Stewardship Code Report 2024

The Stewardship Code has 12 principles for asset owners and asset managers

We have structured this report to link directly to the relevant principles. For each section we have identified the principles to which this is linked and listed these accordingly.

Purpose and governance
1 Purpose, strategy, and culture
2 Governance, resources, and incentives
3 Conflicts of interest
4 Promoting well-functioning markets
5 Review and assurance

Investment approach
6 Client and beneficiary needs
7 Stewardship, investment, and ESG integration
8 Monitoring managers and service providers

Engagement
9 Engagement
10 Collaboration
11 Escalation

Exercising rights and responsibilities
12 Exercising rights and responsibilities

In this report we have used the term 'customer' to describe the end investors of our products and services. **Please refer to the glossary for an explanation of key terms used in this report.**

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Introduction from Steven Levin

Our purpose is to create brighter futures for every generation. A sustainable business, which invests and acts responsibly, is key to achieving this.

Quilter's purpose is underpinned by our four core values: do the right thing, always curious, embrace challenge, and stronger together. In line with our purpose, we are committed to acting as responsible long-term stewards of our customers' assets.

Our strategy aims to deliver positive outcomes for our customers and enhance our offering, whilst simultaneously fulfilling our duty to conduct our business with integrity and deliver long-term value for all our stakeholders.

Our responsible investment approach is guided by our robust internal governance framework that supports Quilter's sustainability commitments. As a signatory to the United Nations backed Principles for Responsible Investment ("PRI"), we believe in investing, advising, and operating responsibly. Good stewardship and the integration of Environmental, Social, and Governance factors into our investment process serve as the cornerstone of our Responsible Investment approach at Quilter. Whether we engage with our investee companies and funds directly, collaborate with others, or vote at annual general meetings, our priority remains delivering positive outcomes for society, and enhancing long-term value for our customers.

The work we have carried out in recent years to integrate our customers' responsible investment preferences across Quilter enables our customers to invest in line with their values and needs.

As a company, we are mindful of our environmental impact and are exploring ways in which we can support a more sustainable future. In 2025 we will publish our Climate Action Plans for the investments we manage on behalf of our clients. They will outline the measures we are taking to address the climate impacts of our investments, including our climate-related ESG integration and stewardship frameworks, and our path towards reducing our financed emissions.

We remain committed to enhancing and evolving our stewardship capabilities, and this report outlines our commitments and the actions we are taking to achieve them.

Steven Levin
Chief Executive Officer

An overview of Quilter and our governance framework

Stewardship is the responsible allocation, management, and oversight of capital to create long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment, and society. From our purpose to our governance framework, we aim to enable comprehensive and effective active ownership practices.

1. Our purpose and beliefs 1

About Quilter

Quilter plc is a leading provider of financial advice, investments, and wealth management, committed to being the UK's best wealth manager for clients and their advisers. It has an adviser and customer offering spanning financial advice, investment platforms, multi-asset investment solutions, and discretionary fund management. The business is comprised of two segments: Affluent and High Net Worth.

Our purpose

Our purpose is to help create brighter financial futures for every generation. Our businesses offer financial advice and a range of products and investment solutions to help our customers grow their money, at the same time as doing all we can to deliver consistently high-quality customer service.

Our approach to stewardship

Quilter recognises stewardship as a fundamental component of how we manage our customers' assets, and we fully support the UK Stewardship Code 2020. We were one of the first wave of signatories to the new 2020 Code. This report sets out how we applied the Code's principles for the financial year ended 31 December 2024.

Stewardship plays an important role in our approach to responsibly managing ESG-related risks and opportunities. Quilter is committed to our role as a steward of our customers' assets to protect and enhance long-term returns. This encompasses our engagement with investee companies and funds by considering ESG factors which could impact investor returns. We believe that, for the majority of our investment strategies, stewardship and engagement is a more effective approach than divestment. Simply divesting from holdings with a higher carbon intensity may result in these assets being acquired by investors who place little or no emphasis on supporting the transition to a low-carbon economy. In such cases, without positive shareholder influence and active voting on climate matters, the incentive for those companies to adapt and reduce the emissions diminishes, hindering the progress towards a low-carbon future.

Quilter has an overarching responsible investment philosophy which applies across the Group and covers both our Affluent and High Net Worth segments. The Stewardship Code Principles are particularly applicable to our two investment management businesses: Quilter Cheviot, which sits within our High Net Worth segment and Quilter Investors, within our Affluent segment. Therefore, the scope of this report primarily relates to these two investment management businesses and to investment management activities carried out by our platform business in relation to our WealthSelect MPS.

As of 31 December 2024, the Assets under Management ("AuM") within the Affluent Managed Solutions is £31.4 billion[1] and the AuM within Quilter Cheviot £29.5 billion; £60.9 billion[2] in total.

Affluent segment			High Net Worth segment	
Quilter Financial Planning	**Quilter Investors**	**Quilter Investment Platform**	**Quilter Cheviot Financial Planning**	**Quilter Cheviot**
Supports around 1,500 restricted financial planners in the UK. Advisers within our network partner with us to help them run and grow their business. Our national advice business, Quilter Financial Advisers, helps customers across the UK with all their financial planning needs.	Our fund management business provides advisers and their customers with multi-asset investment solutions to meet their needs.	Enables financial advisers to deliver the very best service to customers and their families, to help them achieve their financial goals. We offer a comprehensive range of products and investments through our award-winning online investment platform.	Specialises in helping customers with complex financial needs.	Our discretionary investment manager which offers bespoke portfolio management services to over 35,000 clients.

[1] Total Affluent managed AuM of £31.4 billion includes Affluent core business of £29.5 billion and non-core business of £1.9 billion managed by Quilter Investors.

[2] Inter-segment dual assets of £1.7 billion reflect funds managed by Quilter Cheviot and administered by Quilter Investors and the Quilter Cheviot managed portfolio service solutions available to advisers on the Quilter Investment Platform. This is excluded from Quilter's total reported AuM of £60.7 billion to ensure no double count takes place.

Both segments invest significant assets into funds. For our Affluent segment this represents almost the entirety of AuM and for our High Net Worth segment, where activities are carried out by Quilter Cheviot, this represents around 57% of AuM. Within this, Quilter Investors runs a significant number of funds for which the day-to-day investment is delegated to sub-advisers.

Additionally, Quilter Cheviot owns direct holdings in equities and fixed income.

We believe customers should have the information and choices available to enable them to invest in line with their values and needs. In 2022, we made tools and training available to our advisers across the Group, as well as the investment managers in Quilter Cheviot. This has enabled us to incorporate identifying a customer's responsible investment preference within the advice or suitability process. This is an ongoing piece of work, and we aim to continue evaluating our proposition against our customers' responsible investment preferences. We offer several strategies for customers who have specific responsible investment requirements. These strategies all build on our foundation of stewardship.

2. What we offer our customers 1

Our segments

Our two segments offer slightly different core propositions. Our Affluent segment serves a greater number of customers and is a single-expert proposition: customers have a single point of contact – either one of our advisers or their own – plus a more unitised investment portfolio approach. High net worth customers, with more specific needs, value a more bespoke, discretionarily managed proposition.

Our customers use our products and services to meet their long-term financial needs and achieve their aspirations. Ensuring customers are at the heart of everything we do is critical to Quilter's long-term success. Maintaining strong relationships built on the delivery of outstanding service and outcomes, a positive reputation and trust are key to the longevity of Quilter's performance. The significant majority of our customers are classified as individual retail customers and we believe we have a duty to represent their interests, acting as a long-term steward of their assets.

On 31 December 2024 Quilter Cheviot had 652 colleagues. Of these, 208 are employed in an investment management role (178 investment managers and 30 trainees), a further 20 employed within our research team, and seven within our Responsible Investment team.

On 31 December 2024, Quilter Investors had 76 colleagues, with 21 investment professionals, including four within our Responsible Investment team.

3. How we have developed our responsible investment approach and stewardship over time 1

Our timeline

Over a number of years we have evolved our approach to being a responsible investor.

2017

Quilter Cheviot attained tier 1 signatory status for the 2012 UK Stewardship Code

2018

Quilter became a signatory to the United Nations-backed PRI

Responsible investment representation on the Quilter Cheviot Investment Oversight Committee

2019

Responsible investment representation on the Quilter Investors Investment Oversight Committee

2020

Quilter became a signatory to the 2020 UK Stewardship Code

Quilter joined the Institutional Investors Group on Climate Change ("IIGCC")

Quilter signed the Investor Agenda's Global Investor Statement on the Climate Crisis

Quilter published a statement supporting the goals of the Paris Agreement

Quilter set Scope 1 and 2 targets relating to its operational emissions target

2021

Quilter retained its status as a signatory of the UK Stewardship Code

Quilter published its first disclosures aligned to Task Force for Climate-related Financial Disclosure (TCFD) for 2021

Responsible investment preferences incorporated within the advice and suitability processes across the Group

Expanded the WealthSelect range to include responsible and sustainable investment options (Quilter Investors)

Climate Assets Growth Fund was launched, 12 years after the Balanced Fund (Quilter Cheviot)

Quilter Cheviot and Quilter Investors participation in the CDP campaigns focused on encouraging target companies to disclose climate and other related data and to join the Science Based Targets Initiative ("SBTi")

2022

Quilter retained its status as a signatory of the UK Stewardship Code

Quilter published its second disclosures aligned to TCFD for 2022

Quilter Cheviot participation in the IIGCC Net Zero Engagement Initiative, Climate Action 100+ and Nature Action 100

Quilter Cheviot and Quilter Investors participated in the CDP campaigns, focused on encouraging target companies to disclose climate and other related data, and to join the Science Based Targets Initiative ("SBTi")

2023

Quilter Cheviot joined the PRI Spring collaborative engagement platform, as well as industry groups focused on climate: Wealth Managers for Climate Action and the External Fund Manager working group facilitated by the Institutional Investor Group on Climate Change ("IIGCC").

Affluent launched the integrated Research Hub, combining the Operational and Investment Research teams, as well as the Responsible Investment team to improve alignment, integration, and oversight over sustainability research activity.

2024

Affluent and Quilter Cheviot to publish Climate Action Plans for the investments managed on behalf of our customers.

2025

4. Our governance framework 2

Our governance framework

The Quilter plc Board (the "Board") is the ultimate decision-making body for matters of Group-wide strategic, financial, risk, regulatory, or reputational significance. It is responsible to shareholders for creating and delivering sustainable shareholder value through the management of the Group's businesses whilst having regard to the interests of our key stakeholders, being our advisers, colleagues, communities in which we operate, customers, investors, and regulators. It determines the strategic objectives and policies of the Group to deliver long-term value, providing overall strategic direction within a framework of effective risk management and control.

The Board has delegated authority to a number of Board Committees, which assist the Board in delivering its responsibilities and ensuring that there is appropriate, independent oversight of internal control and risk management. Decisions on certain matters are specifically reserved for the Board, including the approval of the Group's strategy and financial budgets, risk appetite, financial statements, dividends, material corporate transactions, and Board appointments. The schedule of Matters Reserved to the Board and the Terms of Reference for the Board Committees are published on the Quilter website at plc.quilter.com.

The Board has also delegated authority for the operational management of the Group's businesses to the Group Chief Executive Officer ("CEO") within certain limits for execution to support the effective day-to-day running and management of the Group. The Group CEO has delegated responsibility to certain senior executives (principally other members of the Quilter Group Executive Committee) within prescribed limits. The Group CEO and his Executive Committee are supported by management committees which operate under his delegated authority. The authority of these management committees is documented within their respective Terms of Reference.

Responsible investment and corporate sustainability governance

The Board is responsible for setting and overseeing the delivery of the Group's strategic priorities, including those in relation to responsible investment and corporate sustainability. The Board is briefed regularly on responsible investment performance and annually on the progress made on the implementation of Quilter's corporate sustainability initiatives, including our targets, goals, and ambitions, and any key issues impacting their delivery. These updates include the strategic approach to responsible investment and the impact Quilter can have directly and on behalf of clients through our engagement and shareholder voting.

The Board Remuneration Committee oversees and approves the remuneration arrangements for the Group, including consideration of ESG-related metrics and targets, which form part of the executive scorecard for reward purposes. Climate-related metrics, specifically the reduction in Scope 1 and 2 emissions, and the Principles for Responsible Investment ("PRI") Framework, both form part of the company's long-term incentive plan ("LTIP") and are routinely reviewed by the Board Remuneration Committee. These updates provide an indicative view of forecast outcomes for LTIP awards and inform target setting and any changes to performance measures for future awards. This provides the Board Remuneration Committee with an objective and largely formulaic assessment of performance, with any relevant qualitative input from specialists in the business then overlaid to inform its decisions regarding outcomes and establishing future targets.

The Group Executive Committee supports the Chief Executive Officer in discharging his responsibilities for the management of the Group, including the management of climate-related risks and opportunities as well as providing oversight of investment performance.

In 2024, we disbanded the Responsible Wealth Management Steering Committee ("RWMSC"), which oversaw the development and implementation of our Responsible Investment and Corporate Sustainability Strategies. This is to allow the Group Executive Committee to have direct oversight and better visibility of these business areas. The RWMSC membership was largely comprised of Group Executive members and therefore the responsibility to provide oversight, direction, and challenge with respect to these strategies moved to the Group Executive Committee in 2024.

The Group Executive Committee now provides direct oversight, direction, and challenge with respect to Quilter's approach to Responsible Investment, which encompasses our approach to Stewardship.

Our investment management businesses' governance framework links directly into Quilter with the CEO of Quilter Cheviot and the Managing Director of Quilter Investors being ultimately responsible for the delivery of our responsible investment activity. In each business, an Investment Oversight Committee oversees the responsible investment activity with the respective Heads of Responsible Investment being members/attendees of these.

Within our Quilter Cheviot business, the Responsible Investment team meets regularly with the research teams and has representation within the Investment Funds, UK, and International Stock Selection Committees, as well as the Sustainable Investment Forum, and the Positive Change and Engaged Funds Committee. Additionally, the Head of Responsible Investment is a member of the Product Governance Forum.

We have an internal forum of responsible investment champions across Quilter Cheviot; these are members of staff (across different functions) with an interest in responsible investment. The forum has two main purposes:

1) To create experts across the business in responsible investment from both an internal and an external perspective.

2) To generate discussion and ideas about how we best serve our customers' interests in responsible investment.

Within Affluent, responsible investment practices are incorporated within the existing governance structure. The Responsible Investment team is formally represented on the two main investment forums: Affluent Investment Committee ("AIF") and Sub-advised Funds Forum ("SAFF"). The Head of Responsible Investment Affluent reports directly into the Chief Investment Officer, who has executive oversight for responsible investment across the Affluent segment.

5. Our role in society, and inclusion and diversity 1 4

We believe a company's value goes beyond making a profit, we can also play a role in addressing wider societal and environmental issues. This means acting and investing responsibly. In the section below we focus on how Quilter acts responsibly.

For more information on our approach to Inclusion & Diversity, and the Quilter Foundation, please visit pages 8 and 9 of the *stewardship-code-report-2023.pdf*

Our customers

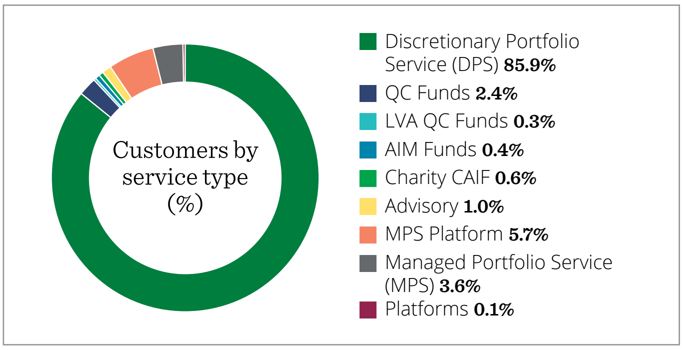
Our customers use our products and services to meet their long-term financial needs and achieve their aspirations. Ensuring customers are at the heart of everything we do is critical to Quilter's long-term success. Our strategy is focused on delivering good customer outcomes through whatever channel customers choose to access our services, growing our business segments, and improving efficiency to make Quilter the best version of ourselves that we can be.

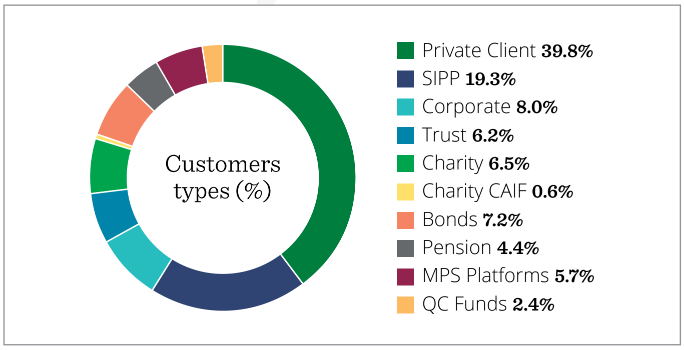
6. Our customer base 1 6

Quilter aims to be the best place to obtain trusted financial advice in the UK. We offer customers financial advice and quality assured investment choices, through an open and transparent model, with competitive pricing at every part of the value chain. We are committed to operating and investing responsibly, for the long-term benefit of all our stakeholders.

We are long-term investors on behalf of our customers. Our investment teams' focus is on long-term investment ideas rather than adopting a trading mentality. Our customers will have their own specific time horizon for their investments. However, we do not invest in short-term strategies, which for this purpose we define as less than three years. The majority of our customers invest on a five-year plus time horizon.

Within our investment businesses, as at the end of December 2024, Quilter Cheviot provided services to over 35,000 customers and had £29.5 billion in AuM. The splits, shown as a proportion of AuM by service and customer type, are shown below.

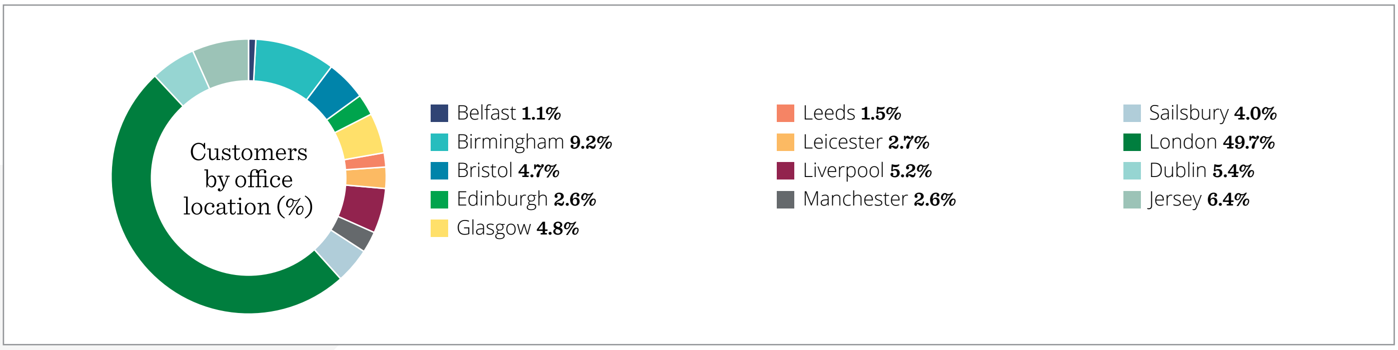




QC Funds represent externally held assets in the Climate Assets Funds, Libero Balanced, Quilter Investors Ethical Equity, QCE ICAV funds.
LVA QC Funds are Low Value Accounts that have 95% or above invested in a Quilter Cheviot Fund. These figures show internally held assets only.
Percentages may not total 100 due to rounding.

Private customers make up the largest customer type grouping, with the majority of customers (just under 86%) using our Discretionary Portfolio Service. 56.1% of our customers are advised, and the remainder are direct customers of Quilter Cheviot.

Quilter Cheviot has offices across the UK, Dublin, and Jersey. The split of AuM by geographic office is shown below.



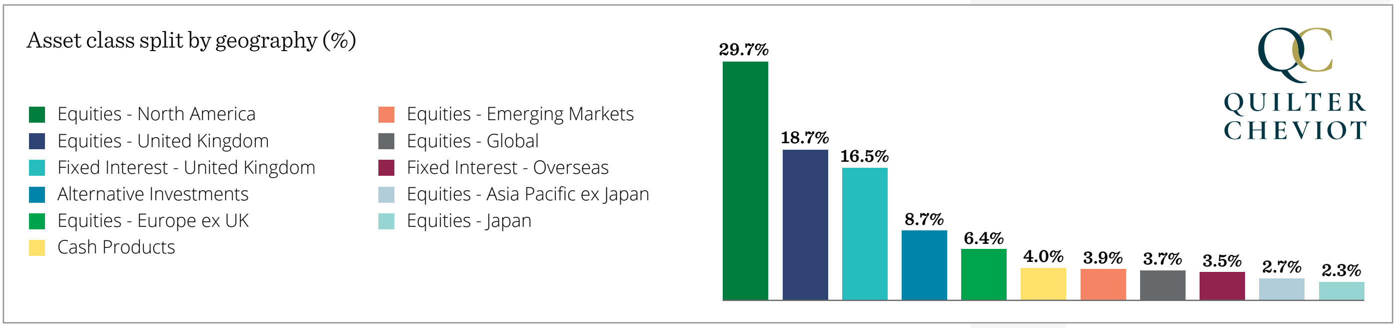
Percentages may not total 100 due to rounding.

