Record Financial Group

Building a resilient and sustainable future

Record plc | Climate-Related Disclosures Report 2025

For the year ended 31 March 2025

record

Listen
Understand
Deliver

recordfg.com

Our purpose

With over four decades of expertise in currency management, we have leveraged our experience to explore new opportunities in the asset management sector. This expansion is fuelled by the same spirit of curiosity that has driven our company since its inception.

In addition to our well-established currency management products, we are excited to offer a broad array of asset management solutions. Our approach is deeply client-centric, ensuring that we not only meet but exceed our clients' unique needs with bespoke solutions crafted with precision and excellence.

Contents

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Record at a glance

Specialist currency and asset manager offering best-in-class bespoke products to large global investors.

Financial Highlights

Assets Under Management[1] ("AUM")

$100.9bn -1.3%

Our Business

Our bespoke currency and asset management products are organised into three pillars:

Risk Management
- Passive Hedging
- Dynamic Hedging
- Hedging for Asset Managers

Absolute Return
- FX Alpha
- Custom Opportunities

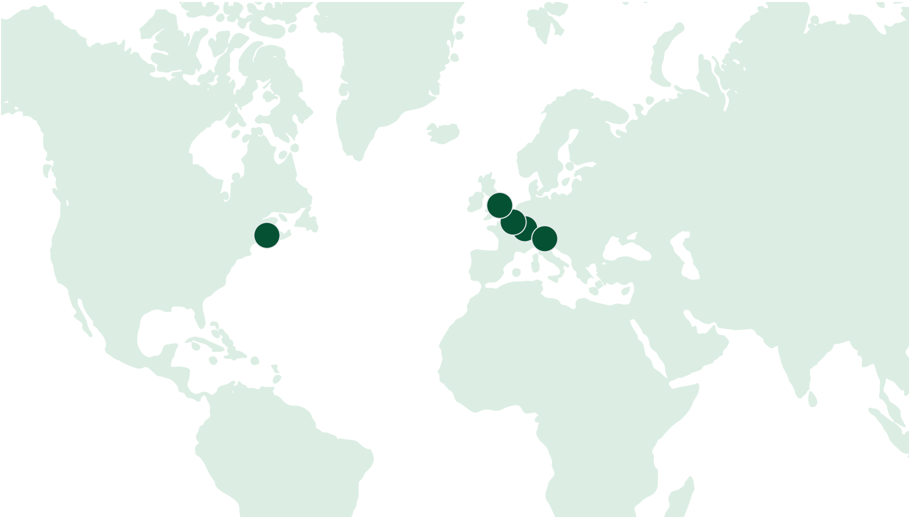
Private Markets
- EM Local Debt
- Infrastructure Equity
- Private Equity
- Private Credit

Assets Under Management[1] ("AUM"):

$95.4bn **$4.5bn** **$1.0bn**

Our Locations

The Group's Head Office is in London, UK, with additional offices in Switzerland, Germany, Netherlands and USA.



Our Values

Introduction

In the face of escalating climate challenges, our commitment to transparency and accountability has never been more critical.

This Climate Disclosure Report represents our ongoing efforts to address the environmental impacts of our operations and to contribute positively to global sustainability goals. By providing a comprehensive overview of our climate-related risks, opportunities, and performance, we aim to foster trust and collaboration with our stakeholders, including investors, customers, employees, and the communities we serve.

Over the past year, we have made significant strides in integrating climate considerations into our business strategy. This report outlines our progress in reducing greenhouse gas emissions, enhancing energy efficiency, and investing in renewable energy sources.

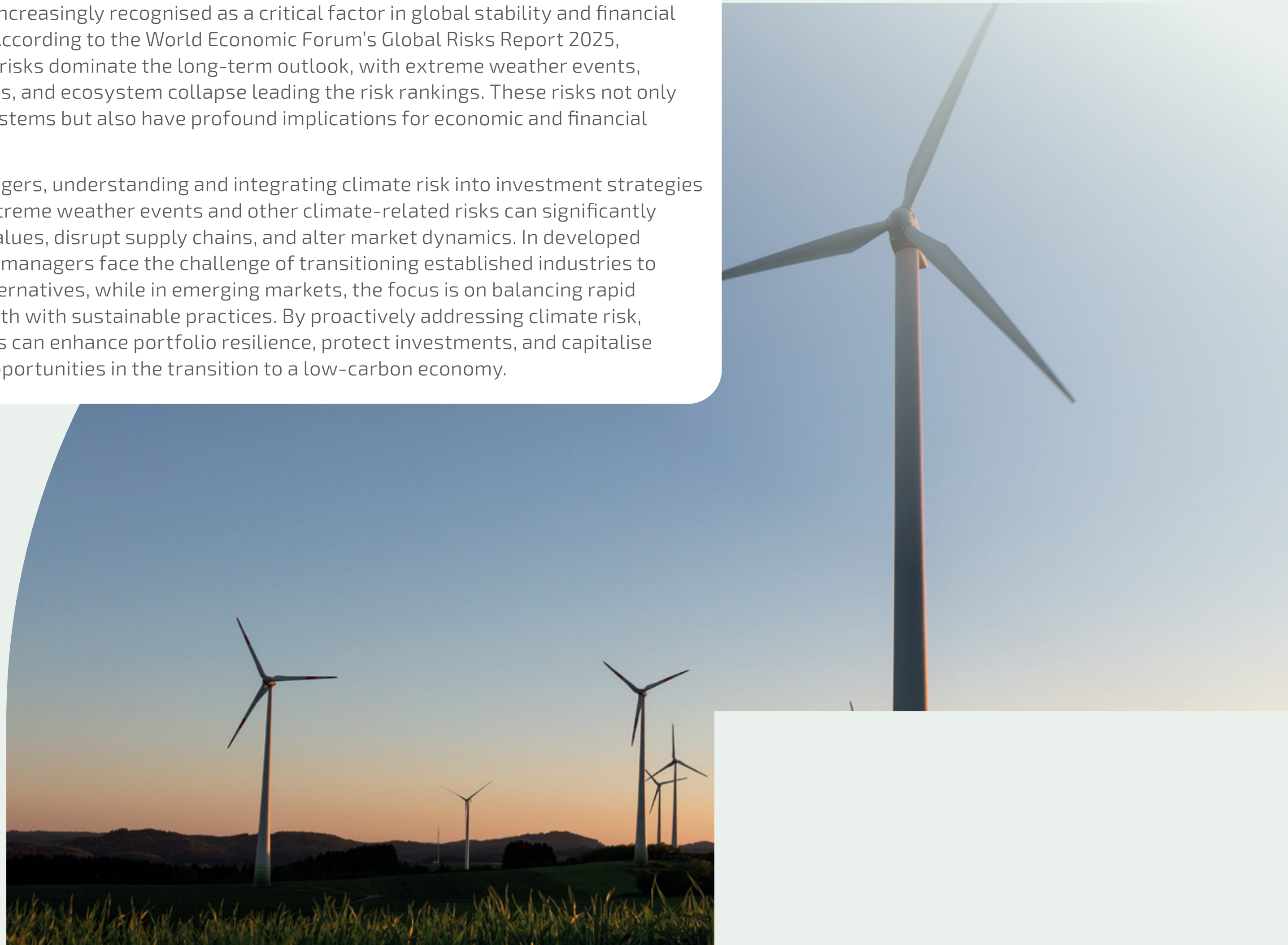
We also highlight our initiatives to build resilience against climate-related risks, ensuring that our operations and supply chains are prepared for the impacts of climate change. Our approach is guided by the principles of the Task Force on Climate-related Financial Disclosures ("TCFD"), which provide a robust framework for assessing and managing climate risks and opportunities.

