

Corporate Responsibility report

Ashmore Group plc

Signatory of:



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I. Introduction

Ashmore¹ recognises the importance of Corporate Responsibility (CR) incorporating transparency, fairness, accountability and integrity and believes that these principles are fundamental to the Group's operations.

The Group continues to monitor best practice developments in all relevant areas of CR, including its approach to investing, community programmes, employees, and environmental management. Ashmore's CR programme and initiatives are designed to be relevant to the nature and scale of its business and to protect and reinforce the Group's reputation and integrity. Ashmore looks forward to building upon these firm foundations for the future.

Consistent with the various philosophies explained herein, Ashmore is a signatory of the UN Principles for Responsible Investment (UNPRI).

II. Investing In Emerging Markets²

An emerging market is commonly defined as any country which is considered middle or low income by the World Bank. Under the definition, emerging market countries constitute approximately 80% of the global population.

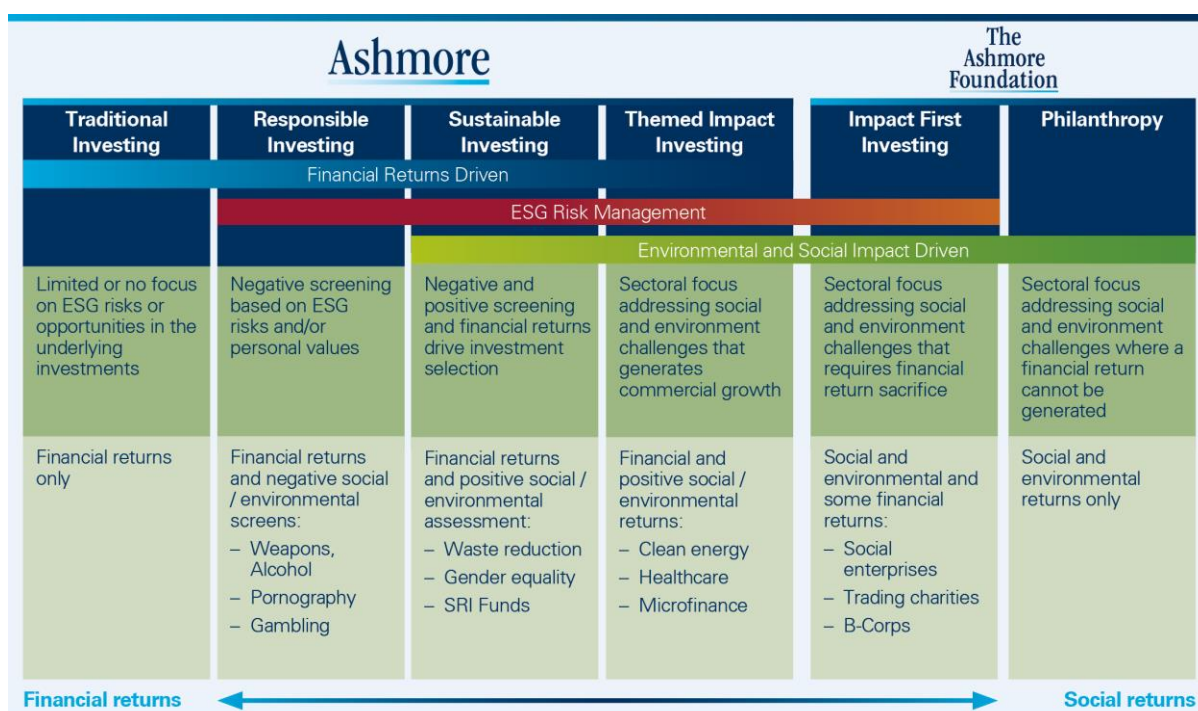
Investment approach

As a leading Emerging Markets fund manager, Ashmore recognises the impact its investment can have on the communities and societies in which they are made. With over 25 years' experience investing in Emerging Markets, Ashmore's investment professionals have developed expertise in the wider impact of their investments beyond the strong financial returns they secure for clients.

Ashmore recognises that the impact of the investments will vary in breadth and depth across its investment themes. With client and industry focus on investment impact, Ashmore investment professionals continue to strengthen their impact analysis. The spectrum of capital and investment approaches, below, provides a framework for understanding impact and the relational link between Ashmore's investments and the social and environmental impact of the socially-driven investments made through The Ashmore Foundation in countries where the Group has a presence.

¹ Ashmore Group plc and its affiliated companies in and outside the UK.

² An emerging market is any country which is considered middle income or low income by the World Bank. Under this definition emerging market countries constitute approximately 80 per cent of the global population



Source: Adapted from Bridges Ventures (2012)

Business conduct and integrity

Ashmore believes that its reputation as an **ethical, trustworthy provider of investment services** is essential to align clients’ and shareholders’ interests. Ashmore seeks to establish and maintain long-term relationships with its clients and intermediaries and believes this to be a fundamental prerequisite for the growth of its business.

