

Responsible business

We are guided by our purpose, values and commitment to act and invest responsibly. We are here to help the generations of today and tomorrow to prosper, and so it is imperative that we consider how our activities affect long-term investment value for our customers, colleagues, shareholders and other stakeholders. This is what we call 'Shared Prosperity'.

It is this multi-stakeholder mindset that naturally guided our response to the pandemic and enabled us to balance the interests of our customers, colleagues, advisers and wider society. Within a very short timeframe the vast majority of our colleagues were working remotely, including our customer and adviser call centres, financial advisers and investment managers. We also created new and innovative ways to support advisers and their clients, for example via our "There for You" online hub we gave access to a wide array of mental health, wellbeing and practical resources to help advisers and clients adjust to new ways of working. Meanwhile through our charity, The Quilter Foundation, we were amongst the first donors to the National Emergencies Trust appeal and the Disasters Emergency Committee, donating almost £243,000 to support those most vulnerable and at risk of the economic and health impacts of COVID-19.

Aside from our COVID-19 response we also made progress during the year against the ten commitments of the Shared Prosperity Plan. We reached an important milestone towards our goal of creating an inclusive and diverse workplace, achieving our target of increasing female representation in senior management to 35% – a public pledge we made as a signatory to the HM Treasury's Women in Finance Charter. Our work on inclusion cannot and will not end there. We have set ourselves a new target to further increase female representation in senior management roles to 38 – 43% by end 2023. Like many firms, the Black Lives Matter movement provided a much-needed trigger for us to sharpen our focus on cultural and racial inclusion in our workplace. One of the first steps we took was to improve our measurement which has enabled us to disclose workforce ethnicity data in this report on page 53.

Another key development during the year was the formalisation of our climate change strategy which sets out our approach to measure, manage and reduce our contribution to climate change both as a business and an investor. We began the process to improve our climate-related disclosures by putting in place a programme which will enable us to align with the Financial Stability Board's Task Force on Climate-related Financial Disclosures ("TCFD") framework by the end of 2021. We also made good progress with respect to our commitment to embed responsible investment principles across our whole business. In particular we further embedded ESG factors into our investment management processes and made good progress to enhance our financial advice process.

Looking forward

In 2021 we will continue to focus on the issues that matter most to our stakeholders. We will embed our climate change strategy more deeply and work to understand our impact in more detail, particularly in regard to our investments. We will also work towards setting an emissions target for Quilter. Embedding and enhancing our responsible investment capabilities across our entire business will continue to be a key priority. Across financial advice, investment management and our platforms, we understand our responsibility to help clients and advisers invest in a way that is aligned with their views on sustainability. Work to increase gender and ethnic diversity in senior management is vital as we seek to create an inclusive and diverse workplace.

Quilter is here for a reason – to help create prosperity for the generations of today and tomorrow.



Jane Goodland
Group Corporate
Affairs Director



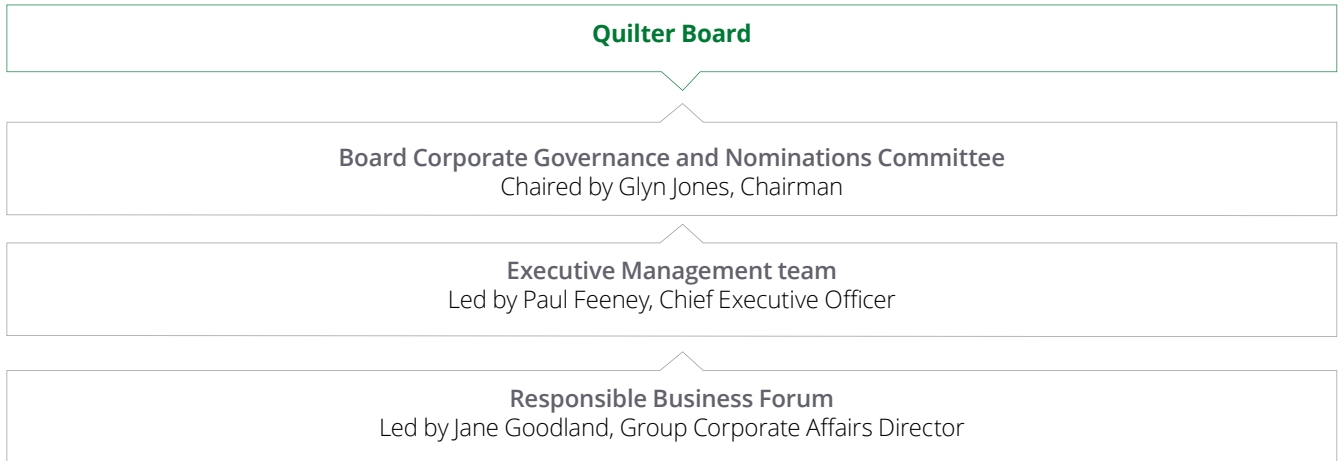
Our responsible business governance framework

Responsible business governance

The Board oversees Quilter’s approach to responsible business and has delegated this to the Corporate Governance and Nominations Committee chaired by Quilter’s Chairman, Glyn Jones.