Quilter Cheviot undertakes stewardship on behalf of our discretionary customers through our discretionary and managed portfolio services. Within all service types, customers can instruct us to vote on their holdings. We also have a further £2 billion in assets under administration within our execution only and advice & dealing services, these customers are also able to instruct their voting.

Our Quilter Investors business, as of December 2024, manages £31.4 billion on behalf of our customers. Quilter Investors' products are available to customers through their financial advisers, and across a number of platforms. Our customer base for these solutions can be mostly classified as individual retail customers, serviced using platforms, with a long-term investment outlook.

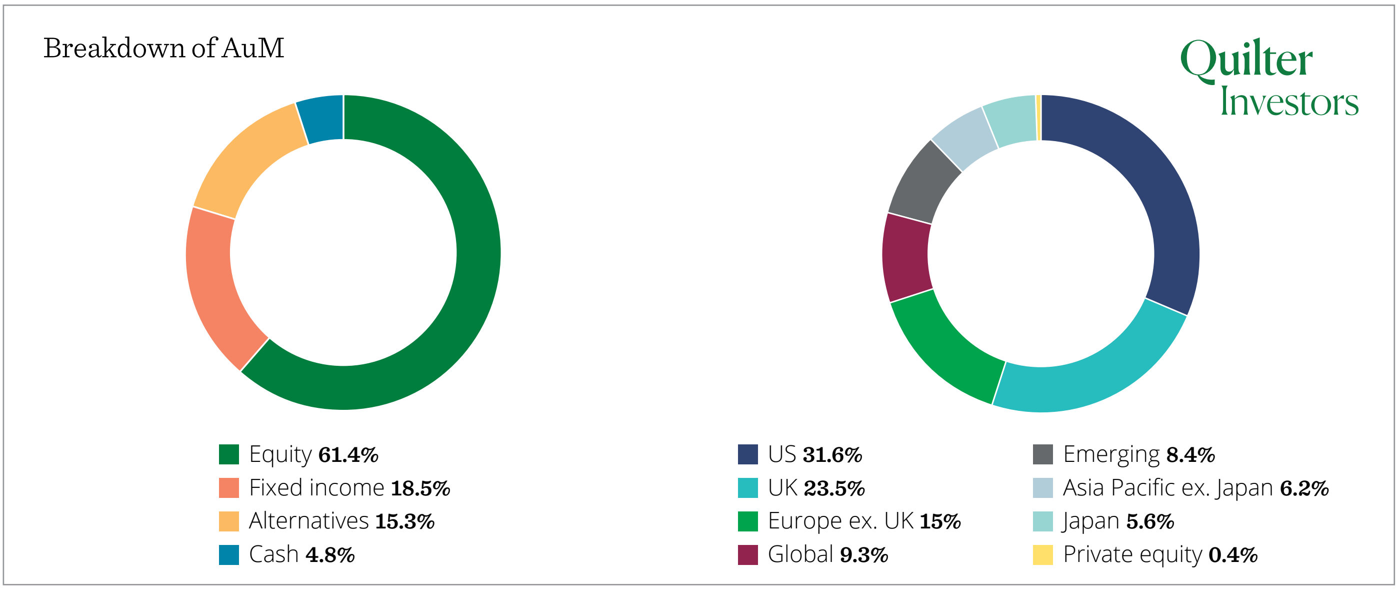
7. Geographic split of our customers' assets 6

At Quilter Cheviot, just over 67% of AuM are in equity holdings – this is via direct holdings as well as through third-party funds. As of 31 December 2024, our fund holdings accounted for 56% of our total AuM.



Percentages may not total 100 due to rounding.

At Quilter Investors, 61.4% of our AuM is classified as equity. Below is a breakdown of our asset classes as of 31 December 2024.



This is unaudited data at end of December 2024.

8. Customer feedback and consumer advocacy 1 6

Customer feedback

We receive feedback from our customers on an ongoing basis and use formalised frameworks to ask for their views to help inform our strategic decision making.

- We have a Customer Community which includes customers of our advice network, our national advice businesses, and third-party advisers. To date, there are 707 panellists in total, 574 of whom are advised. Consumer Duty testing of our communications and products is regularly conducted using the Community.
- In relation to the UK Platform, we collect feedback metrics using our Customer Experience survey alongside our existing post-interaction and post-transaction survey.
- Our post-interaction and post-transaction Net Promoter Score in 2024 was 56, markedly higher than 2023's score of 43. This is due to increased satisfaction, and the improving markets which are also likely to be having a positive impact.
- Quilter also has an average rating on Trustpilot, the customer review site, of 4.5/5 in 2024 (as of the end of November). This is an average of 3,374 reviews.

Consumer advocacy

During 2024, Quilter continued to campaign on long-term savings issues impacting our customers and broader consumers. Key updates over the past 12 months are detailed below.

- Quilter obtained data from the Department of Work and Pensions (DWP) revealing that 271,761 pensioners have been refused **pension credit** since 2019, despite a significant increase in claims due to government campaigns. This came after the Chancellor's announcement that the winter fuel payment will now be limited to those on low incomes receiving certain benefits, such as pension credit. Quilter advocated for better support and awareness for low-income pensioners, highlighting concerns that many may be unaware of their eligibility for pension credit. Quilter stressed the need for the government to invest in promoting the application process to ensure that vulnerable pensioners do not miss out on essential benefits, especially with the upcoming changes to the winter fuel payment.
- Quilter's CEO, Steven Levin, wrote to the Chancellor of the Exchequer, expressing concerns about the speculation surrounding potential **pension tax changes** in the autumn budget. Quilter highlighted the anxiety and confusion among clients due to the lack of clear information on possible changes to pension tax reliefs and tax-free cash. This uncertainty was causing people to make hasty decisions that could jeopardise their long-term financial security. Quilter advocated for a clear and well-considered approach to any pension tax reforms, emphasising the need for thorough consultation and a clear implementation roadmap to protect consumers' financial wellbeing.
- Quilter urged the Chancellor to extend the deadline for public sector pension members using HMRC's new digital service to process annual allowance tax charge adjustments due to the **McCloud remedy**. Quilter called for the deadline of 31 January 2025 to be extended to 31 January 2027 to give members more time to navigate the complex service and ensure accurate reporting of tax charges. This call comes as the public sector, especially the NHS, faced significant challenges with pension tax rules. Quilter highlighted the unrealistic expectations placed on healthcare workers to manage these complex reassessments without sufficient time.
- Following the news that 3,000 NHS professionals had taken advantage of the new partial retirement rules, Quilter, through its NHS pension advisers, urged NHS Trusts to apply these rules more fairly. The **partial retirement rules**, updated on 1 October 2023 for the 1995 NHS Pension Scheme, allow members aged 55 and over to take part or all of their pension benefits while continuing to work, provided they reduce their pensionable pay by 10%. However, reports indicated that many staff
  are being denied full access to these rules, or are forced to reduce their hours, contrary to the intended flexibility. Quilter highlighted that while some NHS employers have embraced the new policy, others have not followed the guidance, leading to inconsistent application and a "postcode lottery" for staff. This inconsistency had prompted NHS Employers to update their guidance, yet many employers still do not comply, resulting in some staff having to reduce their hours or retire completely. Quilter has emphasised the importance of the partial retirement provisions in retaining healthcare workers, and called for better implementation to ensure staff can benefit as intended.

9. Assessing our effectiveness 1 5

External, independent ratings are another method we use to assess how effective we are in serving the best interests of our customers and understand how effective our stewardship activities are in comparison to our peers. For example, as a signatory to the UN PRI, we report against their framework each year and this allows us to compare our scoring, under each module, to the market median and highlight areas for improvement across responsible investment. We regularly review the ratings we receive from various ESG ratings agencies and seek to understand areas in which we can improve.

In 2024, we were also recognised with a number of industry awards and ratings including, but not limited to:

- **Adviser Asset 2024 Platform Rating** – Quilter's platform received a platinum rating for the ninth time.
- **Defaqto 2024 Gold Service awards and 5 star awards** – across multiple platform and pension-related products and our WealthSelect Managed Portfolio Service received a Defaqto Diamond Rating.
- **FT Financial Adviser Service Awards 2024** – we received five stars for Quilter pension, platform and investments, and Quilter Cheviot Investments.
- **City of London Wealth Management Awards** – Quilter Cheviot achieved Best Advisory Service.
- **Money Marketing Awards 2024** – we received the Best Platform and Best Retirement Provider awards.
- **Professional Adviser Awards 2024** – we received the awards for Best ESG Solution for Advisers (WealthSelect) and Best Consumer Duty Initiative.

10. Our external education and training programmes 1 6

In 2024, responsible investment experts from around the business participated in, and hosted, a number of external webinars and events.

Examples include:

- Anti-greenwashing training across Quilter, with targeted training for colleagues in certain functions.
- RI Reels, a responsible investment vlog.
- Webinars and roundtables for paraplanners, advisers, and charities.
- Adviser firm meetings specifically geared towards Responsible Investing.

We have also developed an array of materials on our websites, which provide educational content to our various customer bases. This includes videos and information on subjects such as TCFD reporting.

Other industry events:

We contributed to several different panels and discussions hosted by numerous organisations including TISA and the New Statesman to exchange views and debate. The focus of a number of these events has been on how we make stewardship activity and responsible investment accessible and understandable to customers.

Investment: Quilter Cheviot

Stewardship at Quilter Cheviot is one of the pillars in our responsible investment approach which sits alongside the integration of ESG factors and screening within our investment process.

In this section, we have provided specific examples of engagement. In most cases, we have included the name of the company or fund. In certain cases, if we deem that it would be unhelpful in the long term to the ongoing engagement process, we have anonymised the example.

11. Our philosophy 7 9

Our philosophy remains unchanged, and may be found on pages 14-15 of the *stewardship-code-report-2023.pdf.*

12. Our responsible investment activity across Quilter Cheviot

Quilter Cheviot works to continually enhance our stewardship and responsible investment processes. There are nuances in how these processes are delivered given the different end customers and underlying investments.

Quilter Cheviot, as a discretionary investment manager, has nearly 6,000 lines of stock held on behalf of our customers, of which, a significant portion by number, but not by value, are cherished or legacy holdings which our customers wish to retain. Therefore, the focus of our stewardship activity is on material positions. As an example, our voting universe represents 97% of the assets where there are voting rights.

Within our equity monitored list, we have around 341 companies, and within our fund monitored list we have around 428 funds including investment trusts. This represents a significant proportion of our overall AuM and our focus for voting and engagement is on these holdings, as well as companies held within our AIM Portfolio Service and those listed in the UK where we hold more than 0.2% of the market capitalisation, or £2 million.

Quilter Cheviot's approach to stewardship and responsible investment

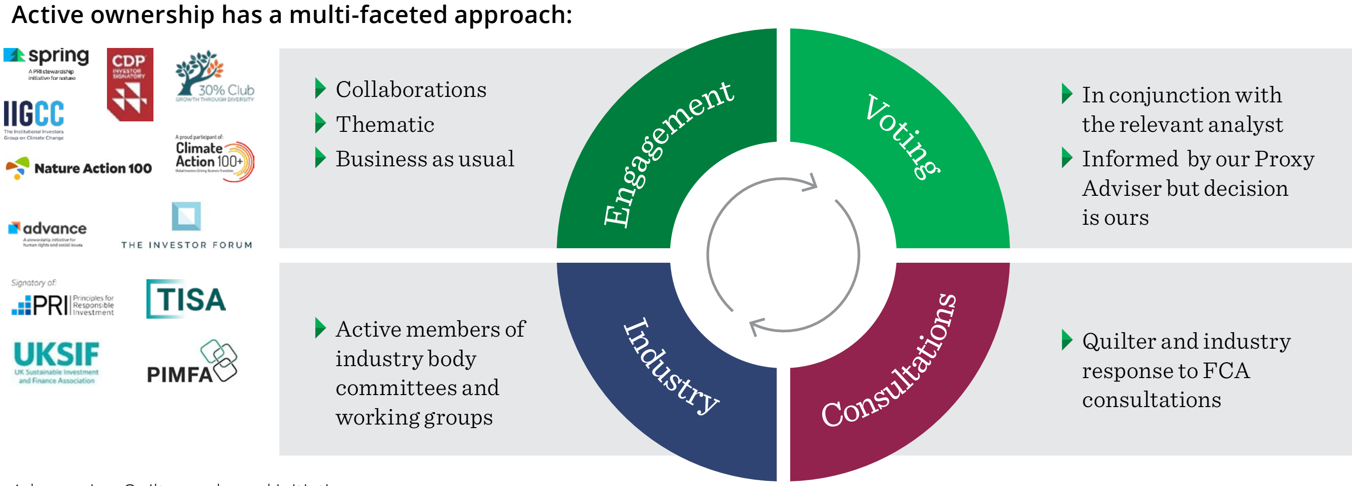
Activity	Process and universe
Voting[3]	Discretionary holdings within the global equity and investment trust monitored lists where we have voting rights. Discretionary holdings in UK listed companies which are investment manager ("IM") led ideas where we own more than 0.2% or £2 million of the market cap. Additionally: ▸ MPS (Managed Portfolio Services) building blocks ▸ Climate Assets Balanced Fund and Climate Assets Growth Fund ▸ Quilter Cheviot Global Income and Growth Fund for Charities ▸ Quilter Investors Ethical Fund ▸ AIM Portfolio Service ▸ Quilter Investors ICAV Funds ▸ Libero Balanced Additionally, customers are able to instruct voting on their behalf.
Engagement universe	▸ Centrally monitored holdings ▸ AIM Portfolio Service holdings ▸ UK holdings where we own more than 0.2% or £2 million of the market capitalisation (governance matters only)
ESG integration	Centrally monitored holdings.
Screening	Ethical and values-oriented investment, based on customer requirements, is incorporated on an individual customer basis, informed by their specific ethical preferences and values within Quilter Cheviot's discretionary portfolio service. These will vary from customer to customer and will focus on sectors, industries, or individual companies.
	Specific negative screens may also be applied for funds that have clear ESG-related or sustainable objectives, for example, the Quilter Investors Ethical Equity Fund and the Climate Assets Funds. These may either be excluded completely or subject to tolerance bands, such as revenue contribution, depending on the strategy.

As of 31 December 2024, Quilter Cheviot's AuM was £29.5 billion. Of this, £27.3 billion (93.2%) are centrally monitored holdings. Of the remainder, £0.24 billion is held within IM (investment manager) led ideas and a further £0.78 billion represents a long tail of legacy holdings, which is a consequence of the nature of the client base. In some cases, the position will only be held by one client.

[3] As far as reasonably possible given the local regulations regarding share voting. Notably, we do not vote where it results in the blocking of trading positions. We also do not currently vote on discretionary holdings (within the global equity and investment trust monitored lists) where we do not have the power of attorney in place. These markets being Switzerland, Sweden, Belgium, Norway. Other infrequent instances of non-vote placement may include Crest Depositary Interests ("CDIs"), American Depository Receipts or Global Depository Receipts are held. Ability to vote on these holdings differs on a case-by-case basis.

[4] The data excludes client cash held across multiple currencies in client portfolios and does not include external platform managed assets which are not replicated on our in-house systems (£0.98 billion of the overall AuM).

Active ownership has a multi-faceted approach:

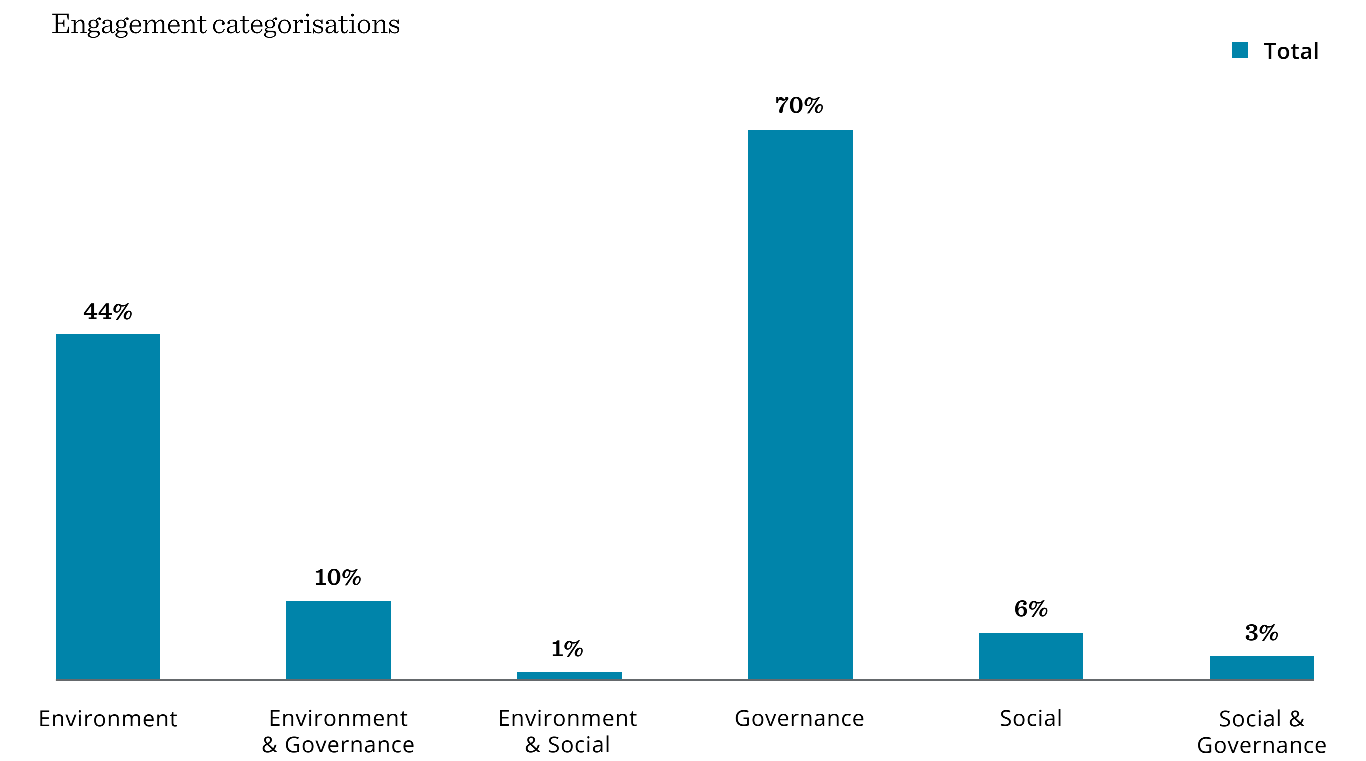


Advance is a Quilter endorsed initiative.

We use external data providers and other publicly available data to undertake our active ownership and ESG integration work. Details of the data providers we use may be found in the 'Resources' section further on in this report.

We believe that the quality of engagements is more important than the quantity, and we have found that trying to engage with a company or a fund on multiple topics in one meeting may lead to an ineffective dialogue. We are more concerned with the depth and relevance of our engagement activity and track it by theme and ESG factor. In some instances, we have edited the engagements included in this report for conciseness. We provide more detailed information in our quarterly reports.

Over the course of 2024, we undertook 134 engagements with the companies and funds we invest in on behalf of our clients. We have classified these by topic, and where we discussed for example both environmental and governance matters, we have categorised the discussion accordingly.



Our responsible investment framework categorisations

Our firmwide approach to responsible investment focuses on our role as an active owner and the consideration of ESG factors within our investment process. This applies to the centrally monitored holdings which, as of 31 December 2024, accounted for *£27.3 billion of the total £2.3 billion of AuM at Quilter Cheviot. We introduced client responsible investment preferences in April 2022, and at the same time categorised all the centrally monitored holdings in line with these preferences to ensure that our investment strategies are aligned with the client preference categories. The three categories are: 'Aware', 'Engaged', and 'Dedicated', and apply to our clients' preferences, our investment strategies, and our centrally monitored holdings.

External data provider	Aware	Engaged	Dedicated
Client	My aim is to optimise financial returns for my risk level, and I acknowledge that being aware of ESG factors is an input to achieve this.	My aim is to invest with a focus on ESG factors in order to achieve my financial goals within the agreed risk level.	My aim is to invest on a sustainable basis where the consideration of ESG factors drives the investment decisions in my portfolio in line with the agreed risk level.
Investment strategies	▸ Discretionary Portfolio Service (DPS) ▸ Managed Portfolio Service (MPS) ▸ AIM Portfolio Service ▸ Global Income and Growth Fund for Charities ▸ Libero Balanced ▸ Quilter Investors ICAV	▸ DPS Applied ▸ Positive Change	Climate Assets Funds and strategy
Holdings	Each category builds on the previous one. The firmwide approach to active ownership and ESG integration applies to all the categories.		
	The firmwide approach to active ownership applies and ESG factors will be considered, however, the extent to which this is a priority will vary. For example, index trackers will not usually consider ESG factors or place particular emphasis on active ownership in their approach. However, we will assess their responsible investment approach and engage with them on this.	For equities, we combine negative and positive ESG factor screening to identify holdings which are categorised as 'Engaged'. This process feeds into the assessment for corporate bonds. Sovereign debt is usually classified as 'Engaged' and for funds we adopt a process which combines the assessment of the manager's approach to active ownership and ESG integration, as well as the mandate of the underlying fund.	This category focuses on the sustainability-related credentials of a holding. Equity, corporate bond, and alternative investments will be classified as 'Dedicated' if 50% or more of the company's revenue generating activity is aligned with the targets that underpin one or more of the 17 SDGs. For sovereign debt investments, the sustainability of the instrument is determined by the sovereign's score in the UN Sustainable Development Report. This UN-produced annual report assesses the progress of all 193 UN Member States on the SDGs, with a score out of 100 determined for each. A score of 100 indicates all 17 SDGs have been achieved. A sovereign debt instrument is classified as sustainable if the issuer received a score of 75 or higher in the most recent annual report.