Responsible investing across Ashmore’s themes in publically listed strategies

Ashmore’s approach follows the PRI guidelines on best practice and Ashmore fully supports the United Nations Global Compact principles. For publicly traded securities issued by companies and sovereigns, portfolio managers are directly responsible for formal environment, social and governance (ESG) research and integration, in conjunction with their traditional equity and credit analysis. They undertake specific ESG training such as the Enhanced Financial Analysis course offered by the PRI Academy, which is accredited by CFA.

Ashmore has recently unified its approach across publicly traded equities and fixed income, and the latter for both sovereign and corporate issuers to integrate ESG consistently across these asset classes, and also for portfolios containing multiple sub-asset classes such as blended debt and multi-asset portfolios. The approach is based on a unified set of questions that form part of the ESG research, and on a unified ESG scoring methodology that is discussed in weekly Investment Committee and sub-investment meetings. The questions address both the status (including historical events such as fraud or environmental issues) and policies and initiatives that may improve ESG performance and mitigate risks in future. The portfolio managers are responsible for answering these questions bases on external data sources and proprietary research. To this end, portfolio managers undertake a quarterly review of the relevant data, to provide context for the scoring methodology and ensure they

take the latest available data into account when they make their assessments. Portfolio managers have access to a wide variety of relevant external ESG data to assist in their research. While this data can be useful in setting an overall framework, it tends to be infrequent and backward –looking, and therefore Ashmore’s proprietary research tends to be most important. For example, sovereign debt data sets include:

- Environment: - ND Gain Index by Notre Dame University
- CO2 Consumption per capita by The Global Carbon Project
- Social: - Human Development Index by the UN
- Index of Economic Freedom by Heritage Foundation
- Governance: - Corruption Perception Index by Transparency International
- Democracy Index by the Economist Intelligence Unit
- Government Effectiveness Index by World Bank

For corporate debt and equities, the investment teams may also review a variety of other external research sources, including brokerage reports and publications by international bodies.

Portfolio managers use the answers to the questions to determine an ESG score for each security in which Ashmore invests and these scores are reviewed against prevailing valuations of securities to determine if an appropriate risk premium has been built into Ashmore’s scenario analyses. In practice ESG considerations can have a material impact on investment decision-making, for instance on portfolio weights of certain positions, or subscribing, or not, to new equity and bond issues.

Screening

While Ashmore’s focus is on integrating ESG considerations to the investment processes it also believes that certain investments that do not meet our values should be excluded from portfolios. For example, Ashmore screens for, and prohibits, investment in companies manufacturing cluster munitions banned under the Oslo Convention. Ashmore seeks to comply at all times with all sanctions imposed by applicable government authorities, and also, at a geographical level, screens across all investment themes for countries which are on the United Nations Security Council and EU/UK Sanctions and the US Office of Foreign Assets and Control (OFAC) lists.

Ashmore is able to screen client portfolios to meet specific client requirements for geographic, sector and stock specific restrictions such as alcohol, animal / food products, armaments manufacturers or dealers, gambling, pornography, tobacco and coal.

Responsible investing across Ashmore’s themes in Alternatives

Ashmore’s Alternatives investment theme includes private equity and debt as well as Infrastructure, Real Estate and Healthcare. These activities may involve taking significant stakes in investee companies. In such circumstances, Ashmore is in a position to engage positively with the management of these companies. In many cases, Ashmore believes it to be beneficial to its investors to be pro-active in promoting its brand locally by improving the

livelihoods of the employees in those companies where it has a significant stake. When undertaking initial due diligence on any investments within the Alternatives theme Ashmore's deal memorandum checklist takes into account the consideration of ESG issues within the investment analysis and decision making process, and the investee company's own ESG practices.

Engagement

Engagement is fundamental part of Ashmore's ESG approach. In the context of developing countries in particular, Ashmore believes that it is possible to apply engagement within the ethical investment debate.

In the equities and corporate debt themes Ashmore believes that good corporate governance helps to align the interests of company management with those of its shareholders and bondholders. Where possible, Ashmore seeks to maintain constructive dialogue with company management. Ashmore considers whether companies have governance frameworks in place, across E, S and G factors, that are in line with applicable country codes and serve all stakeholders' interests. Our research and engagement focuses on improvements in such frameworks and the implementation of relevant policies to achieve positive outcomes.

In many jurisdictions, and to the extent consistent with Ashmore's fiduciary duty to its clients, Ashmore exercises voting rights as a means to signal views to company management. Ashmore has developed detailed guidelines to guide voting decisions, but will, as appropriate, consider resolutions on a case-by-case basis taking into account all available information.

For sovereign debt, Ashmore's ability to have an influence is generally limited to a decision whether to invest. However, at a country level Ashmore believes that it is able to exert an influence through dialogue with governments and central banks. In order to assist with the debate on the broader issues affecting Emerging Markets, to enhance the understanding of these markets globally and to address market failures, Ashmore engages with numerous international public sector financial institutions with the objective of aiding transparency and best practice. Engagement with a country, as opposed to disengagement, is akin to many small pressures every day as opposed to one 'big stick'. By remaining engaged over an extended period, it is often possible to have a positive influence and to add credibility. Ashmore is also mindful of the potential impact that the abuse of power and corruption within governments in certain countries can have on its reputation and the interests of its clients and continuously monitors, and takes into account, such factors.