Within the Executive Management team Quilter Chief Executive Officer, Paul Feeny, has overall accountability for ensuring we do business responsibly. The wider executive management team also have specific ‘responsible leadership’ requirements embedded into their annual objectives.

Paul Feeny and the Executive Management team are supported by the Responsible Business Forum, which is a management group that provides oversight, direction and challenge with respect to Quilter’s approach to responsible business. The Forum, which is chaired by the Group Corporate Affairs Director, meets quarterly and comprises members from each operating business and key corporate functions.



Responsible business strategy

Launched in 2018, Quilter’s ‘Shared Prosperity Plan’ is our framework for delivering responsible and sustainable growth.

The plan is informed by what matters most to our stakeholders and focuses on three core themes. These themes are underpinned by ten commitments through which we aim to create long-term value for our stakeholders:

Financial wellbeing

We want to help customers, colleagues and communities improve their financial wellbeing, which plays a vital part in our overall health and happiness.

To improve financial wellbeing, we are committed to:

- Create secure financial futures for our customers through quality products and service
- Promote financial wellbeing for our colleagues
- Empower communities to manage money well for life

Inclusive growth

We believe we have a responsibility to help build a more inclusive economy in which everyone has equal opportunities to fulfil their potential and thrive.

To pursue inclusive growth, we are committed to:

- Improve access to financial advice, saving, and investing
- Create an inclusive workplace that enables colleagues to thrive
- Help our communities to thrive through employment and wellbeing

Responsible investment

We invest responsibly to help create prosperity for the generations of today and tomorrow, and to provide people with confidence and choice to invest for a sustainable future.

As a responsible investor, we are committed to:

- Embed responsible investment principles across our business
- Exercise active stewardship of our customers’ assets
- Reduce the environmental intensity of our activities

Operating responsibly

Underpinning our Shared Prosperity Plan, we are committed to operating our business ethically, lawfully and with integrity at all times.



Updates to the plan in 2020

We did not make any material alterations to the Shared Prosperity Plan during 2020 as the themes of financial wellbeing, inclusive growth and responsible investment all remain relevant to our business. We reset our target for women in senior management as we met our 2020 target.

Shared Prosperity Plan performance in 2020

We have identified non-financial KPIs to help assess Quilter’s performance against the Shared Prosperity Plan commitments. Progress against these KPIs is shown opposite.

Our plan and the UN Sustainable Development Goals

The UN Sustainable Development Goals (“SDGs”), adopted by all United Nations Member States in 2015, are a universal call to end poverty, protect the planet and create sustainable economic growth by 2030.

Through the Shared Prosperity Plan we are contributing to several of the SDGs:

- Goal 1: Good health and wellbeing
- Goal 5: Gender equality
- Goal 8: Decent work and economic growth
- Goal 10: Reduced inequalities
- Goal 12: Responsible consumption and production
- Goal 13: Climate action

How we understand our stakeholders

To help people prosper, we understand that we have a responsibility to act and invest responsibly for the long-term benefit of our customers, colleagues, advisers and society as a whole. Ultimately, we believe this is the only way to build a sustainable business that can deliver superior performance and long-term value for our shareholders too.

Please refer to page 90 for a detailed breakdown of who are stakeholders are and how we engage with them.

Responding to COVID-19

The COVID-19 pandemic has naturally been an issue of concern for all stakeholders in 2020. Given its gravity and prominence we have a dedicated section covering our stakeholder led response to COVID-19 on page 17.

Our Shared Prosperity Plan performance in 2020

Themes

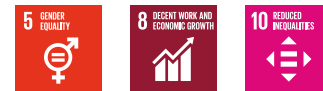
Financial wellbeing

Relevant Sustainable Development Goal



Inclusive growth

Relevant Sustainable Development Goal



Responsible investment

Relevant Sustainable Development Goal





Our commitments and key performance indicators

1. Create secure financial futures for customers through quality products and service

Customer asset retention

2020	92%
2019	88%
2018	91%

2. Promote financial wellbeing for all our colleagues

Percentage of colleagues feeling confident about money

2020	81%
2019	N/A
2018	N/A

3. Empower communities to manage their money well for life

Number of people benefiting from financial literacy support

2020	7,811
2019	11,276
2018	6,529

4. Improve access to financial advice, saving and investing

Number of Restricted Financial Planners ("RFPs")

2020	1,842
2019	1,799
2018	1,621

5. Create an inclusive and diverse culture that enables our people to thrive

Proportion of women in senior management roles

2020	35%
2019	32%
2018	33%

6. Help our communities to thrive through employment and wellbeing

Number of people benefiting from Quilter Foundation employment and wellbeing support

2020	3,685
2019	1,822
2018	N/A

7. Embed responsible investment principles across our business

PRI Strategy & Governance rating

'A' rating

8. Exercise active stewardship of customers' assets

Number of company meetings in which we voted

2020	348
2019	171
2018	174

9. Reduce the environmental intensity of our activities

Tonnes of carbon dioxide ("TCO₂e") per full-time colleague/contractor

2020	0.63
2019	0.92
2018	0.83

Delivering for customers

Shared Prosperity Plan commitments

- Create secure financial futures for customers through quality products and service.
- Improve access to financial advice, saving and investing.
- Embed responsible investment principles across our business.
- Exercise active stewardship of customers' assets.