We use several different tools and processes to categorise holdings, these include:

- Engagement: thematic, collaborative, and ongoing.
- ESG equity dashboards which use data from multiple external sources.
- ESG RFI (Request for Information) for third-party funds.
- Fund ratings to assess the manager's approach to responsible investment.
- UN Sustainable Development Goals ('SDG') alignment through an external party.

13. Our thematic priorities 4 7 9

There are key megatrends that we believe are material to longer-term sustainable investment returns for our customers and have the potential to have a significant impact on other stakeholders and the planet as a whole.

Our thematic priorities across Quilter are:

- Climate change.
- Human rights.
- Natural capital.

As such, these are considered as part of the ESG integration and stewardship work undertaken by Quilter Cheviot.

These themes inform the following activities:

- Proactive thematic engagements.
- Collaborative engagements.
- ESG risk exposure engagements.
- Third-party managers' approaches to net zero.
- Ongoing voting and engagements.

For more detail on these themes, please visit pages 17 and 18 of the *stewardship-code-report-2023.pdf*

14. Stewardship and direct equities 7 9

Direct equity engagement is a key component of our stewardship activity, it informs our voting decisions, and feeds into our investment research process. By engagement, we mean speaking directly to companies about the issues that concern us and understanding their general approach to material ESG issues.

Any engagement typically includes the relevant research analyst. Our central teams of analysts give a dedicated investment research resource with no conflicting commitments. The research teams monitor investee companies and funds on an ongoing basis and regularly meet with company management. It is imperative that ESG considerations sit within the investment decision-making process and are not outside it, and as a result, engagement is mainly undertaken in conjunction with the relevant analyst.

Our engagement activity for direct equities falls into three buckets:

- Reactive
- Proactive
- Business as usual

Reactive – to an AGM/SGM resolution or controversial event, as well as follow-ups to previous engagements

Example

L'Oréal

Objective: To engage with L'Oréal about an investigation into perfume supply chains by the BBC, which found jasmine, used by Lancôme (owned by L'Oréal), was picked by minors. The presence of child labour was found in Egypt, a country that produces around half the world's supply of jasmine flowers.

The report alleged that some luxury goods companies are facing pricing pressures, leading to lower sourcing budgets and increased use of children by the families harvesting the crops. As part of the investigation, the BBC evidenced that, at four separate harvesting locations, many workers on smallholder farms supplying jasmine oil factories were under the age of 15.

L'Oréal contends that before the BBC's contact in October 2023, its human rights due diligence processes revealed the potential use of child labour in the harvesting of Egyptian jasmine by local suppliers. According to the company, it immediately set up a full-scale independent investigation to put in place a series of concrete actions to address child labour. Since then, L'Oréal has worked with 11 non-governmental organisations (NGOs) and multi-lateral organisations, as well as the Egyptian government and the largest jasmine processors, to better assess the situation. As of now, L'Oréal has committed to buying jasmine in Egypt only from controlled farms belonging to responsible jasmine processors, whilst continuing to give support to smallholders that it does not buy from, through the sectorial partnership with the Fair Labor Association, the International Labour Organization, the Egyptian government, and other local partners.

Outcome: We welcome the company's acknowledgement of the issue and list of initial actions being taken and take some comfort that there is a short-term focus on monitoring and evaluating upcoming harvests. We will be monitoring developments moving forwards and allow for the maturing of the company response. We will re-engage the company in 2025 to assess progress of the current remediation plan. The engagement did not result in any change to our responsible investment categorisation of the company.

Example

Watts Water Technologies

Objective: To discuss the company's sustainability disclosures, mainly relating to its climate-related targets.

Watts Water has achieved an impressive 60% reduction in its emissions intensity in 2023 (Scope 1 and 2 emissions), exceeding its target of 15%. To further decarbonise, the company will be taking measures such as including more renewable energy at its sites, replacing inefficient or older facilities, and purchasing renewable energy credits. The company aims to start disclosing Scope 3 emissions from 2026, to meet the requirements of the European Union's Corporate Sustainability Reporting Directive ('CSRD'). We questioned why a US company was focused on an EU regulation. The company has 25-30% of its operations in Europe; it felt it was easier to be compliant with CSRD globally and hence has chosen this framework as its priority.

Outcome: The discussion on sustainability disclosures was useful as we were able to gain more context on the company's decision to report in line with the EU CSRD and not disclose to CDP. The engagement did not result in any change to its responsible investment categorisation.

Example

Darktrace

Objective: We held a follow up call with the Chair of Darktrace following our vote against a non-executive Director ('NED') at the December 2023 AGM.

The Chair of the board was keen to better understand our rationale for voting against the re-election of the NED. We were not alone in this decision as 57% of votes were cast against the re-election, resulting in the NED leaving the board. We reiterated the rationale as per our formal communications sent to the company before the vote. We voted against the NED owing to his association with Invoke Capital and Mike Lynch (an early investor in Darktrace). Mike Lynch's trial in the US created unhelpful headline risk for Darktrace, which we view as unwarranted, so any move to distance Darktrace from these headlines is a positive in our eyes. Additionally, we do not believe granting a board seat to Invoke is conducive to helping Darktrace develop and mature as a global business and investment. This point was taken on board by the Chair. We also highlighted our opposition to another non-independent Invoke representative being appointed.

Outcome: A useful follow up call, where we were better able to explain to the Chair, our rationale in supporting a board refresh. Subsequently, the company was bought out by private equity, and we no longer have a position in the company because of this acquisition.

Example

Monks Investment Trust

Objective: We voted against the Chair's re-election due to his extended tenure, escalating a long-term engagement that began in March 2023.

In March 2023, we informed the board that we believed all directors should adhere to nine-year terms, in line with agreed practice in the UK. The Chair viewed the nine-year term not being a strict deadline and expressed his desire to extend his tenure. We communicated to the board that while we would support this at the 2023 AGM, insufficient progress on succession planning would lead us to vote against at the 2024 AGM. Thus, in August 2024 we emailed the board to notify them of our voting intentions.

A few days after informing the board of our intentions, the board announced that the Chair would be stepping down in mid-2025. While this is a step forward, it still extends the Chair's tenure by almost another year (around nine months). Consequently, we have decided to vote against the Chair on this occasion.

Outcome: Following numerous engagements on the succession and tenure of the board, the Chair has announced that he will retire mid-2025. At the AGM c.7% of shareholders voted against his re-election.

Proactive – may include thematic engagement; where we have conducted research on a specific topic and look to engage with the most material actors

These themes influence the work we undertake within our investment management businesses, as well as our priorities as Quilter.

Climate change

Taking the temperature: assessing progress on climate transition plans – direct equity holdings

We concluded the second phase of our ongoing engagement programme on climate disclosure and transition planning with the largest emitters among our direct equity holdings. This systematic engagement process supports Quilter Cheviot's Climate Action Plan (to be published in 2025) and is conducted on a 24-month cycle. We initiated this programme in 2021, and the first phase was very much engagement for information. This second iteration aims to assess progress against previously stated plans, assessing the quality of transitions plans and whether investee companies are taking (or not taking) appropriate measures to align with a future lower-carbon economy.

Outcome: Heading into the second half of 2024, we have implemented a revised cross industry checklist to evaluate company alignment to net zero and progress against targets. This more advanced assessment will enable better benchmarking of investee company transition performance as we move into a critical period for preventing the most severe effects of climate change.

The criteria includes:

1. A clear vision: clear timeline of planned climate transition actions between now and medium-term targets, through to 2040. We would like to see companies clearly committing resources towards achieving decarbonisation targets now, rather than delaying. This can include internal case studies/research into climate solutions and cross-industry collaborations.
2. Shared emissions: systemic, integrated approach to addressing Scope 3 emissions. This should include a comprehensive inventory as much as possible, and effective targets to address efforts to decarbonise. Targets should include supplier outreach and collaboration across a company's sector, particularly for challenging, carbon-intensive end products (eg steel, aluminium).
3. Evidenced effort: demonstrable progress on decarbonisation targets – preferably with quantified progress (ie greenhouse gas (GHG) emissions reduced) and attributed to specific actions in annual reporting.

	Clear Vision			Collaborative Approach			Evidenced Effort	
	Emissions disclosed	Robust targets in place	A clear trajectory	Scope 3 target	Articulated supply chain strategy	Cross-industry collaborations	Reported progress towards goals	Quantified and demonstrable examples
Anglo American	Green	Green	Green	Amber	Green	Green	Green	Green
Rio Tinto	Green	Amber	Green	Red	Green	Green	Green	Green
CRH	Green	Green	Amber	Green	Amber	Green	Green	Amber
DS Smith	Green	Green	Red	Green	Green	Green	Green	Green
Linde	Green	Green	Red	Red	Red	Green	Green	Amber
BP	Green	Green	Amber	Amber	Red	Green	Green	Green
Chevron	Amber	Red	Red	Amber	Red	Amber	Amber	Red
Exxon	Amber	Red	Red	Red	Red	Amber	Red	Red
Shell	Amber	Amber	Red	Red	Red	Green	Amber	Green
Total	Green	Green	Green	Green	Amber	Green	Green	Green
SSE	Green	Green	Green	Green	Green	Green	Green	Green
National Grid	Green	Green	Green	Green	Amber	Green	Green	Amber

Key

- Green indicates a company satisfied the criteria clearly.
- Amber indicates the company satisfied the requirement but could improve relative to peers.
- Red indicates a company did not satisfy these criteria.

Human rights

Defending data: cyber security and critical infrastructure – direct equity holdings

Effective cyber security procedures are critical to reducing regulatory and reputational risk, while also enhancing shareholder value. In the 2023 Global Risk Report published by the World Economic Forum ("WEF"), widespread cybercrime and cyber insecurity were highlighted among the top 10 potential risks over the next decade[5]. Increasingly innovative technologies and the proliferation of data collection is likely to lead to companies and people being targeted at an unprecedented level. The average annual cost of data breaches in 2022, for companies in critical infrastructure industries, was $4.82 million[6]. In addition to the potential cost for companies, data privacy is recognised as a human right by the United Nations ('UN').

This engagement programme targeted our most material holdings in the IT software and telecoms industry groups. We completed a risk assessment on the cyber governance of these companies and have used these conversations as an opportunity to establish best practice cyber governance. We engaged with the following companies: BT Group, Cellnex, Darktrace, Sage, SAP, T Mobile, and Vodafone.

Outcome: This engagement programme has been used to cement our understanding of best practice cyber security governance for the IT software and telecoms industry groups. A key element of this engagement was understanding that different companies have different risk profiles; for example, a telecoms company focused on infrastructure and an IT software company have lower risk profiles than a telecoms network provider, as the latter has large numbers of potentially more vulnerable retail customers. Holding retail customer data makes a company far more attractive to potential cyber security attackers. Cyber remains a key investable theme in our portfolios.

Safety is no accident: occupational health and safety practices – direct equity holdings

Health and safety performance can have a material impact on employees and company operations. The International Labour Organization ("ILO") estimates that there are 2.3 million work-related fatalities every year, corresponding to 6,000 deaths every single day[7]. The construction industry has a disproportionate number of recorded accidents. In the UK, the Health and Safety Executive ("HSE") is the government agency responsible for the enforcement of workforce safety. Over the 12 months up to March 2023 the HSE disclosed that 1.8 million people in the UK reported work-related ill health, and that the estimated cost to companies of work-related injury was £7.6 billion[8]. Sadly, the HSE also reports that during that same period, 135 people were killed in work-related accidents in the UK.

This engagement programme targeted our most material holdings across the rail transportation (Canadian Pacific and Union Pacific), housebuilder (Persimmon and Taylor Wimpey), and utilities (SSE) industry groups. The nature of the work in these industries requires significant amounts of manual labour, often at great heights, and operating machinery, which in some cases may pose an injury risk.

[5] www3.weforum.org/docs/WEF_Global_Risks_Report_2023.pdf
[6] OHCHR and privacy in the digital age | OHCHR
[7] ILO Homepage | International Labour Organization
[8] Statistics - Work-related fatal injuries in Great Britain

Outcome: The information gathered from these discussions has been used to establish best practice health and safety standards. As we have engaged with companies across multiple industry groups, the approaches to health and safety have varied. However, there are noticeable trends, with some companies performing better than their peers. Notwithstanding cladding issues, Taylor Wimpey is an example of such a company, as it has not been involved in a major occupational health and safety related controversy in over a decade. It has achieved this through its health and safety training programme, regular communication with the board and CEO, and an effective whistleblower process. Another example is Canadian Pacific. The company finished 2023 with the lowest Federal Railroad Administration ("FRA") reportable train accident frequency among Class 1 railroads (large companies). This was driven by its robust safety culture, achieved through its 'home safe' programme.

Natural capital

Woods for the trees: how companies are responding to EU Deforestation Deregulation ("EUDR") – direct equity holdings

In 2024, Quilter Cheviot launched a thematic engagement with monitored investee companies most exposed to deforestation-linked commodity use to better understand how they are managing these risks and preparing for the upcoming regulatory changes. As part of our engagement activities on the topic of natural capital, Quilter Cheviot has been working as part of the 'Forest Champions' programme, run by the environmental non-profit organisation, CDP (formerly known as the Carbon Disclosure Project).

Within this we have:

- used CDP's repository of company-reported data on deforestation-linked commodity involvement to identify companies that are most exposed to deforestation,
- combined this with recent external analysis on companies most exposed to the upcoming EU regulation on deforestation, and
- identified a group of companies where we have material holdings which are most exposed to deforestation-linked commodities, and which have significant activities in Europe.

Outcome: This engagement focused on understanding how companies (Adidas, Unilever, Nestle, and Mondelez) exposed to deforestation-linked commodities are preparing for the new regulations. We will continue to monitor progress and encourage best practices, including comprehensive no-deforestation policies across all commodities, supply chains, markets, product lines, and sourcing geographies.

We believe the target companies are well-prepared for upcoming legislative changes, with robust processes to reduce regulatory risks. While compliance will be challenging, we will monitor progress. The resources committed to forest risk strategies and traceability efforts position these companies to comply. Global quality companies with resources and partnerships are better equipped to manage deforestation risks, while smaller companies may struggle.

Additionally, we research governance-related themes, which inform our voting policy for direct equity holdings:

State of Independence – direct equity holdings

Over the last proxy season, we considered how to approach different governance standards in different geographies. In the UK, a tenure exceeding nine years for a non-executive director (NED), calls into question their independence. However, in the US, a NED with a tenure of over 20 years might still be regarded as independent. There are frequent shareholder resolutions in the US calling for the separation of the CEO and Chair roles. However, what does 'independent' really mean? We have evaluated the standards across the companies within our centrally monitored universe and have engaged with the third-party funds we invest in to understand how they approach this.

As a first step we have examined the standard practices for board composition in the US, particularly focused on:

- tenure,
- independence,
- compensation, and
- combined CEO/Chair roles, also known as CEO duality.

Outcome: The question of defining independence remains difficult. If we think about tenure, the US takes a different approach, as evidenced by the average NED tenure being double that in the UK market. We have refined our voting policy to reflect this. After analysing the US companies in our monitoring universe, we consider directors with a tenure of more than 15 years as non-independent. We then assess the independence of the entire board, and if the number of non-independent directors exceeds 50%, we withhold votes from the non-independent directors. We have identified a small number of companies in our monitoring universe that meet these requirements, and we have written to them to inform them of our position.

Succession: evaluating board tenure in the EU – direct equity holdings

Maintaining effective and independent decision making and oversight is crucial for a Board and a key aspect of corporate governance. During the last proxy season, we focused on this area and are now re-evaluating governance standards for director independence across different regions. A non-executive director's (NED) independence depends on factors like material relationships, significant holdings, and tenure. Our analysis of 95 European companies revealed potential issues with NED tenures, especially in family-operated businesses, which can affect board independence.

We examined the standard practices for board composition in Europe, particularly focused on:

- tenure,
- unitary versus two-tier board, and
- over tenured directors.

Outcome: In the EU, NEDs serving over 12 years are typically seen as non-independent. If less than 50% of the board is independent, we usually vote against re-electing non-independent NEDs or the Chair of the nominations committee. Germany is an exception, with a lower independence threshold of 30% due to high employee representation. Our approach is flexible, especially with family-owned boards, and we assess these on a case-by-case basis. Ensuring board independence is crucial for corporate governance, and we closely monitor our European holdings to take necessary actions. We have refined our voting policy because of this engagement, and we will aim to engage with companies on our voting decisions whenever possible.

Class inequality: the disparity between share ownership and voting power – direct equity holdings

A dual class share structure allows certain shareholders to have superior voting rights compared to others. This often results in shareholders with fewer voting rights being disadvantaged. Since voting is a key shareholder privilege, the fairness of dual class structures is highly debated. In recent years, dual class share structures have become much more common, attracting increased shareholder scrutiny. This trend is evident in our recent voting activity, especially in the US and EU markets. While not necessarily common, within our voting universe, most companies operating with dual-class share structures are either founder-led technology companies or majority family-owned.

Outcome: We consider local regulations and best practices in our voting approach but generally favour equal share structures for long-term shareholder benefit.

Business as usual – where no immediate concerns are identified but we engage to maintain communication
Engagements in this category were focused on investment trusts in 2024. Please refer to the 'Stewardship and investment trusts' section of this report.

The role of engagement within our ESG integration process for direct equities
Our engagement activity also forms part of our overall approach to integrating ESG factors within our direct equity holdings.

As well as the work carried out by the Responsible Investment team to engage for change, key parts of our work are carried out alongside the equity research analyst to engage for information. This information is collected and fed into the analysts' investment thesis. Examples below show where this has influenced changes to a recommendation or where we have initiated research coverage on a company.

Example

Ecolab – Upgrade to BUY

We complete a review of all our monitored direct holdings on a bi-annual basis to determine the company's responsible investment categorisation. From our November 2024 review, we determined that, unlike most of the other names we monitor within the materials' industry group, Ecolab is not faced with the challenges of the energy transition and moving to net zero. Ecolab has low absolute emissions and relative emissions intensity. Moreover, its focus on water and hygiene means it is in the enviable position to support progress towards a healthier environment and safer workplaces. The company has also set an approved science-based climate GHG reduction target. As a result of this review, along with its solid business model and further capability to expand, Ecolab was upgraded from Neutral to Buy.

Example

Darling Ingredients – Addition to coverage

The company was being considered for an initiation and, as per our responsible investment process, this triggered a deeper analysis into the ESG-related performance of the company. Some of the areas we reviewed included its supply chain risk, governance, average board tenure, and recycling. Darling Ingredients has placed an increased emphasis on recycling and the circular economy. Corporate development has expanded the company's footprint into equally environmentally advantageous segments, including cooking-oil recycling and renewable aviation fuel. The company should be seen as part of the solution, not the problem – despite the negative environmental impact of animal husbandry. We rank Darling amongst the best food companies across the material ESG metrics for its industry group, and concluded it was an appropriate company to be added to our monitored coverage, as it also has a positive valuation.

15. Stewardship and third-party managers 7 8 9

This process remains unchanged. Please refer to page 25 of the *stewardship-code-report-2023.pdf* for more information.

16. Stewardship and investment trusts 7 8 9

We continued our engagement focused on our centrally monitored investment trust holdings as outlined on page 26 of the *stewardship-code-report-2023.pdf.*

Below we have included examples of our individual investment trust engagements. We invest in investment trusts to gain access to asset classes such as private equity, infrastructure, property, and alternatives. Below we have outlined examples for these asset classes, as well as equities. The RAG rating for investment trusts assesses board composition, board effectiveness, and responsible investment disclosures.

Example

Worldwide Healthcare Trust – Global healthcare

Objective: To express our views about board composition and the investment adviser's lack of signatory status to the UN PRI. The latter has been an issue which we have engaged with the board on for several years.

The meeting was arranged following the letter we sent to the board in October 2023, outlining our intentions to vote against the manager representative on the board. We had previously discussed our view with the Chair that boards should be fully independent. The Chair and Senior Independent Director ("SID") have a contrary view and believe that not having the manager representative on the board would be, in the long term, harmful to shareholders. Additionally, it was suggested that his removal from the board would negatively impact the relationship between the board and the investment adviser. To us, this highlighted why a board should not have a non-independent director, as, in our view, the manager has a significant influence on the board.

During our conversation about independence, we discussed the topic of the Chair's tenure. The Chair explained that the board did not previously have a specific view on term limits. Instead, board continuity and 'corporate memory' was highly valued. However, the board has now changed its stance and is starting a process of board refreshment. The Chair mentioned that he plans to stay for a further term of one to three years as the Chair, which will extend his tenure to 12-14 years. Finally, we discussed PRI, and the Chair expressed the view that given political headwinds in the US, the investment adviser will no longer consider joining soon.

Outcome: We are unconvinced by the board's rationale for needing manager representation. We also have concerns about the Chair's long tenure, which will reach 11 years at the next AGM, and there is no set date for his retirement. We wrote to the board outlining our concerns and voting decision: to vote against the Chair and the non-independent director at the upcoming AGM. There was no change to the RAG rating as these issues were already factored into our analysis.

Example

VH Global Sustainable energy opportunities – Infrastructure

Objective: As part of our long-term engagement with investment trusts, we met the Chair to discuss governance and responsible investment disclosures.