With regard to Emerging Markets performance it is believed that in certain circumstances it may be more beneficial to keep investment flowing, combined with the influence which accompanies it, in order to continue being able to help a country's population. In country specific terms at the extreme, being cut off from capital may allow undemocratic rulers to control their people by attributing blame for economic problems to foreign actions. While Ashmore complies with all applicable sanctions, there is a view that sanctions may be counter-productive and may reduce the welfare of the population considerably. Conversely, to the extent that governments pursue policies that are not in the best interests of that country then this is likely to become a poor investment proposition. Hence, Ashmore takes investment and

engagement/disengagement decisions on a case- by- case basis relative to the specific circumstances and investment criteria in the best interests of clients.

Ashmore not only evaluates quantitative variables in its assessment of country risk, but also examines qualitative factors such as the relationship between politics and economics and their interaction. Ashmore has always sought to develop networks locally in order to adopt a better quality of forward-looking decision making in this area and to promote an understanding of local cultures and politics.

Proxy voting and corporate actions

Subject to specific mandate restrictions, Ashmore is generally responsible for voting proxies and taking decisions in connection with proxy voting with respect to equities, bonds, loans or other debt instruments held by or on behalf of the clients for which it serves as investment manager/adviser.

Where Ashmore is given responsibility for proxy voting and corporate actions, it will take reasonable steps in the circumstances to ensure that proxies are voted in the best interests of its clients. Protecting the financial interests of its clients is the primary consideration for Ashmore.

Managing Conflicts of Interest

Conflicts of interest can arise where: (i) the interests of Ashmore conflict with those of a client (*firm vs. client conflicts*) and (ii) the interests of one client of Ashmore conflict with those of another of Ashmore's clients (*client vs. client conflicts*). Ashmore has policies and arrangements in place to identify and manage conflicts of interest that may arise between Ashmore and its clients or between Ashmore's different clients. Ashmore has a policy of independence that requires its staff to disregard any personal interest, relationship or arrangement, which gives rise to a conflict of interest, and to ensure that the interests of clients prevail.

III. Impact and Philanthropic Investing

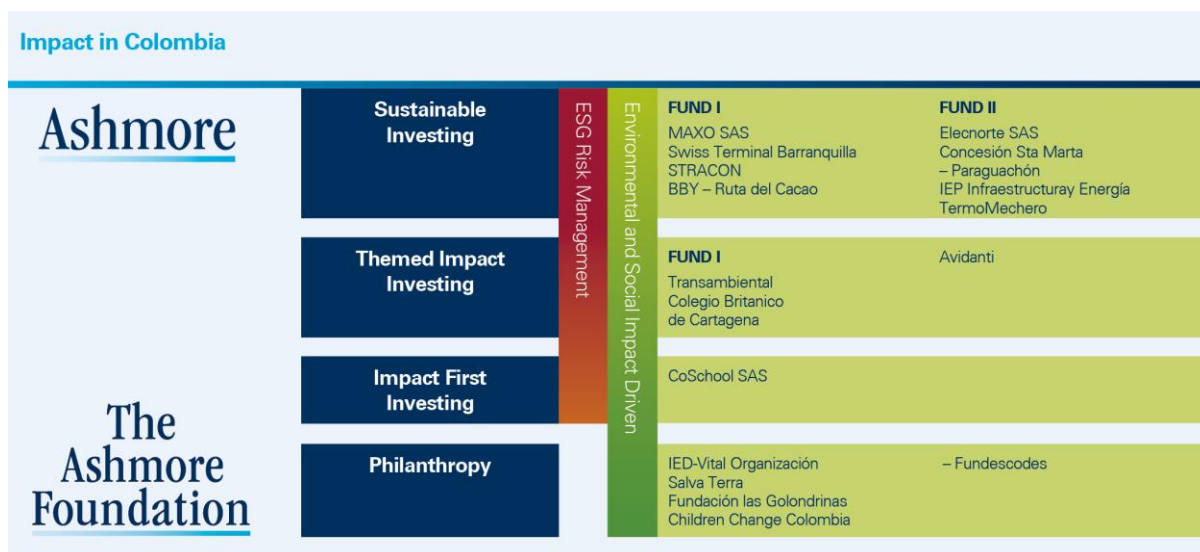
Investing for impact

At the heart of impact within Ashmore's investment universe lies the Ashmore Foundation. The Ashmore Foundation is committed to making social investments in the Emerging Markets in which Ashmore operates and invests.

Ashmore Impact in Colombia

The spectrum of Ashmore's impact across its investment themes and through the Ashmore Foundation is illustrated through Ashmore's operations in Colombia.

Ashmore Colombia seeks to identify and manage environmental and social risks and opportunities associated with the companies in which it invests. Its approach is driven by the leadership team, with the Ashmore Colombia CEO also acting as the Environmental and Social Manager. Ashmore Colombia seeks to ensure that its investments in businesses minimize adverse impacts and enhance positive and sustainable effects on the environment, communities and employees.