Providing quality products and service

Quilter is committed to helping people create secure financial futures through quality products and service. In 2020, overall asset retention for the Group – a measure of our ability to deliver good outcomes and retain customers – increased to 92% (2019: 88%) driven mainly by improvements in the Quilter Investment Platform.

For the second consecutive year, Quilter topped the FTAdviser Top 100 Financial Adviser rankings. The rankings judge firms on a number of objective measures including those which are important to customers such as adviser qualifications, amount of experience and staff retention, business growth and investment outcomes. The achievement is recognition of our continued commitment to providing high quality face-to-face advice.

Quilter Cheviot continued to perform well for customers, delivering out-performance relative to their relevant benchmarks over one, three, five and ten-year periods. Meanwhile, Quilter Investors' investment performance was good, with performance of the largest range, Cirilium Active, improving markedly on a one-year view, and Wealth Select continuing to perform strongly.

Complaints received increased year-on-year, with the increase associated to historic advice provided by Lighthouse prior to its acquisition by Quilter. Aside from these, complaints remained low and levels of upheld complaints were below the industry average.

Responsible investment

We are committed to investing responsibly, to help create prosperity for the generations of today and tomorrow.

We incorporate environmental, social and governance considerations across the business, from the financial advice we give, to how we manage investments and hold the companies into which we invest to account for their actions. For people who want to invest for a specific sustainable outcome or to avoid a particular issue, we offer a range of dedicated responsible investment solutions.

We are a signatory of the UN-backed Principles for Responsible Investment ("PRI") and achieved an 'A' rating for our responsible investment strategy and governance in the PRI's 2020 annual assessment.

ESG integration

In 2020 we continued our work to integrate responsible investment principles as standard into our advice and investment management processes, as well as enhancing ESG related disclosures. Much of our work here has been brought into sharper focus by the new wave of ESG regulation driven by the EU's Sustainable Finance Action Plan and will come to fruition in 2021.

Across both of our investment management businesses – Quilter Cheviot and Quilter Investors – a significant proportion of the assets we manage are invested in third-party funds. Therefore a vital component of our approach to ESG integration is understanding how external fund managers incorporate ESG into their investment process. In 2020, our fund research team provided enhanced training for analysts and improved ESG assessment in the fund manager appointment and monitoring process.

Stewardship

Where we do invest directly in listed equity (mainly through our discretionary investment manager, Quilter Cheviot), we continued and enhanced our stewardship activity through proxy voting and pro-active engagement with company management. In 2020, Quilter Cheviot voted at 348 company meetings, double that the previous year. The significant increase was a result of an expanded voting universe, extended to include all holdings in which we hold more than £2 million or 0.2% of the company.



Exclusions

In 2020 Quilter continued to apply ethical exclusions to investment portfolios when instructed by the client. We also maintained our firm-wide exclusion on controversial weapons. Where we invest directly, we do not knowingly invest in securities (equity or debt) of listed companies involved in the manufacture, development or trade of anti-personnel mines or cluster munitions.

Sustainability solutions and reporting

In 2020 we continued to disclose ESG fund ratings for third-party funds on the Quilter Investment Platform, helping advisers and customers to consider the impact of their investments as part of an informed decision making process.

For customers seeking a specific sustainable outcome, Quilter Cheviot's Climate Assets Fund offers a way of targeting long-term capital appreciation by focusing on investment opportunities arising from the convergence of global sustainability issues such as climate change, resource scarcity and population shifts. In 2020 the Climate Assets Fund performed strongly and has delivered superior returns when compared with its benchmark over three, five and ten-year periods.

Using our voice to champion and protect customers

During 2020 we retained our strong focus on vulnerable customers. In addition to our comprehensive internal programmes to ensure customer-facing colleagues are equipped to support vulnerable customers, we continued to chair the industry working group of TISA to raise standards across the industry. This has involved working with charities to release a series of help sheets to support financial firms understand the difficulties that different vulnerabilities may create and the development of an online self-assessment tool which will be available free of charge to financial services firms.

We also led public calls for the UK Government to protect our clients and consumers more widely against the threat of financial scams online. Our research in 2020 revealed a 110% increase in brand impersonation and association scams, whereby organised criminals 'clone' the brand of reputable financial services firms or claim association in order to sell non-existent investment products on fake websites and through paid advertising search engines.

Quilter has called for the UK Government to include financial harms within its flagship Online Harms Bill, which would legally require social media platforms and search engines to remove scam adverts immediately upon notification and improve due diligence processes.

Data privacy and IT security

In the course of our business, customers, advisers and colleagues trust us with their personal data which can include sensitive and/or financial information. The collection and use of personal data is governed by our Privacy Policy and overseen by a Group Data Protection Officer ("GDPO") with the support of a formal committee, the Quilter Privacy Forum.

