Ashmore

Task Force on Climate-Related Financial Disclosures

Investment Manager's Entity Report 2024

Contents

Ashmore Investment Management Limited (AIML)
Climate reporting aligned with guidance by the
Task Force on Climate-Related Financial Disclosures (TCFD)
2024

TCFD | TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

About Ashmore Group

Ashmore Group plc (the Group, Ashmore) is a specialist emerging markets (EM) investment manager with over thirty years' experience of investing in these markets.

Ashmore manages client portfolios within six core investment themes, namely External Debt, Local Currency, Corporate Debt, Blended Debt, Equities, and Alternatives. The Group continues to take a leading role in emerging markets product innovation, offering new strategies that provide an opportunity for investors to participate in the diversified and evolving emerging markets.

Today, Ashmore's global operating hubs in London, New York, Dublin, and Singapore support fund management activities across multiple time zones, and local emerging markets fund management offices benefit from the scale, efficiency, best practices, and resources of a global asset management group.

In accordance with the UK's Financial Conduct Authority's (FCA) Listing Rules, Ashmore Group plc has also included TCFD-related disclosures in its Annual Report & Accounts.

Introduction

Ashmore recognises the responsibilities it has both as a company listed on the London Stock Exchange and as a specialist emerging markets investment manager acting as a steward of clients' capital. It explicitly considers climate-related risks and opportunities in its operations and investment processes as recommended by the TCFD framework.

The effects of climate change are expected to be acutely felt in a number of emerging markets countries and companies and Ashmore understands the climate-related challenges faced by these markets, as well as the potential opportunities for investors from both developed and developing economies to invest in emerging markets to finance sustainable growth.

About this report

The following pages present Ashmore Investment Management Limited (AIML)'s entity report in accordance with the TCFD framework and the FCA's ESG Sourcebook. AIML is a subsidiary of Ashmore Group plc and is a UK authorised firm providing portfolio management services and is therefore in scope for this reporting requirement. The disclosures in this report cover all asset classes and strategies managed by AIML, which includes sovereign and quasi-sovereign debt, corporate debt, public equities, and alternative assets. Where a significantly different approach is taken for any asset class or strategy, efforts have been made to highlight this.

This report is aligned with the climate-related disclosures included in Ashmore Group plc's 2024 Annual Report & Accounts. Any information considered relevant has been included in this report rather than relying on the Group's broader disclosures, however significant overlap should be expected given efforts to keep climate-related procedures consistent.

While the Ashmore Group plc disclosures are made as per the Group's financial year ending 30 June, the AIML entity report (this report) is based on a calendar year schedule ending 31 December.

In accordance with the FCA ESG Sourcebook, AIML also makes available to clients, on request, relevant product reports and underlying data.

Statement of support

As an emerging markets focused investment manager, Ashmore understands the importance of considering climate-related risks and opportunities in its investment processes. These markets have not historically contributed to human made climate change to the same extent as developed markets, and consequently do not bear as much of the responsibility of global warming. Yet, as developed markets have outsourced production to the developing world, emerging markets now produce the majority of global emissions, and many developing economies face some of the most serious physical consequences of a changing climate. Consequently, this lack of climate equity makes it important to ensure that these markets receive the investment and technology transfers necessary to continue to raise living standards and to support their populations, adapting to a changing climate without adding to the mitigation challenge. It is worth noting that several developing countries have stated in their Nationally Determined Contributions (NDCs) that they rely on international climate finance if they are to reach their climate targets.

Ashmore supports action to mitigate and adapt to climate change. Transitioning to a low-carbon economy will give rise to challenges, such as ensuring a Just Transition, however Ashmore believes that it will also be a source of opportunities. Nowhere is this more the case than in emerging markets where the potential for sustainable economic growth, to support growing populations, and to develop renewable sources of energy is significant.

Ashmore supports efforts and Fair Share frameworks that consider the complexity and varying needs of countries to take action on climate change. For some countries their current focus might be on energy security and energy affordability, whilst for others it may be on energy diversification and sustainability, including strengthening governance or protecting natural resources. For example, emerging markets countries are often the guardians of some of the world's most vulnerable ecosystems and carbon sinks. It is therefore important that the world economy provides such markets with the incentives to protect and restore these valuable natural resources.

Ashmore looks forward to continue working with its clients to ensure capital is channelled to the emerging markets supporting this transition.

Compliance statement

In accordance with the FCA's ESG Sourcebook, AIML has made these disclosures consistent with the TCFD Recommendations and Recommended Disclosures, including Sections C and D of the TCFD 2021 Annex. The disclosures in this report, including any third-party or Group disclosures cross-referenced in it, comply with the requirements under Chapter 2.2. in the FCA's ESG Sourcebook.

Mark Coombs
Chief Executive Officer
May 2025

Contributing to the net zero transition

In accordance with the FCA's ESG sourcebook requirements, a firm that is headquartered in, or operates in a country that has made a commitment to a net zero economy, such as the UK's commitment in the Climate Change Act 2008 (2050 Target Amendment) Order 2019, is encouraged to assess the extent to which it has considered that commitment in developing and disclosing its transition plan.

In line with these requirements, Ashmore recognises the role of the financial sector to contribute to Climate Action (Sustainable Development Goal 13), and the related transition to net zero. To achieve the economic transformation required to deliver 'net zero by 2050' financial flows must become aligned with a low-carbon economy and incentivise climate mitigation and adaptation. This is particularly the case in emerging markets where there is a need to balance the low-carbon transition with improved access to energy and where the need for funding is paramount. Ashmore, as a specialist asset manager in emerging markets, is ideally placed to manage those investment flows and ensure a commensurate return on capital, in both public and private markets.

Beyond its TCFD disclosures, Ashmore has also published a Climate Change Statement outlining the Group's approach to climate-related risks and opportunities in its investment processes, as well as how it considers its role in aligning finance with the low-carbon transition. To provide its clients with additional transparency, Ashmore will continue to evaluate additional types of disclosures including climate transition planning.