Ashmore’s investments often involve taking significant stakes in investee companies. In such circumstances, Ashmore is in a position to engage with management to improve environmental, social and governance issues that affect the company and its stakeholders. Ashmore believes this proactive approach is ultimately beneficial to its investors and reflects the level of commitment of Ashmore with the community and the environment located in the areas of influence.

Investments in transportation and education fall with the Sustainable and Themed Verticals of the investment spectrum. While the Ashmore Foundation’s social investments in education, rural livelihoods and peace and conflict reconciliation fall within the Impact First and Philanthropic Investing.

Ashmore Colombia is able to leverage its skills and expertise to promote responsibility and impact. It supports investee companies’ management to improve their own practices. The team is able to extend their support to the social investees and philanthropic partners of the Ashmore Foundation, providing support, advice and crucially access to networks and areas in need. In April 2018, a team from Ashmore Colombia participated in the closing of the first phase of the Gol y Paz social development programme, with a member of the team playing in the peace and reconciliation football match.



In 2018, Ashmore Colombia received the Latin American Private Equity and Venture Capital Association’s (LAVCA) *Environmental Responsibility in a PE Deal* award for their investment in transportation company Transambiental, given its strong commitment to reduce co2 emissions and provide a high quality service to the community.

Social Investing in Emerging Markets

The Ashmore Foundation

The Ashmore Foundation demonstrates Ashmore Group's commitment to economic growth and development within the Emerging Markets. The Ashmore Foundation was established in January 2008, and seeks to make a positive and sustainable difference to disadvantaged communities in the Emerging Markets in which Ashmore operates and invests. To achieve this goal, the Ashmore Foundation aims to develop long-term relationships with locally based non-government organisations (NGOs).

The Ashmore Foundation functions independently of Ashmore and is registered in the United Kingdom as a charity and company limited by guarantee. It is staffed by a full time Executive Director who is responsible for managing the Foundation's affairs. The board of trustees consists of ten Ashmore employees, representing four global offices, as well as one independent trustee. In addition to the board of trustees, Ashmore employees engage in the governance of the Foundation through sub-committees.

Ashmore supports the Foundation's charitable activities through the provision of pro-bono office space, administrative support and a matched funding commitment for employee donations to the Ashmore Foundation. The Ashmore Foundation is supported solely by Ashmore and its employees globally. Crucially, this support from employees extends beyond financial aid to active engagement with NGOs through mentoring and helping them expand their network of contacts.



Chair of Trustees visiting small business owners in Indonesia

Ashmore employees organise a range of events from wine tastings to cake bakes to raise funds for the Foundation. Employees organise challenge events in support of the Foundation and over the years have summited the UK's three peaks, cycled from London to Paris and walked the length of Hadrian's Wall.

To mark the Ashmore Foundation's tenth anniversary, two teams of Ashmore employees took part in a two-day fundraising challenge. In Borneo, a team of ten employees representing three of Ashmore's Asian offices climbed Mount Kinabalu. While in Morocco, a team of fifteen employees representing the London and New York offices climbed Mount Toubkal. The challenge raised in excess of £111,000 in support of the Foundation's charitable partners.



Participants of the 2018 Ashmore Challenge events on Mount Toubkal (left) and Mount Kinabalu (right).

Social Investment Approach

The Ashmore Foundation's approach is underpinned by the belief that, while economic growth continues in the Emerging Markets, many communities, particularly those in rural and isolated locations, remain locked out of this prosperity. Social and economic inequalities continue to increase and communities continue to lack the skills and resources needed to participate fully in economic development. Moreover, a thriving civil sector is essential to democratic development in nascent and emerging nations.

The Ashmore Foundation believes that with the right support, the most marginalised and disadvantaged communities can grow and prosper. The Foundation therefore focuses its social investment strategy on programmes that aim to equip people with the skills and resources they need to increase their livelihood opportunities enabling them to meet their basic needs while also supporting economic growth and beginning to address broader societal inequalities.

The Ashmore Foundation supports civil society through social investments, grant donations and soft loans, in those Emerging Market countries in which Ashmore Group invests and operates. The Foundation seeks to develop long-term partnerships with civil society organisations and does not accept unsolicited applications, preferring to seek appropriate partnerships proactively. Civil society organisations typically receive between US\$20,000 and US\$50,000 per year over a two to three year period.

All proposals for new partnerships undergo a rigorous assessment designed to review not only the proposed activities, but the organisation as a whole – taking into consideration management, governance, strategy, resources and accountability. The level and depth of due diligence is proportionate to the size of the grant under consideration.

Since its inception in 2008, the Ashmore Foundation has dispersed over £4 million to 70 civil society organisations in 25 Emerging Market countries. It has developed a number of longstanding strategic partnerships; below are examples of the most recent ones.

Fair Trade USA

Partnership established 2017

Fair Trade is a market-based approach that connects producers, businesses and consumers to create shared value across the supply chain. Fair Trade USA's goal is to advance income sustainability, well-being, empowerment and environmental stewardship in communities.