Spotlight

The importance of climate risk for asset managers

Climate risk is increasingly recognised as a critical factor in global stability and financial performance. According to the World Economic Forum's Global Risks Report 2025, environmental risks dominate the long-term outlook, with extreme weather events, biodiversity loss, and ecosystem collapse leading the risk rankings. These risks not only threaten ecosystems but also have profound implications for economic and financial stability.

For asset managers, understanding and integrating climate risk into investment strategies is essential. Extreme weather events and other climate-related risks can significantly impact asset values, disrupt supply chains, and alter market dynamics. In developed markets, asset managers face the challenge of transitioning established industries to low-carbon alternatives, while in emerging markets, the focus is on balancing rapid economic growth with sustainable practices. By proactively addressing climate risk, asset managers can enhance portfolio resilience, protect investments, and capitalise on emerging opportunities in the transition to a low-carbon economy.



TCFD disclosure

Governance

Recommendations	Current status	Key areas of progress	Page
Describe Board-level oversight of climate-related risks and opportunities.	Compliant	• The Record plc Board is responsible for governing and overseeing the Group's business strategy, and providing oversight, control and monitoring of its operations and risks. As part of this function, the Board oversees climate-related risks and opportunities. • Other Board-level Committees have oversight responsibilities for climate-related risks and opportunities. • The Board has delegated responsibility for the delivery of the Group's climate change strategy to the Senior Sustainability Office.	See more on pages 5 and 6
Describe management's role in assessing and managing climate-related risks and opportunities.	Compliant		

Strategy

Recommendations	Current status	Key areas of progress	Page
Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term.	Compliant	• We have identified potential climate-related risks and opportunities which may arise over the short, medium and long term, and use this assessment to inform our strategy. • We have undertaken a qualitative climate-scenario analysis using the globally recognised Network for Greening the Financial System ("NGFS") "Current Policies", "Net Zero 2050" and "Delayed Transition".	See more on pages 8 to 17
Describe the impact of these climate-related risks and opportunities on the organisation's business, strategy and financial planning.	Compliant		
Describe the resilience of the organisation's strategy, taking into account different climate-related scenarios, including a 2°C or lower scenario.	Compliant		

Risk management

Recommendations	Current status	Key areas of progress	Page
Describe the organisation's processes for identifying and assessing climate-related risks.	Compliant	• The process of identifying, assessing and managing climate-related risks is embedded into our Group-wide Business Risk Framework, which operates a three lines of defence approach. • Climate-related risks are considered within our existing principal risk categories.	See more on pages 14 and 15
Describe the organisation's processes for managing climate-related risks strategy and financial planning.	Compliant		
Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management.	Compliant		

Metrics and targets

Recommendations	Current status	Key areas of progress	Page
Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	Partially compliant	• We report Scope 1, 2 and 3 GHG emissions. • We report progress against emission reduction targets. • Identified data gaps and areas that require development for the future scope 3 related data.	See more on pages 19 to 21
Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas ("GHG") emissions, and the related risks.	Compliant		
Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	Compliant		