The Board Technology and Operations Committee, chaired by independent Non-executive Director, Moira Kilcoyne, oversees Quilter's IT strategy, including our approach to information and data security. At an executive management level, the Group Chief Operating Officer is responsible for IT strategy and is supported by the Chief Information Security Officer ("CISO") and team, with input also from the GDPO and Data Guardians embedded in our operating businesses. All colleagues and full-time contractors are required to complete mandatory annual training to ensure they understand what is required of them with respect to data privacy and IT security. Read more in our Board Technology and Operations Committee report on page 119.

Delivering for colleagues

Related Shared Prosperity Plan commitments

- Promote financial wellbeing for our colleagues.
- Create an inclusive workplace that enables colleagues to thrive.

Colleague engagement and development

We seek views from colleagues through our weekly engagement survey, providing senior leaders and managers with meaningful real-time engagement feedback. The engagement score for 2020 was 7.4 out of 10 (2019: 7.2 out of 10) which is ahead of the industry benchmark for colleague engagement.

In 2020 we modernised our learning approach by introducing 'Degreed', an online learning platform that provides our colleagues with complete control of their own learning and development. Over 1,990 colleagues used the platform in 2020, with 20,317 learning items completed.

Code of Conduct

Our Code of Conduct sets out the duties and expectations of all colleagues and includes acting with integrity and respect, treating customers fairly, managing conflicts of interest, good market conduct, information, data and communications, use of Company assets, prevention of financial crime and working with regulators and governments. Colleagues are required to undertake annual mandatory training to ensure they fully understand the requirements of the Code of Conduct. During 2020, 99% of colleagues completed this training, up from 96% in 2019.

Whistleblowing and speaking up

In line with our whistleblowing policy, colleagues are required to report knowledge or suspicion of malpractice or actions that endanger Quilter Group's employees or assets. The whistleblowing policy provides employees who raise concerns in good faith with protection from detriment to their future employment opportunities. Concerns can be reported to line managers, Risk and Compliance or via the independent confidential ethics hotline which is available year round. All reports are fully investigated and escalated to senior management and George Reid, independent Non-executive Director and designated Group Whistleblowing Champion.

Colleague mental and financial wellbeing

'Thrive' is our colleague wellbeing initiative which supports our people with their mental, physical, social and financial wellbeing and is supported by 120 colleague 'Thrive Ambassadors' internally. We enhanced mental health support by introducing 'Spill', which provides all employees with access to mental health resources, tools and online counselling services.

In 2020 we continued our financial wellbeing programme which promotes a range of information, employee benefits and guidance to support colleagues to feel more confident about money and pensions.

Remuneration

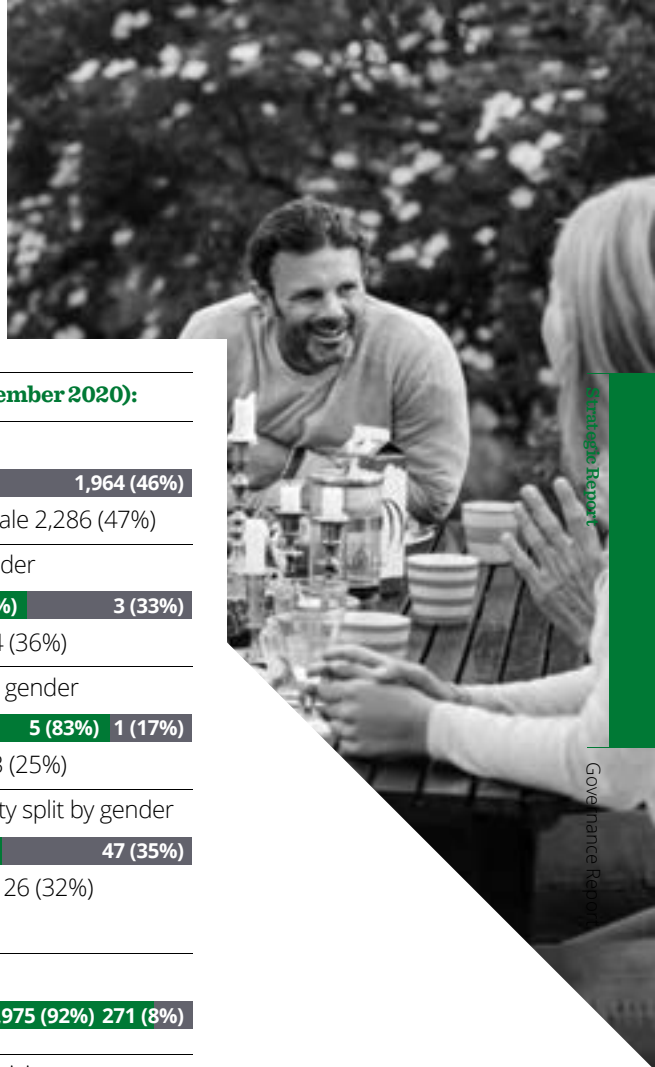
Our remuneration policy seeks to promote reward structures that encourage appropriate behaviour, avoid excessive risk taking, protect customers and support the creation and preservation of sustainable value for the benefit of all relevant stakeholders. All employees and suppliers providing on site services in the UK are paid no less than the real Living Wage (2020: £10.85 per hour for London and £9.50 per hour outside of London) calculated annually by the Living Wage Foundation and is a voluntarily initiative.