In the Philippines, 41 per cent of the 3.5 million coconut farmers live below the poverty line (average household earns \$355 annually). Yet coconut products are one of the country's top exports with growing consumer interest in coconut water, oil, and beauty products. Global demand is rising at over 10 per cent per annum while regional supply is increasing at 2 per cent per annum.

Fair Trade USA began certifying coconut farmers in the Philippines in 2013, and to date have certified eight producer groups comprised of over 5,700. Through this partnership they will scale the programme to an additional producer group (over 1,000 farmers), support current farmers to maximise the impact of the programme, and increase sourcing commitments from processors, buyers manufacturers and distributors.

Nneka Youth Foundation

Partnership established 2017

Nneka Youth Foundation seek to address the issue of educational attainment of children in Ghana. Young people face multiple issues and have few opportunities that resulted in them discontinuing formal education beyond primary school. Currently, a third of all students enrolled in junior high school dropout.

Nneka works with young people to remove the obstacles that stop them from progressing, providing learning opportunities that building skills and resilience. They do this through the provision of educational and life-skills, building opportunities for young people who might be underserved, overlooked or otherwise at risk of falling behind in school. Nneka runs a series of programmes including summer camps, mentoring, teacher training, and financial literacy in Hohoe district.

CRRECENT

Partnership established 2017

Established in 2004, the Child Research and Resource Centre (CRRECENT) develops and implements programmes that promote the rights of children and young people across Ghana. Since 2010, the organisation has been engaged in activities to improve the juvenile justice system. In partnership with the Prison Service of Ghana and Ghana's Department of Social Welfare, they have been implementing a rehabilitation and reintegration programme for children and young people as they are discharged from Juvenile Correctional Centres.

Through this partnership, they will work with children and young people as they are discharged to help them reintegrate into mainstream society. They will support them to return to their families and communities where possible and help them to enrol into apprenticeship programmes or formal education. Through their schools programme they will also work with children at risk of entering the juvenile justice system.

Minga Perú

Partnership established 2017

Minga Perú work with communities in Peru's Loreto region, spread across 37 million hectares in the Peruvian Amazon. Most of the region is remote with access limited to boats. Its isolation and lack of access to basic services has resulted in half the population living in extreme poverty. A quarter of all children under five are malnourished and 70 per cent of the population are unable to access adequate sanitation. Domestic violence, teen pregnancy, and gender-based and sexual violence are widespread.

In response, Minga Peru has developed and aired radio programmes addressing critical social issues. Through this partnership, Minga Peru will produce and broadcast 58 new programmes dealing with issues raised by listeners. They will run educational workshop and support communities to develop income-generating activities.

Visayan Forum

Partnership established 2017

Established in 1991, Visayan forum works to address modern day slavery and works with victims of human trafficking and sexual exploitation. In the Philippines, 60,000 - 100,000 children are involved in prostitution; 80 per cent of which are girls under 18 years old. The country has become a global hotspot for cybersex and online sexual exploitation of children and young women. There are approximately 2.1 million child labourers, 60 per cent of which work in hazardous conditions, suffering physical, sexual and psychological abuse. Trafficked from rural areas, they remain invisible, falling through government mechanisms.

For the last 26 years, Visayan Forum has been at the forefront of action against human trafficking and child labour in the Philippines. Through partnerships with government, Visayan Forum has rescued and sheltered almost 20,000 survivors and at risk young girls. Support from the Ashmore Foundation will enable them to continue operations, rescuing survivors and providing them with comprehensive support as well as pursuing legal action against abusers and perpetrators.

Emergencies

In addition to the main partnership grants programme, the Ashmore Foundation supports those communities in Emerging Market countries that have been affected by natural disasters and humanitarian emergencies. Most recently, the Ashmore Foundation has supported families affected by the conflict in Yemen. Below outlines the emergency appeals the Ashmore Foundation has most recently supported.

Heavy rainfalls affected Northern India and Bangladesh in summer 2017. It was estimated that over six million people were displaced. The Ashmore Foundation provided Manav Seva Sansthan with a donation to supply water filters, purification tablets, tarpaulin and food. In Bangladesh, the Foundation supported an organisation called Friendship to set up temporary shelters and latrines on higher ground and distribute food.

In response to the drought and resulting famine in the Horn of Africa in 2017, the Foundation made a donation to the International Committee of the Red Cross to support their efforts in providing food, essential household items and cash relief.

The Foundation provided an additional donation to Friendship to support their work with displaced Rohingya refugees providing emergency healthcare and hygiene, water and sanitation, and food support.

Social Investments

The Ashmore Foundation recognises that some social impact organisations will be generating revenue through their activities. To achieve their objectives these organisations often require working capital to grow and scale. In 2016 the Foundation began making programme related investments in organisations whose work aligns with its charitable objectives. Below are our current investments.

Root Capital

Partnership established 2016

Root Capital is a non-profit 501 (c)(3) registered organisation that seeks to improve the lives of rural farmers by connecting them with the formal economy. They supply agricultural businesses with financial capital and training to help them grow. These businesses purchase crops such as coffee, cocoa, or grains from thousands of smallholder farmers. They then connect members to formal markets and support them to improve their farming practices.