Ashmore joined the Net Zero Asset Managers Initiative (NZAMI) in 2021, which provided a framework for the firm to define and set its interim and 2050 targets to address climate change mitigation in relevant client portfolios. Ashmore notes the announcement in January 2025 by NZAMI that it is reviewing the initiative and consequently has suspended activities to track implementation and reporting. Notwithstanding this announcement, Ashmore will continue to identify and develop appropriate climate change mitigation strategies in accordance with clients' investment objectives.

Year in review

Progress during 2024

- Established a new dedicated emerging markets Impact Debt investment team.
- Developed an Impact Investment Framework prior to the planned launch of an Impact Debt fund.
- Investment in additional ESG related third-party data and analytics e.g. LGX DataHub, which provides a range of sustainable bond analytics.
- Increase in the number of UCITS SICAV funds managed in line with SFDR Article 8 requirements.
- Satisfactorily met the 2024 clients' and funds' interim targets for those selected funds with decarbonisation objectives.
- Continued engagement efforts with sovereign and corporate issuers, which included climate-related topics.
- Published paper titled "*Investor engagement and EM deforestation risk*" which highlighted the role of forest preservation to mitigate climate change.

Summary

Governance

1. The Board's oversight of climate-related risks and opportunities

In line with Ashmore's corporate governance framework, Ashmore's Board has delegated day-to-day responsibility for climate-related matters to Ashmore's Executive Directors and the Group's governance bodies, which includes the ESG Committee (ESGC). The Board is updated at least annually on the Group's ESG and responsible investment strategy and related areas of focus, including climate-related topics.

Read more on page 9.

2. Management's role in assessing and managing climate-related risks and opportunities

The ESGC is the primary forum for responsible investment matters and is chaired by the CEO with representatives from across the Group. In addition, the assessment and management of ESG risks and opportunities within investment processes, including those related to climate, is also monitored through Ashmore's Investment Committees.

Read more on page 10.

Strategy

3. Climate-related risks and opportunities identified over the short, medium, and long term

Climate-related risks and opportunities are considered across different time horizons. The transition to a low-carbon economy is considered more relevant over the short and medium term, while physical risks increasingly become more appropriate over the medium to long term.

Read more on page 11.

4. The impact of climate-related risks and opportunities on businesses, strategy, and financial planning

The extent to which climate-related issues impact the investment strategy and individual investments is assessed through the investment team's ESG research and analysis.

Read more on page 12.

5. The resilience of Ashmore's strategy considering different climate-related scenarios

Ashmore continues to invest in sustainability-related data, including climate-related scenario analysis datasets. This data has been integrated into the firm's internal systems and Ashmore continues to examine ways in which climate-related scenario analysis can be considered in its investment management activities.

Read more on page 12.

Risk management

6. Process for identifying and assessing climate-related risks

Climate-related risks are identified and assessed as part of ESG research and analysis through the ESG Scorecard framework, where issuers' ESG scores are reassessed at least annually.

Read more on page 14.

7. Processes for managing climate-related risks

The primary tool for managing issuers' climate-related risks is the ESG Scorecard. Ashmore also manages climate-related risks through its engagement efforts with sovereign and corporate issuers on a range of climate-related topics, both bilaterally and as part of collaborative and collective engagements.

Read more on page 14.

Risk management

8. Integrating the identification, assessment, and management of climate-related risks into the overall risk management

Climate-related risks are considered in a similar manner to other investment, principal or emerging risks. The identification, assessment, and management of such risks are integrated into the risk management processes and internal control framework.

Read more on page 15.

Metrics and targets

9. Metrics used to assess climate-related risks and opportunities

Ashmore uses a combination of qualitative and quantitative approaches to assess climate-related risks and opportunities. These will continue to evolve in response to client and regulatory requirements, market convention and as third-party data quality improves.

Read more on page 16.

10. GHG emissions

GHG emissions reporting is available to Ashmore's clients for individual funds and mandates. In addition, emissions data for a representative selection of funds have been included in the Appendix 2.

Read more on page 17.

11. Climate targets

Ashmore has implemented a framework for climate-related target setting that covers relevant pooled funds and institutional client mandates, based on guidance provided by the Net Zero Asset Owner Alliance (NZAOA)'s target setting protocol.

Read more on page 17.

Governance

This section provides detail on the following recommended TCFD disclosures:

1. Board oversight of climate-related risks and opportunities.
2. Role of management in assessing and managing climate-related risks and opportunities.

AIML's governance around climate-related risks and opportunities

AIML follows the TCFD recommendations and continues to satisfy the requirements of its regulators and other relevant bodies as they relate to the assessment, management, and disclosure of climate-related risks and opportunities.

AIML has its own Board of Directors and also benefits from the governance structure of Ashmore Group.

Ashmore Group plc is a UK-listed asset manager with a robust corporate governance framework and a committee-based investment philosophy that has proven successful over more than 30 years of specialist investing in emerging markets. Therefore, the Group's governance structures are well established with the experience and expertise to enable AIML to assess and manage climate-related matters in relation to its investment activities.

1

The Board's oversight of climate-related risks and opportunities

Ashmore Group plc is listed on the London Stock Exchange. Its Board of Directors (the Board) has ultimate responsibility for the Group's strategy and maintains full and effective control over appropriate strategic, financial, operational, and compliance matters, including material climate-related matters through its corporate governance framework. This framework provides for regular reporting and other updates to the Board, through which it can oversee progress against the Group's targets, including those relating to climate.

Whilst overall responsibility for climate-related risks and opportunities rests with the Board, on a day-to-day basis the authority is delegated to the Executive Directors and the Group's governance bodies, including the ESGC. The Board's annual review and challenge of Ashmore's strategy includes areas of focus relating to ESG and responsible investment.

The consideration of climate-related topics as they relate to guiding strategy, business plans, operating model, annual budgets, and risk management policies is guided by the ESG and responsible investment updates presented to the CEO, the ESGC and the Board.

