

Quilter climate change statement



There is now considerable scientific evidence that the Earth's climate is changing and the scientific consensus is clear: human activities, such as the burning of fossil fuels and deforestation, are causing these changes. A swift and just global transition to a net zero¹ economy is needed to avoid the worst impacts of climate change. We recognise that we, alongside our peers in the financial services industry, have an important role to play in facilitating this transition over the coming years.

How climate-related issues are considered in our strategy

One of our four strategic pillars is to become a responsible wealth manager. The consideration of climate-related risks and opportunities is a key feature of our Responsible Wealth Management strategy, which co-ordinates climate-related activity across a number of strategic initiatives affecting both our operational activities (how we act) and investment activities (how we invest on behalf of our customers).

Our progress in 2022

How we act

We monitor our emissions profile across our operations in line with the Greenhouse Gas Reporting Protocol². In early 2022, we set a target to reduce our Scope 1³ and Scope 2⁴ emissions by 80% by 2030, from a 2020 baseline. Our Scope 1 and Scope 2 emissions in 2022 were 46% lower than our 2020 baseline. The primary driver of this was the reduction in our office footprint caused by the sale of our International business. We also experienced a reduction in our Scope 1 emissions resulting from the replacement of the air conditioning units in our largest office. We have progressed the assessment of greenhouse gas emissions associated with aspects of our wider value chain and, in late 2022, we worked towards setting a target to increase the proportion of suppliers we work with that have committed to setting targets aligned with the Science Based Targets initiative⁵.

How we invest on behalf of our customers

Within our investment processes, we manage our exposure to climate risks within selected investments (WealthSelect for Quilter Investors and the centrally monitored holdings within Quilter Cheviot) and through our stewardship activities. In 2022, we launched products and strategies aimed at meeting the needs of customers concerned about climate-related issues. For example, in Quilter Cheviot we launched the **Climate Assets Growth Fund**, supplementing our existing Climate Assets Balanced Fund which excludes fossil fuels and invests on a sustainable thematic basis. Additionally we launched a new **discretionary portfolio service strategy** that excludes fossil fuels. In 2022, Quilter Investors launched the **WealthSelect Responsible and Sustainable** portfolios. These portfolios have investment objectives to maintain a carbon footprint lower than the reference index (MSCI All Country World Index).

Task Force on Climate-related Financial Disclosures

We have produced disclosures consistent with the Recommendations and Recommended Disclosures⁶ of the Task Force on Climate-related Financial Disclosures ("TCFD"), for the 2022 reporting period, in a **standalone report**, which supplements our annual report. We continue to evaluate and develop our approach to climate risks and opportunities within our operations and investments.

For more information on Quilter's exposure to and management of climate-related risks and opportunities, please visit our '2022 TCFD report', found online here: <https://plc.quilter.com/responsible-business/reports-and-statements/task-force-on-climate-related-financial-disclosures-tcf-reports/>

¹ Net zero refers to a state in which the greenhouse gases going into the atmosphere are balanced by removal out of the atmosphere.

² The Greenhouse Gas Protocol provides the world's most widely used greenhouse gas accounting standards.

³ The direct greenhouse gas 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.

⁴ The indirect greenhouse gas 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.

⁵ The Science Based Targets initiative is a partnership between CDP, the United Nations Global Compact, World Resources Institute and the World Wide Fund for Nature. The SBTi drives ambitious climate action in the private sector by enabling companies to set science-based emissions reductions targets.

⁶ The four recommendations and eleven recommended disclosures set out in the report entitled "Recommendations of the Task Force on Climate-related Financial Disclosures" published in June 2017 by the TCFD.