The Directors' Remuneration Policy includes the alignment of pension arrangements to the wider workforce, with pension provisions for Executive Director appointments set at 10% of base salary.

Creating an inclusive and diverse workplace

We promote equal opportunities and ensure that no job applicant or colleague is subject to less favourable treatment on the grounds of gender, marital status, nationality, ethnicity, age, sexual orientation, responsibilities for dependents, or physical or mental disability.

We achieved our target of increasing female representation in senior management to 35% by the end of 2020 – a public pledge we made as a signatory to the HM Treasury's Women in Finance Charter. Quilter's 2020 target was originally set at 35-40% of the ExCo-1 population. Due to a number of reporting line changes in January 2020 the ExCo-1 population halved in size. As a result we changed the target population to our 'senior leadership community' (SLC), a defined group of senior leaders that more accurately reflects our senior management than ExCo-1 which is solely dictated by reporting lines. We have set



a new target of 38-43% female representation in the SLC by end 2023. Fewer women in senior leadership roles is one of the main drivers behind our gender pay gap. The median pay gap was 30% (£6.72 per hour), a reduction of 2% compared with 2019.

We are committed to increasing BAME representation at all levels across Quilter and have set a target to increase BAME representation in senior management from 2% in 2020 to 5% by end of 2023. BAME colleagues earned £0.73 per hour (4%) less than non-BAME colleagues based on median pay gap data, reflecting the fairly even spread of BAME colleagues across pay quartiles. A lower percentage (79%) of BAME colleagues received a bonus than non-BAME colleagues (86%). The underlying data indicates that majority of cases are those that joined after 31 October 2019 and as such would not have met our eligibility criteria to be considered for a 2019 bonus, paid in March 2020.

We aim to achieve our diversity targets through enhanced policies, talent development, recruitment and succession planning. Strategy and progress is overseen by Quilter's Inclusion and Diversity Steering Committee, chaired by the Chief Executive Officer.

We remained an active supporter of public initiatives such as LGBT Great, a collaboration aiming to be a catalyst for LGBT+ inclusion within the investment industry and championed by our Chief Operating Officer, Karin Cook.

Diversity data (as at 31 December 2020):

Total split by gender



2019: Male 2,550 (53%), Female 2,286 (47%)

Quilter plc Board split by gender



2019: Male 7 (64%), Female 4 (36%)

Executive Committee split by gender



2019: Male 9 (75%), Female 3 (25%)

Senior Leadership Community split by gender



2019: Male 75 (68%), Female 26 (32%)

■ Male ■ Female

Total split by ethnicity*



Quilter plc Board split by ethnicity



Executive Committee split by ethnicity



Senior Leadership Community split by ethnicity



■ Non-BAME ■ BAME

*Total workforce ethnicity data is based on number of colleagues disclosing their ethnicity (76% of colleague community). Colleagues who selected 'unknown' or chose not to disclose their ethnicity are not included in the calculation.

2020 Pay gap data	Mean	Median
Gender		
Hourly pay gap	34%	30%
Bonus gap	65%	39%
Women receiving bonuses		86%
Men receiving bonuses		84%
Ethnicity		
Hourly pay gap	13%	4%
Bonus gap	33%	15%
BAME receiving bonuses		79%
Non-BAME receiving bonuses		86%

2020 Pay quartile data	Men	Women	Non-BAME	BAME
First quartile	73%	27%	92%	8%
Second quartile	58%	42%	91%	9%
Third quartile	44%	56%	93%	7%
Fourth quartile	44%	56%	90%	10%

Delivering for advisers

Related Shared Prosperity Plan commitments

- **Improve access to financial advice, saving and investing.**

Helping advisers manage and grow their business

Whether an RFP in the Quilter Financial Planning network or an Independent Financial Adviser using Quilter Investment Platform to service clients, advisers can rely on us to help them manage and grow their business, and ultimately help their clients prosper.

In 2020 we launched our 'There for You' hub available to all financial advisers. Initially in response to the COVID-19 pandemic, the hub is the first time we have created a one-stop shop of resources, including tools to support client conversations and events hosted by Quilter experts. Over 2,000 advisers attended our online 'There for You' events, which focused on practical support and expertise to them and their business during the pandemic.

For RFPs in the Quilter Financial Planning network, we offer stability through strong financial backing and the security of a comprehensive compliance regime to enable them to run their business safely and profitably. Addressing the challenges many advice firms face in finding affordable Professional Indemnity Insurance, the Quilter Financial Planning network offers member firms PII to those authorised to write business by us and where they follow our advice process.

The Quilter Investment Platform won a total of nine highly sought-after awards, as recognised by financial advisers for its quality products and outstanding service. Awards included a platinum rating for the sixth year running from the independent price comparison and research provider, 'AdviserAsset'. Their rating is based on the results of charge comparisons and platform due diligence run by advisers using AdviserAsset tools and analyses over 150,000 reports and questionnaires.