2

Management's role in assessing and managing climate-related risks and opportunities

AIML has delegated certain authorities to governance bodies, which also operate as governance bodies for Ashmore Group plc. One such body is the ESGC, which is chaired by the Group CEO and with members drawn from across Ashmore's investment, distribution, risk, legal, operations, and other support functions. This ensures that responsible investment topics are appropriately understood, assigned to, and discussed by all relevant areas of the Group.

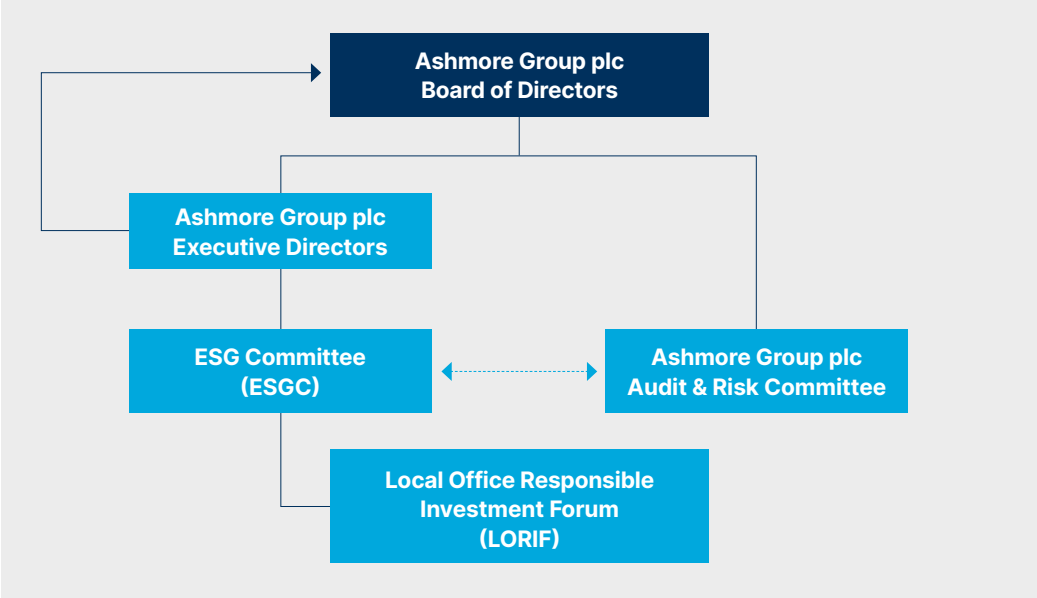
The ESGC has oversight of relevant climate-related issues and the Group's Head of Responsible Investment and ESG Policy, or a delegate, provides updates to the Board. The Board is informed about relevant climate-related goals and targets and these are consequently reported on in the periods that follow. Additionally, ESGC members provide the Board, its Audit and Risk Committee and the Group's Risk and Compliance Committee with multiple formal points of contact throughout the year. Furthermore, Ashmore's Local Office Responsible Investment Forum (LORIF) ensures the sharing of knowledge, expertise, process and initiatives between the ESGC and the Group's local offices.

From an investment management perspective, Ashmore's investment committees are ultimately responsible for the management of client portfolios. Through oversight by these committees, the investment teams have integrated the assessment and management of ESG risks and opportunities, including those related to climate, into all its investment processes, including both global and local investment platforms and all investment themes. Reports presented both at the ESGC and the relevant investment committees ensure the effective monitoring of ESG-related risks and opportunities.

The consideration of climate-related topics by AIML's investment teams is also a component of their performance objectives. The oversight, monitoring, and implementation of a range of responsible investment activities also form part of the performance objectives of senior management, with ESG matters being one of the areas of performance considered by the Ashmore Group plc Remuneration Committee when determining the annual variable remuneration for the Executive Directors.

The processes described in the risk management section of the Ashmore 2024 Annual Report & Accounts incorporate how senior management is informed about climate-related topics and its assessment and management of such risks faced by the Group.

Figure 1: Illustration of Ashmore's climate-related governance structure



Strategy

This section provides detail on the following recommended TCFD disclosures:

3 Climate-related risks and opportunities identified over the short, medium, and long term.

4 The impact of climate-related risks and opportunities on businesses, strategy, and financial planning.

5 The resilience of strategy, taking into consideration different climate-related scenarios.

3 The identification of climate-related risks and opportunities and their impact on AIML

Climate-related risks and opportunities identified over the short, medium, and long term

Material climate-related risks and opportunities are considered across different time horizons. As they relate to AIML's products and investments, the consideration of transitional and physical risks and opportunities forms an integral part of the investment process, and they are identified and factored into AIML's investment strategies through its ESG Scorecard (see page 14 for more information). Some such identified risks and opportunities are outlined in Figure 2.

Over the short to medium term, AIML considers the impact to returns from investments in companies that are highly GHG emissions intensive or whose corporate strategy is not adequately considering economic and regulatory factors that would influence the transition to a low-carbon economy. Over the medium to long term, physical risks become an increasing factor. Here the focus is on reviewing sovereign and corporate issuers' exposure to acute and chronic climate change impacts and their efforts to mitigate or build resilience to such impacts.