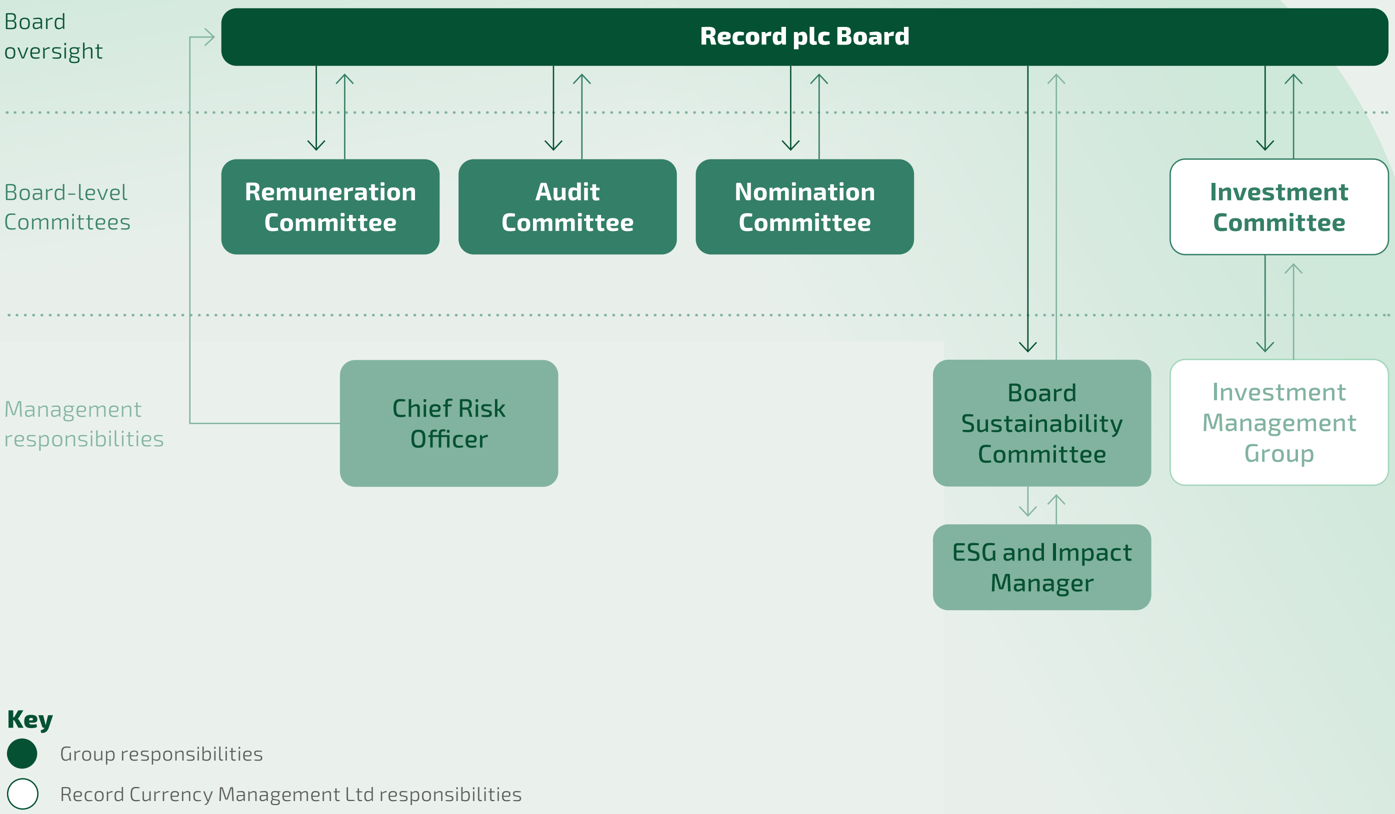
Governance

What's in this section

Board oversight

We have seen significant formalisation of our sustainability governance structure, building the foundations for the development and management of our climate change strategy as well as ensuring oversight at the highest level of the Company.

Governance organisation chart



Board oversight

Record plc Board of Directors

The Record plc Board of Directors is responsible for governing and overseeing the Group's business strategy, and providing oversight, control and monitoring of its operations and risks. As part of this function, the Board oversees sustainability and climate-related risks and opportunities. The Board reviews disclosures made in our sustainability and climate-related reports and receives quarterly updates from our Sustainability Office, enabling them to provide rigorous challenge to management on the mitigation of risks and ensuring we are ambitious in our sustainable commitments.

Board oversight continued

Board-level Committees

Group Audit Committee

Record's Audit Committee monitors and reviews the Group's financial statements as well as the effectiveness of our internal controls for risk management, including sustainability and climate-related risks and opportunities. The auditing process for our Annual Report and Accounts includes a review of our approach to the TCFD by the Audit Committee.

Group Nomination Committee

The Nomination Committee is responsible for succession planning, appointments to the Board and Board evaluation. The Committee evaluates Board competency across several topics, including sustainability and climate issues.

The most recent Board evaluation led to a two-part training programme to better equip the Record plc Board of Directors to oversee the adoption of our sustainability strategy across the Company, which includes climate action as one of its three strategic pillars.

The first session was run in partnership with an external company and introduced the sustainability landscape, including an assessment of our peer group and best practice with respect to Board accountability. The second session aimed to highlight important elements of our internal sustainability strategy, reflecting on progress towards our sustainable commitments and future ambitions.

Remuneration Committee

The Remuneration Committee designs the policy to align employee performance with remuneration, including performance against sustainability and climate-related metrics for those in relevant areas and levels of responsibility. Performance against sustainability and climate-related objectives therefore forms part of the performance review process and is tied to key remuneration decisions, driving a consistent approach to the execution of sustainability across the Group.

Record Currency Management Limited ("RCML") Investment Committee

The Investment Committee is responsible for oversight of RCML's investment activities, investment performance and risk management, including the management of environmental, social, governance and climate-related risks where relevant. The Investment Committee meets several times in the year to review long-term performance of current products, approve any proposed strategies or agree on revisions to current strategies.

Management responsibilities

Board Sustainability Committee ("BSC")

The Record plc Board of Directors has delegated oversight the Group's sustainability strategy to the Board Sustainability Committee ("BSC"). The BSC is formed of key senior managers who take responsibility oversee and advise on the Company's sustainability-related strategies, policies and performance.

The BSC approves Record's sustainability strategy, and as such has reviewed and approved our climate change strategy and our TCFD disclosures. The BSC meets at least quarterly to make decisions on sustainability and climate-related topics, considering recommendations and approving proposals from the ESG and Impact Manager.

ESG and Impact Manager

The ESG and Impact Manager is responsible for driving progress against the sustainability strategy and implementing actions as approved. The Manager acts as a conduit between the Board Sustainability Committee and the business, co-ordinating sustainability efforts and aligning goals across the Group.

Chief Risk Officer

The Risk Office monitors sustainability and climate-related risks on an ongoing basis within the Group Business Risk Framework. Business Risk reports directly to the Chief Executive Officer and meets with the Record plc Board to discuss identification, evaluation and mitigation of risks which have been deemed to pose a material business risk.

RCML Investment Management Group

The Investment Management Group ("IMG") is responsible for the day-to-day management of client portfolios and meets on a weekly or monthly basis to discuss strategies. The Group considers the impact of environmental, social, governance and climate-related risks on the continued management of our clients' portfolios and if any material risks were to be identified, the IMG would escalate this to the Investment Committee.

Strategy

What's in this section

Net-zero transition

We are committed to taking the vital step to reach net-zero. We have therefore set the following targets:

01 Reach net-zero greenhouse gas emissions in our operations and value chain by 2050

02 Reduce Scope 3[1] emissions intensity[2] by 55% by 2030 against a 2019 baseline

These targets were developed using science-based methodology and are aligned with limiting global warming to 1.5°C. When we first published this target in our FY-22 report, we had already reduced our Scope 2 emissions significantly by becoming 100% renewable across our UK operations. Our interim target therefore focuses solely on our indirect Scope 3 emissions, which at the time made up 98% of our carbon footprint.

We disclose progress towards our emissions reduction targets on page 19 of this report[3].