CoSchool

Partnership established 2016

CoSchool SAS is a B-Corp operating in the education sector in Colombia. They seek to develop socio-emotional skills so that young people feel, think and act in a collective manner empowering them to achieve their personal goals and lead positive change in their communities. They design and deliver high quality education programmes based on innovation, social challenges and uniting different social backgrounds. The loan will enable CoSchool to scale their business.

Investing in the Ecosystem

The Ashmore Foundation believes in the power of civil society organisations and social enterprises to drive social change. Since inception, the Ashmore Foundation has collaborated with enterprise incubators and accelerator programmes that enable organisations to prove their model and accelerate growth. The Ashmore Foundation currently partners with Unltd Indonesia to support early stage social enterprises.

The Ashmore Foundation seeks to collaborate with and, where appropriate, establish funding partnerships with other foundations. These partnerships enable the Ashmore Foundation to bring its resources to bear in combination with the skills and expertise of other organisations to most effectively support civil society.

In the coming years, the Ashmore Foundation will continue to grow and develop its partnerships with civil society organisations in Emerging Market countries, exploring new opportunities and financing mechanisms to enable organisations to tackle inequality and social injustice creating a positive impact for disadvantaged communities.



Ashmore Investing in communities locally

Ashmore recognises the positive impact it can have on the communities where it operates and is committed to creating lasting benefits in those locations where Ashmore has a presence. Beyond support for the Ashmore Foundation, employees across all offices and subsidiaries are encouraged to engage with and support local community projects. This commitment is reflected in Ashmore’s policy enabling employees to take one day annually to support charitable projects.

Ashmore employees drive local volunteering initiatives and take part in a range of activities to support disadvantaged communities in their local vicinity. In London, Ashmore employees continued to cultivate their relationships with local charities and in May a team of volunteers hosted a group of fifteen young people from London based charity Resurgo. Participants learnt about the business and were provided with CV and presentation skills coaching. Ashmore employees’ commitment to volunteering continues out of office hours and a number of employees have continued to support charities in their own time.

Ashmore continues to make an annual donation to homeless charity Crisis, in support of their Christmas card campaign, as well as an annual donation of foreign coins and banknotes to the Alzheimer’s Society.

Sustainable Development Goals

The Sustainable Development Goals (SDGs) provide clear framework for achieving broader societal objectives towards sustainable development. Ashmore fully supports the global agenda for achieving a better future for all and recognises its responsibility as a global actor and a UN PRI signatory in helping to achieve the goals.

As Ashmore continues to develop its approach to responsible investing and applying ESG risk factors into its investment process, it will continue to monitor and review its contribution to achieving the SDGs. Through its investments, and the social investments of the Ashmore Foundation, Ashmore seeks to address the SDG listed opposite.

Over the coming years Ashmore will continue to develop its approach to supporting the sustainable development goals and understanding with greater clarity how its investments contribute to the global agenda.

 <p>NO POVERTY</p>	<p>1. Reducing the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions.</p>
 <p>ZERO HUNGER</p>	<p>2. Supporting agricultural productivity and incomes of small-scale food producers through knowledge, financial services, markets and opportunities for value addition and non-farm employment.</p>
 <p>GOOD HEALTH AND WELL-BEING</p>	<p>3. The prevention of substance abuse, including drug abuse and harmful use of alcohol and provide young people with the tools they need to make more informed decisions about their lives.</p>
 <p>QUALITY EDUCATION</p>	<p>4. Access for all women and men to affordable and quality technical, vocational education. Youth relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship.</p>
 <p>GENDER EQUALITY</p>	<p>5. End all forms of discrimination against all women and girls, and ensure women’s full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.</p>
 <p>DECENT WORK AND ECONOMIC GROWTH</p>	<p>8. Productive employment and decent work for all women and men. Protect labour rights and promote safe working environments for all workers, including migrant workers, in particular women’s rights.</p>

IV. People

Ashmore directly employs 253³ people in 10 countries worldwide, excluding employees in companies significantly controlled by funds that Ashmore manages. Ashmore's people have always been its most important asset, at the heart of everything it does. The Group's priority is to attract, develop, manage and retain this talent in order to deliver the potential of the organisation, which is reflected in the low levels of unplanned staff turnover (FY2017/18: 8.6%). Ashmore wishes to be an employer, which the most talented people aspire to join wherever it operates.

Ashmore recognises that the involvement of its employees is key to the future success of the business and adopts a practice of keeping employees informed on significant matters affecting them, via email and in meetings arranged for the purpose. Ashmore has consistently operated a remuneration strategy that recognises both corporate and individual performance. Ashmore is also committed to following good practice in employment matters, recognising the part this plays in attracting and retaining staff.