Figure 2: Identified climate-related risks and opportunities for AIML

	Opportunities	Risks
Transition to low-carbon world	**Innovative technologies:** The adoption of technological improvements and innovations that support the transition to a low-carbon economy and their ability to improve effectiveness and ultimately market demand. **Resource efficiency:** Efficiencies such as energy and waste management and the use of new technology result in direct cost savings to operations over the medium and long term. **Energy source:** Moving to low-emission energy sources could potentially save organisations' annual energy costs in the medium to long term. **Products and services:** Innovations in products and services may enable improved competitive advantage. **Markets:** Organisations that diversify their activities may be in a position to access new markets and develop new business partnerships.	**Policy & Regulation:** Policy changes attempting to constrain actions that contribute to the adverse effects of climate change or that seek to promote adaptation. **Stranded assets:** Assets devaluing due to climate change action. **Changes in consumer behaviour:** The impact of policy and technology changes and shifts in supply and demand for products, services, and commodities. **Reputation:** The perception of a company in contributing to or detracting from the transition to a low-carbon economy. **Litigation risks:** Claims brought by property owners, municipalities, NGOs, insurers, and shareholders.
Physical impacts of climate change	**Adaption & resilience:** In responding to climate change, organisations may develop new processes, systems and products that protect them from adverse impacts.	**Acute:** Event-driven such as increased severity of extreme weather events. **Chronic:** Longer-term shifts including temperature changes, rainfall, and variations in weather patterns.

4

The impact of climate-related risks and opportunities on businesses, strategy, and financial planning

The impact of climate-related risks and opportunities, including the transition to a lower-carbon economy, is assessed by the investment teams' research and analysis. These factors are typically evaluated through the ESG scoring process performed for each investment. How this assessment is reflected in the portfolio varies. For example, for some equity strategies, the applied discount rate for DCF analysis may be adjusted where environmental or climate-related issues are identified or, alternatively, if it has been established that the company has policies in place to mitigate carbon emissions (e.g. through supply chain audits, end of life product care, increasing product lifespan, local procurement policies, customer engagement).

5

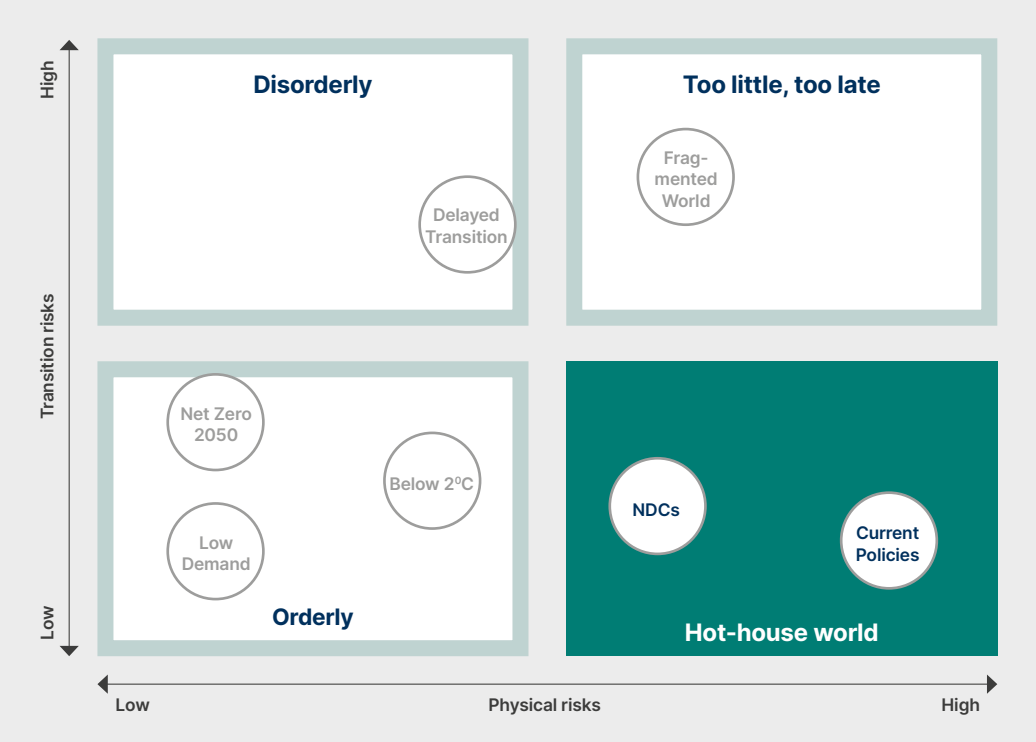
The resilience of AIML's investments considering different climate-related scenarios

AIML supports the focus by TCFD on forward-looking assessments of climate-related risks and opportunities. Qualitative and quantitative scenario analysis can help highlight the transformations required to meet certain climate targets, warn about policy changes, challenge conventional wisdom about the future, and question business-as-usual assumptions.

AIML acquired additional climate data in 2023 to strengthen its scenario analysis capabilities. The focus in 2024 was on assessing climate scenario analysis data and its potential use cases. The purpose of such exercises is to explore plausible 'what if' scenarios based on various temperature outcomes and levels of policy implementation and to consider how this might impact portfolios.

Ashmore has been reviewing portfolio metrics across a selection of scenarios developed by the Network for Greening the Financial System (NGFS) using analytics from MSCI. These scenarios consider how climate-related physical and transition risks could evolve. NGFS groups potential scenario 'narratives' into 'Orderly', 'Disorderly', 'Hot-house world', and 'Too little, too late' scenarios, as shown in the below figure.

Figure 3: NGFS Scenarios[1]



[1] Source figure: NGFS.

5

Forward-looking metrics for scenario analysis[2]

AIML calculates the following metrics when conducting portfolio scenario analysis:

- The **Climate Value at Risk (Climate VaR)** metric is a forward-looking and return-based valuation assessment designed to provide a stressed market valuation of the portfolio in relation to aggregated transition and physical cost and profit projections.
- The **Implied Temperature Rise (ITR) metric** is a forward-looking metric, expressed in degrees Celsius, designed to show the temperature alignment of the portfolio, with specific temperature goals.

When looking at the Climate VaR of the equity and corporate debt portfolios included in Appendix 2, the highest potential losses are estimated to take place during a 1.5°C Disorderly scenario, with portfolio impacts ranging from -2.3% to -17.7%, with the ESG-labelled portfolio having the lowest impact. Under this scenario the CEMBI had a Climate VaR of -13.9% and the MSCI EM Net had a Climate VaR of -17.4%. These estimated impacts are significantly less in a 2ºC Orderly scenario, where the funds' Climate VaR ranged from -0.6% to -5.8%.