The board did not have a nominated SID, which we consider a deviation from best practice. During our engagement with the Chair, we communicated our position on this.

Outcome: The firm subsequently appointed an existing NED to the role of SID. There was no change to the RAG rating.

Example

Partners Private Equity (formerly known as Princess Private Equity) – Private equity

Objective: This was a continuation of ongoing engagement which began in 2022, where we voted against NEDs re-elections and asked for full board independence.

The previous engagements had raised several issues, including a lack of communication between the manager and the board (despite the manager having board representation), length of tenure issues for the Chair, and one NED, manager representative as a NED, and a lack of private equity experience amongst the independent directors.

Outcome: The board has now elected a new Chair and two new directors with extensive private equity experience, and three of the previous directors have stepped down from the board. We engaged with the new Chair and we were impressed with his candidness in regards the challenges the trust has faced, and the changes already implemented. The trust's RAG rating improved as a result of these changes.

Example

Hipgnosis Songs Fund – Alternatives

Objective: On 14 September, Hipgnosis Songs Fund announced that it has agreed to sell 29 catalogues to its investment adviser (Hipgnosis Songs Capital) for $465 million.

After careful consideration, we concluded that there were several conflicts of interest involved with the proposed sale arrangements. As such, we are not convinced by the rationale behind the preferential terms offered during the negotiations.

Outcome: We voted against the transaction. Furthermore, in our view the board displayed a lack of independence in numerous instances, and so we voted against all directors standing for re-election. Finally, reflecting our lack of confidence in the trust, we voted against continuation. We advised the board of our voting intentions.

Example

Finsbury Growth and Income – UK equities

Objective: This was an introductory engagement with the new Chair to address the poor performance of the trust over the past five years.

The portfolio has been underperforming against its benchmark (FTSE All Share Total Return Index GB) over the last five years, and the company was trading at a 10% discount to its Net Asset Value ('NA'). The trust's buyback policy aims to limit the discount to 5%, which was clearly ineffective given the discount level. We proposed several strategies to the board to boost performance in the coming years. These included a continuation vote.

Outcome: Several weeks after our engagement, the board announced the introduction of a continuation vote from 2026. The introduction of a continuation vote is validation of our thoughts on recent performance. Consequently, the board effectiveness RAG rating has improved.

Our expectations for investment trust boards

Phase two – Alternatives (private equity, infrastructure, and other)

Phase three – Property (this also included some open-ended funds as a comparator)

We completed the final phases of our engagement with our centrally monitored investment trusts which evaluates them against three factors:

- Board composition
- Board effectiveness
- Responsible investment disclosures

Outcome: RAG ratings for each of the trusts based on our assessment of the three factors. These inform our Responsible Investment (RI) categorisation of the holdings and guide future engagement for change.

For alternatives:

Asset class	Infrastructure	Infrastructure	Infrastructure	Infrastructure	Infrastructure	Infrastructure	Infrastructure	Infrastructure	Infrastructure	Infrastructure	Infrastructure	Infrastructure	Infrastructure	Infrastructure	Infrastructure	Other	Other	Other	Other	Private equity	Private equity	Private equity	Private equity	Private equity	Private equity	Private equity	Private equity
Board composition	Green	Purple	Purple	Green	Green	Green	Green	Green	Orange	Green	Green	Green	Green	Green	Green	Purple	Green	Green	Purple	Orange	Purple	Green	Green	Green	Green	Purple	Orange
Board effectiveness	Orange	Green	Green	Green	Green	Green	Green	Green	Orange	Orange	Green	Green	Green	Green	Orange	Orange	Green	Purple	Purple	Orange	Green	Green	Orange	Green	Green	Purple	Orange
RI disclosure	Orange	Green	Orange	Green	Orange	Orange	Orange	Orange	Orange	Orange	Green	Green	Orange	Orange	Orange	Orange	Green	Orange	Orange	Orange	Orange	Orange	Purple	Orange	Orange	Purple	Orange

For property:

	REIT	REIT	REIT	REIT	REIT	REIT	REIT	REIT	OE	OE	OE
Board composition	Green	Green	Green	Orange	Purple	Purple	Green	Orange	Purple	Green	Green
Effectiveness	Green	Green	Green	Green	Purple	Purple	Green	Green	Purple	Green	Green
RI disclosures	Orange	Orange	Green	Orange	Purple	Orange	Orange	Purple	Purple	Orange	Orange

17. Stewardship and funds 7 8 9

The open-ended funds we invest in are primarily focused on fixed income, equities, and property.

Our stewardship approach for funds fits into four broad categories. These can be part of our broader investment due diligence, or as standalone engagements. These engagements may be reactive or proactive. The engagements are split into four areas:

- The firmwide approach to responsible investment.
- Manager and strategy approach to responsible investment.
- Engagement on ESG risk and exposure.
- The firmwide approach to net zero.

For more information on this approach, please visit pages 30-33 of the *stewardship-code-report-2023.pdf*

Example

ESG RFI – Third-party funds

We send an ESG RFI to our third-party managers on an annual basis. This focuses on their approach to responsible investment, as well as the firm itself. To effectively do so, we consider:

- Responsible investment credentials and process.
- Diversity within the firm.
- Approach to climate action.

Outcome: We used the responses to the ESG RFI to inform our engagement with the third-party managers we invest in and then identify engagement themes across asset classes.

Engagement on ESG risk and exposure

Example

Controversial weapons – Third-party funds

In 2021 to 2022, Quilter Cheviot extended its controversial weapons policy[9] to consider how its third-party managers approach this. We engaged with our third-party managers to understand whether the funds we invest in have this exclusion in place.

We revisited this in 2024 as part of our periodic monitoring process. We categorised the funds' responses, and input these into our proprietary fund ESG dashboards. We engaged with two fund houses who had not confirmed an exclusion, and whose strategies (primarily index trackers) did not preclude owning exposure to controversial weapons.

Manager #1

The manager has recently acquired data from Sustainalytics concerning controversial weapons to assess the potential impact on their current index trackers. Initial testing indicates minimal overlap between their funds and companies that would fall under this exclusion.

Outcome: It is unlikely the firm will be able to give an exclusion list immediately, so we will review current holdings to ensure compliance with our policy. We intend to repeat this process periodically to ensure that no breaches occur.

Manager #2

For its actively managed funds, the manager sources ESG data from MSCI. This categorises weapons into controversial and nuclear weapons, with several subcategories. Five or six companies are excluded under the controversial weapons screen, while many more are excluded owing to their exposure to nuclear weapons. The internal exclusion process considers these MSCI screens and uses these to inform the embargoed list. However, a governance committee may overrule these exclusions for some nuclear weapon-linked firms, eg Airbus, based on its role in the sector. The company believes this is the best solution for clients. Given that nuclear weapons are not within our firmwide exclusionary policy, this is less of a concern for us.

Outcome: As a first step, we sent the manager a list of companies that we have excluded due to involvement in controversial weapons and asked for a comparison with the underlying holdings of their funds to check for any breaches.

The firmwide approach to net zero

The open-ended funds we engaged with were primarily invested in fixed income and equities.

Example

Slipping through the net: third-party managers and net zero ambitions – third-party funds

As Quilter Cheviot prepares its climate action plan for its investments, we undertook an engagement to assess how aligned our investments in third-party funds were. The Net Zero Asset Managers Initiative ("NZAM") is the most widely adopted platform asset managers have used to set net zero targets for their assets. We selected our top 20 firms by fund AuM-held to discuss the details of their NZAM commitments and determine to what degree the funds we invest in are linked to specific firm-level net zero commitments. These firms represent over two thirds of the AuM we have invested with third-party managers.

We were interested in understanding how firms tackle and implement NZAM targets, from a strategic level down through to the management of individual funds. Our discussions explored how firms' chosen alignment approaches reflected in their climate stewardship frameworks, and their progress to date. These engagements informed the development of our Climate Alignment Test ("CAT") criteria, which we will use to create the climate baseline underpinning our forthcoming climate targets.

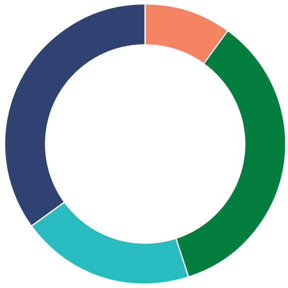
Among the outputs of the engagement were a set of best practice guidelines. We included explanations of these with examples from the better performers among the firms we engaged. These are summarised below:

- 1. Set comprehensive targets
- 2. Use appropriate alignment metrics
- 3. Choose a balanced methodology
- 4. Develop and deploy useful tools
- 5. Ensure the firms' activities are aligned with net zero targets
- 6. Integrated targets and strategy

Outcome: Based on the criteria outlined above, we assessed the firms and categorised their climate approach accordingly. These categorisations will inform future engagements, as well as our internal responsible investment ratings and categorisations.

[9] qc-responsible-investment-controversial-weapons-policy.pdf

Categorisation of firms' climate ambitions



Example

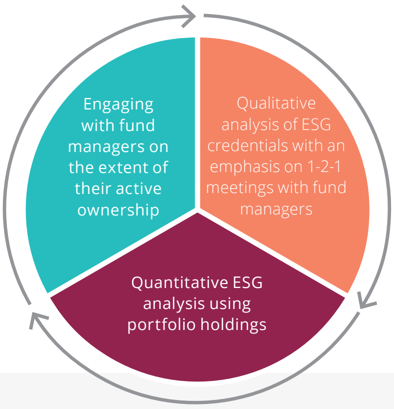
The elephant in the room – The exodus of US managers from Climate Action 100+

The geopolitical landscape around climate action has been shifting, shaped by the maturing timelines of nations' carbon budgets ("NDCs"), the simmering anti-ESG politicised movement in the US, and the mounting toll of climate change-driven events around the world. We saw this manifest in the sudden departure of several large US asset managers from the Climate Action 100+ collaborative initiative in early 2024. We engaged with these firms to better understand what drove their decision to leave the initiative, and how this affected their overall approach to climate stewardship.

Outcome: Regardless of the proffered rationales for these withdrawals, this shift is ultimately a symptom of the times – whereby companies and countries are wrestling with the costs and the imperative to address the looming climate crisis and repeatedly choosing to delay. The decision to leave a prominent climate-themed collaborative engagement is as much driven by public optics today as it was when these firms joined the initiative in 2020-2021, when popular support for responsible investment swelled. In today's politicised and polarised context, remaining a named member of collaborations like CA100+ carries increasing reputational risk for firms in the US; as one firm put it, "the juice is no longer worth the squeeze."

We will monitor the future stewardship activity of these firms, and this will inform our assessment of their funds within our internal responsible ratings and categorisations.

18. Managers: expectations and monitoring across asset classes 8 9 12



Our approach to this remains unchanged.
For an overview of this, please visit page 36: *stewardship-code-report-2023.pdf*

19. Fixed income 7

For fixed income holdings, we invest through funds and directly. In 2024, we enhanced the way we consider our approach to direct holdings.

Supported by industry frameworks such as the PRI[10], Quilter Cheviot's Responsible Investment and Fixed Income Research teams seek to ensure best practice is applied where appropriate into our investment decision making. A significant part of our bond exposure is through third-party funds, so the fund research approach of understanding the underlying manager's responsible investment process also applies. ESG factor analysis for direct holdings in credit issuers is on a similar basis to equities.

The direct holdings are predominantly in UK, US, and EU government bonds, as well as supra-national issuance. Integrating ESG factors into the selection of sovereign debt issued by developed countries is likely to include issues such as climate risk over time and best approached by seeking to influence government policy where appropriate.

[10] https://www.unpri.org/investment-tools/fixed-income

There are around 60 corporate issuers (as of 31 December 2024) in which we invest, and the primary considerations are whether these issuers are senior, BBB rated, and if the bonds will maintain that BBB rating over the period to maturity. We believe identifying the ESG challenges and opportunities that impact the debt issuer are an important factor in evaluating the likelihood of the bond retaining the BBB rating over its lifetime.

ESG risks for corporate issuers mirror those covered by equity markets. Most debt issuing entities we invest in are companies that are already evaluated by the equity team (approx. >75% dual coverage) and so the fixed income research can leverage the existing equity research. The remaining entities are not within the equity research universe and in some cases are not listed, typically these include non-profit and social housing associations. A brief ESG comment is included in the research note for all issuers, although, this may be more detailed for entities not covered by the equity team, such as housing associations and building societies. For all the holdings within the centrally monitored corporate bond universe, the analyst has assessed the issuer's ESG-related credentials, and monitors these on an ongoing basis. The data sources include several ESG data providers and Bloomberg composite research.

Over the course of the year, we voted at 14 AGMs and engaged with two companies where we hold both equity and debt (corporate bonds).

Quilter Cheviot's fixed income investments must adhere to the firm's Controversial Weapons policy[11]. Issuers directly involved in the manufacture, sale, and distribution of cluster munitions and anti-personnel landmines are screened out of the investment universe. Our Fixed Income Research team will also exclude direct issuance with a credit rating below a BBB rating[12].

The growth of green bond issuance, and newer areas like bonds linked to the UN SDGs, and transition bonds, adds a new dimension which we would expect third-party managers to evaluate appropriately. Sovereign bond analysis can be limited for developed markets but could increasingly incorporate climate risk in the future.

While bondholders do not have voting rights in the way that shareholders have, larger fixed income houses can influence the funding structure of issuers. They can also engage on similar matters to equity investors and reconsider their funding if no progress is made. Within our centrally monitored universe, we have very limited exposure to corporate bonds on a direct basis and so are unable to influence the funding structure of issuers as larger holders are sometimes able to.

For fixed income funds, we engage with third-party managers on the same topics as outlined above for all funds.

Through Quilter Cheviot's equity holdings, we collaborate with other investors, industry groups, and ESG initiatives to drive systemic change on ESG issues that need collective action.

20. Market-wide risk, systemic risk, and collaborative engagement 1 4 9 10

Market-wide risks such as changing interest rates, geopolitical risk, and other macroeconomic risk drivers are identified and monitored by our research analysts and investment managers. Portfolios within our Managed Portfolio Service (MPS) are rebalanced using our regular asset allocation meetings and discretionary portfolios are rebalanced by their respective investment managers in response to market-wide risks.

As part of our overall approach to stewardship and investment, we work to identify systemic risks that we feel may have a material impact on our portfolios and customers in the future. Examples of areas that we have identified these as systemic risks are shown below. These inform our collaborative engagements, as well as our three thematic priorities.

Greenwashing

One issue increasingly faced by investors is greenwashing, whereby products or services are marketed as having more sustainable outcomes than what is actually achieved. We have described out mitigating actions below:

- We began integrating customers' responsible investment preferences within the suitability and advice process in April 2022. As part of this we aligned holdings to one of the three responsible investment categories as well as developed investment solutions to align with these.
- We have contributed to the work that various industry bodies have undertaken in relation to this through our representation on the TISA Responsible and Sustainable Investment Committee as well as through the Disclosure and Labelling Advisory Group ("DLAG") to the FCA for the launch of the Sustainable Disclosure Requirements ("SDR"). We now have representation on the Advisers' Sustainability Group.
- Following on from the training given last year, further mandatory learning was given to colleagues.
- We have enhanced our reviews of all our literature and made further changes in light of the Anti-Greenwashing Rule. This has all been reviewed through the Consumer Duty lens.
- From 2025 we will add tracking greenwashing complaints into our existing complaint monitoring oversight.

[11] qc-responsible-investment-controversial-weapons-policy.pdf (quiltercheviot.com)

[12] Bonds are rated according to their credit worthiness and quality using a letter-based credit scoring scheme.

Climate change

As a result of the systemic risk of climate change, we have taken the following action:

- Concluded the second thematic engagement process with our largest emitting direct equities and engaged with our largest third-party fund managers on their membership of NZAM and their net zero transition plans.
- Engaged with firms who exited Climate Action 100+.
- Produced our first entity and products reports for TCFD.
- Outlined our approach to managing and monitoring climate-related risks and opportunities to the Quilter Cheviot Governance, Audit and Risk Committee.
- Continued to measure how different strategies compare in regards to climate metrics.
- Participated in a number of collaborative engagement initiatives as outlined below.
- Developed a Climate Action Plan for investments which will be published in Q1 2025.

Example

Climate Action 100+ – direct equities

Since joining CA100+, Quilter Cheviot has joined engagement groups for two companies: National Grid and Trane Technologies. Our engagement with both companies focuses on reviewing the companies' progress against their stated transition plan, decarbonisation targets, and sharing best practice wherever possible.

National Grid is a critical enabler to the achievement of the UK's climate targets, as it works to decarbonise the grid and facilitate the growth of the UK's renewable energy infrastructure.

Trane Technologies is similarly poised to facilitate emissions reductions in a challenging decarbonisation field – heating and ventilation. Its innovative products and the scale of its operations globally represent an excellent opportunity to enable further decarbonisation for its clients.

Example

CDP Science-Based Targets Campaign – direct equities

2023-24 marked the end of the campaign which has helped drive over 550 high-impact companies to join the SBTi. Quilter Cheviot joined 307 financial institutions with more than $32 trillion in assets to urge companies operating in carbon-intensive sectors to set science-based emissions reductions targets.

Example

Net Zero Engagement Initiative – direct equities

Through this we are engaging with two companies, Tesco and Siemens. Our engagements focus on evaluating the companies' climate transition plans and providing constructive feedback on areas for further development.

Our engagements with Siemens in 2023 culminated in one of our engagement partners raising a question at Siemens' AGM in February 2024. The company has been very receptive of our feedback, and we are following up in Q1 2025.

We have engaged with Tesco in both 2023 and 2024, including recent discussion of the company's renewed sector-leading SBTi-validated targets and the integration of an internal carbon price for specific functions in the company. We especially appreciated the company's candid discussion of challenges remaining in its net zero strategy, particularly around enhancing Scope 3 emissions disclosures from suppliers.

Example

Wealth Managers for Climate Action - funds

We are members of the Wealth Managers on Climate ("WMC"), a collection of UK wealth managers working together to support climate action in our investments. The group was convened as a forum specifically for wealth managers, who often have different operating constraints and opportunities to larger asset managers. The purpose of the group is for managers to effectively and collaboratively engage on sustainability-related topics, especially the climate.

In November 2024 we, alongside several other members of the WMC, sent an open letter to all fund houses in our centrally monitored holdings itemising our climate expectations. The letter included specific examples of best practice and minimum standards for our third-party managers. We are engaging with all recipients of the letter over the course of the next few months, to determine where each manager is meeting these expectations and identify areas for improvement. We intend to share our progress on this response with our peers at the WMC meeting in Q1 2025.

Example

IIGCC External Fund Manager working group ("EFM WG")

Quilter Cheviot is an active member of this working group which was established in 2024 to support ongoing net zero alignment work being undertaken for use by IIGCC members. The EFM WG will be convened for a period of approximately one year and will meet on a regular basis to develop resources relating to the use of external fund managers when attempting to align portfolios with the goals of the Paris Agreement. The initial focus will be creating target-setting and implementation guidance for when investors use external fund managers to achieve their individual investment objectives.

Diversity and inclusion

The social and economic impacts of inequality on company operations and performance, as well as the destabilising impacts on society and the wider economy. We also believe that innovative companies, that value diversity of thought, are likely to be better positioned to succeed in the long-term.

Example

30% Club Investor Group – direct equities

Quilter Cheviot is part of the UK investor branch of the 30% Club, a campaign aimed at increasing the number of women in board seats and executive leadership roles at UK-listed companies. Within this group, we are members of the 'Fix the Exec' working group, which targets companies with poor performance in terms of female representation at executive and senior management levels. Having identified the laggards, we plan to begin our first engagement in Q1 2025.

Example

Modern slavery in the UK – direct equities

In 2021, we joined a group of UK investors led by Rathbones through the UN PRI platform. The purpose is to engage companies who would not have met reporting requirements under the 2015 Modern Slavery Act.

Example

Find it, Fix it, Prevent it – direct equities

The prohibition of slavery is one of the world's most widely asserted norms. Regulation outlawing forced labour, human trafficking, and slavery is to be found in international human rights law and in the legislation of many sovereign states. Further, eradicating modern slavery is one of the UN SDGs. This collaborative engagement focuses on UK listed companies in specific industry groups which have been identified as being higher risk in regard to modern slavery.

Nature and biodiversity loss

We support the mission statement of the Taskforce for Nature related Financial Disclosures mission, and agree that "society, business, and finance depend on nature's assets and the services they provide". The scale of nature loss is diminishing the ability of the natural world to offer these services. In addition to our individual engagement activities on natural capital, we are also contributing to several collaborative engagements, with the aim of improving our risk management on this topic and supporting better systemic outcomes on biodiversity and nature loss.

Example

Nature Action 100 (NA100) – direct equities

Quilter Cheviot joined NA100 at its founding in 2024 and is a member of the Rio Tinto engagement group. The NA100 engagement focuses on developing best practice guidance for measuring and mitigating companies' impacts on nature and biodiversity. We have had several engagements with the company to date, which has been very receptive to the constructive feedback offered by investors as it works to develop a first-of-its-kind comprehensive nature and biodiversity programme for its mining operations. We meet the company on a quarterly basis and are building on the company's first assessment against the NA100 Benchmark which debuted in Q4 2024.