Ashmore seeks to ensure that its workforce reflects, as far as practicable, the diversity of the many communities in which its operations are located. Ashmore also recognises the diverse needs of its employees in managing the responsibilities of their work and personal lives, and believes that achieving an effective balance in these areas is beneficial to both Ashmore and the individual. Ashmore encourages employees to act ethically and to uphold clearly the standards of practice, which its clients have come to expect. It also means ensuring that employees understand the strategic aims and objectives of the Group and are clear about their role in achieving them.

Ashmore works to ensure employee policies and procedures reflect best practice within each of the countries where it has a presence. This means having policies and practices that make Ashmore an attractive place to work in respect of the day to day operating environment and culture, and also in respect of medium to long term growth for employees, personally, professionally and financially.

Recruitment

Ashmore believes that its unique business model and culture leads existing employees to recommend Ashmore as a good place to work to help the Group to attract the most talented candidates. Ashmore will aim to fill roles through internal mobility where this is possible, in order to enable employees to develop within the organisation. In addition, where specific requirements arise, the Group's Human Resources department has strong relationships with specialist recruitment providers to source appropriate candidates.

Training

Ashmore employs qualified, talented professionals to manage clients' money and to work in support functions. However, Ashmore recognises that development is a career-long activity and so it will also support any necessary professional development or qualifications that will assist employees in developing and maintaining their levels of competence. All employees are provided with a comprehensive induction on joining the business providing an introduction to

³ At 30 June 2018.

the company's structure, culture, operations and practices, which includes amongst these areas all elements of compliance issues, an understanding of the key business ethics operating within the Ashmore group, current best practice and up-to-date information on relevant regulations.

Continuing professional development is also taken very seriously at Ashmore, and all staff must undertake bi-annual reviews of the learning and development they have undertaken during the review period and formally document and record their achievements.

Communication

Ashmore communicates with all employees worldwide via e-mail and group conference calls supported by online presentations, and also uses employee meetings to facilitate the exchange of views with senior management and discuss the progress made by the Group.

On an annual basis, Ashmore aims to bring together employees from all global locations, either in person or through video or telephone conferencing, in order to facilitate better relationships and communication between areas of the group and to ensure that there is a consistent strategy message delivered to all employees.

Employee development

Ashmore believes that constructive performance management is an essential tool in the effective management of its people and business. Ashmore ensures all employees are competent to undertake their roles, have access to training, as it is required, and can demonstrate their continuing professional development.

The performance management cycle comprises setting objectives and an annual performance appraisal against those agreed objectives. Output from this performance process is used to assist with decisions on remuneration, career development and progression.

Progression and recognition

Ashmore is committed to internal progression of its employees whenever this is possible, to ensure that it retains the most talented people.

The diverse and global nature of our business allows the organisation to consider placing talented individuals into very different opportunities around the globe and into very different types of businesses in order to foster their development, and to benefit clients.

Remuneration

Ashmore's remuneration structure is designed to align the interests of employees with shareholders. It is believed that by making sure employees are truly stakeholders in the business, their actions and decisions will consistently be for the benefit of clients, shareholders and the Company.

Ashmore recognises that individuals have different personal requirements dependent on where they are in both their life and career. In response to this, Ashmore provides employees with a range of benefits – both non-financial and financial in addition to their basic salaries.

- The annual discretionary compensation scheme is structured to be compliant with the relevant regulatory guidelines. This scheme involves both an annual cash bonus as

well as an equity award. Ashmore encourages employees to take a long-term view of both their and Ashmore's performance and the decisions they make, and has structured the equity scheme such that this proportion of the employees' remuneration is deferred for five years.

- Ashmore recognises the importance of ensuring that the work/life balance of employees is appropriate. Employees are therefore given generous annual leave entitlements in addition to all public holidays.
- Ashmore's employees' health and wellbeing is vital to their sustained performance at work and therefore facilities are provided for employees to cycle to work or take part in other sporting activities from work.
- In the UK, Ashmore operates an integrated healthcare approach whereby its private medical health provider and occupational health clinics work hand in hand to promote wellness amongst employees. Similar healthcare arrangements are also offered in many of Ashmore's international offices.

Diversity

The gender balance is currently 67 % (170 people) male and 33% (83 people) female⁴. Ashmore is committed to providing equal opportunities and seeks to ensure that its workforce reflects, as far as is practicable, the diversity of the many communities in which it operates. Ashmore employs over 38 different nationalities throughout the organisation.

It is the Group's policy to give appropriate consideration to applications from disabled persons, having regard to their particular aptitudes and abilities. For the purposes of training, career development and progression (including those who become disabled during the course of their employment), all are treated on equal terms with other employees.

Ashmore operates a zero tolerance policy towards harassment and bullying and has a formal policy that documents the organisation's commitment to ensuring employees are treated with respect and dignity whilst at work.

Health and safety

The health and welfare of employees is very important to the Group.

Ashmore promotes high standards of health and safety at work and has a comprehensive health and safety policy which highlights the Group's commitment to ensuring employees are provided with a safe and healthy working environment. In London Ashmore carries out regular risk assessments of premises and provides staff with safety training including the provision of training to fire wardens and first aid representatives. Ashmore also engages external consultants to carry out regular health and safety and fire assessments in its London premises.