When looking at the Implied Temperature Rise (ITR) metric for the same equity and corporate debt portfolios, it was found that the portfolio temperature estimates varied between 2.4°C and 3.6°C, with the lowest portfolio temperatures being the ESG-labelled portfolio. For comparison, the CEMBI had a temperature increase estimate of 3.7°C and the MSCI EM Net had an ITR of 3.0°C.

[2] Note that this analysis is performed using the tools, data, and methodologies of MSCI. Data as at 31 December 2024.

Risk management

This section provides detail on the following recommended TCFD disclosures:

6 Processes for identifying and assessing climate-related risks.
7 Processes for managing climate-related risks.
8 Integration of processes related to identifying, assessing, and managing climate-related risks into overall risk management.

How AIML identifies, assesses, and manages climate-related risks

AIML's established and effective risk management framework and investment management capabilities provide it with the necessary processes to identify, assess, and manage climate-related risks and opportunities in its investments.

6

Processes for identifying and assessing climate-related risks

The primary tool used to identify, assess, and monitor climate-related risks and opportunities for a given investment is the ESG Scorecard, which is reassessed at least annually. The ESG Scorecard is applied consistently across the Group, which allows for a standard approach to be taken to manage relevant climate-related risks across investment strategies. When identifying and assessing climate-related risks and opportunities in the ESG Scorecard, the materiality of the risk or opportunity is considered through a combined quantitative and qualitative process. This review includes consideration of the nature and scale of the identified risks and culminates in a rating on a scale from 1-5. Further details on the Scorecard are also included in Ashmore's ESG Policy.

Another avenue for identifying climate-related risks is through Ashmore's engagement efforts with sovereign and corporate issuers. AIML's commitment to engaging with industry bodies and emerging markets issuers on climate-related topics to identify and assess risks and opportunities is also reflected in the Group's membership of initiatives such as Climate Action 100+.

7

Processes for managing climate-related risks

Climate-related investment risks are managed by the investment teams as documented in the ESG Scorecard. Importantly, ESG risks and opportunities are not considered in a silo, rather the investment committees consider ESG analysis in a cohesive manner alongside fundamental macro-economic, financial performance, and credit analysis for sovereign and corporate issuers. The analysis is based primarily on proprietary research, including engagement with issuers to assess potential investment opportunities. Additionally, the investment committees use third-party data as an input to the ESG scoring process.

AIML also manages climate-related risks through its engagement efforts. Investment teams engage with sovereign and corporate issuers on a range of topics, both directly and in collaboration with other stakeholders. This includes encouraging better climate-related

7

disclosure as this information is an input in investment decision-making and has previously been identified as an area which continues to evolve, especially in emerging markets. As a signatory to TCFD since January 2020, Ashmore also promotes TCFD-aligned climate disclosures by the companies in which it invests.

8

Integration of processes related to identifying, assessing, and managing climate-related risks into overall risk management

The identification, assessment, and management of investment risks are integrated fully into AIML's risk management processes and its internal control framework.

To meaningfully assess investment risk, it is relevant to recognise the benefits and limitations of each of the metrics and methodologies employed. There is no single metric that could be used to evaluate the risks inherent in investments and funds. The firm uses its experience as a dedicated emerging markets manager and its risk management expertise, spanning more than 30 years, to identify, define, and develop a suite of complementary risk management analytics and processes.

In addition to sound technical analytics, the firm places emphasis on ensuring scalable processes are in place to allow the assessment of investment risk to be fully integrated into the investment management activities and investment committees. To this end, AIML invests significantly in its IT infrastructure to ensure the required degree of automation and system generated output.

The governance process is equally important. The Risk Management & Control (RMC) department is independent of investment committees and investment management teams. The Head of RMC reports to both the Group CEO and the Chair of the Board's Audit & Risk Committee (ARC). In relation to the latter, the Head of RMC has one-to-one meetings with the Chair of the ARC prior to each quarterly ARC meeting and formally presents written reports at these meetings.

In relation to identifying, assessing, and managing climate-related risks within the overall risk management framework, the RMC department participates in investment committee meetings and ESG Committee meetings and works closely with portfolio managers to develop investment and risk management reports. In addition, where limits are agreed, these are coded and monitored in the firm's systems e.g. Thinkfolio. For example, these include ESG score thresholds on minimum scores as well as industry exclusions and GHG emissions targets for selected Ashmore funds.

Metrics and targets

This section provides detail on the following recommended TCFD disclosures:

9 Metrics used to assess climate-related risks and opportunities in line with strategy and risk management.

10 GHG emissions (scope 1, 2 and 3) and related risks.

11 Targets used to manage climate-related risks and opportunities and performance against these targets.

The metrics and targets used to assess and manage relevant climate-related risks and opportunities

AIML uses a combination of qualitative and quantitative approaches to assess climate-related risks and opportunities. These will continue to evolve in line with client and regulatory requirements as well as industry practice and data availability.

9

Metrics used by AIML to assess climate-related risks and opportunities in line with its strategy and risk management process

Over 2024, the main metrics used were issuers' GHG emissions: the Weighted Average Carbon Intensity (WACI), the Total/Absolute Financed Carbon Emissions, and the Carbon Footprint. As mentioned in section 5, Ashmore also calculates the Climate VaR metric and the Implied Temperature Rise (ITR) metric in scenario analysis. Where appropriate, the firm will continue to review and update its analysis and reporting of climate-related risks and opportunities, as well as associated metrics and targets for portfolio investments, in line with emerging markets issuers' usage of measures such as those outlined by TCFD and the evolution of data made available by third-party data providers.