Example

PRI Spring – direct equities

The PRI's Spring initiative aims to reduce and reverse biodiversity loss globally, by focusing on companies with exposure to, and impact on, natural resources. We are an active participant in engagement groups with BHP and Reckitt Benckiser. The focus of this engagement is on reducing biodiversity loss, particularly through deforestation. The initiative focuses on companies with significant supply chain exposure to specific commodities frequently linked with nature loss – namely, timber, minerals, latex, palm oil, cattle, and paper products. We are preparing to engage with Reckitt Benckiser and will be joining the new group working with BHP when it convenes in Q1 2025.

Example

CDP Non-Disclosure Campaign ("CDP NDC") – direct equities and REITs

CDP (formerly known as the Carbon Disclosure Project) is a non-profit organisation that operates a global disclosure system for investors, companies, cities, states, and regions to manage their environmental impacts.[13]

The Non-Disclosure Campaign ("NDC") is an annual collaboration between CDP and investor signatories to engage with companies that have not responded to a CDP disclosure request. Investors can participate by signing letters CDP sends to target companies or leading engagements. Quilter Cheviot joined this campaign in 2022 and in 2024 we led the engagement with two companies: a Real Estate Investment Trust ("REIT") in the UK and a manufacturing company in the US.

We believe that CDP disclosure is an important mechanism, and we use the data widely within our responsible investment processes, and so are keen to encourage participation. We engage based on the materiality of our holdings.

Outcome: The engagements were generally positive. One of the companies engaged with was in the process of completing its first submission to CDP. The second company is currently unlikely to adopt this framework at this stage. We will continue to engage and encourage the adoption of CDP reporting across holdings.

21. Our voting principles and how we vote 12

As responsible investors, we use our voting activities to fulfil our role as a steward of our customers' assets, working to protect and enhance long-term returns. Voting and engagement is part of our investment process, so all decisions are made in conjunction with the relevant research analyst.

In 2024 we updated our voting principles to reflect the following standards:

- UK Corporate Governance Code 2024 Association of Investment Companies (AIC) Corporate Governance Code for Investment Companies
- Pensions and Lifetime Savings Association guidance
- FCA PS22/3: Diversity and inclusion on company boards and executive management
- The Investment Association's Remuneration Guidelines
- The European Women on Boards Directive.
- National corporate governance codes where available
- Securities and Exchange Commission (SEC) provisions and listing requirements

We use the services of ISS, a third-party proxy voting service provider, to facilitate the fulfilment of voting. We consider the recommendations of ISS in our engagement and voting decisions, but we apply our own views to the voting policy and will not always follow the recommendations of ISS if we feel it is in the best interests of our customers to take a different course of action. There are minor differences in how we execute our voting in terms of universe and process.

22. Quilter Cheviot voting activity 9 11 12

Within Quilter Cheviot we vote on the following holdings:

- Discretionary holdings within the global equity and investment trust monitored lists where we have voting rights.
- Discretionary holdings in UK-listed companies which are IM led ideas where we own more than 0.2% or £2m of the market cap.
- MPS Building Blocks.
- Climate Assets Balanced Fund and Climate Assets Growth Fund.
- Quilter Cheviot Global Income and Growth Fund for Charities.
- Quilter Investors Ethical Fund AIM Portfolio Service.
- Quilter Investors ICAV Funds.
- Libero Balanced.

[13] Non-Disclosure Campaign - CDP

We vote on 97% of the holdings[14] which have regular voting rights as voting decisions reflect our investment thesis. However, we may not place votes where we do not have a power of attorney in place, or the market/sub-custodian implements share blocking. We have a long tail of holdings which is unsurprising given the nature of our client base; we do not vote on every single position we have. The reason for this is simple: voting is aligned with engagement and so, while we could easily vote on every single holding globally, we would not engage on that scale in a meaningful way, and in some cases only one client may hold this position.

Customers are also able to instruct voting on their holdings.

To give assurance on our voting, all contentious voting issues, ie where we are voting differently to our proxy service provider's recommendations (ISS) or where we are voting against management or placing an abstention vote, are referred to the Voting Panel for review. The Panel consists of the Chief Investment Officer, Head of Responsible Investment, and the relevant Head of Research (equities or funds). Where we are considering voting against management proposals or indeed supporting shareholder resolutions which management does not support, we will usually engage with the company beforehand and will inform the relevant company of decisions to abstain or vote against management.

Voting principles for direct equities

We have principles in place which guide how we vote; however, we will deviate from these on occasion following engagement with the investee company. We have outlined below some of the principles we have adopted, as well as examples of how these have informed our voting decisions:

Environmental

Example

Climate-related shareholder resolutions:

We are typically supportive of shareholder resolutions targeting company level disclosure and more detailed interim climate target metrics, especially if they are in line with the Paris Climate Agreement.

Climate-related voting activity amongst the oil and gas majors remains high on the voting agenda. Similar to last year, this year's proxy season saw Quilter Cheviot place a significant number of votes against management at high carbon emitting companies. We aim to ensure consistency in our voting approach and will determine the voting action taken based on a company's performance in managing climate risks, relative to its peers. 2024 saw the continuation of companies, notably Shell and BP, pairing back their climate targets, and this year we escalated our voting action to express our disapproval. Alongside engagement, this forms a key part of our stewardship process.

Both Shell's and BP's transition plans have travelled in similar directions. Both companies have committed to, and have taken steps to, achieve their climate targets. However, in recent years, progress has slowed. At Shell's AGM, in light of the weakening in the robustness of a climate transition strategy (in the context of achieving net zero goals), we voted against the re-election of the Chair and (in line with last year) against approving the company's energy transition strategy. We also supported the shareholder proposal requesting that Shell aligns its Scope 3 reduction targets to the Paris Climate Agreement. While we recognise the specificity of this request, greater clarity on how medium-term goals align with the aims of reaching net zero emissions by 2050 would be welcome. At BP, the company elected a new Chair to the board, so in this instance we did not feel comfortable voting against the director but will monitor developments moving forward.

For US based oil and gas companies, which continue to lag European peers in terms of the energy transition targets or disclosures, we largely followed a similar voting pattern as 2023. At Chevron, Exxon, and ConocoPhillips, we voted against re-electing the Chair of the board or the lead independent director, as all companies have failed to set a net zero 2050 target that covers all of Scope 1, Scope 2, and relevant Scope 3 emissions.

When voting, we will not support shareholder resolutions where we believe the requirements are too specific, un-realistic, or poorly structured – even if we are generally supportive of improvements in the company's climate-related disclosure.

[14] As far as reasonably possible given the local regulations on share voting. Notably, we do not vote where it results in the blocking of trading positions. We also do not currently vote on discretionary holdings (within the global equity and investment trust monitored lists) where we do not have the power of attorney in place. These markets being Switzerland, Sweden, Belgium, and Norway. Other infrequent instances of non-vote placement may include where Crest Depositary Interests (CDIs), ADRs, or GDRs are held. Ability to vote on these holdings differs on a case-by-case basis.

Example

6x votes in favour of reporting on climate lobbying

We supported these requests where we consider shareholders would benefit from greater transparency of the company's direct and indirect climate lobbying, and how the company plans to reduce any risks that might be identified.

Companies voted on: American Express, Bank of America, Boeing, Meta, NextEra Energy, Wells Fargo

4x votes in favour of reporting on GHG emission reduction targets

Where we felt the current disclosure level was lacking, we supported calls for additional disclosures on how companies are assessing and managing climate-related risks. This will help us better understand how these companies are managing the transition to a lower carbon economy.

Companies voted on: Boeing, RTX, Shell (x2)

In line with our voting policy, where companies may be responsible for materially significant emissions, we expect to see appropriate management of climate-related financial risks and transition planning. Our expectations for company transitions plans include both short- and long-term targets, address material emissions, and to be externally validated where possible (eg by the SBTi).

Example

1x vote in favour of reporting on Just Transition

We supported this request, filed at Amazon, as shareholders would benefit from additional disclosure on how the company considers human capital management in relation to the transition to a low-carbon economy.

company voted on: Amazon.com

This year, we also saw shareholders requesting banks to report on fossil fuel financing ratios. This ratio is used to compare the amount of financing given by banks or financial institutions for fossil fuel projects, versus low-carbon or renewable energy projects. We supported these requests as shareholders would benefit from greater transparency on how financial institutions are addressing any misalignments between financing activities and GHG emission reduction targets.

Example

5x votes in favour of reporting on fossil fuel financing activities

We believe shareholders would benefit from greater transparency on how financial institutions are addressing any misalignments between financing activities and GHG emission reduction targets.

Companies voted on: Bank of America, Berkshire Hathaway, Goldman Sachs, Markel Group, Royal Bank of Canada

Social-related shareholder resolutions: Throughout the 2024 proxy season, companies faced growing demands to disclose their human rights policies and practices, particularly their gender and ethnic pay gap reporting. In the UK, gender pay gap reporting is mandatory for companies with a certain number of employees, and this practice is becoming increasingly common in other major markets such as the US and EU.

Increasingly, shareholders are requesting more granular pay gap data, and across Q2 we saw an uptick in requests for companies to report on their unadjusted pay gap statistics. This data measures the average difference in pay between different groups without accounting for factors like job role, education, or experience. Adjusted pay gap data measures the difference in pay between men and women accounting for such factors. Unadjusted pay gap data often indicates a lack of access to opportunity.

As outlined in our voting policy, we typically support shareholder proposals relating to transparency and human rights.

Example

8x votes in favour of gender/ethnic pay gap reporting

We supported these requests, specifically where there were calls for the company to report on its adjusted and unadjusted median pay gap statistics, as these would allow shareholders to evaluate and measure progress towards reducing pay inequities more fully.

Companies voted on: Amazon.com, Apple, Boeing, Exxon Mobil, Goldman Sachs Group, Marriott International, NIKE, Procter & Gamble

Governance

Executive compensation was the most topical governance-related voting item across 2024, with a rise in the number of UK based executive packages flagged due to concerns over excessive pay. Assessing the appropriate level of executive compensation is not an exact science, but assessing a company against its peers can be a useful aid. One issue becoming more prevalent is companies attempting to bridge the gap between executive compensation in the US and the UK. The former is typically a much larger overall quantum. When engaging with companies on this topic, a similar concern was raised across industries: the need for companies to have a competitive executive package to attract and retain top talent. However, we appreciate companies striking the balance between remaining competitive and adhering to local market standards.

Example

40x votes against management on remuneration-related resolutions (management item)

We voted against remuneration reports, policies, and financial statements where the short- and long-term incentive performance metrics and in-flight payments lacked transparency and were not sufficiently robust. We also voted against remuneration reports in instances where the company had failed to address shareholder compensation-related concerns.

Companies voted on: Adidas, Amazon.com, American International Group, Boeing, Boohoo, Dollar General, EssilorLuxottica (x3), Euronext, Frontier IP, Glanbia, Hermes (x5), KION, Kering, LVMH (x6), Meta, Ocado (x2), Palo Alto, Pearson, Pernod Ricard, Prosus (x2), Salesforce, Seeing Machines, Smith & Nephew (x2), Tesla (x2), Walt Disney

64*x votes against electing/re-electing director (management item)

We voted against the re-election of directors owing to executive compensation concerns, the presence of multiclass voting structures, and lack of board diversity. Notably, we voted against the re-election of the Chair at the AGMs held by Shell, Chevron, Exxon, and ConocoPhillips as we had concerns either over the weakening of climate transition targets or lack thereof.

Companies voted on: Alphabet (x5), BMW, Berkshire Hathaway (x5), Chevron, Coca-Cola, ConocoPhillips, Dolby Laboratories (x5), Exxon Mobil, Haydale Graphene Industries, Hermes (x3), LVMH Moet Hennessy Louis Vuitton (x3), Meta Platforms (x5), Monks Investment Trust, NIKE, Novo Nordisk (x2), Pearson, Pernod Ricard, Pershing Square, Prosus, Seeing Machines, Shearwater, Shell Plc (x2), Siemens Healthineers (x8), T-Mobile US (x8), PRS REIT, Walt Disney, Worldwide Healthcare Trust (x2)

*Withheld and abstention votes have been included within votes against figures.

There are also different considerations to be taken into account for investment trusts and smaller companies. We incorporate these within our voting principles and activity.

A significant proportion of the assets we invest in on behalf of our customers are funds managed by third-party asset managers. Where these funds invest in UK equities, in general and where relevant, we expect asset managers to adhere to the Corporate Governance Code and we expect them to apply their own voting and engagement policies. In certain situations, for example specific strategies or investment structures, the above requirements may not be relevant or appropriate. Where this is the case, we expect the manager to articulate a meaningful rationale as to why it may not be relevant or appropriate.

In 2024
Quilter Cheviot
voted at

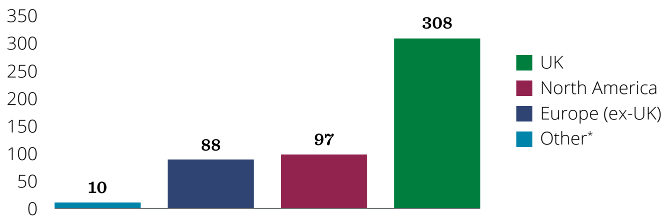
503 company meetings

7,672 resolutions

55 customers also instructed voting on specific holdings

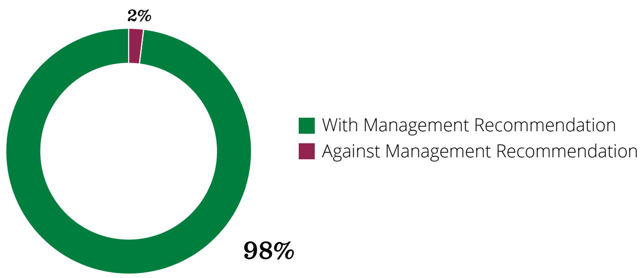
We use ISS as our proxy voting service provider and have a Quilter Cheviot voting policy. We will vote differently to our proxy voting service provider on occasions where we feel that it is appropriate to do so – this is usually as a result of engagement with the underlying company. In 2024, of the 7,672 resolutions, we voted differently to ISS' recommendations for 75 of them. All voting data are of 31 December 2024.

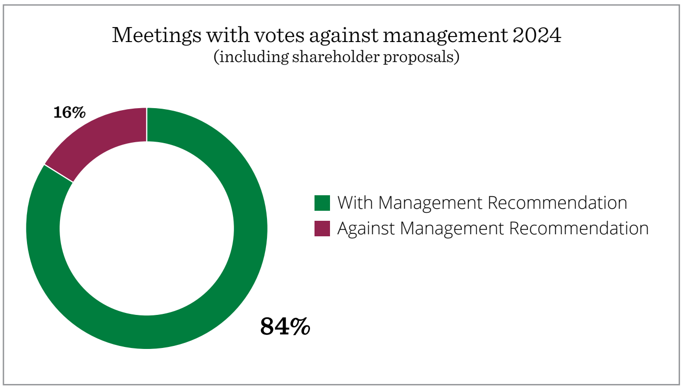
Meetings voted at in each geography in 2024

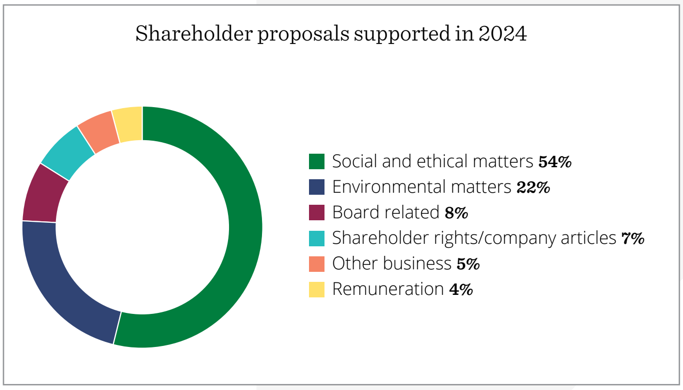


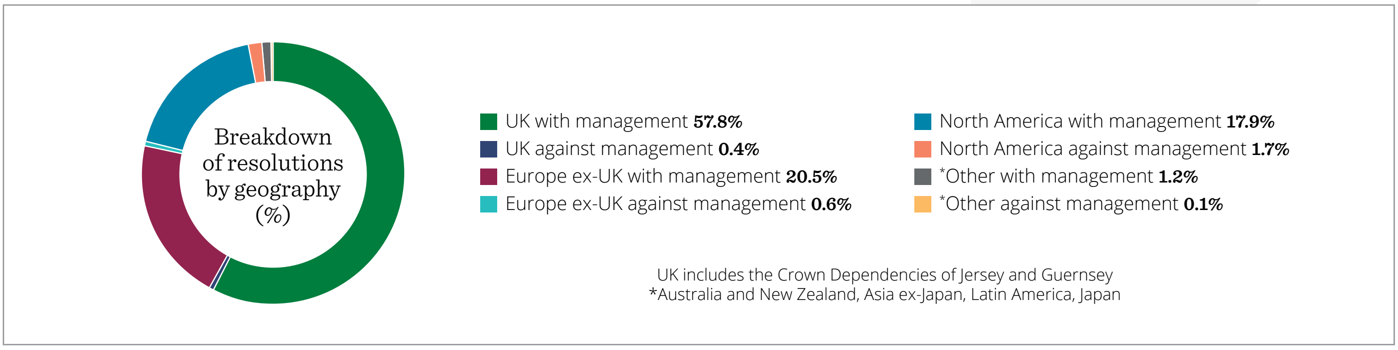
UK includes the Crown Dependencies of Jersey and Guernsey
*Australia and New Zealand, Asia ex-Japan, Latin America, Japan

Management resolutions voted in 2024
(excluding shareholder proposals)









Voting disclosure:

- As a signatory to the UN PRI we have made a commitment to transparency and recognise its importance in creating higher standards, not only for responsible investment practices but also for the wider financial market.
- From June 2020, we have disclosed all the votes within our voting universe cast on behalf of discretionary clients. We have classified all votes that are enacted within our voting universe to be significant.
- We do not disclose client-instructed voting publicly.
- We disclose engagements with all companies and funds on a quarterly basis. In some (rare) cases, we may choose not to name the company or the fund in question if we believe doing so is likely to prove counterproductive to our engagement process.
- Voting reports are available on our website *https://www.quiltercheviot.com/our-services/responsible-investment/stewardship/* and also on request.
- We do not enter into any activity related to stock lending or borrowing.

23. Escalation 11

The desired outcome of engagement activity is to reduce risk and/or obtain greater long-term success for the company and our clients. Thus, achieving change and avoiding risks are factors we consider in reviewing holdings and the success of our activity.

Escalation: companies and investment trusts

The information published by companies and investment trusts, particularly financial statements such as reports and accounts, are important sources of information to assist in monitoring investments. We also use other sources including third-party ESG data, financial research, and information we obtain during engagement with a company.

Engagement with companies involves one-to-one and group meetings with company executives and other relevant employees, as well as email correspondence. Depending on the topics of discussion, meetings are also held with company Chairs and Chairs of board committees. In specific instances we will request a meeting with the SID if we believe this will be helpful. We have found that multiple engagements are often needed, and that patience and perseverance are helpful attributes.

Where possible, it is our preference to support the management of companies in which we have holdings. We will therefore evaluate the actions and strategies of companies constructively, particularly through meetings and other engagement with executive and non-executive directors of the board. However, where there is a threat to the value of the company, we will take steps to protect the value of our clients' investments.

We may consider taking one or more of the following actions:

- Engaging with members of the company board.
- Discussing or working with other shareholders on matters of mutual interest.
- Voting contrary to the management proposals at general meetings.
- Downgrading the investment recommendation, or removing it from our portfolio models.
- Selling the holding where we evaluate it is in the interests of our clients to do so.
- In extreme circumstances, we could request a general meeting.

Escalation: funds

The information published by third-party managers about their responsible investment activity is a useful source. Additionally, we use other data sources including our ESG RFI[15] and third-party ESG data, which complements the face-to-face meetings we conduct with funds.

Engagement with funds arises from one-to-one and group meetings with the fund management team, as well as with the manager's responsible investment team (where applicable) to better understand the firm's capabilities. Where we have concerns about the fund's strategic direction or responsible investment credentials, we may consider the following:

- Downgrading the investment recommendation or removing it from our portfolio models.
- Not investing in new funds that the manager may be launching.
- Selling the holding where we evaluate it to be in the interests of our clients to do so.

24. Embedding stewardship within our objectives 2 7

Our Executive Committee is assessed against various responsible business measures, including diversity, inclusion, responsible investment, and culture measures, as part of their annual incentive scorecard. The responsible investment is benchmarked against the UN backed PRI outcomes for Quilter.

Within Quilter Cheviot, the responsible investment team has specific metrics linked to performance and pay outcomes. The delivery of responsible investment integration across our holdings lies with our research teams as well as the Responsible Investment team. Therefore, within the annual appraisal process, key performance objectives are set for the research analysts, on an individual basis, with specific metrics and goals being set annually. This then leads through into remuneration outcomes.

[15] Environmental, Social and Governance Request for Information

Investment: Quilter Investors

25. Introduction

Quilter Investors (QI) is the investment manager business for the Affluent segment[16]. In 2024, QI[16] implemented several operational enhancements to our Responsible Investment (RI) process.

In achieving these changes, we have created a more systematic environment for ESG integration and stewardship but made no changes to our overall approach. ESG integration and stewardship activities continue to be guided by our proprietary RI tier framework for assessing and categorising funds for investment, and our Stewardship Programme continues with two objectives as described below. For full details of the RI tier framework and how engagements are identified and prioritised, please refer to the Quilter Investors section of the 2023 Stewardship Code Report *stewardship-code-report-2023.pdf* (from page 47).

