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# Group Responsible Investment Policy

## Record plc

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## 1. Introduction and scope

This policy is written on behalf of Record plc and its subsidiaries (“Record Financial Group”, “Record”, “We”, “Our”). Record Financial Group has long been a company that places sustainability and corporate responsibility firmly at the heart of its priorities. Responsible investment is therefore a natural extension of this corporate philosophy and forms a key pillar of our sustainability strategy. Our core business has traditionally been within the currency management space. Record has been a thought leader for considering Environmental, Social, and Governance (ESG) integration within currency markets, using our expertise to develop innovative strategies and extend the boundaries of ESG beyond its existing base in equity and bonds. However, we believe our strategic goal of product diversification and evolution towards a broader asset manager will pave the way for new sustainable solutions. Our aim is to invest in a way that promotes long-term sustainability for the continued health of the economy, and we will align this objective with the interests of our clients and the development and growth of the Group.

The purpose of the Group Responsible Investment Policy is to guide the relevant investment teams and committees across the Group’s subsidiaries in their approach when considering ESG in their investment activities. We understand that ESG factors can affect the performance of our investment portfolios and that considering ESG can support long-term returns by identifying the potential opportunities and/or risks associated with our investments. Record’s investment teams therefore integrate ESG considerations into their discretionary investment process where it is relevant and meaningful to do so. How this is done is at the discretion of each individual investment team and committee.

## 2. Definitions

We define responsible investment as the purposeful integration of ESG considerations into investment management. The underlying components of ESG are defined in line with the UN Principles for Responsible Investment, which references:

- Environmental factors as issues relating to the quality and functioning of the natural environment and natural systems;
- Social factors as issues relating to the rights, well-being, and interests of people and communities; and
- Governance factors as issues relating to the governance of companies and other investee entities.

The diagram below provides an overview of how we define different responsible investment strategies.

	Non-Responsible Investment	Responsible Investment			
	Financial returns		Financial <u>and</u> environmental and/or social returns		
Return Expectations	Non-RI	ESG Integration	Positive/Negative Screening	Sustainable/Thematic Investing	Impact Investing
Definitions	Does not systematically/ explicitly incorporate ESG factors	Incorporates financial implications of ESG factors into investment decisions	Removes investments from the investable universe (exclusions) or tilts a portfolio towards investments (best-in-class)	Investing to provide sustainable solutions or within a specific sustainable theme	Investments which have a measurable, positive impact on a specific environmental and/or social goal

## 3. Our Principles

### 3.1. Systemic viewpoint

We tend to approach responsible investing from a holistic and macroeconomic perspective, considering geopolitical impacts, human rights, societal changes, climate change, currency and interest rate fluctuations, for example. We believe this approach enables us to gain a comprehensive understanding of specific ESG issues within a given theme and to identify nuances and interconnections between different sustainability issues.

### 3.2. Materiality

We will take an informed approach when considering ESG factors, incorporating only material issues in pursuit of intentional and meaningful economic and/or positive impact.

### 3.3. Client-focused outcomes

Our aim is to both enhance and preserve the value of our clients' investments, seeding new investment strategies that offer innovative solutions aligned with our clients' sustainability preferences.

### 3.4. Long-term mindset

We consider the long-term sustainability and resilience of investments, looking beyond short-term gains and acknowledging the transitional nature of the markets in which we operate.

### 3.5. Sustainability outcomes

We will measure performance against sustainability outcomes for our responsible investment strategies to demonstrate real-world outcomes aligned with the UN Sustainable Development Goals.

## 4. Engagement

Engagement is an essential part of our responsible investment philosophy. Record believes that effective engagement should drive improvements in ESG practices and, where appropriate, inform portfolio management decisions. How we engage differs depending on the counterparty and the investment strategy, but we aim to have clear objectives that require actionable change, against which we can track progress.

To maximise the impact of our engagement and recognise that engagement opportunities present themselves in different ways, we apply the following principles:

### Exposure

We prioritise engagements with entities that are material to our portfolio. Typically, greater exposure represents increased likelihood of success for engagement.

### Severity

Record prioritises engagements on issues that might present significant adverse impacts, factoring in scale, scope and character.

### Event-driven

Engagements may happen in reaction to scheduled or unscheduled events, such as annual general governance meetings, recent controversies in the media, or breaches of global standards such as the UN Global Compact or OECD guidelines for multinational enterprises.

## 5. Transparency

Record is committed to promoting best practice in responsible investment through transparent disclosure and reporting. We actively report progress on our responsible investment activities to our clients and wider stakeholders through bespoke product reports and our annual sustainability report, enabling us to be held accountable to public standards. We also achieve transparency through regular disclosure to industry initiatives in addition to our regulatory obligations. Record Financial Group and its individual subsidiaries are signatories/members of several initiatives focused on ESG and responsible investment, including UN PRI, CDP and others, which we disclose to on an annual basis. We believe that participation

in these initiatives enables us to engage and report against key sustainability issues, transfer knowledge and benchmark ourselves against our peers.

Signatory of:



Record Currency Management Ltd  
Record Asset Management GmbH



Record Currency Management GmbH



Record Currency Management Ltd



Record plc

## 6. Governance

Overall accountability for Record's responsible investment activities rests with the Board of Directors for each subsidiary. Each Board seeks to steer the Group's activities in a sustainable direction, delegating day-to-day responsibility to the respective individual investment teams and committees within the Group's subsidiaries that are responsible for investment decisions. This policy is designed to provide a framework and guidance for the development of entity and/or product-level responsible investment policies managed by each subsidiary.

## 7. Conflicts of Interest

In the provision of our services, conflicts of interest may arise between Record plc, its subsidiaries, and clients. We act in the best interest of our clients across the Group, striving to manage any conflicts with the highest standards of integrity. Our approach to identify, prevent, and manage any potential conflicts is outlined in our Conflicts of Interest Framework.



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Understand  
Deliver

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