The main metrics used by portfolio managers when completing the ESG Scorecard to assess climate-related risks and opportunities for corporate issuers are GHG emissions (scope 1 and 2, as well as scope 3 where available and relevant), net zero targets, sustainability impact metrics such as water usage and waste disposal, incidents of environmental pollution, use of green energy, and product and process innovation to limit environmental impact. For sovereign issuers, metrics include GHG emissions per capita, sovereign warming potential, energy consumption per capita, exposure to natural disasters and incidents, and the use and protection of natural resources. The use of these metrics has remained relatively consistent over the year and will continue to evolve in line with industry practice and with improvements in data quality.

9

Figure 4: Cross-industry climate-related metrics

	Investment Management metric
GHG emissions	Weighted Average Carbon Intensity (tCO_2e / USDm revenue) Total / Absolute Financed Carbon Emissions (tCO_2e) Carbon Footprint (tCO_2e / USDm invested)
Transition risks	Implied Temperature Rise*, Qualitative assessment
Physical risks	Climate Value at Risk*, Qualitative assessment
Climate-related opportunities	Climate Value at Risk*, Qualitative assessment
Capital deployment	Qualitative assessment
Internal carbon price	Carbon price calculated using average price over three months: (1 April 2024 to 30 June 2024) = EUR 68.3 (down from EUR 86.8 in 2023)

*Ongoing work to explore how this data can be used further in climate scenario analysis as well as use cases in Ashmore's investment processes.

10

GHG emissions and related risks

Please see Appendix 2 for the disclosure of GHG emissions of a selection of representative funds.

The emissions data is provided by a third-party, MSCI, with its EM coverage being a relevant factor in its selection.

- The Weighted Average Carbon Intensity (WACI) shows a portfolio's exposure to carbon-intensive countries or companies.
- The Total/Absolute Financed Emissions shows the absolute GHG emissions associated with a portfolio i.e. for which an investor is responsible.
- The Carbon Footprint shows total carbon emissions for a portfolio per USD million invested.

11

Targets used by AIML to manage climate-related risks and opportunities and performance against targets

Ashmore joined NZAMI in July 2021 and the initiative facilitated the development of a climate-related target-setting framework for Ashmore's investment management function. Ashmore has identified the scope of its AuM managed in line with net-zero targets, which was 10% of Group AuM as of 31 December 2024. Ashmore has included in the scope ESG-labelled pooled funds as well as client mandates managed to at least the same net-zero ambition as that of Ashmore's interim net zero target. Ashmore also includes further funds and mandates within the scope where it has the discretion to do so and believes it to be aligned with clients' interests.

Ashmore has adopted the Net Zero Asset Owner Alliance (NZAOA)'s Target Setting Protocol (the Protocol) to guide implementation of its net zero commitments. This framework recommends a combination of portfolio-specific targets, sector-specific targets, financing solutions, and engagement.

The equity and corporate debt assets aligned to net zero by 2050 are managed to a portfolio decarbonisation reduction target of at least 22% by 2025 and at least 49% by 2030 (using 2021 as base year), in line with the recommended range by the Protocol. These portfolio targets are based on the Weighted Average Carbon Intensity metric. Absolute Carbon Footprints are also made available and tracked to monitor alignment with the net zero intention.

The Protocol does not provide target setting methodology for sovereign issuers and consequently sovereign issuers are currently not being managed to a portfolio reduction target. Instead, Ashmore will continue to measure and report on the emissions of its sovereign funds in-line with the Partnership for Carbon Accounting Financials (PCAF) standard, as recommended by the Protocol (see Appendix 2).

Appendix

Appendix 1:

Notes on data and methodology challenges

Data limitations

Non-financial information such as ESG data is not typically available at the same level as financial data. The quality and quantity of ESG data disclosure by emerging markets issuers have seen marked improvements in recent years, such that key ESG data availability is now often comparable between issuers of the same size, sector, and creditworthiness globally. However, there remain limitations on ESG disclosures for smaller, privately owned, high yield issuers, which are amplified by inconsistent coverage by third-party data providers.

Furthermore, while increasingly sophisticated 'ESG data' is requested by European investors, particularly following the SFDR disclosure requirements, this is not as dominant a theme across all emerging markets. Consequently, lack of comparable data can be an issue. Ashmore tries to overcome this by relying on a combination of company reported data, third-party data, and its own analysis, and by ensuring the context and realistic expectations of each issuer are considered.

An example of an area where there are gaps in the underlying data is corporate issuer GHG emissions data. In some markets, the reporting of this is a corporate disclosure requirement, while in others it may be poorly disclosed if at all. Furthermore, the extent to which these disclosures are aligned with global disclosure standards vary, particularly as it relates to scope 3 emissions data. To adjust for these differences, the third-party provider of this data assesses the data quality, estimates emissions where not available, and conducts checks based on similar industries and company types. In addition, Ashmore performs further data quality checks and where GHG emissions numbers are not seen to be aligned with what would be expected, this is reported back to the third-party data provider for validation and where appropriate, to the issuers themselves to help them correct this at source.

When publishing GHG emissions data and other climate data, which currently is done in some client reporting as well as for a selection of representative funds in Appendix 2, efforts are made to clarify the coverage of data used for the analysis.

Complex methodologies

Both climate science and socioeconomic forecasting are inherently complex and uncertain. Climate data points and quantitative scenario typically rely on proxies and assumptions and can be prone to oversimplification. This does not mean that the metrics or exercises are not worthwhile, but that care must be taken to ensure the output remains fair, clear, and not misleading. In section 5, Ashmore has included findings from high-level portfolio analysis made using the Climate VaR metric and the Implied Temperature Rise metric. These metrics are both subject to highly complex methodologies designed by a third-party ESG data provider and should be considered only as broad indicators of climate risk and Paris-alignment.

Disclosure limitations

The aforementioned data and methodology challenges mean that there needs to be due consideration and disclaimers when using and disclosing various quantitative climate-related metrics. Ashmore aims to provide its clients with requested climate-related data and metrics as far as possible and has invested in third-party data to ensure this. However, due to the identified data concerns there are limitations to the extent to which funds are 'managed to' any one data point. This is particularly the case for forward-looking metrics. Instead they act as indicators or flags to highlight anomalies or to aid awareness of potential outcomes. Efforts are made to address such limitations and to ensure the output is one that both aids investment decision-making and is of use to investors.