1. Scope 3 emissions: business travel; premises waste, transmission and distribution losses; outbound deliveries; commuting; other upstream emissions; and homeworking.
2. Scope 3 emissions intensity is calculated as an absolute value of emissions divided by revenue.
3. In the process of collating climate data, certain assumptions and estimates were made to address data gaps.

Net-zero transition continued

Emissions reductions principles

Renewable energy

We currently operate on 100% renewable energy through the use of Renewable Energy Guarantees of Origin ("REGOs") and other Energy Attribute Certificates ("EACs"). Purchasing these supports the renewable energy market by demonstrating market demand whilst also increasing the renewable energy mix in the grid of the country where it was generated. REGOs are recognised by several standards and bodies including the GHG Protocol, CDP and RE100 as a method to reduce Scope 2 electricity emissions.

Responsible travel

We promote responsible business travel, asking employees to always evaluate their need to travel and assess alternative, greener options where viable. Our travel booking agency provides quarterly reports on business travel and related GHG emissions which are monitored to frequently assess whether employees are prioritising sustainable travel.

We continue to adopt a hybrid working arrangement, which has allowed us to significantly reduce our commuting emissions. Alongside this we have several initiatives in place to encourage greener travel, including a cycle to work scheme and a green salary sacrifice car scheme which only supports the purchase of hybrid or fully electric cars.

Energy efficiency

Record has invested in several energy efficient technology alternatives. Our personal laptops are all Energy Star certified, which means they have been third-party certified as using 25-40% less energy than conventional models. We have moved to a cloud-based server that uses less energy and has its own commitments to reduce energy consumption through continuous innovation, infrastructure upgrades, and maximising the impact of key sustainable technologies across their data centre portfolio.

All Record offices are in shared buildings where energy efficiency measures are centrally managed and largely out of our control. However, we engage with our building managers and work with them to introduce more energy efficient alternatives where we can.

Minimising office waste

Record reviews suppliers to ascertain whether there are more environmentally sustainable alternatives. In line with this, we purchase our office snacks and fruit from businesses who use recyclable packaging only. We switched from buying plastic milk bottles to refillable glass bottles, reducing the amount of one-use plastic goods purchased. Last year our goal was to reduce paper consumption, and we met this by moving day-to-day activities which require paper online and by reducing the number of printers available. Our new printing policy encourages thoughtful paper usage and provides exemptions only in certain instances.

Spotlight

Supporting the transition through sustainable travel initiatives

Record plc introduced several initiatives to encourage greener commuting options, including a cycle-to-work scheme and a green salary sacrifice car scheme for ultra-low emission vehicles. These programs can reduce commuting emissions and promoted sustainable transportation among employees. Employee engagement in sustainability initiatives can drive significant environmental benefits and foster a culture of responsibility.

Our commitment to sustainability is at the heart of the employee benefit, with the green scheme only supporting the purchase of ultra-low emission cars (<75g CO_2/km) from a fully electric or hybrid range. Along with the government tax benefits on green cars, we hope the green scheme will encourage employees to swap out their petrol or diesel cars for a fuel-efficient, more sustainable option.

Carbon offsetting projects

Carbon offsetting projects

Every year, we collect data and collaborate with a carbon accounting company to measure, evaluate, and offset our carbon footprint. Since 2007, we have proudly maintained our CarbonNeutral® certification in accordance with the CarbonNeutral® Protocol, the premier framework for achieving carbon neutrality.

This year, we will be conducting an internal verification of our carbon data. In light of our limited visibility on Scope 3 data, we will also reassess which certification programs best align with our sustainability goals moving forward. This approach will allow us to ensure the accuracy of our data and make informed decisions about our future certification strategies.

For 18 years, we have been committed to purchasing carbon offsets that deliver immediate emissions reductions through sustainable development and renewable energy projects worldwide. These projects are rigorously verified by esteemed standards such as the Gold Standard and undergo a comprehensive ten-step quality assurance process by our carbon partners to ensure the highest level of environmental integrity.

Uruguay

Degraded grasslands afforestation

Natural climate solutions, afforestation/reforestation

The project combines sustainable forestry with cattle grazing. Trees are planted on higher and more degraded land, reducing topsoil degradation, while cattle graze the lower areas.

The project promotes sustainable timber creation and contributes to increasing afforestation rates globally.

Verified under:
Verified Carbon Standard and Climate, Community and Biodiversity standard

Nicaragua

Rivas wind power

Sustainable infrastructure, renewable energy project

This project promotes the transfer of environmentally sound technologies to a developing country, helping the Nicaraguan electrical grid grow with sustainable sources of power.

Verified under:
Clean Development Mechanism and Gold Standard

China

Chinese afforestation

Natural climate solutions, afforestation/reforestation

The projects are restoring more than 30,000 hectares of degraded land in the provinces of Qinghai and Xinjiang, supporting a drive to create and conserve nature reserves in order to enhance local biodiversity with a resilient mix of native tree species.

Verified under:
Verified Carbon Standard and Climate, Community and Biodiversity standard

Climate-integrated investment

Record 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 and over 90% of our AUM are in currency hedging mandates, where we have no discretion over the base currencies being hedged or management of underlying assets, limiting our ability to integrate climate factors into our investment decisions.

However, we recognise that appetite for sustainable investment products and services continues to grow amongst our client base and as such we have geared more resources towards the development of products which meet this growing demand.

The launch of the flagship Record Emerging Market Sustainable Finance strategy ("EMSF" or the "Strategy") in 2021 was a pioneering step to design a sustainable finance solution that aims to support the development of financial markets in emerging market and developing economies ("EMDEs") to promote United Nations Sustainable Development Goal ("UN SDG") aligned socioeconomic growth.

EMSF is committed to take active foreign exchange involvement across a universe of emerging and frontier currencies in pursuit of greater currency stability, whilst also offering currency risk solutions in partnership with the development finance community to promote local currency funding. Simultaneously, EMSF directly supports the financing of development projects through bond investments issued by Multilateral Development Banks ("MDBs") and other Development Finance Institutions ("DFIs") with active operations in EMDE countries.

EMSF strategy

The EMSF strategy has positive contributions to climate mitigation and adaptation in EMDE countries. Improvements in currency stability contribute to economic growth in parts of the world which are particularly adversely impacted by climate change and will support their ability to adapt to climate change.