Highlights in 2024

Some specific highlights of our activities relating to our responsible investment approach and implementation include:

- QI Research Hub integration

  Significant progress in establishing a fully RI-integrated Research Hub and supporting systems. Consequently, we have been able to complete systematic data collection relating to our basic requirements of managers, facilitating collaboration with research and due diligence colleagues relating to engagements (see 'Reactive Engagements' section for examples).

- Responsible Investment alignment

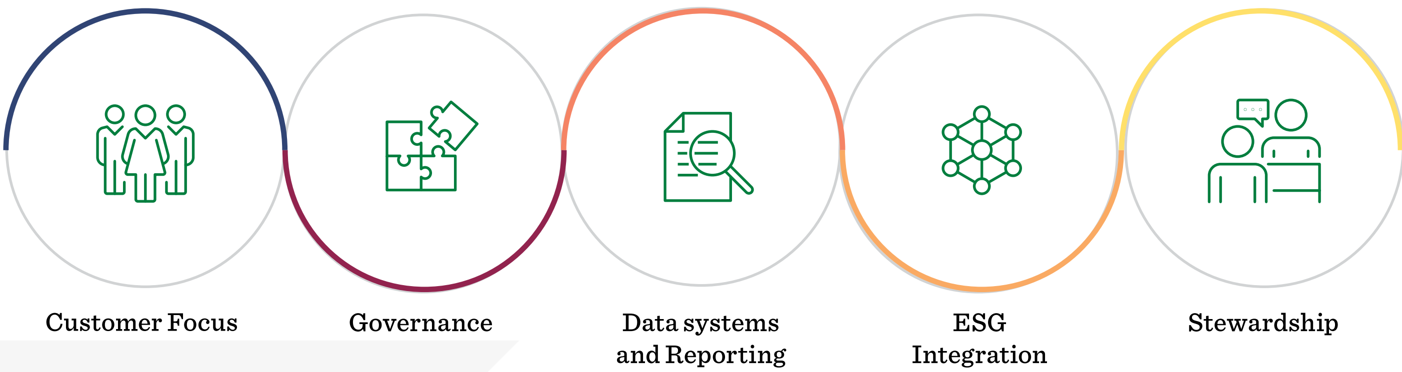
  A working group has been established to ensure the application of principles to the broader Affluent segment, including advice and distribution activities. This will also facilitate implementation of strategic RI and climate-related objectives.

- Development of Climate Action Plan

  A Climate Action Plan for the Affluent business has now been approved and will be published during 2025. The plan includes a set of nine milestones that will ensure progress towards Quilter's strategic climate objectives (see 'Proactive engagement examples').

26. Stewardship principles 1 4 7

Our RI approach follows five principles that serve as the foundation to implementing responsible investment practices across our Affluent segment. Stewardship – to act as steward of our customers' assets – is one of these overarching RI principles:



Our role is to use stewardship activities to deliver two key objectives described below.

- To ensure we meet the standards required for our customers.
- To promote well-functioning markets long-term.

For each of these objectives, QI has implemented an approach through which engagements can be systematically identified and prioritised. Our engagements are research-based so that specific outcomes can be targeted through a structured pathway that can be measured and tracked. We therefore consider these three characteristics to be essential components of our internal definition of an engagement.

[16] This section covers Quilter Affluent managed investment solutions which includes multi-asset funds, WealthSelect managed portfolios, and sub-advised funds. Please refer to pp.4-5 more information in the Affluent segment.

Specific	Structured	Systematic
Appropriate detail of goals based on thorough research	**Clear desired outcome and expected steps and timelines**	**Identified, prioritised, monitored, and recorded using central systems**

27. Stewardship objectives 4 7

Objective I – To ensure we meet the standards required for our customers.

This objective requires good stewardship to be fully integrated into investment processes. Detailed due diligence and research of RI practices at the firm, fund, and issuer level in line with our RI tier framework and throughout the investment selection and monitoring processes is required.

More detail on the relevant processes for identification of engagements for Objective I (reactive engagements) can be found in our 2023 Stewardship Code Report *stewardship-code-report-2023.pdf* (p.48).

Objective II – To promote well-functioning markets in the long-term.

This objective requires stewardship activities that focus on risks and opportunities with regards to the broader context of our customers' investments. We monitor the regulatory landscape and research the most material themes emerging, informing, and developing Quilter's thematic priorities, as described below. Quilter Investors values its strong relationships with investment partners who are critical contributors to the research and implementation of these proactive engagements.

Our thematic priorities are aligned across Quilter plc group of companies and include Climate Change, Human Rights, and Natural Capital. These are key megatrends that we believe are material to longer-term sustainable investment returns for our customers and have the potential to have a significant impact on other stakeholders and the planet as a whole. As such, these are increasingly considered as part of the ESG Integration and Stewardship work undertaken by Quilter Investors.

For more information on these thematic areas, please see our 2023 Stewardship Code Report: *stewardship-code-report-2023.pdf* (p.49).

28. Prioritisation 7 8 9

As a provider of diversified, risk-adjusted fund portfolios, with exposure to many firms, funds, and issuers in several markets and geographies, numerous opportunities for engagement may be identified. We therefore consider prioritisation of these according to the following risk variables:

- Management level: related to firm level change, manager (fund) investment process, and specific (indirect) company (issuer) exposure.
- Commitment related: relevant to policy, regulatory considerations, or portfolio with ESG-related objectives or mandate.
- Materiality and severity: referring to the specific topic being addressed, the extent of the related impact, and the size and asset class of investment.

For example, where a controversy is identified, the severity of the issue, our exposures to the company, and the asset class and RI Tier of the fund and portfolio where the exposure is held will be considered for materiality and prioritisation. We would prioritise engaging with a manager of a Tier 3 fund (held in a Tier 3 portfolio) where there is a controversy over engaging with a Tier 1 manager, even if the exposure is smaller, given this aligns more closely with customer objectives of a Tier 3 portfolio.

29. Stewardship approach across our assets 8 9 12

All portfolios managed by Quilter Investors use strategic asset allocation, alongside manager selection, to construct portfolios that meet our customers' objectives. This necessitates the use of a broad investment fund universe across different asset classes and markets, and this is considered with respect to ESG integration, when using the RI tier framework in our Research Hub processes, and stewardship. We adapt our analysis and expectations of a manager's stewardship approaches in consideration of their opportunity to directly engage.

More details of the vehicle types and our approach to various asset classes can be found in the 2023 Stewardship Report (*stewardship-code-report-2023.pdf)* pp.50-55.

30. Escalation 11

Where we feel our engagements with managers are not progressing positively, for example, if an outcome cannot be agreed or agreed milestones are not reached without explanation – we undertake a process of escalation. In some cases, where there is willingness and proactive action, milestones will be amended. Internally, we may lose conviction in a manager's process and reconsider the assessment of the RI tier assigned to the fund through a full review by the Research Hub. This may ultimately result in reduced allocation to the fund, or even divestment, especially by portfolios with greater RI commitments. These decisions are agreed and communicated through the relevant Research and Investment Forums.

For governance or management concerns relating to closed-ended investments, we may consider using voting rights as a means of escalation and will discuss our concerns and voting decisions with the management and board of the investment company. In some cases, where we may own only a small proportion of voting rights, or have poor corporate access for such discussions, we may seek to collaborate with other stakeholders. We have developed internal standards to guide these company escalations and voting decisions.

Engagement examples

Except for engagements related to regulation, reactive engagements continued to be our priority in 2024.

Reactive engagement examples:

	Reactive
Type	Manager portfolio (Tier 2)
Target and objective	One manager (SparInvest Global Ethical Fund): To address exposure to a major controversy and gain insights from them to assess rationale for the position in their portfolio.
Identification	Ongoing issuer level investment risk monitoring of Tier 2 investments.
Prioritisation	We expect Tier 2 managers to have low risk of exposure to major controversies and a good level of UN Global Compact (UNGC) compliance, and we expect ESG integrated managers to be monitoring for these.
Activity	In the latter part of 2023, a major mining incident at an ArcelorMittal owned mine in Kazakhstan flagged a severe controversy and risk of non-compliance to UNGC principles through our internal monitoring processes. We engaged with our Tier 2 manager, SparInvest Global Ethical Fund, who are invested in ArcelorMittal and seek to exclude companies that do not adhere to international norms, including UNGC, from their portfolio. The SparInvest team described existing engagement with the company regarding this specific mine. They showed profound understanding of this tragic incident and their view on ArcelorMittal's management response and subsequent actions, including support for the community and victims affected, and undertaking of a full external review of their mining safety assessments and policies. Whilst the Kazakhstan government now has ownership of the mine, the manager continues to engage with ArcelorMittal on the outcomes of actions taken to strengthen safety assessments across other assets. We continue to track this engagement and any change in view from our external research provider.
Outcome	We are satisfied that the team at SparInvest have a level of engagement and transparency with ArcelorMittal which allows them to be properly informed of the risks and associated with the company's activities and associated management actions. Whilst the company will flag through our monitoring for some time, we remain confident in the manager's investment rationale and company assessment, and continue to get updates at our regular reviews.

	Reactive
Type	Manager policy, process, or people
Target and objective	One firm/passive product range (LGIM Future World range): To ensure stewardship prioritisation is relevant and integrated with Tier 2 categorised products.
Identification	Cumulative outcomes from issuer level monitoring of Tier 2 fund investments by Research Hub.
Prioritisation	Passive investments require a strong stewardship approach for Tier 2 rating. Ongoing monitoring flagged a variety of issues that had not been actively engaged on, leading to a review of process.
Activity	Throughout early 2024, several companies held in LGIM's Future World ranges, were highlighted through our internal monitoring as having elevated risks (through UNGC or controversy flags), or involvement, in activities we consider less sustainable. Whilst these are not exclusions for Tier 2 investments, we followed up with LGIM on a case-by-case basis for an understanding of any related engagements. After a few examples without active engagements on the specific topics raised, we engaged more broadly with LGIM to discuss their stewardship prioritisation and integration processes to ensure that the Future World products are benefiting from the strong stewardship offering that LGIM provide. The LGIM team shared the detail of their prioritisation processes, which are set at firm level, and how engagements are then integrated both through the proprietary scoring methodology, and regular structured research meetings between relevant analysts to apply to these products. We acknowledge prioritisation of stewardship for passive strategies may not be aligned with our own monitoring of look-through securities, and the volume of enquiries would benefit an agreement on our own process.
Outcome	We were satisfied that LGIM's FutureWorld range incorporates the outcomes of LGIM's engagement and research activity and agreed a closing action to provide a periodic selection of stocks that we would like engagement information on.

	Reactive
Type	Controversies
Target and objective	Multiple managers on one company (UnitedHealth): To address exposure to a major controversy and gain insights from invested Tier 2 and 3 managers to assess rationale for ongoing positions.
Identification	Ongoing issuer level investment risk monitoring of Tier 2 and Tier 3 investments for new Severe or High category controversies.
Prioritisation	A controversy relating to a significant breach of personal medical data relating to a company held in both Tier 2 and one Tier 3 (bond) investment leading to investigation of manager views.
Activity	UnitedHealth flagged for a Category 4 controversy early in April 2024. The controversy related to a significant data breach, which is already incurring financial penalties and is under investigation as to root cause. UnitedHealth have significant personal, medical, and payment data, and their response will be critical in terms of the findings relating to appropriate data security and controls, as well as support provided to customers who are potentially affected. Tier 2 and 3 managers holding the equity or bond expressed continued confidence in the company overall, and how it has dealt with the consequences of the data breach and safeguarding victims. However, several managers were monitoring the ongoing Department of Justice investigation and identified areas for improvement. In particular, T. Rowe Price (the only Tier 3 exposure) have adjusted down their proprietary rating for the company and have had an open engagement with senior executives since before this controversy. Fidelity is also likely to make a negative adjustment to the centralised ESG scoring and AB Healthcare have an engagement open, with a meeting scheduled in August. Based on the information available, we were comfortable with the continued exposure to UnitedHealth from an RI perspective and the assessments and actions of those managers holding the equity or bond. Whilst some manager responses were weaker than others, we consider the responses generally to be appropriate to these managers' RI approach, strategy, and engagement opportunity.
Outcome	This engagement was completed before the tragic news of the death of Brian Thompson, CEO. We will continue to engage with invested managers as part of the regular review process.

	Reactive
Type	Manager policy, process, or people
Target and objective	One manager (Aviva Social Transition Fund): To assess the likely impact of a key person change on the philosophy, process, and portfolio of the fund investment.
Identification	Ongoing research and review of Tier 3 investments by manager research analysts.
Prioritisation	Changes in key people involved in investment process, especially relating to Tier 3 investments where specialist knowledge is required, leads to a review.
Activity	In August 2024, we scheduled a meeting with Aviva Investors following the announcement that the co-managers of the Aviva Investors Social Transition Global Equity strategy were to leave the firm. We were informed of the interim plans for management of the fund, and the plans and profile for the recruitment process for candidates to manage the fund in the future. Whilst it was clear there were no immediate plans to close the fund, we believe the experience and calibre of the incumbent managers to be core to this strategy, which targets investment in social transition – a highly specialist area. With recruitment not focused enough on ensuring a social investing background, this could put the strategy's process and philosophy at risk.
Outcome	The fund was downgraded as a result and removed from the invested WealthSelect portfolio.

	Reactive
Type	Manager policy, process, or people
Target and objective	One manager (Redwheel Life Changing Treatments): To address misalignment of fund exclusions with our Tier 3 exclusions, and to set expectations of regular reporting, during fund selection due diligence process.
Identification	Due diligence process for selection of new Tier 3 fund by manager research analysts.
Prioritisation	Opportunity to collaborate and align the manager's guidelines with Tier 3 expectations pre-investment.
Activity	In the course of conducting full due diligence on this fund shortlisted as a health/social Tier 3 fund for investment, we identified a small misalignment between our exclusion requirements and those operated by the manager. As an early investor in the fund strategy, the manager was able to agree a small amendment to the fund's exclusions, adding all controversial weapons and reducing the threshold for involvement in thermal coal extraction to 5% from 10%. Whilst this would not change the process or investments, it is important that managers are aligned in policy as closely as possible to avoid any breaches of our own mandate commitments. As a newly launched strategy, the due diligence process also involved discussion of the annual impact/sustainable outcome reporting expected of a Tier 3 fund. These discussions not only allowed us to set clear expectations but provided deep insights into the team's understanding of the fund's philosophy and investment universe.
Outcome	This engagement was closed positively with all findings for the due diligence process addressed and the fund now a Tier 3 holding.

	Reactive
Type	Firm level manager Operational Due Diligence ("ODD")
Target and objective	One firm (Artemis): To recommend actions for improving consistency of application of the firm's approach to responsible investing to their products through their people and teams.
Identification	ODD process of firm (RI integration).
Prioritisation	Delivery of recommendations concerning firm level approach to RI integration.
Activity	During integrated operational due diligence review of Artemis' RI approach, we found that although the firm has implemented ESG policies and investment teams are responsible for ESG integration, implementation of the ESG framework does not appear harmonised, with each investment team/strategy defining their own uses. Further investment teams have been provided only informal training at that time. In engaging with the company, we ascertained that a training programme was planned for roll-out and have recommended that regular formal training is provided for investment decision makers. We have also recommended that the ESG integration framework is applied more consistently across the investment teams so that the firm can develop more collective views of individual securities.
Outcome	These recommendations will be followed up in approximately one year and considered as part of the regular ODD review cycle.

	Reactive
Type	Firm level manager ODD
Target and objective	One firm (Veritas): To address findings relating to wording included in policy to remove possibility of any future exposure to cluster munitions.
Identification	ODD process of firm and funds RI (initiatives and policies).
Prioritisation	Delivery of minimum expectations relating to controversial weapons policy of all managers at firm level.
Activity	During integrated operational due diligence assessment of Veritas, a new manager of a Tier 2 fund, we were unable to ascertain full clarity as to the cluster munitions exclusions policy. The firm states an exclusion from investment in significant cluster munitions revenues and, while the firm has zero exposure, the meaning of 'significant' is not defined quantitatively. We have recommended that this is clarified.
Outcome	This is an open discussion that will be followed up in 2025.

Proactive engagement examples:

	Proactive
Type	Regulatory integration
Target and objective	Multiple managers (Tier 3): to open constructive dialogue with Tier 3 managers for understanding interpretation and expectations relating to upcoming SDR regulations.
Identification	Regulatory expectations relating to sustainable investments.
Prioritisation	Tier 3 funds are required to pursue environmental and/or social targets or outcomes as part of their investment process placing them as funds of interest for this regulation.
Activity	Our WealthSelect Sustainable and Responsible ranges both invest in funds that target environmental and/or social outcomes as part of their investment process. For WealthSelect Sustainable, this is a requirement for active investments and one of the several minimum requirements to be categorised a Tier 3 fund. Therefore, whilst WealthSelect portfolios hold both UK and European funds, this regulation is highly relevant to many of our managers. We were keen to engage on the topic to understand each manager's approach, views, and plans for the regulation, and to develop our internal view of the approach for our portfolios, any impact on our processes, and planning needed. Over the course of delivery of the regulation with the FCA, we have also been pro-actively engaged with the Investment Association (IA), participating in their implementation forum. This has enabled the triangulation of findings as we develop our approach. Early findings have been positive with the majority of UK funds categorised as Tier 3 already achieving a label and suggesting that our internal assessment methodology aligns well with the labelling regime.
Outcome	We will continue discussion on this topic with managers and internally, and are reviewing detailed parts of our due diligence and assessment methodologies to ensure alignment with this regulation, as well as preparing for the related disclosures.

	Proactive
Type	Thematic integration
Target and objective	Multiple managers: to collect information regarding climate-related commitments at firm and fund levels to assess our opportunities for action to address these.
Identification	Following on from commitments made as a responsible investor and as part of our TCFD reports.
Prioritisation	We are committed to putting customers first and ensuring all risks, including climate risks, are understood and managed on behalf of our customers.
Activity	Through 2024, we continued to develop our approach to climate action – a commitment we have made as a responsible investor and as part of our TCFD reporting and strategy. In the early part of the year, we incorporated specific climate-related questions into the due diligence questionnaires managed by our research colleagues. These questions were designed and prioritised using research and findings from our previous climate engagement, which is described in more detail in last year's FRC Stewardship Code (p.55). We took the opportunity to incorporate a basic question set into the manager onboarding process for our new research system, capturing data at firm- and fund-level. We can now cross-reference this with quantitative emissions and carbon metrics used for TCFD reporting to assess climate risks and opportunities in more detail, and identify and prioritise opportunities for engagement with managers.
Outcome	The findings were consolidated in a report that shapes our approach to integrating climate assessment into our manager research and tiering process.

	Proactive
Type	Collaborative engagement
Target and objective	To contribute and gain insights as to the emerging best practices and recommendations of the financial services sector for investable country level transition plans for sovereign investment.
Identification	Through our partnership with IIGCC.
Prioritisation	As a provider of investment products that aim to suit all customer preferences, sovereign investment plays a specific emerging role in delivering lower risk, income generating, responsible investing opportunities.
Activity	Through our partnership with IIGCC, we participated in the Sovereign Bonds and Country Pathways Working Group aiming for greater integration of sovereign bonds into net zero investment strategies. Led by IIGCC, the working group developed guidance for implementation and tools for assessment of alignment of sovereign bonds with NZIF 2.0. Not only did participation in this working group provide an opportunity to contribute to discussion of current challenges and opportunities, but it provided insight as to the approaches of our peers, and resulted in publication of a discussion paper highlighting steps that investors can take. It also served as a building block for updated guidance on target setting, implementation for sovereign bonds, and country pathways published by IIGCC.
Outcome	Participation in this working group is completed; however, this has developed our working relationship with IIGCC and has informed our climate action plan development.

	Proactive
Type	Collaborative endorsement
Target and objective	Ongoing active support for the campaign by CDP for companies to establish SBTi.
Identification	Regular engagement with CDP and ongoing support of their non-disclosure and SBTi campaign.
Prioritisation	Commitment to carbon emissions disclosures and science-based targets are amongst the climate-related metrics that we use to assess whether climate change is being considered through our investments.
Activity	We continued to support the CDP's campaigns for disclosure of carbon emissions and commitment to science-based targets (SBTs). We consider approval by the SBT initiative to be a strong indicator of commitments to decarbonisation targets and value the external validation. Although CDP have indicated they will not be continuing the SBTi campaign, we continue to advocate for this where possible. We understand from our manager engagements there are challenges for some sectors and asset classes and would support efforts by SBTi to continue developing their service and guidance for emissions reduction.
Outcome	This is an ongoing discussion with CDP and remains a topic for discussion with managers as part of our climate action plan.

31. Our voting 9 12

Within Quilter Investors, we vote at all AGMs (and on all resolutions), which includes other general meetings globally. We largely invest in companies through funds rather than directly, and so, our voting action relates to the managers.

In conjunction with the Responsible Investment team, the Investment team reviews all resolutions ahead of shareholder meetings and we decide how to vote with due consideration. As a rule, we aim to discuss and resolve any concerns with management before deciding to abstain or vote against a resolution. We review all resolutions that are tabled and take an active involvement where necessary. For example, we may disagree with the recommendations of directors and/or third-party proxy advisers/administrators, and when appropriate we will amend our voting intentions accordingly and provide a rationale for why we have done so in our voting reports. We wholeheartedly recognise the importance of voting.