Up to date information

Efforts are made to use up to date information where this is available. However, there are challenges related to reporting cycles, which could impact the quality of the reported metrics. For example, GHG emissions are subject to the reporting cycle of the corporate issuers, the analysis cycle of the third-party data providers, and potential time lags. Also, in certain cases, sovereign emissions are updated and/or disclosed with a significant lag. As such, where appropriate, AIML will consider alternative data sources or estimated data to improve overall data quality.

Third-party data and methodologies

AIML relies on data provided by certain third parties. As it relates to climate change, this primarily means GHG emissions, ITR, and Climate VaR, and to some extent ESG metrics. Where the firm uses any such data e.g. ratings of a third party, this is presented as such. Where AIML relies on third-party data in its client reporting, efforts are made to ensure that the necessary methodological information is included to aid the user of the data, such as in Appendix 2 where the calculation used has been outlined.

As described in the Strategy section of this report, issuer-specific ESG risks and opportunities are identified and managed through the ESG Scorecard. The data feeding into this analysis includes data from third-party providers. The use of third-party providers allows the firm to use data that is consistent with that being used across the industry.

Appendix 2:

GHG emissions of a representative selection of AIML funds

The figures below provide GHG emission reporting of a representative selection of AIML's funds as at 31 December 2024, including the methodology used.

Figure 5: Weighted Average Carbon Intensity (WACI) of a representative selection of AIML's sovereign funds

	Weighted average carbon intensity (WACI)[1]	Coverage (production data available)
Sovereign		
SICSDF	279 tCO_2	78.0%
SICLCBF	253 tCO_2	96.6%
Description	Portfolio's exposure to CO_2 emission-intensive countries, using the weighted average of sovereign's emission intensity of the bond's mapped country, expressed in tCO_2/USDm GDP nominal.[2]	
Formula	$\sum_{n}^{i} \left(\frac{\text{Current value of investment i}}{\text{Current portfolio value}} \times \frac{\text{Sovereign issuer's GHG emmissions i}}{\text{Sovereign issuer's USDm GDP i}} \right)$	
Methodology	CO_2 emissions are based on production methodology, which accounts for all carbon emissions generated within a country's boarder. Emissions are allocated based on portfolio weights (the current value of the investment relative to the current portfolio value).	

[1] The WACI represents the fund's exposure to carbon-intensive countries, using the weighted average of each bond's fund weight and the carbon intensity of the bond's mapped country. Production CO_2 used where Consumption CO_2 is not available. Grossed up; WACI is calculated for % of fund where CO_2 and GDP data is available.

[2] GDP is USD million, expressed in purchasing power parity (PPP).

Figure 6: Weighted Average Carbon Intensity (WACI) of a representative selection of AIML's equity and corporate debt funds

	Weighted Average Carbon Intensity (WACI)[1]	Calculated on % of NAV with data available	% of NAV that uses estimated emissions[2]
Equities			
SICAF	102 tCO_2e	96.8%	15.5%
SICEMEF	85 tCO_2e	92.0%	13.3%
SICEFESG	59 tCO_2e	91.1%	10.1%
SICVFEF	167 tCO_2e	56.7%	26.4%
Corporate debt			
SICCDF	461 tCO_2e	73.9%	9.8%
Description	Portfolio's exposure to GHG emission-intensive companies, expressed in tCO_2e/USDm revenue.		
Formula	$\sum_{n}^{i} \left(\frac{\text{Current value of investment i}}{\text{Current portfolio value}} \times \frac{\text{Issuer's Scope 1 and Scope 2 GHG emissions i}}{\text{Issuer's USDm revenue i}} \right)$		
Methodology	Scope 1 and scope 2 GHG emissions are allocated based on portfolio weights (the current value of the investment relative to the current portfolio value).		

[1] The WACI represents the fund's exposure to GHG emission-intensive companies, expressed in tCO_2e/USDm revenue. Scope 1 and scope 2 GHG emissions are allocated based on fund weights (the current value of the investment relative to the current fund value). Gross values are used. Weighted Average Carbon Intensity (WACI) is calculated for the percentage of the fund where data is available.

[2] Carbon data sourced from MSCI.

Figure 7: Total/Absolute Financed Carbon Emissions of a representative selection of AIML's sovereign funds

	Financed Emissions[1]	Coverage (production data available)
SICSDF	47,802 tCO_2e	75.6%
SICLCBF	214,284 tCO_2e	93.9%
Description	The CO_2 emissions associated with a sovereign bond portfolio, expressed in tCO_2.	
Formula	$\sum_{n}^{i} \left(\frac{\text{Outstanding amount}^2}{\text{PPP-adjusted GDP USDm}^3} \times \text{Sovereign } CO_2 \text{ emissions} \right)$	
Methodology	CO_2 emissions are based on production methodology, which accounts for all carbon emissions generated within a country's border.	

[1] Grossed up, representing only % of NAV invested in sovereign issuers and where CO_2 and GDP data are available. Note that these funds also invest in quasi-sovereigns, whose emissions are not included in the above.
[2] Outstanding amount is the nominal value of the bond i.e. the investor's exposure to sovereign bond in USD.
[3] GDP is USD expressed in purchasing power parity (PPP).

Figure 8a: Total/Absolute Financed Carbon Emissions of a representative selection of AIML's equity funds, based on market capitalisation

	Total/Absolute Carbon Emissions[1]	Calculated on % of NAV with data available[2]
SICAF	3,665 tCO_2e	95.2%
SICEMEF	15,980 tCO_2e	92.0%
SICEFESG	873 tCO_2e	91.1%
SICVFEF	4,217 tCO_2e	53.3%
Description	The absolute GHG emissions associated with a portfolio, expressed in tCO_2e. Measures the total GHG emissions for which an investor is responsible by their equity ownership.	
Formula	$\sum_{n}^{i} \left(\frac{\text{Current value of investment i}}{\text{Issuer's market capitalisation i}} \times \text{Issuer's Scope 1 and Scope 2 GHG emissions i} \right)$	
Methodology	Scope 1 and scope 2 GHG emissions are allocated to investors based on an equity ownership approach. Under this approach, if an investor owns 5% of a company's total market capitalisation, then the investor owns 5% of the company as well as 5% of the company's GHG emissions.	