At the same time, portfolio issuers are committed to align their lending activities with the UN SDGs and the Paris Agreement. They have set high targets for climate finance in addition to other sustainable outcomes. Projects approved are required to meet a comprehensive and strict set of environmental, social and governance performance requirements, covering key areas of sustainability and ensuring socially and environmentally sound development.

Climate-focused engagement with stakeholders

Record believes in enhancing climate action through stakeholder engagement, accelerating the transition to climate resilience within our own organisation as well as within the wider society.

ESG Counterparty Engagement Strategy ("ESG-CES")

We actively engage with our counterparty banks through our proprietary ESG Counterparty Engagement Strategy. The strategy seeks to better align the activities of counterparties with the interests of key stakeholders by assessing and quantifying the activities and associated disclosure of the banks with respect to environmental, social and governance ("ESG") factors. This allows us to pre-screen transaction counterparties and direct flow to more sustainable banks. With respect to our environmental assessment, we collect data on counterparty GHG emissions, fossil fuel policies, as well as third-party ratings including CDP and the Bloomberg Environmental Disclosure score.

Supplier Code of Conduct

Record is a signatory to the United Nations Global Compact ("UNGC") and has developed a Supplier Code of Conduct in line with their ten principles in the areas of human rights, labour, environment and anti-corruption. This code is used as a guide to collaborate with our suppliers in the promotion of responsible business practices and sets out the minimum standard of conduct we expect from our suppliers. We are committed to working with suppliers by making recommendations and/or reviewing corrective action plans to ensure compliance.

With respect to the environment, we aim to manage our impact throughout our value chain and therefore expect our suppliers to promote environmentally responsible practices. Specifically, at a minimum, we expect suppliers to:

- comply with all applicable environmental laws and regulations;
- identify environmental risks, impacts and responsibilities in an environmental policy, statement or programme; and
- take reasonable steps to minimise greenhouse gas emissions and reduce their environmental impact.

With the implementation of our new supplier management platform, we aim to be able to better engage with our suppliers on all areas of sustainability.

Spotlight

Enhancing climate transparency and reporting through engagements

Record plc has significantly improved its climate transparency by aligning with the Task Force on Climate-related Financial Disclosures (TCFD) and enhancing its greenhouse gas emissions reporting. This increased transparency helps stakeholders understand the Company's climate risks and opportunities, fostering trust and accountability. Transparent reporting is essential for building stakeholder confidence and driving climate action.

Climate transparency and reporting

Commitment to Transparency and Accountability

Record aims to exceed stakeholder expectations in reporting, transparency and action on climate-related issues. We believe that transparency and reporting is key for progress, allowing us to be held accountable to public standards and ensure we meet our commitments and targets. The climate-related regulatory reporting landscape is continuously evolving and at this point in time varies significantly across different jurisdictions.

Governance and Compliance Oversight

Record's ESG and Impact Manager is responsible for monitoring emerging climate disclosure regulations and works with our Compliance and Business Risk departments to ensure the Group maintains compliance with new and existing legislation. One way we do this is by going beyond regulatory compliance and working to continuously improve the quality of our voluntary climate-related disclosures.

Using TCFD to Guide Climate Strategy

Our first TCFD report was disclosed in 2020 within our inaugural Sustainability Report and over the last four years we have used the TCFD recommendations to guide the development of our climate strategy and improve our climate-related disclosures.

Benchmarking Through Voluntary Frameworks

We use voluntary climate disclosure frameworks and standards to benchmark our performance against industry peers. These reporting mechanisms play an important role in allowing us to review progress and provide direction in developing our reporting. In particular, the CDP offers a platform to provide comprehensive and focused reporting on climate change, promoting best practice.

Memberships and affiliations

CDP DISCLOSURE INSIGHT ACTION	CDP is a non-profit charity that runs a global disclosure system for investors, companies and cities to report on and manage their environmental impacts. We received a B- in this assessment year period and will continue to improve our disclosure.
UN GLOBAL COMPACT	Record signed up to the UN Global Compact's ten principles which are aligned with the UN SDGs. Principles 7, 8 and 10 specifically encourage signatories to promote greater environmental responsibility.
TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES	Record is a supporter of and reports in line with TCFD recommendations to assess climate risks and opportunities.
PRI Principles for Responsible Investment	Record is a signatory member of the UN PRI, an independent organisation supported by the UN, which encourages investors to use responsible investing and consideration of ESG factors to enhance returns and better manage risk.
Swiss Sustainable Finance	Swiss Sustainable Finance aims to promote sustainability within Swiss financial institutions.
FX GLOBAL CODE	We are committed to a set of global principles of good practice in the foreign exchange market, promoting integrity and its effective functioning.

Climate-related risks and opportunities

In accordance with TCFD recommendations we have identified actual and potential climate-related risks and opportunities across both:

Physical risks: related to the physical impacts of climate change and can be largely event driven (acute), such as floods or hurricanes, or longer-term (chronic) shifts in climate patterns such as sea level rise or chronic heatwaves.

Transitional risks: related to the transition to a lower-carbon economy and can entail the political, legal, technology and market risks associated with adapting to the transition.

The table provides an overview of the actual and potential risks and opportunities which we have identified to be relevant to our business and therefore have been integrated within our Group-wide risk management framework. Each risk and opportunity has been considered in terms of the financial materiality time horizon it could occur in: short term (0–1 year), medium term (1–5 years) and long term (over 5 years).