We aim to use voting as a means of engagement and escalation in relation to climate-related topics and will exercise our proxy voting powers on climate-related resolutions to support the key areas of climate change transparency, reporting and disclosures, climate strategy, and climate-related governance.

In 2024, Quilter Investors voted at 67 general meetings across 524 resolutions.

We consider the recommendations of our proxy service provider in our voting decisions, but we apply our own views to the voting policy and will not always follow recommendations if we feel it is in the best interests of our customers to take a different course of action.

Some of our holdings may be subject to 'share blocking'. Share blocking is a market-level practice in which shares are blocked from trading (or from trade settlement) around the issuer's meeting date should shareholders decide to vote at the meeting in question. In 2024, we have 237 votes that were share blocked.

For our voting process, we use the ISS Proxy Exchange, as well as subscribe to their proxy voting research and standard policy.

Direct communications between the internal Data Management Team (DMT), custodians, and ISS are set up where possible to ensure we are acting on all voting rights.

32. Voting transparency and reporting 12

As a signatory to the UN PRI, we have made a commitment to transparency and recognise its importance in creating higher standards, not only for responsible investment practices, but also for the wider financial market. Key elements of our voting reporting suite include disclosure of quarterly voting reports that clearly illustrate significant votes, resolutions we have voted against, along with the respective rationale in line with the Shareholder Rights' Directive II (SRD II).

We do not enter into any activity related to stock lending or borrowing. In line with the Shareholder Rights Directive II ("SRD II"), we are fully transparent on our voting activity and publicly disclose our voting activities on our website on a quarterly basis, in addition to producing an annual voting report. Where we consider a vote to be significant, additional disclosure related to the voting rationale will be provided.

Voting reports are available on our website.

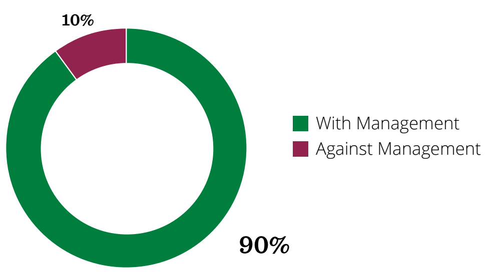
33. Key improvements made to the voting process and reporting over the past 12 months 12

Over the past year we have made improvements to the overall voting process and reporting. Key changes made to date were as follows:

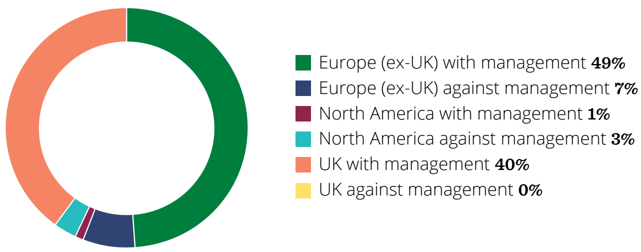
- Increased involvement of internal DMT in voting process regarding voting alerts and reminders, voting execution, and quarterly voting data delivery.
- Further enhanced cross-collaboration with the Research Hub and Investment team on voting decisions, incorporating inputs from the Research Hub (including the Manager Research team and Operational Due Diligence) and the Investment team (eg portfolio managers) to reach consensus decisions on voting instructions.
- Updated the text descriptions systematically into the quarterly voting reports for more concise reflection of our voting principles and policy.
- Improved visualisations in quarterly reporting for better reflection of voting characteristics.

Our voting analytics for 2024 (voting data 2024)

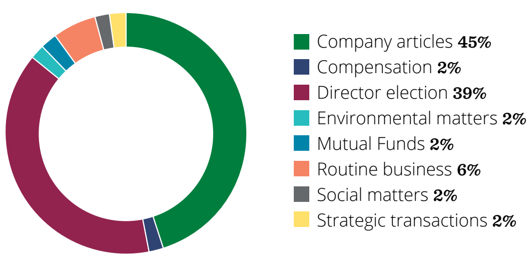
Management resolutions voted in 2024



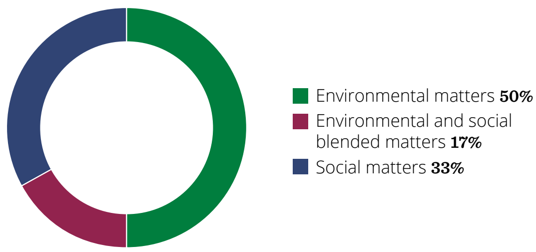
Breakdown of resolutions by geography in 2024



Topics where we have voted against management in 2024



Shareholder proposals we supported in 2024



Source: Institutional Shareholder Services (ISS) voting data, 2024

Note: Charts were generated using ISS labelling framework and definitions.

Voting case studies

	Voting case study 1
Fund	Lyxor S&P Eurozone ESG Dividend Aristocrats UCITS
Date	13 June 2024
Context	The company proposed to amend its 23 articles of association, such as transferring the registered office of the company to any municipality in the Grand Duchy of Luxembourg, extending the scope of persons who can validly sign the minutes of any meeting of the board, and adding the possibility for the board to divide classes of shares, etc. Moreover, the company proposed to approve general amendment of articles to correct typographical errors and to align with definitions across various articles. However, no further information was provided on these proposed amendments.
Voting decision	Drawing on the ISS research and analysis, we voted against all the proposals of amendment to the articles of association, as in the absence of disclosure of these proposed amendments, shareholders were not able to make an informed decision. Although the agenda provided some explanations, this remained high-level without the information enabling a full assessment of the impact of the proposed amendments.

	Voting case study 2
Fund	Infrastructure India PLC
Date	26 June 2024
Context	The company sought to re-elect two NEDs (Robert Venerus and Graham Smith) to the Board. Meanwhile, the Board was seeking shareholder approval for the cessation of the company as constituted, in accordance with Article 154.1 of the Articles of Association (the 'Duration Resolution'). If the resolution was not passed, a similar resolution would need to be proposed at every fifth AGM thereafter.
Voting decision	We voted against the re-election of the two NEDs to the Board, as these NEDs were clearly not independent. We also voted against approval for the cessation of the company as constituted in accordance with Article 154.1 of the Articles of Association (the 'Duration Resolution') as the consequences could have a negative impact on minority shareholders. Our view is that a liquidation would most likely result in a nil return from our investment (given high debt for the company and low asset base). We would prefer the company to try to remain a going concern for as long as possible to deliver some value for equity holders, either through appreciation in value of the assets, or restructuring of the debt.

	Voting case study 3
Fund	APQ Global Ltd
Date	16 December 2024
Context	The APQ Global Board was seeking shareholder approval to authorise and agree on the remuneration of directors. The Board also proposed to re-elect three directors (Phil Soulsby, Bart Turtelboom, and Wayne Bulpitt) who currently also sit on the Audit and Remuneration Committees.
Voting decision	We voted against the approval of directors' remuneration and the re-election of the three directors. In our view, these directors continue to exercise questionable judgement in the investment decisions made, such as failing to repurchase company issued debt when it was possible to do so and making investments in areas with conflicts of interest. The Board has not been transparent about company activities, not forthcoming in engaging with shareholders or bondholders. Furthermore, ISS research has also reported the company is in a poor standing with respect to its compliance with governance norms (eg percentage of Board independence).

34. Sub-advised voting 8 12

Where Quilter Investors delegates the investment management of a fund to an external manager (via a sub-advised arrangement), it is important for the manager to align engagement and voting with the investment strategy, and therefore voting is fully delegated.

Due diligence is undertaken on these asset management firms by our fund research teams to assess their approach to stewardship and responsible investment. This is a collaborative effort and conducted by both the Manager Research and Operational Due Diligence teams.

We expect our managers to vote at shareholder meetings on our behalf. As with investment decisions, our managers have complete discretion on how to vote. As a minimum standard, we expect our managers to execute proxy votes where practicable.

Resources

To deliver effective stewardship for our customers we need to have the right resources and skillsets in place for our people, and the appropriate systems and data. Data increasingly plays an important part in our stewardship activity with the development of proprietary dashboards focused on ESG metrics.

35. Our people 2

Gemma Woodward, Head of Responsible Investment, High Net Worth

Gemma joined Quilter Cheviot in 2015 to develop its approach to responsible investment and lead the strategic direction across the business. Within Quilter Cheviot she is a member of the Investment Oversight Committee and the Product Governance Forum. She chairs the Sustainable Investment Forum and is a member of the Positive Change and Engaged Funds model group. Externally, Gemma is a member of TISA's Responsible & Sustainable Investment Committee, as well as the Advisers' Sustainability Group for the FCA, having previously sat on the DLAG.

She has 30 years of investment experience and has spent much of that time focused on the charity sector, specifically clients with complex responsible investment requirements. Gemma has held multiple trustee and investment adviser positions for charities, and is currently a trustee and Chair of the investment advisory committee for a large medical grant making charity, as well as being an independent investment adviser for another charity. She is a Chartered Wealth Manager and has a degree in history from Durham University.

Gemma's experience of being an investment practitioner clarifies the real-life issues of incorporating ESG factors within the investment process, and for client portfolios and strategies.

Key responsible and sustainable investment professionals:

Greg Kearney, Senior Responsible Investment Analyst – Quilter Cheviot

Greg joined Quilter Cheviot in 2019, and his role is focused on providing oversight and leadership for our active ownership agenda including our voting and engagement activity. This includes structuring and delivering thematic engagements. Greg represents Quilter Cheviot on several collaborative working groups, including those for Climate Action 100+ and Nature Action 100, as well as the 30% Investor Club. He studied International Political Economy at the University of York and holds the Chartered Alternative Investment Analyst (CAIA) qualification.

Greg's experience working at the UN backed PRI has informed Quilter Cheviot's approach to responsible investment and understanding what best practice looks like.

Nicholas Omale, Responsible Investment Analyst – Quilter Cheviot

Nicholas joined Quilter Cheviot in 2021, and has been integral in the development and use of systems and data to better inform our ESG integration and active ownership activity. Additionally, he led the cyber security thematic research in 2024 and engages with investments to better understand how they manage ESG risks and opportunities. Before joining Quilter Cheviot, Nicholas completed the Investment Trainee programme at BNP Paribas Asset Management and has an MSc in International Financial Management from Queen Mary University of London. He has also completed the CFA ESG qualification and CFA UK Investment Management Certificate (unit 1).

Nicholas' quantitative approach to responsible investment brings a new skillset to the team and has enabled the building of new data tools to help us with our stewardship activity.

Margaret Schmitt, Responsible Investment Analyst – Quilter Cheviot

Margaret joined in May 2023 as a climate specialist within the team. She oversees Quilter Cheviot's climate strategy for its investments, including the development of our Climate Action Plan. She leads climate-related engagements, including collaborations (Climate Action 100+, IIGCC Net Zero Engagement Initiative) and is a member of the IIGCC External Fund Managers Working Group, as well as Wealth Managers for Climate Action. Margaret also supports the delivery of annual TCFD group, entity, and product disclosures. Prior to joining Quilter Cheviot, she worked in ecological research before joining a consultancy on carbon accounting and biodiversity. Margaret graduated with a degree in Environmental Science and Policy from Grinnell College (Iowa, USA).

Her climate expertise is key to Quilter Cheviot's approach and disclosure in this area.

Ramón Secades, Responsible Investment Analyst – Quilter Cheviot

Ramón joined Quilter Cheviot in 2022, and his particular focus has been on the investment trust sector, where Quilter Cheviot has engaged with boards and managers to promote good governance standards. He actively contributes to our other engagement activity, and co-ordinates the ongoing enhancement tracking tool. He helps guide the use of our exclusion screening system as well as providing support to the voting process during proxy season. Ramón earned his business degree from Royal Holloway University. Additionally, he holds the CFA Certificate in ESG Investing as well as a CISI level 3 qualification.

Before joining Quilter Cheviot, Ramón worked for corporate governance and ESG consultancy firms, and brings that experience to this role.

Kirsty Ward, Responsible Investment Analyst – Quilter Cheviot

Kirsty joined in 2022 and manages our voting activity, where her previous experience as a resourcing co-ordinator has been beneficial in helping us develop a streamlined and efficient proxy process. She contributes to our ongoing engagement programme, with a particular focus on social issues. She plays an active role in collaborative initiatives focused on diversity and inclusion, including the 30% Club 'Fix the Exec' working group and 'Find it, Fix it, Prevent it', which is focused on modern slavery. At Quilter, Kirsty is a co-lead of the Cultural Diversity Community. She graduated from the University of Nottingham with a degree in Politics and since then has completed the CFA ESG qualification, CISI level 3 International Certificate in Wealth & Investment Management.

Kirsty is currently working towards the CISI level 4 Investment Advice Diploma.

Rupert Davies, Senior Responsible Investment Analyst – Quilter Cheviot

Rupert joined Quilter Cheviot in August 2024, for a fixed term working with the Responsible Investment and Fund Research teams to enhance the ESG integration framework within Quilter Cheviot's external manager selection process. Having held senior ESG roles in a US investment bank and a European alternatives manager, Rupert brings over a decade of sustainable finance experience, incorporating ESG considerations into equity, fixed income, and alternative investment strategies. Rupert also works closely with senior leadership teams to align firm-level strategy with sustainability goals. Beyond his professional roles, Rupert holds a BSc in Biological Sciences from Lancaster University and a MSc in Social Responsibility & Sustainability from Aston University, and the CFA Certificate in ESG Investing.

Rupert actively contributes to the industry as an advocate through frequent speaking opportunities, as a judge for several prestigious industry awards, industry working groups, and mentors young sustainable finance professionals.

Claudia Quiroz, Head of Sustainable Investment and Lead Fund Manager for the Climate Assets Funds and QI Ethical Equity Fund – Quilter Cheviot

Claudia, with over 20 years in Sustainable, Ethical, and Responsible Investment, is the Lead Fund Manager of Quilter Cheviot's award-winning Climate Assets strategy and the Quilter Investors Ethical Equity Fund. She manages portfolios for private clients, pensions, trusts, offshore bonds, and charities, focusing on sustainability.

Claudia holds an MBA from Cass Business School and a Chemical Engineering degree from the University of La Plata. A Chartered member of the Chartered Institute for Securities & Investment, she also sits on the International Equities Stock Selection and Assets Allocation Committees.

Caroline Langley, Investment Director and Deputy Fund Manager for the Climate Assets Funds – Quilter Cheviot

Caroline has nearly 20 years of investment experience, most of which were gained at Quilter Cheviot where she has worked since 2006. She is the Deputy Fund Manager for the award-winning Climate Assets Funds. She also manages private client portfolios, working with clients directly or alongside advisers.

Caroline is a Fellow of the ICAEW, as well as the CISI, and holds an MA (Hons) in Human Sciences from St Hilda's College, Oxford University, as well as an MSc (distinction) in Environmental Technology from Imperial College specialising in Global Environmental Change and Policy.

Toby Rowe, Sustainable Investment Specialist – Quilter Cheviot

Toby joined Quilter in 2018 and the Quilter Cheviot Sustainable Investment team in 2022. Toby is responsible for reporting in line with regulatory developments for the dedicated sustainable investment offering.

Toby has 10 years of experience in reporting and auditing, with a focus on investment management, product governance, and responsible investment. Toby is a Chartered Accountant and a member of the ICAEW. Toby has completed the CFA UK Investment Management Certificate ("IMC") and the Certificate in Climate and Investing ('CCI'), and holds a BSc in Economics from the University of Nottingham.

Harry Gibbon, Investment Manager & Fund Manager – Quilter Cheviot

Harry joined Quilter Cheviot in 2018 and moved to work with Claudia Quiroz and Caroline Langley later that year. Harry manages portfolios for private clients, pensions, corporates, and charities. Harry is also co-fund manager of the Quilter Cheviot Libero Balanced Fund and assists in the management of the Quilter Investors Ethical Equity Fund, as well as our award-winning Climate Assets Funds.

Harry has completed the CISI Chartered Wealth Management Qualification and is a member of the Quilter Cheviot Fixed Interest, UK, and International Stock Selection Committees. Harry has also completed the CFA Certificate in ESG Investing.

Melissa Scaramellini CFA, ESG Fund Research Lead – Quilter Cheviot

Melissa has over 20 years of investment experience and has been a fund research analyst since 2006. She works alongside the investment team to evaluate how ESG issues are integrated into the investment processes of our third-party managers and is responsible for fund selection in the Positive Change strategies.

Melissa holds a degree in Economics and Politics from the University of Bristol and is a Chartered Financial Analyst (CFA) Charterholder and has completed the CFA ESG qualification.

Melissa is passionate about climate change, which helps drive her assessment of whether our third-party managers are doing enough to consider environmental issues within their investment process and engagements with companies.

Ido Eisenberg, Head of Responsible Investment – Affluent

Ido is a responsible investment specialist with over 20 years of experience as an investor and sustainable finance consultant, having worked with J.P. Morgan Asset Management and Deloitte.

As a senior portfolio manager, Ido designed and managed responsible investment funds and played a key role in shaping his firm's approach to sustainable investment and ESG integration. As a consultant, Ido gave investment and wealth management clients guidance on various sustainability challenges, such as stewardship strategy and reporting, climate reporting and risk analysis, ESG integration reviews, and decarbonisation plans.

Ido joined Quilter in November 2024, where he leads the Responsible Investment team in developing and implementing responsible investment processes and practices across different business areas.

Ido holds a BSc in Computer Science and an MSc in Politics, Philosophy, and Economics. He is a CFA Charterholder and has completed the School of System Change in Finance course and the CFA's Certificate in ESG investing.

Key responsible and sustainable investment professionals:

Nikki Williamson, Senior Responsible Investment Analyst – Quilter Investors

Nikki joined Quilter in April 2019 to support a programme to implement Responsible Investment throughout the business and has continued to lead development of our approach to responsible investment stewardship and integration.

Previously she led operations for retail platform customer research at Boring Money and before this, Nikki spent several years working with UNICEF in Afghanistan, South Sudan, and globally, and the British Red Cross on psychosocial support research. She has extensive experience building her early career in asset management operations and change.

Nikki holds the CFAs Certificate in Climate and Investing, in ESG Investing and the Investment Management Certificate, an MSc in Development and Urbanisation from London South Bank University, and a degree in Maths and Philosophy from the University of Manchester.

Will Miller, Senior ESG Quant Analyst, Affluent – Quilter Investors

Will joined Quilter's Responsible Investment team in July 2021 to implement ESG data integration and process design, previously working as a Business Analyst in the wider Old Mutual Wealth group since 2016. Before that, Will has worked in delivering change projects across a variety of Pensions and Wealth Management organisations (including Cornhill Life, AXA Wealth, Winterthur Life, Friends Life, and HSBC Security Services).

Will holds the CFA ESG Investing Certificate. He also holds a BSc (Hons) in Aquatic Biology from the University of Wales, Aberystwyth.

Will's data analytical skills help in understanding and aggregating ESG data within the investment process.

Chris Wu, ESG Quant Analyst, Affluent – Quilter Investors

Chris Wu joined the Responsible Investment team at Quilter as a Quantitative Analyst. His main duties are ESG data acquisition, processing, and modelling for facilitating ESG reporting, policy engagement, and stewardship.

Chris graduated with a PhD in Urban Data Science from the University of Glasgow.

Before joining Quilter, Chris worked in academia as a data science researcher in the London School of Economics (LSE) and University of Leeds.

Stuart Clark, CFA, Portfolio Manager – Quilter Investors

Stuart has been the portfolio manager of the Quilter WealthSelect MPS since its launch in February 2014.

Stuart has been instrumental in the expansion of our WealthSelect range to include the WealthSelect Responsible and Sustainable portfolios. Stuart and his team have researched over 90 funds to identify those that meet the criteria for the funds.

Stuart joined Quilter in 2013 and has more than 20 years' experience in fund research and portfolio management at organisations including UBS Wealth Management and Julius Baer.

Stuart is a Chartered Financial Analyst ("CFA") and has a degree in Accounting and Finance from the University of Kent.

Helen Bradshaw, Portfolio Manager – Quilter Investors

Helen is a portfolio manager for the WealthSelect and Monthly Income portfolios. She joined Quilter in January 2019 having spent 15 years at Janus Henderson Investors. Whilst at Janus Henderson she ran a number of multi-asset strategies, with a particular focus on multi-asset income.

Helen holds an LLB law degree from Exeter University, the Legal Practice Course from the University of Law, Guildford, and the Investment Management Certificate.

Bethan Dixon, CFA Portfolio Manager – Quilter Investors

Bethan works with the multi-asset investment team across the portfolio ranges. Bethan joined Quilter in June 2019 from Pyrford International, where she worked as an equity analyst on the Asia Pacific desk where she was involved in integrating ESG factors within the investment process.

Bethan is a CFA Charterholder and holds a degree in Natural Science, with a major in Physics, from the University of Bath. She also holds the CFA Certificate in ESG Investing.

Bethan's experience is instrumental in supporting the Investment team with the integration of ESG into the investment process.

Alexander Kirby, Reporting and Governance Manager – Quilter plc

Alex joined Quilter in February 2024 after spending seven years working at the Financial Conduct Authority in various capacities. He brings a wealth of regulatory experience from the buy side and wholesale markets perspective.

Alex works alongside the Responsible Investment teams to navigate the ESG regulatory environment, ensure appropriate governance is in place, and is accountable for our Group level sustainability reporting. He is also responsible for developing and delivering on our Corporate Sustainability Strategy across Quilter.

36. Training our people 2

Colleagues across Quilter undertook mandatory anti-greenwashing training, with targeted training for specific teams.