[1] The Total Carbon Emissions metric represents the absolute GHG emissions associated with a fund, expressed in tCO_2e. Scope 1 and scope 2 GHG emissions are allocated to investors based on an equity ownership approach. Grossed up, total/Absolute Carbon Emissions is calculated for the percentage of the fund where data is available.
[2] Carbon data sourced from MSCI.

Figure 8b: Total/Absolute Financed Carbon Emissions of a representative selection of AIML's equity funds, based on enterprise value

	Total/Absolute Carbon Emissions	Calculated on % of NAV with data available[1]
SICAF	2,586 tCO_2e	95.7%
SICEMEF	6,685 tCO_2e	92.2%
SICEFESG	884 tCO_2e	91.1%
SICVFEF	2,974 tCO_2e	52.7%

Description	The absolute GHG emissions associated with a portfolio, expressed in tCO_2e. Measures the total GHG emissions for which an investor is responsible.
Formula	$\sum_{n}^{i} \left(\frac{\text{Current value of investment i}}{\text{Issuer's enterprise value i}} \times \text{Issuer's Scope 1 and Scope 2 GHG emissions i} \right)$
Methodology	Scope 1 and scope 2 GHG emissions are allocated to investors based on a total ownership approach. Under this approach, if an investor owns 5% of a company's EVIC, then the investor owns 5% of the company's capital as well as 5% of the company's GHG emissions. Enterprise Value = Enterprise Value including Cash (EVIC)

[1] Grossed up, representing only % of NAV invested in equity issuers and where data is available.

Figure 9: Total/Absolute Financed Carbon Emissions of a representative AIML corporate debt fund, based on enterprise value

	Total/Absolute Carbon Emissions[1]	Calculated on % of NAV with data available[2]
SICCDF	60,450 tCO_2e	69.0%

Description	The absolute GHG emissions associated with a portfolio, expressed in tCO_2e. Measures the total GHG emissions for which an investor is responsible.
Formula	$\sum_{n}^{i} \left(\frac{\text{Nominal value of investment i}}{\text{Issuer's enterprise value i}} \times \text{Issuer's Scope 1 and Scope 2 GHG emissions i} \right)$
Methodology	The value of outstanding corporate bonds is defined based on the book value of the debt that the borrower owes to the lender i.e. Nominal Value. Enterprise Value = Enterprise Value including Cash (EVIC).

[1] The Total Carbon Emissions metric represents the absolute GHG emissions associated with a fund, expressed in tCO_2e. Scope 1 and scope 2 GHG emissions are allocated to investors based on the book value of the debt that the borrower owes to the lender i.e. Nominal Value. Grossed up, Total/Absolute Carbon Emissions is calculated for the percentage of the fund where data is available.

[2] Carbon data sourced from MSCI.

Figure 10: Carbon footprint of a representative selection of AIML's equity funds

	Total/Absolute Carbon Emissions[1]	Calculated on % of NAV with data available[2]
SICAF	47 tCO_2e / market value invested	95.2%
SICEMEF	55 tCO_2e / market value invested	92.0%
SICEFESG	12 tCO_2e / market value invested	91.1%
SICVFEF	31 tCO_2e / market value invested	53.3%

Description	Total carbon emissions for a portfolio normalised by the nominal value of the portfolio, expressed in tCO_2e/USDm invested. Measures the carbon emissions, for which an investor is responsible, per USD million invested, by their equity ownership. Emissions are apportioned based on equity ownership (% market capitalisation).
Formula	$\frac{\sum_{n}^{i}\left(\frac{\text{Current value of investment i}}{\text{Issuer's market capitalisation i}} \times \text{Issuer's Scope 1 and Scope 2 GHG emissions i}\right)}{\text{Portfolio's market value}}$
Methodology	Scope 1 and scope 2 GHG emissions are allocated to investors based on the same approach as described under methodology for Total/Absolute Financed Carbon Emissions. The current portfolio value is used to normalise the data.

[1] The Carbon Footprint metric represents the GHG emissions for a fund normalised by the market value of the fund.
[2] Carbon data sourced from MSCI.

Figure 11: Carbon footprint of a representative AIML corporate debt fund

	Total/Absolute Carbon Emissions[1]	Calculated on % of NAV with data available[2]
SICCDF	149 tCO_2e / market value invested	69.0%

Description	Total carbon emissions for a portfolio normalised by the market value of the portfolio, expressed in tCO_2e/USDm invested.
Formula	$\frac{\sum_{n}^{i}\left(\frac{\text{Nominal value of investment i}}{\text{Issuer's enterprise value i}} \times \text{Issuer's Scope 1 and Scope 2 GHG emissions i}\right)}{\text{Portfolio's nominal value}}$
Methodology	Scope 1 and scope 2 GHG emissions are allocated to investors based on the same approach as described under methodology for Total/Average Carbon Emissions. The current portfolio value is used to normalise the data. Enterprise Value = Enterprise Value including Cash (EVIC).

[1] The Carbon Footprint metric represents the GHG emissions for a fund normalised by the nominal value of the fund.
[2] Carbon data sourced from MSCI.

Contact us

Ashmore Investment Management Limited

61 Aldwych, London WC2B 4AE

T: +44 (0)20 3077 6000

www.ashmoregroup.com

No part of this report may be reproduced in any form, or referred to in any other publication, without the written permission of Ashmore Investment Management Limited © 2025.

Important information: This document is issued by Ashmore Investment Management Limited (AIML), which is 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.