Risk

Risk description	Financial impact	Time horizon	Mitigation strategy
Policy and legal Enhanced climate-related reporting obligations	Low: Increased cost of data gathering, analysis and publication	Medium term	• Climate-focused engagement with stakeholders • Climate transparency and reporting
Increased pricing of GHG emissions and carbon offsets	Low: Increased operational costs	Medium term	• Net-zero transition within our operations and value chain
Technology Additional cost to transition to lower emissions technology	Low: Increased capital expenditure	Medium term	• Net-zero transition within our operations and value chain
Reputational Increased stakeholder concern or negative stakeholder feedback on climate-related action or inaction	Medium: Decreased revenue due to loss of clients	Medium term	• Net-zero transition within our operations and value chain • Climate-integrated investment • Climate-focused engagement with stakeholders • Climate transparency and reporting
Acute physical Increased severity and incidence rate of extreme weather events which create potential damage to our offices and create transport difficulties for employees	Medium: Reduced revenue due to transport difficulties and damage to facilities	Medium term	Whilst not specifically addressed in our climate strategy, a number of actions have been taken to mitigate this risk, including: • an established business continuity process; • flexible working and remote working ability; • insurance for buildings; and • data centre moved to cloud-based server with increased protection
Chronic physical Overall shifts in climatic behaviour resulting in long-term changes in temperature and precipitation patterns	Medium: Increased operational costs	Long term	• Limited ability to mitigate against this risk presently, however Record monitors developments and potential risk in this area

Key: Low financial impact · Medium financial impact · High financial impact

Climate-related risks and opportunities continued

Opportunity

Opportunity	Opportunity driver	Primary financial impact	Time horizon	Opportunity strategy
Products and services	Development of low-emissions/climate-focused products	Increased revenue from increased demand for products and services	Short term	• Climate-integrated investment
	Access to new markets in development of low-emissions/climate-focused products	Increased revenue	Short term	• Climate-integrated investment
Resource efficiency	Move to more energy efficient technology to allow for more modern ways of working	Reduced operational costs	Short term	• Net-zero transition within our operations and value chain
	Move to more efficient buildings. Energy efficient buildings are modern and provide a better working environment	Reduced operational costs	Short term	• Net-zero transition within our operations and value chain

Key: Low financial impact Medium financial impact High financial impact

Scenario analysis

We have conducted a scenario analysis to assess the financial risk posed to Record across different transition pathways (scenarios) which each conclude different outcomes based on several projected variables. These variables include greenhouse gas emissions, government intervention, uptake and innovation of technology, and economic growth. Each scenario has a different level of global temperature rise and different economic, environmental and social outcomes as a result of said temperature rise across both the short and long term. The three scenarios selected were developed by the globally recognised Network for Greening the Financial System ("NGFS") – "Current Policies", "Net Zero 2050" and "Delayed Transition".

This scenario analysis focuses mainly on operational impacts of climate change, rather than impacts related to the performance of our investments, due to the fact our investments are predominantly in currency hedging mandates.

	Physical risk		**Transitional risk**	
Climate change impact	Short-term impact (now to 2030)	Long-term impact (2030 to 2080)	Short-term impact (now to 2030)	Long-term impact (2030 to 2080)
Net-zero by 2050 Net-zero by 2050 is an ambitious scenario that limits global warming to 1.5°C through stringent climate policies and innovation, reaching net-zero CO_2 emissions around 2050. This scenario assumes that ambitious climate policies are introduced immediately and increase in all jurisdictions over the long term. Net CO_2 emissions reach zero around 2050, giving at least a 50% chance of limiting global warming to below 1.5°C by the end of the century, with no or low overshoot (<0.1°C) of 1.5°C in earlier years.	●	●	●	●
	There may be increased incidence and severity of weather events. However, the impact of this will be minimal across our office locations across both the short and long term.		Transitional risks are higher in the short term due to immediate action. There is ongoing policy and regulatory changes, increasing legal and policy risk. Carbon Dioxide Removal ("CDR") is available but kept at a minimum, increasing carbon prices in the short term. A more orderly transition allows countries to adapt economic systems towards a low carbon economy, creating opportunities for economic growth which will be good for markets.	
Delayed transition Delayed transition assumes global annual emissions do not decrease until 2030. Strong policies are then needed to limit warming to below 2°C. Negative emissions are limited. This scenario assumes new climate policies are not introduced until 2030 and the level of action differs across countries and regions based on currently implemented policies, leading to a "fossil recovery" out of the economic crisis brought about by COVID-19. As a result, emissions exceed the carbon budget temporarily and decline more rapidly than in well-below 2°C after 2030 to ensure a 67% chance of limiting global warming to below 2°C. This leads to both higher transition and physical risks than the net-zero by 2050 scenario.	●	●	●	●
	There may be increased incidence and severity of weather events. However, the impact of this will be low across our office locations in the short term. The risk in the long term increases slightly compared to the net-zero by 2050 scenario, due to the fact the outcome of this scenario is limiting to 2°C rather than 1.5°C.		Transition risks are low in the short term due to lack of policy changes and regulation; however this risk increases significantly in the long term due to the speed and severity of response required. Therefore, late but fast-changing policy and regulation increases legal and policy risk. Further, the availability of CDR technologies is assumed to be low, pushing carbon prices higher than in net-zero by 2050 which will generate increased capital expenditure. Aggressive changes to economic and energy systems will create negative economic impacts in the long term.	

Key: ● Low ● Medium ● High

Scenario analysis continued

Resilience statement

The output of forward-looking scenario analysis allows us to better understand how climate-related risks and opportunities could impact the Group. The assessment indicated that physical risks could have a more significant impact in the current policies scenario, whilst transitional risks will be greater in the net-zero by 2050 and delayed transition scenarios. We recognise that our scenario analysis will be developed over time, and we will continue to integrate the findings into our Group-wide Business Risk Framework to ensure that mitigation measures are in place for any residual risks that could impact the Company's resilience to climate-related risks.