Quilter was also awarded 'Company of the Year' award from prestigious Financial Adviser Service Awards.

Wellbeing support

Being a financial adviser can be a hugely rewarding role. We also understand that it can be a demanding one, and sometimes involves dealing with complex client emotions and helping them navigate difficult personal situations. The COVID-19 pandemic also brought with it unprecedented challenges for advisers, with many more likely to be struggling with stress, anxiety and burnout as the need to adapt their support for clients increased dramatically.

In direct response to these unprecedented challenges we opened up our colleague wellbeing programme - 'Thrive' - to the financial adviser community during Mental Health Awareness Week. A first of its kind in the industry, advisers were able to access a wealth of resources to support their wellbeing, and ultimately equip them to support their clients too.

The hub included podcasts and videos from our own wellbeing experts, as well as external specialist, resources on how to adapt to changing ways of working and advice on how to cope with isolation and build resilience. We also made online mental health service, 'Spill', available to advisers.

Training and development

We are committed to the ongoing professional development of our RFPs in the Quilter Financial Planning network. This is good for advisers, good for their clients and also good for our business. Our academies and masterclasses help advisers develop their knowledge and skills of specific markets, including: wealth, auto-enrolment, mortgage and protection.

Throughout the year we worked extensively with advisers to prepare them for migration to the new Quilter Investment Platform, supporting thousands of advisers and their clients to transition smoothly to the new platform.

Transition to digital

The pandemic changed the way advisers interacted with their customers as face-to-face advice moved online. With customers impacted by a range of factors affecting their personal circumstances or family members, we made it easier for advisers to stay in touch and engage with them by identifying a number of 'reasons to talk' to depending on their current situation and financial needs. We covered eight topics, ranging from maximising tax allowances and intergenerational wealth through to coping with redundancy. Each topic was presented as a pack which included background information, advice on how they could help, sales aids and pre-approved customer communications.

Advisers understand that social media is a great way of starting or joining in conversations that help their firm stay at the forefront of their customers minds. With all activity regulated by the FCA, we helped advisers promote the benefits of financial advice to prospective clients by creating specifically themed, compliance approved social media adverts. Each advert can be personalised by advisers to suit their brand through an automated process via the Hub (with no additional charge), then downloaded in the relevant size for LinkedIn, Facebook and Instagram.

Training the next generation of advisers

In 2017 we launched the Quilter Financial Adviser School to train and develop the next generation of financial advisers. We provide not just the qualifications, but also the skills needed to enjoy a successful career and provide an outstanding level of service to clients.

The Quilter Financial Adviser School is a trusted partner of The London Institute of Banking & Finance ('LIBF'), one of the top providers of professional and academic financial services qualifications. To become a trusted partner, we have demonstrated that our training programmes meet the LIBF's strict requirements for delivering high-quality learning.

In 2020, 167 people graduated from the Quilter Financial Adviser School, which is the largest cohort to graduate in one year and brings the total number of graduates to 337 since it launched 2017. The increase in graduates in 2020 was enabled by an improved digital training proposition. We have since supported the vast majority of graduates into employment as financial advisers so they are now helping customers to achieve their financial goals.



Delivering for communities and the environment

Related Shared Prosperity Plan commitments

- Support communities to manage money well for life.
- Empower communities to thrive through employment and wellbeing.
- Reduce our environmental intensity.
- Operate responsibly.

Climate change

In 2020 Quilter formalised its approach to climate change. Our strategic objective is to reduce Quilter's contribution to climate change and support the transition to a low carbon economy. To achieve our ambition, we have a framework which helps us to reduce our direct carbon footprint, embed climate considerations in our investment management and stewardship activity, offer clients climate-focused investment solutions and align with the Task Force on Climate-related Financial Disclosure.

The Task Force on Climate-related Financial Disclosures ("TCFD")

The financial sector has a critical role in the transition to a low carbon economy; however better-quality information is needed on risks, opportunities and impacts of climate change. TCFD has provided a framework to help companies to disclose comprehensive, comparable and high-quality information.

As per the mandatory requirements of premium listed companies outlined by HM Treasury in November 2020, we are committed to a fully aligned TCFD climate disclosure for the financial year 2021. We have chosen not to fully adopt TCFD early as we believe a fair and accurate disclosure at this stage would be difficult to achieve due to carbon data limitations relating to investment portfolios and climate scenario analysis requirements. In this report we instead provide a partial disclosure focused on governance and current climate metrics related to Quilter's operational emissions, as well an outline of the steps we are taking in 2021 to fully align with TCFD.

Climate change governance

The Board Risk Committee will oversee the management of climate-related risks and opportunities and review progress as part

of its regular reporting from the business. The Board Corporate Governance and Nominations Committee oversees Quilter's responsible business and responsible investment strategy, both of which address Quilter's climate change response in its direct operations and in its investment propositions.

The Quilter Executive Committee, chaired by the Chief Executive Officer, is responsible for setting Quilter's overall climate change strategy. The Executive Committee receives quarterly updates regarding responsible business matters, which include progress towards our climate change strategy.