There have been no reportable accidents in the UK or overseas premises.

⁴ At 30 June 2017

Information security

Information security (including cyber security) is identified as a key principal risk to the business which is subject to Ashmore's governance, policies and procedures and risk assessment. Ashmore assesses, monitors and controls data security risk, and ensures that there is adequate communication between the key stakeholders, which include senior management and IT, human resources, risk management and control, legal and compliance departments.

Ashmore has a layered security model, within which multiple complementary technologies and processes are employed. Ashmore staff undertake mandatory training in matters of Information Security (including cyber security). Ashmore routinely deploys security updates to its systems and undertakes regular vulnerability testing of its networks and systems using a specialist service provider. Ashmore provides an annual report to the Ashmore Audit and Risk Committee on its cyber security arrangements, and adopts a culture of continuous improvement which means that improvements can and do occur throughout the year.

Ashmore also affirms and/or attests with key partners on an annual basis that they have not been susceptible to cyber security attacks and vendors have taken all reasonable steps to continuously monitor and protect themselves on cyber security weaknesses.

Taxation

As a multi-national organisation with a diverse geographic footprint, Ashmore seeks to create value for its shareholders and clients by managing its business in a commercial, tax efficient and transparent manner, within the remit of applicable tax rules and always bearing in mind the potential impact on brand and reputation. Ashmore aims to comply with all relevant tax laws and fiscal obligations, including accurate calculation and punctual settlement of tax liabilities and correct and timely lodging of relevant tax returns and other required documentation with relevant tax authorities.

In the spirit of tax transparency, Ashmore complies with relevant global initiatives including the US Foreign Account Tax Compliance Act (FATCA) and the OECD Common Reporting Standard. Ashmore closely monitors developments arising from the OECD Base Erosion and Profit Shifting (BEPS) initiative and believes that the Group's transfer pricing policy complies with relevant international tax changes introduced by BEPS.

Human rights and Modern Slavery

Ashmore supports the United Nations Universal Declaration of Human Rights.

Ashmore has developed a Supplier Code of Conduct which is available on its website and which applies to all suppliers that provide goods or services to Ashmore, and outlines the basic ethical requirements that suppliers must meet in order to do business with the Group, including affording employees the freedom to choose employment and not using any form of forced, bonded or involuntary labour (including child labour).

V. Environment

As a company whose business is fundamentally based on intellectual capital and which does not own its business premises, Ashmore has a limited direct impact on the environment and there are few environmental risks associated with the Group's activities. Nevertheless

Ashmore recognises that it has a responsibility to manage this as effectively as possible. The Group continues to promote energy efficiency and the avoidance of waste throughout its operations and a number of initiatives, such as the recycling of paper, glass and other waste and the use of 'green' energy, are encouraged.

Property

Ashmore does not own any of the buildings where it occupies floor space and invariably buildings in which it does have a lease are multi-tenanted and costs are apportioned to each tenant pro-rated according to occupancy.

Ashmore's largest property occupancy is at its headquarters at 61 Aldwych, London where it occupies a single floor of approximately 19,000 square feet in a nine storey multi-tenanted building.

Electricity usage in London is separately monitored by floor. Energy efficient lighting is installed in the building with sensors which turn lights off when no movement is detected.

Greenhouse gas emissions

As a company listed on the main market of the London Stock Exchange Ashmore Group plc is required to report its greenhouse gas emissions (GHG emissions).

Travel

Although Ashmore endeavours to make maximum use of available technology, such as video conferencing, its business model as an investor in Emerging Markets inevitably requires that investment professionals and other members of staff travel frequently to these countries to investigate and monitor opportunities.

Recycling

Ashmore has in place recycling programmes for waste paper, photocopier toners and other disposable materials. Ashmore seeks to minimise the use of paper as part of its clear desk policy and electronic scanning is actively encouraged. All printing is two-sided by default.

Ashmore is conscious of minimising its impact on the environment. For this reason, wherever possible Ashmore chooses paper stocks that have been sustainably sourced and which are Forest Stewardship Council© (FSC) accredited (or equivalent) for its marketing materials and business stationery.

Energy Savings Opportunity Scheme (ESOS)

Ashmore has confirmed its compliance with the ESOS obligations to the Environment Agency in respect to the reporting period ending on 5 December 2015.

Obsolescent equipment

Ashmore provides obsolescent computers to Computer Aid International. Computer Aid, a UK registered charity that aims to reduce poverty through practical ICT solutions. Computer Aid sends these PCs to various projects across Africa and South America and furnishes Ashmore

with details of where they are used. Any units that are not usable are disposed of in an environmentally friendly fashion.

Further information available on the Group's website

The following documents are available on the Group's website www.ashmoregroup.com

- UK Stewardship Code statement
- Conflicts of interest policy
- UK Tax Strategy statement
- Supplier code of conduct
- Slavery and human trafficking statement

Disclaimer

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For further information:

John Taylor – Group Company Secretary
Ashmore Group plc
61, Aldwych
London WC2B 4AE
T: +44 (0) 203 077 6000