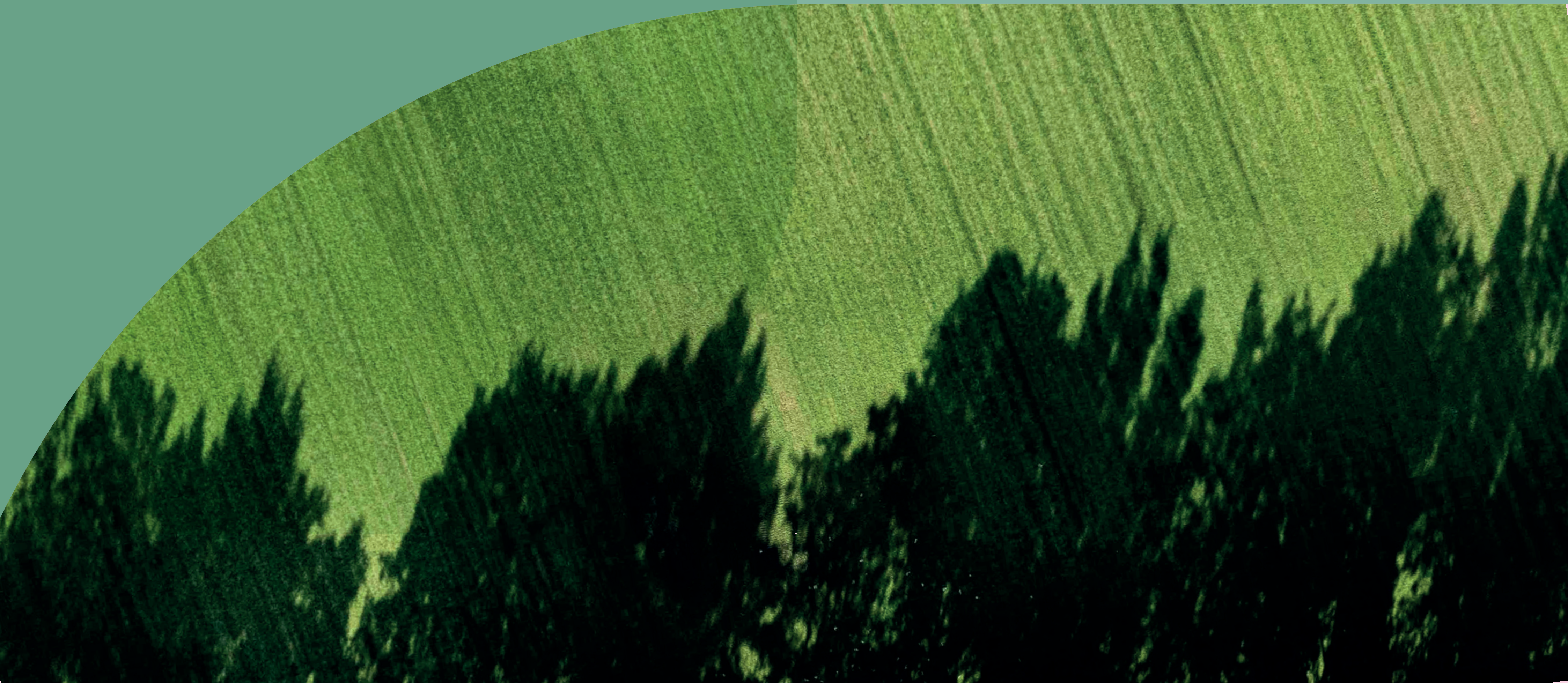
Our commitment to reach net-zero by 2050 demonstrates our alignment with this transition pathway, and we are taking immediate steps to ensure we mitigate the transitional risks identified in line with our climate change strategy.

	Physical risk		Transitional risk	
Climate change impact	Short-term impact (now to 2030)	Long-term impact (2030 to 2080)	Short-term impact (now to 2030)	Long-term impact (2030 to 2080)
Current policies	●	●	●	●
Current policies assumes that only currently implemented policies are preserved, leading to high physical risks. Emissions grow until 2080, leading to about 3°C of warming and severe physical risks. This includes irreversible changes such as higher sea level rise. This scenario can help central banks and supervisors consider the long-term physical risks to the economy and financial system if we continue on our current path to a "hot house world".	There may be increased incidence and severity of weather events, although the impact of this will be low across our office locations in the short term. However, over time, this risk increases. There is increased risk of heatwaves which can impact workforce productivity. Many countries across the globe will have increased exposure to flooding, droughts and tropical cyclones. Whilst this is less likely to impact our office locations, it could disrupt our clients and suppliers.		Transition risks are low and continue to be low over the long term due to lack of action and policy. Carbon prices do not increase and there is no implementation of new policies and regulation. Due to limited policy, there is only a minor impact to economic growth.	

Key: ● Low ● Medium ● High

Metrics and targets

What's in this section



Our operational carbon footprint

Record's approach to transparency and reporting allows us to measure our impact on the environment and set ourselves targets to do better.

The table below presents our greenhouse gas ("GHG") emissions across the Group.

Record plc GHG emissions[1]

	Baseline[2]	FY-24	FY-25
Scope 1 and 2	63	11	**75**
Scope 3[3]	231	421	**309**
Total emissions (tCO_2e)	294	433	**384**

Progress against 2030 target	Baseline[2]	FY-25	% change	Target
Scope 3 tCO_2e/thousand GBP revenue	0.00944	**0.0074**	(21.3)%	(55)%

When setting our emissions reduction target in FY-22, we anticipated a short-term increase in emissions as Record embarked on a growth phase, a phase in which we are still in the midst of. To accommodate this growth, we incorporated an intensity measure in our interim target linked to revenue. However, we do expect to see a shift towards absolute emissions reductions in the long term, driven by adherence to our emissions reduction principles and aided by government intervention and new technologies.

We have made momentum in in decreasing our scope 3 emission levels as well as a better quality of assessment in relation to scope 2 emissions year on year. This trend reflects the impact of key operational changes and energy efficiency initiatives. We remain focused on achieving our long-term climate goals and committed to exploring innovative ways in both our operations and products to reduce our carbon footprint.

A detailed breakdown of our emissions can be found in the Greenhouse gas emissions report published on pages 23 to 24.

1. GHG emissions are reported using market-based methodology.
2. Baseline year includes reported GHG emissions from 1 January 2019 to 31 December 2019.
3. Scope 3 emissions: business travel; premises waste, transmission and distribution losses; outbound deliveries; commuting; other upstream emissions; and homeworking.
4. Scope 3 emissions intensity is calculated as an absolute value of emissions divided by revenue.

Data gaps, estimates and assumptions

In preparing this report, we have utilised the best available data to provide a comprehensive overview of our climate-related impacts and initiatives. Where precise data was not available, we have employed reasonable estimates to ensure the completeness of our disclosure. We acknowledge that there may be gaps in certain areas, and we are committed to continuously improving our data collection and reporting processes to enhance accuracy and transparency.