Responsibility for climate-related risk, and TCFD specifically, rests with the Executive Risk Forum, chaired by the Chief Executive Officer. The Forum oversees present and emerging risks to the business to ensure they are managed appropriately, reporting into the Board Risk Committee. Given the recent emergence of climate change as an established risk typology, a sub-committee of the Executive Risk Forum has been established to ensure focus is dedicated to climate-related risk and alignment with TCFD specifically. Individual responsibility for climate-related risk rests with the Risk & Actuarial Director, who holds regulatory accountability for this as the Senior Management Function holder.

Climate change strategy and risk management

During 2021 we are taking the necessary steps to fully align with TCFD. We will complete our assessment and measurement of our climate-related risks and opportunities, including those within the investment solutions we manage on behalf of clients. We will also enhance our risk management framework to ensure it fully reflects the climate risks relevant to the business and its risk appetite.

Existing stewardship activity undertaken by our investment management businesses already includes climate change issues and this will continue to be an area of engagement going forward.

Climate change metrics and targets

Quilter has reported the greenhouse gas emissions resulting from its operations (scope 1 and 2) since it became a public company in 2018. In 2021 we will complete the

measurement of emissions resulting from our core investment portfolios (scope 3 emissions) enabling us to report on this in our next TCFD aligned disclosure. We will also work towards establishing a greenhouse gas reduction target across our scope 1, 2 and 3 emissions.

Energy use is Quilter's primary source of Scope 1 and 2 greenhouse gas emissions. In 2020 we continued our strategy of transitioning our offices to renewable energy tariffs. Where we do not control the building, we proactively engage with landlords to transition to renewable energy tariffs if they have not done so already. In 2020 we successfully engaged the landlord of our new London headquarters to change to a renewable energy tariff.

We are pleased to report a 33% reduction in total Scope 1 and Scope 2 (location-based) greenhouse gas emissions in 2020, from 4,042 TCO₂e in 2019 to 2,705 TCO₂e. See table below for a full breakdown of our Scope 1 and Scope 2 greenhouse gas emissions and associated energy use data in 2020.

We also continued to participate in the CDP (formerly 'Carbon Disclosure Project'), the world's leading voluntary disclosure system for companies to measure, disclose, manage, and ultimately reduce greenhouse gas emissions. We achieved a rating of 'C' for our 2020 disclosure.

Emissions adjustments for 2019

We have updated our 2019 greenhouse gas emissions to reflect a fluorinated gas leak at our Southampton office and a small number regional offices not included in previous reporting. Our 2019 Scope 1 emissions are now reported as 840 TCO₂e, an increase from 664 TCO₂e originally reported. Scope 2 (location-based) emissions are also reported higher at 3,202 TCO₂e, in comparison with 2,216 TCO₂e originally reported. Scope 2 (market-based) emissions are now reported as 2,718 TCO₂e in comparison with 1,378 TCO₂e reported for 2019.

This also has the effect of increasing our 2019 intensity ratio to 0.92 TCO₂e per average number of colleagues in 2019.

Greenhouse gas emissions data

Total greenhouse gas emissions	TCO ₂ e 2020	TCO ₂ e 2019
Scope 1	302	840
Scope 2 (location-based)	2,403	3,202
Scope 2 (market-based)	1,882	2,718
Total Scope 1 + Scope 2 (location-based)	2,705	4,042
Intensity ratio – TCO ₂ e/average number of colleagues	0.63	0.92

Streamlined Energy and Carbon Reporting (SECR)

	kWh 2020	kWh 2019
Global energy use	12,159,853	14,227,728
UK energy use	11,794,568	13,707,697

Greenhouse gas reporting footnote:

All emissions data calculated according to the GHG Reporting Protocol – Corporate Standard. The GHG protocol categorises emissions according to 'Scope', as follows:

Scope 1 (Direct GHG)

These are emissions from sources that are owned or controlled by an organisation. This includes fuel combustion on site e.g. gas boilers, fleet vehicles and air-conditioning leaks.

Scope 2 (Energy Indirect GHG)

These are emissions from the consumption of purchased electricity, steam, or other sources of energy (e.g. chilled water) generated upstream from the organisation. For purchased electricity, organisations are required to report Scope 2 according to a 'location based' method and a 'market-based' method (see below):

Scope 2 – Location Based

This reflects the average emissions intensity of grids on which energy consumption occurs (using mostly grid-average emission factor data).

Scope 2 – Market Based

This reflects emissions from electricity that organisations have purposefully chosen and therefore includes where they may have renewable energy contracts in place or generate their own energy.

Delivering for communities and the environment (continued)

The Quilter Foundation

The Quilter Foundation is Quilter's registered charity and the cornerstone of our community engagement work. Through grant-making and the generous support of colleagues, advisers and customers, The Quilter Foundation has donated £2.2 million to charity partners since launching in 2018, enabling them to provide financial literacy, employment and wellbeing support to 23,000 young people in our local communities.

