable year on year.

### Information on verification of metrics in this report:

The information contained within this report has not been independently verified or assured. The information in this report includes non-financial metrics, estimates or other information that are subject to significant uncertainties, which may include the methodology, collection and verification of data, various estimates and assumptions, and underlying data that is obtained from third parties. Neither AIMIL nor the Investment Manager has arranged for independent verification or assurance of the data with respect to its accuracy or completeness.

**Information on forward-looking statements:**

This report contains 'forward-looking statements'. Forward-looking statements are sometimes but not always identified by their use of a date in the future or such words as 'anticipates', 'aims', 'could', 'may', 'should', 'expects', 'believes', 'intends', 'projects'; 'plans', 'forecasts', 'goals', 'estimates', or 'targets'. By their nature, forward-looking statements are inherently predictive, speculative and involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements. These factors include, but are not limited to the following:

- changes in the regulatory framework in which AIMIL or the Investment Manager operates;
- the impact of legal or other proceedings against AIMIL, the Investment Manager, or others in the industry;
- climate change projection risk including, for example, the evolution of climate change and its impacts, changes in the scientific assessment of climate change impacts, transition pathways and future risk exposure and limitations of climate scenario forecasts;
- amendments to or new principal adverse sustainability impact reporting standards, models or methodologies;
- changes in principal adverse sustainability impact-related data availability and quality which could result in revisions to reported data going forward; and
- climate scenarios and the models that analyse them have limitations that are sensitive to key assumptions and parameters, which are themselves subject to some uncertainty.

Actual results and developments may differ materially from the expectations disclosed or implied as a result of factors including those outlined above. All subsequent written or oral forward-looking statements attributable to AIMIL, the Investment Manager, or any persons acting on its behalf are expressly qualified in their entirety by the factors referred to above. No assurances can be given that the forward-looking statements in this report will be realised. Subject to compliance with applicable law and regulations, it is not currently the intention to update these forward-looking statements and nor does AIMIL or the Investment Manager undertake any obligation to do so.