Our financed emissions

Metric	December 2022
EMSF investments (million USD)	
Total amount	**2260.22**
Bonds	962.89
Cash	29.75
Currency	1267.57
Analysed amount (million USD)	
Total amount	**962.89**
Bonds	962.89
Cash	0.00
Currency	0.00
US T-Bills	0.00
Coverage (%)	
Scope 1 and 2	58.45
Scope 3	58.45
Economic emission intensity (tCO_2e/million USD invested)	
Total amount	**1.167**
Scope 1 and 2	1.121
Scope 3[1]	0.046

1. Aggregated results for which Scope 3 is available.

Data gaps, estimates and assumptions

In preparing our financed emissions estimate, we have utilised Bloomberg data as a primary source. Please note that reported figures may correspond to different financial years, depending on the timing of annual disclosures. Where data accuracy or relevance was in question, certain data points have been excluded to maintain the integrity of the estimate. We remain committed to continuously enhancing the quality, transparency, and completeness of our financed emissions reporting.

Due to the nature of our core business as a currency asset manager, we have experienced two main challenges in measuring and setting targets for our Scope 3 Category 15 financed emissions. The first is that there is not yet any published standard methodology to measure GHG emissions for derivatives and/or currency investments. Secondly, approximately 90% of our Asset Under Management ("AUM") currently sits within currency hedging mandates where there is no discretion regarding which base currencies or underlying assets are hedged. We provide an overlay currency service and therefore do not make strategic investment decisions that can impact the carbon footprint of underlying investments.

Regardless, we have worked with carbon accounting experts to understand our ability to measure the financed emissions related to our investments where we do have allocation over capital and invest in assets other than currencies. Our first phase of implementation was measuring the financed emissions of the EMSF strategy.

Our most recent assessment, conducted by South Pole, followed methodology developed by the Partnership for Carbon Accounting Financials ("PCAF") and measured emissions as of December 2022.

In line with our commitment to transparency and data integrity, this year's sustainability assessment was conducted internally by our team. The analysis was based exclusively on publicly available data, with Bloomberg serving as the primary source of financial and environmental information

Since the issuers in the portfolio change infrequently and considering the fund reflects only a small portion of our investments, we will be assessing the updated GHG footprint of the EMSF semi-annually. In the meantime, we are engaging with industry leaders on the development of a carbon accounting methodology for currencies and/or derivatives, which will allow us to measure the financed emissions of the rest of our AUM.

Climate-related targets

Climate change strategy	FY-25 target	Progress	
Net-zero transition within our operations and value chain	Review our carbon accounting practice to investigate how we can improve the accuracy of our carbon footprint data collection.	●	• Engaged directly with our carbon accounting partner to improve data collection process.
Climate-integrated investment	Improve ability to measure social and environmental impact of EMSF investments.	●	• Conducted an emission assessment on the EMSF portfolio for 2025.
Climate-focused engagement with stakeholders	Develop and embed a framework for effective engagement with MDBs and other development finance institutions in line with EMSF Fund. Implement a supplier onboarding platform to better enable us to engage with suppliers on sustainability and monitor their adherence to our Modern Slavery Policy, Supplier Code of Conduct as well as their climate commitments	●	• Climate disclosure factors incorporate into counterparty leadership framework assessment as well as engagement dialogue. • Onboard platform successfully implemented.
Climate transparency and reporting	Continue to improve climate transparency and disclosure through our climate report and voluntary frameworks.	●	• Improved TCFD alignment in climate report including improved GHG emissions reporting.

Key: ● Achieved ● In progress ● Proving challenging

Please see page 28 in our **sustainability report** for our future climate-related targets.

Appendix

What's in this section

Greenhouse gas emissions report

Our greenhouse gas ("GHG") emissions assessment quantifies the GHG emissions produced directly and indirectly from our business activities. This assessment has been carried out in accordance with the World Business Council for Sustainable Development and World Resources Institute's ("WBCSD/WRI") Greenhouse Gas Protocol; a Corporate Accounting and Reporting Standard, including the GHG Protocol Scope 2 Guidance. This protocol is considered current best practice for corporate or organisational greenhouse gas emissions reporting. GHG emissions have been reported by the three WBCSD/WRI scopes.

The assessment has been completed by Climate Impact Partners along with the purchase of carbon credits to offset our assessed carbon footprint.

Previously, our climate data was independently verified as CarbonNeutral® by Climate Impact Partners. We have since transitioned to a self-verification process, ensuring that all carbon-related data is reviewed internally using established methodologies and quality control standards.

Consolidation approach: Operational control

Organisational boundary: FY-25 operations of Record plc, including:

- Windsor, UK office
- London, UK offices
- Frankfurt, Germany office
- Zurich, Switzerland office
- New York employees (no dedicated office)

Category	Definition	FY-25 (tCO_2e)
Scope 1		
Direct emissions from Company owned, leased or directly controlled sources that use fossil fuels and/or emit fugitive emissions	Emissions associated with direct combustion of gas	8.94
Direct emissions from owned, leased or directly controlled mobile sources	Emissions associated with direct combustion of fuel for transport purposes	Not applicable
Scope 2		
Emissions from purchased electricity (market-based)	A calculation of electricity use based on specific purchase contracts we have made with our energy suppliers	65.7
Emissions from purchased electricity (location-based)	A calculation of electricity use which considers the average emissions intensity of the local power grids where we operate	35.1

Greenhouse gas emissions report continued

Category	Definition	FY-25 (tCO_2e)
Scope 3		
Category 1: Purchased goods and services	Extraction, production and transportation of goods and services purchased or acquired	Not assessed
Category 2: Capital goods	Extraction, production and transportation of capital goods purchased or acquired	Not assessed
Category 3: Fuel and energy-related activities (not included in Scope 1 or 2)	Upstream emissions associated with purchased electricity	1.53
	Upstream emissions associated with purchased fuels	8.47
	Transmission and distribution losses	3.08
Category 4: Upstream transportation and distribution	Emissions associated with third-party transportation and distribution of purchased products and services	0
Category 5: Waste generated in operations	Disposal and treatment of waste generated in operations	1
Category 6: Business travel	Transportation of employees for business-related activities	209
	Emissions arising from hotel accommodation associated with business travel	1.33
Category 7: Employee commuting and homeworking	Emissions generated by employees travelling to and from our offices or emissions generated by employee remote working	58.9
Category 9: Downstream transportation and distribution	Emissions associated with third-party transportation and distribution of sold products	Not applicable
Category 11: Use of sold products	End use of goods and services sold by the reporting company in the reporting year	Not applicable
Total GHG emissions in FY-25 for offset (tCO_2e)	Market-based: 384	Location-based: 309
FY-25 total offset (tCO_2e)		384

record

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