Improving financial literacy

We continued our long-term partnership with leading financial education charity, MyBnk, to fund the provision of expert led money management lessons to young people aged 11–25 in local communities. COVID-19 restrictions seriously inhibited face-to-face delivery in 2020 and despite this, the programmes still reached 7,811 young people in the year.

During 2020 Quilter continued to co-chair KickStart Money which is helping to transform the long-term savings habits of the next generation. Twenty of the UK's leading saving and investment firms are working together to champion financial education for children aged seven and upwards. Through the programme's delivery partner, MyBnk, expert-led financial education sessions reached 19,000 pupils since its launch in 2017. KickStart Money also campaigns for effective financial education for every young person from primary school onwards. During 2020, 27 UK Members of Parliament lent their support to the campaign, bringing the total number of parliamentary supporters of the campaign to 57.

Employability and skills development

Government data shows the persistency of UK youth unemployment over recent years, which has been exacerbated by the COVID-19 pandemic. In 2020 we delivered the first year of our three-year partnerships with skills and employability partners School of Safe New Futures, School of Hard Knocks and Street League. The programmes have so far supported 143 young people aged between 16 and 25.

Wellbeing and respite support for young carers

One in five secondary school children may be caring for a loved one with a serious illness, disability or mental health issues. Very often, this at the expense of their own mental health and future prospects. The Quilter Foundation and Quilter colleagues have continued to work with our charity partners – Carers Trust, The Mix and Crossroads Care – supporting 2,000 young carers in local communities in 2020. Since launching the partnerships in 2018, we have directly supported 5,600 young carers across the UK and Isle of Man.

COVID-19 relief

The Quilter Foundation donated £243,000 to trusted partners – National Emergencies Trust and Disasters Emergency Committee – to provide urgent COVID-19 relief and support to vulnerable communities across the UK and internationally.

Human rights

We recognise our responsibility to not only respect the rights and freedoms of those that work for Quilter but also of those in our supply chain. Our human rights policy has been shaped by internationally recognised principles, laws and conventions such as the International Bill of Human Rights, The International Labour Organization conventions, the UN Guiding Principles on Business and Human Rights, the UN Global Compact, The Modern Slavery Act 2015, The Human Rights Act 1998 and the Equality Act 2010. Our human resource and supplier policies and processes prohibit all forms of modern slavery, forced labour, compulsory labour and child labour. These also promote equal opportunity and prohibit any form of discrimination or unfair treatment on the grounds of protected characteristics, or because of any other personal factor. We respect the right of employees to associate for the purposes of collective bargaining and colleagues are free to join a union of their choice.

Financial crime and anti-bribery and corruption

As a financial services company we recognise the potential risk of being a target for financial crime, including money laundering, terrorist financing, tax evasion and fraud. We also acknowledge the potential risk of bribery and corruption which could result in financial loss, regulatory fines and/or censure and damage to reputation. We have zero tolerance for financial crime, bribery or corruption and have robust control environment in place including the following policies: 1) Anti-Money Laundering and Counter Terrorist Financing Policy, 2) Anti-bribery and Corruption Policy, 3) Fraud Prevention Policy. All colleagues are required to complete mandatory training on these topics annually to ensure that understand their role in preventing financial crime, bribery and corruption.

Working with suppliers

Our Third-Party Risk Management policy sets out requirements with respect to our procurement, outsourcing and supplier management activities. Our Supplier Code of Conduct applies to all suppliers and their sub-contractors that provide goods and services to Quilter. It sets out the minimum standards we expect our suppliers to adhere to when doing business with Quilter in addition to the contractual terms agreed. The Code covers legal compliance, ethical standards, conflicts of interest, anti-bribery and corruption, brands, trademarks and intellectual property, information and data protection, labour standards, living wage, discrimination, health and safety, and environmental management. We also expect them to promote these standards in their own supply chain where practical.

Tax

We are committed to full compliance with our tax obligations, paying the right amount of tax at the right time. We have zero tolerance for tax evasion and we do not promote tax avoidance or aggressive tax planning arrangements to our customers or to other parties. Our Tax Risk Policy sets out high-level requirements to ensure that tax calculations and filings comply with all applicable tax law and are prepared on a timely basis.

Non-financial information statement

The Responsible Business review from page 46 to 59 constitutes Quilter's Non-Financial Information Statement, which complies with sections 414CA and 414CB of The Companies Act. The table below sets out where to find details on specific matters relevant to these requirements within this section and elsewhere in our Annual Report:

Anti-bribery and corruption	Delivering for society – page 56 to 59.
Business model	Business model – page 42 to 43.
Employees	COVID-19 response – page 17 to 19. Delivering for colleagues – page 52 to 53.
Environmental matters	Delivering for society – page 56 to 59.
Human rights	Delivering for society – page 56-59.
Non-financial KPIs	Shared Prosperity Plan performance summary – page 48 to 49.
Principal risks	Risk review – page 70 to 77.
Social matters	COVID-19 response – page 17 to 19. Delivering for society – page 56 to 59.

- **Read more:**
- **How we understand our stakeholders: Regulators**
See page 94
- **How we understand our stakeholders: Investors**
See page 91