Quilter Cheviot has developed the Responsible Investment Champions forum, and this is a regular session to deliver (amongst other outcomes) enhanced and more detailed training. Over 2024 we delivered eight sessions, and the subjects included a presentation of Climate Asset's annual sustainability report, an update on SDR and anti-greenwashing, and the Positive Change and DPS Applied strategies.

The regular firm-wide updates are available to the whole firm and these focused on: ESG integration frameworks, voting and engagement activity, climate change, and specific investment strategies such as Climate Assets and Positive Change. The sessions are recorded so that people are able to watch later if they are unable to attend the live event. These events usually see attendance of over 150 colleagues.

Investment professionals within the business also attend the external educational and training events we hold for advisers and customers.

Within the Quilter Cheviot Responsible Investment team, Nicholas Omale completed the first part of the CFA UK level 4 Certificate in Investment Management ("IMC"), and both he and Kirsty Ward participated in the Investor Forum Development Programme. Additionally, Kirsty is studying for the CISI level 4 Investment Advice Diploma, as is Ramón Secades who has attained the CISI level 3 Certificate in Wealth & Investment Management.

In 2024, the Affluent team focused on enhancing their skills. We continued our internal training programme with the Manager Research and Operational Due Diligence teams to improve knowledge of the responsible investment fund tiering system, as well as our stewardship programme, in addition to capacity building within the Affluent segment upskilling colleagues on our ESG principles and approach.

Within the Affluent Responsible Investment team, Nikki Williamson has completed the CFA UK level 4 Certificate in Climate and Investing, which provides skills and knowledge alongside key tools and techniques to integrate climate considerations across a range of asset classes. In addition, Chris Wu has completed a Certificate in Quantitative Finance (CQF) that focuses on providing both practical quantitative finance and advanced machine learning techniques in the industry.

37. Data providers 2 7

We use multiple data providers to reduce the risk of bias or skew in our data analysis.

External data provider	Purpose
ISS	**To assist with our active ownership agenda as well as an additional ESG data source.** *Voting platform* – we use ISS to inform our decision making. Recommendations are made based on the agreed voting policy. We do not always vote in line with ISS' recommendations. *Governance risk-oriented data* – focused on board structure, compensation, shareholder rights, and audit & risk oversight. Informs decision making for governance engagements and is an input into the equity ESG dashboards. *SDG Solutions and Impact Ratings* – focused on company level assessments of revenue alignment to the SDGs. We use this information to assess our Fund and Portfolio alignment with the goals and the net positive impact from our investments.
MSCI	**To provide data for ESG integration and for engagement.** *Climate solutions* – directly reported and modelled GHG emissions data and corporate climate performance information (including scenario alignment and disclosure against external frameworks) for use in our ESG integration activity, as well as TCFD reporting. Before 2024 we used ISS for climate-related data.
Sustainalytics	**To provide data for ESG integration.** *Equities and Corporate Bonds* – we use the ESG data points as an input into the ESG dashboards, as well as the high-level information given in the company reports and the carbon risk rating module. The data includes exposure to specific product involvement areas and controversies, as well as sustainable product areas. Companies that breach the UN Global Compact are also highlighted. *Funds* – the data feeds into other systems and tools such as Style Analytics and FactSet to give our teams more granular detail about ESG factors and underlying holdings across our funds. *Controversial weapons screening* – used for monitoring exposure to anti-personnel landmines and cluster munitions in line with our policy.
Morningstar	**To provide data for ESG integration.** Used for underlying fund data provided for fund research and analysis.
Ethical Screening	**To screen on a negative and positive basis in line with the customer policy as well as an additional ESG data source within Quilter Cheviot.** *Screening tool* – this is employed at a portfolio level and an additional data source for the research teams to identify areas of exclusion as well as positive screening. *SDG alignment* – this is used for the Climate Assets strategy which identifies holdings and their alignment to the UN SDGs.
CDP	**To provide data for ESG integration and for engagement.** *Equities* – incorporating metrics from CDP's global disclosure system into the dashboards as well as providing data for engagements.
Refinitiv (LSEG ESG)	**To provide data for ESG integration and for engagement.** We use LSEG ESG data which is available on the Refinitiv workstation as an input into the equity ESG dashboards.
RepRisk	**To provide data for ESG integration and for engagement.** We use this to identify and assess material ESG risks within our holdings.

Assurance and outcomes: our internal frameworks

We are focused on ensuring that we deliver the right stewardship outcomes for our customers within a framework that is subject to scrutiny and challenge where appropriate.

38. Steps forward in 2024 2 7 9 10

The following changes were made in relation to our responsible investment approach in 2024:

Quilter Cheviot

1. To enhance our approach to active ownership through collaborative engagements and industry groups.

To join a collaborative network, investors must demonstrate their ability to add value. We focus on networks where we can play a meaningful role and will exit those that do not align with our key priorities, as we did with one group in early 2024.

We have continued to play an active role in the 30% Club, as well as 'Find it, Fix it, Prevent it' and 'Votes against slavery' which are focused on modern slavery in the UK. Over the past two years, we have joined several collaborative engagement networks aligned with Quilter's three core themes.

Core theme	Collaborative engagement
Climate change	Climate Action 100+ NZEI (Net Zero Engagement Initiative)
Human rights	30% Club 'Fix the Exec'
Natural capital	Spring (PRI)

We have also maintained an active role in the TISA Responsible and Sustainable Investment Committee and have joined the following groups and trade bodies over the last year, the latter by invitation:

- IIGCC External Fund Manager Working Group
- Wealth Managers for Climate Action
- Advisers' Sustainability Group

2. Implement better use of technology and data to deliver responsible investment across Quilter Cheviot:

- We have developed proprietary systems to manage, monitor, and report engagement and voting activity. This year we have continued to enhance these tools to give us better sight of our engagement activities across our thematic priorities and highlight when we last engaged with an issuer which we now use to prompt follow-up engagements.
- Our equity ESG dashboards, which use data from multiple sources to identify material ESG factors in line with the Sustainability Accounting Standards Board ("SASB"), have evolved over time to include more data from different sources and will continue to do so as we aim to reduce dependency on aggregated data from ESG data providers.
- For third-party funds providers, we previously relied on an external system. In Q3 2024, we launched a project to create proprietary dashboards, enhancing the data and access for the Responsible Investment and Fund Research teams. Going forward, we will be able to use this tool to determine which managers we need to engage with on specific topics.
- To meet the TCFD product reporting requirements in June 2024, we built a proprietary system, which will be further enhanced to deliver reports in line with several other resource intensive regulatory and client requirements such as SDR reporting, Group and Entity TCFD reports, and other climate-related client reporting.
- We regularly review our data providers and have introduced new ones in 2024 to meet specific data requirements that inform our stewardship activities and priorities.

Affluent

1. Enhancing the integration of Responsible Investment within the Operational and Investment Due diligence processes:

- Quilter Investors launched the integrated Research Hub combining the Operational and Investment Research teams, with the Responsible Investment team to improve alignment, integration, and oversight over sustainability research activity.

- The Research Hub oversees the assessment of our external managers and funds' sustainability approach and credentials. Each of the research teams have full ownership of their assessments, including these aspects of sustainability, with oversight and guidance from the RI team. A regular Research Hub meeting provides the opportunity for discussion and decision making collaboratively.
- During 2024, the Research Hub completed reviews for our Tier 2 and Tier 3 funds, as well as launching integrated firm-level due diligence (ie including review of policies, resourcing, and proprietary ESG frameworks, for example).

2. Adoption of new technological solution to support fund and firm research:

- Quilter Investors has implemented a third-party system for managing all fund and firm research life cycles and processes. The solution will be the primary source of data with respect to our research activity, including sustainability and tiering decisions, capturing data from initial due diligence questionnaires to sustainability tiering assessments.
- Benefits of this systematic approach will include more streamlined and consistent research activity, integration of ESG considerations directly into the research and assessment process, improved oversight by the Responsible Investment team over the decision-making process, and an audit trail for work.
- Additionally, we expect to develop further advantages from this solution. For example, where the system can be used to record interactions with our managers, thus capturing engagement activity, or further utilisation of the wide breadth of data for analysis across our managers and funds to drive stewardship prioritisation.

39. Internal assurance 2 5

As set out in the Group Internal Audit Charter, climate, diversity, and inclusion considerations continue to be considered in all audit engagements for relevant processes and are factored into the development of the annual internal audit plan.

Following Internal audit activity in 2023 on Responsible Investment and Inclusion & Diversity, activity for 2024 has focused on assurance that management actions arising from those reviews have been completed successfully. Additionally, an audit is currently underway of Investment Research which is assessing the application of Responsible Investment principles in the research approach.

In 2023, we sought guidance from Internal Audit in regards the methods we should follow to ensure that we are able to verify statements and data that we provide for external disclosures or data collection exercises. We implemented this for the 2024 reporting cycle and maintain an audit trail for each disclosure which includes the data source for each element within reporting, as well as review/sign-off status where appropriate.

We place reliance on our first- and second-line control functions to give input and oversight of the clarity and accessibility of our stewardship reporting. Within both Affluent and Quilter Cheviot, external reporting is reviewed by other functions. This Stewardship Code Report was reviewed by the Quilter plc Board.

Quilter Cheviot reviews and updates its Responsible Investment, Voting, and Engagement policies on an annual basis. The most recent review concluded in November 2024, whilst Affluent reviewed its Voting Policy in December 2024.

40. Risk policy suite 2 5

The Risk Policy Suite forms an integral part of our governance and Risk Management Framework, ensuring an appropriate system of internal control. Together with the Group Governance Manual, it forms the basis of clear delegated authorities and accountabilities, ensuring there is appropriate Board oversight and control of important decisions, and efficient and effective management of day-to-day business. The Group Governance Manual and policies are reviewed at least annually to ensure they remain fit for purpose, with material changes approved by the Board. The policies are subject to an annual policy compliance attestation, with results given to the Board.

41. Ongoing review of documents and changes to policies 5

Assurance is undertaken through a combination of independent external assurance, compliance monitoring, and Group Internal Audit assurance following a risk-based approach.

We review our responsible investment policies which cover our engagement, voting, and ESG integration activities, on an annual basis. During the review of our policies, we aim to reflect best practice and the evolution of our responsible investment approach.

42. Conflicts of interest 3

Page 67 of our 2023 Stewardship Code *stewardship-code-report-2023.pdf* provides detail on how we manage conflicts of interest. This remains unchanged in 2024.

Example

Examples of possible conflicts in relation to our stewardship activity include:

- There may be a situation where we are a shareholder in a company and in a commercial relationship with that same company as a result of investing in one of their funds. As we have a separation between our equity and our fund research teams, which are also both independent functions, we believe that we can manage this conflict effectively given this separation.
- With respect to stewardship, it is possible that actual or perceived conflicts of interest may arise through the normal course of business in relation to the execution of our stewardship activity. For example, should a potential conflict of interest be identified when exercising proxy votes, which may influence us to not act fairly, independently, or objectively in the interests of our customers, we will follow the voting recommendations of ISS, our third-party proxy voting service provider.
- There may be occasions where we have a shareholding in Quilter plc with voting rights. In this case, unless specifically directed by a customer, we will follow the guidance given by our external proxy voting service provider with respect to voting.
- Conflicts could occur between customers and where this is the case we will continue to act in the best interests of each customer. Thus, for example, the equity share interests of different customers may be voted differently at the same meeting where it is in the interests of each to do so.
- Where an employee, any member of senior management, or NED of a business unit is also a NED of a company within our voting universe we will apply the guidance of our external proxy voting service provider.

In 2024, we identified a potential conflict when a NED was appointed to the board of an investment trust which we invest in.

Trade surveillance and restriction

The compliance teams maintain an 'Insiders' List' which records those members of staff who are aware of inside information relating to investments. Compliance monitors the dealing activity for any security on the Insiders' List. We also have an effective and established Personal Account Dealing Policy.

43. Monitoring service providers 8

The Market Data team operates Quilter-wide to ensure that we have a consistent and effective approach across the businesses. In October 2021, market data principles were established across Quilter for ESG-related data to ensure consistency and to have a governance framework around the appointment or decision to leave service providers and the ongoing management of their data. The overall aim is to provide consistency and accuracy to our customers.

Our Market Data team provides ongoing management of the service providers, and the team is responsible for the following:

- Monitoring issues and troubleshooting with the business.
- Reviewing contracts including pricing.
- Reviewing usage with the business and due diligence of the suppliers on an ongoing basis to ensure we are correctly contracted.

Through the course of 2024, we continued to assess and evolve the market data we have access to. As part of this, our Market Data team led the process for identifying and onboarding new service providers and data modules. The team is responsible for the following:

- Business sign-off for accurate data and coverage based on users' confirmation.
- Reviewing all legal points in conjunction with our legal team.
- Confirming budget and where it is located.

The challenges, which have required significant interaction with the service providers as the business usage has been fluid and changing, have eased. The Market Data team, in conjunction with the underlying users of the data, continues to have regular discussions with the service providers about issues that arise, but has started to focus on developments and product enhancements. The Market Data team is well placed to resolve issues around which the underlying Quilter entity requires the data and the access rights. The Market Data team introduced the third-party risk management framework across all ESG suppliers with regular quarterly and yearly reviews. As part of these meetings, the Market Data team discussed with suppliers the Code of Conduct covered by the regulators. The 2025 focus is to continue to follow up on issues as they arise.

Example

We use ISS to facilitate our voting across Quilter Cheviot.
We hold quarterly catch-up calls with ISS to review the activity over that period, and cover the following:

- Timely issue resolution: we are able to address any ongoing issues, such as vote deadlines being moved without notification. This ensures that any problems are promptly identified and resolved.
- Continuous improvement: by discussing development requests and feedback, we can collaborate with ISS to enhance its services. This ongoing dialogue helps in refining processes and addressing any systemic issues, such as those related to custodian services and ballot flows.
- Performance monitoring: reviewing meeting statistics and the timeliness of research report deliveries. This helps in assessing the quality and accuracy of ISS's service, ensuring that reports are delivered within the expected time frame.
- Proactive communication: regular communication fosters a proactive approach to managing our relationship with ISS. It ensures that both parties are aligned on expectations and any upcoming changes or developments.

Our role in promoting well-functioning financial markets

Quilter has an important role to play within the financial services industry and society as a whole.

44. Corporate and committee membership of external bodies 4 10

Quilter and its underlying business units are members of various trade associations. The table below details which organisations we are a member of.

Trade body	Quilter plc	Quilter Cheviot	Quilter Investors	Quilter Financial Planning	Quilter Platform
Principles for Responsible Investment (PRI)	▯	▯	▯	▯	▯
The Investing and Saving Alliance ("TISA")	▯	▯	▯	▯	▯
UK Sustainable Investment and Finance Association ("UKSIF")	▯	▯	▯	▯	▯
The Investor Forum ("IF")[17]	▯	▯	▯	▯	▯
Investment Association ("IA")			▯		
Association of British Insurers ("ABI")					▯
Personal Investment Management & Financial Advice Association ("PIMFA")		▯			
The Platforms Association					▯

As part of being a member of these associations, Quilter participates in various committees which enable us to inform the advocacy activities, share our expertise, and learn from others across the industry. A key example of this is our participation in TISA's Responsible & Sustainable Investment Committee and related working groups.

We work with other organisations in the industry to promote and advance responsible investment. The Group is a signatory to the UN PRI; we also use external collaborations to broaden the impact and engagement we can have through our stewardship activities. These include: the 30% Club, CDP, and the PRI collaboration platform. We do this to promote best practice and seek to address issues that need collective effort and action.

[17] Quilter is the signatory to The Investor Forum; Quilter Cheviot and Quilter Investors are specified as separate investor signatories and act independently.

45. Contributing to industry-wide consultations 4

Quilter has contributed to industry-wide consultations either through its own response or through its membership of industry trade bodies. When we submit a consultation response we do so on a private basis. Additionally, a colleague is a member of the Advisers' Sustainability Group, which was established by the FCA to focus on enhancing sustainable finance capabilities within the financial advice sector.

Further information

Responsible investment | Quilter

Responsible investment | Quilter Cheviot

Glossary

Term	Definition
AGM	Annual General Meeting.
AuM	Assets under Management.
CEO	Chief Executive Officer.
CFO	Chief Financial Officer.
DPS	Discretionary Portfolio Service.
ESG	Environmental, Social, and Governance.
ESG integration	ESG integration at Quilter is the explicit and systematic inclusion of material ESG factors into investment analysis and investment decisions. Definition sourced from the UN PRI.
FCA	Financial Conduct Authority.
GHG	Greenhouse gases.
Greenwashing	Misleading or unsubstantiated claims made about environmental performance by businesses or investment funds about their products or businesses.
The Group	The holding company Quilter plc and its underlying companies.
IIGCC	Institutional Investors Group on Climate Change.
Just transition	A framework to ensure that the substantial benefits of a green economy transition are shared widely, while also supporting those who stand to lose economically – be they countries, regions, industries, communities, workers, or consumers. Definition sourced from the European Bank for Reconstruction and Development (EBRD).
LTIP	Long-Term Incentive Plan.
MPS	Managed Portfolio Service.
Net zero	Achieved when anthropogenic emissions of greenhouse gases to the atmosphere are balanced by anthropogenic removals over a specified period. Where multiple greenhouse gases are involved, the quantification of net zero emissions depends on the climate metric chosen to compare emissions of different gases (such as global warming potential, global temperature change potential, and others, as well as the chosen time horizon). Definition sourced from the Intergovernmental Panel on Climate Change (IPCC).
NZAM	The Net Zero Asset Manager's initiative. The NZAM is an international group of asset managers committed to supporting the goal of net zero greenhouse gas emissions by 2050 or sooner, in line with global efforts to limit warming to 1.5°C; and to supporting investing aligned with net zero emissions by 2050 or sooner.
Paris Agreement (on climate change)	A global agreement to strengthen the global response to climate change. It was agreed in 2015 that the global temperature rise this century should be kept to well below 2°C above pre-industrial levels and ideally below 1.5°C.
Responsible investment	A strategy and practice to incorporate environmental, social, and governance factors into investment decisions and active ownership. Definition sourced from the UN PRI.
SBT	Science Based Targets.
SBTi	The Science Based Targets initiative. The SBTi is a partnership between CDP, the United Nations Global Compact, World Resources Institute, and the Worldwide Fund for Nature. The SBTi drives ambitious climate action in the private sector by enabling companies to set science-based emissions reductions targets.
Scope 1 Emissions	The direct greenhouse gas (GHG) emissions from sources that are owned or controlled by the company. Scope 1 emissions result from a company's internal operations, including on-site energy production, vehicle fleets, manufacturing operations, and waste. The values represent metric tonnes of CO_2 equivalent.
Scope 2 Emissions	The indirect greenhouse gas (GHG) emissions attributable to operations that are owned or controlled by the company. Scope 2 emissions result from the emissions generated in the production of energy (electricity, steam, heat, and cooling) that is purchased by a company generated upstream from the organisation. For purchased electricity, organisations are required to report Scope 2 emissions according to a 'location-based' and a 'market-based' method.

Term	Definition
Scope 3 Emissions	These are all indirect emissions (not included in Scope 2) that occur in a company's value chain, including both upstream and downstream emissions (eg business travel and waste).
SDR	Sustainability Disclosure Requirements. These are regulations created by the UK regulator, the FCA, aimed at combating greenwashing and ensuring investors are provided with the correct information on how their investments impact social and environmental sustainability.
SFDR	Sustainable Finance Disclosures Regulation. A European regulation introduced to improve transparency in the market for sustainable investment products, to prevent greenwashing and to increase transparency around sustainability claims made by financial market participants.
Sustainability focused investment	Investment approaches that select and include investments on the basis they fulfil certain sustainability criteria and/or deliver on specific and measurable sustainability outcomes. Investments are chosen on the basis of their economic activity (what they produce/what services they deliver) and on their business conduct (how they deliver their products and services). Definition sourced from the Investment Association.
Stewardship	Stewardship is the responsible allocation, management, and oversight of capital to create long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment, and society. Definition sourced from the Financial Reporting Council.
TCFD	The Task Force on Climate-Related Financial Disclosures. The Financial Stability Board created the TCFD to improve and increase reporting of climate-related information.
TISA	The Investing and Saving Alliance.
Transition plan	A transition plan is integral to an entity's overall strategy, setting out its plan to contribute to and prepare for a rapid global transition towards a low GHG-emissions economy. Definition sourced from the UK Transition Plan Taskforce.
UKSIF	The UK Sustainable Investment and Finance Association.
UN PRI	The Principles for Responsible Investment. The PRI is an UN-supported network of investors, working to promote sustainable investments.
UN SDGs	The UN Sustainable Development Goals. The 2030 Agenda for Sustainable Development adopted by all United Nations Member States in 2015, provides a shared blueprint for peace and prosperity for people and the planet, now and into the future. At its heart are the 17 UN Sustainable Development Goals (SDGs), which are an urgent call for action by all countries – developed and developing – in a global partnership. They recognise that ending poverty and other deprivations must go hand-in-hand with strategies that improve health and education, reduce inequality, and spur economic growth – all while tackling climate change and working to preserve our oceans and forests. Definition sourced from the United Nations.

Past performance is not a guide to future performance and may not be repeated. Investment involves risk. The value of investments and the income from them may go down as well as up and investors may not get back the amount originally invested. Because of this, an investor is not certain to make a profit on an investment and may lose money. Exchange rates may cause the value of overseas investments to rise or fall.

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Registered in England and Wales.

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Q24_0063/February 2025