

Quilter

# Quilter Stewardship Report

*Policy and Context Disclosure  
As at 31/12/2025*



*The UK Stewardship Code 2026 is divided into two parts: Policy and Context Disclosure, and Activities and Outcomes Report.*

This Policy and Context Disclosure provides an overview of our organisational purpose, investment beliefs, governance structures, and the policies and processes that underpin our stewardship activities. This report was published in 2026 and is refreshed every four years, or when material changes to the stewardship approach arise.

For insights into our stewardship activities and how we have met the six principles of the Stewardship Code over the most recent reporting period, please refer to our latest Activities and Outcomes Report.

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# Organisation, investment beliefs, and stewardship approach

## *About Quilter plc*

Quilter plc is a leading provider of financial advice, investments, and wealth management, committed to being the UK's best wealth manager for customers 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 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 two segments offer slightly different core propositions:

- Our Affluent segment serves a larger number of customers through a single-expert model, where each customer has one main point of contact – either a Quilter adviser or their own. This segment typically uses a more scalable investment approach, suited to broader financial needs.
- Our High Net Worth segment supports customers with more complex and specific requirements. These customers value a bespoke, discretionary investment service, designed to meet their individual goals.

Across both segments, our products and services are designed to help customers meet their long-term financial needs and aspirations. Putting customers at the heart of everything we do is essential to Quilter's long-term success. Strong relationships built on trust, excellent service, and positive outcomes are key to maintaining our reputation and performance.

Most of our customers are individual retail investors, and we take our responsibility seriously to act as long-term stewards of their assets.

Given the differences in customer base, service offering, and investment strategy, each segment maintains its own tailored approach to stewardship and responsible investment ("RI"). Throughout this disclosure and our Activities and Outcomes Report, we clearly distinguish between the approaches taken by each segment and highlight the principles that apply across the Group.

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.

Quilter's approach to stewardship is guided by our three thematic priorities:

- ▶ **Human rights** are rights inherent to all human beings, regardless of race, sex, nationality, ethnicity, language, religion, or any other status. Human rights include the right to life and liberty, freedom from slavery and torture, freedom of opinion and expression, the right to work and education, and many more. Everyone is entitled to these rights, without discrimination. (Source: United Nations)
- ▶ **Climate change** is the defining issue of our time, and we are at a defining moment. From shifting weather patterns that threaten food production, to rising sea levels that increase the risk of catastrophic flooding, the impacts of climate change are global in scope and unprecedented in scale. Without drastic action today, adapting to these impacts in the future will be more difficult and costly. (Source: United Nations)
- ▶ **Natural capital** can be defined as the stock of renewable and non-renewable natural resources (e.g. plants, animals, air, water, soils, and minerals) that combine to yield a flow of benefits and ecosystem services to society. (Source: Task Force on Nature-related Financial Disclosures)

## Quilter – our Affluent investment management business

*Our Affluent segment comprises Quilter Financial Planning, Quilter Investors, and Quilter Investment Platform to deliver integrated solutions for our customers.*

Within Affluent, we manage multi-asset investment solutions to meet the evolving needs of Affluent customers. These solutions are managed through a robust investment process, and dedicated research and portfolio management teams ensuring stewardship and sustainability considerations are embedded throughout.

Quilter's Affluent investment solutions are available to customers through their financial advisers, and across several investment platforms. Our customer base for these solutions can be mostly classified as individual retail customers based in the UK, serviced using platforms, with a long-term investment outlook. Our investment solutions use funds to create portfolios that meet customer risk/return profiles and sustainability preferences. Our Fund of Funds solutions, such as the Cirilium, Creation, and Monthly Income portfolios, and our Managed Portfolio Service ("MPS"), the WealthSelect portfolios, follow similar investment processes as summarised below. However, the solutions vary in structure and choice of fund investments where the Fund of Funds solutions invest predominantly in third-party funds, and the MPS predominantly uses Quilter Investors funds, where investment decisions are delegated to a selected third-party investment adviser through sub-advised mandates. Because we operate through a Fund of Funds and sub-advised models, our stewardship approach focuses on engaging with the asset managers we appoint, rather than directly with the underlying companies held in the portfolios.

Our investment solutions include active, passive, and blend ranges to offer full choice to customers. These solutions in turn utilise actively and passively managed funds.

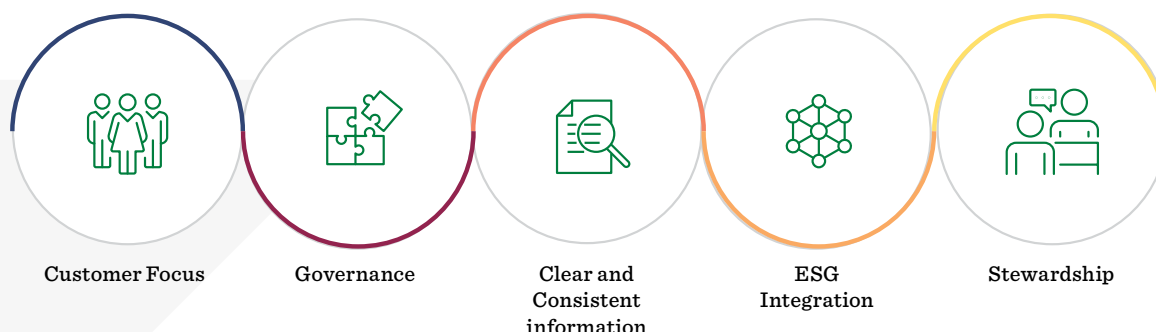
For more information on how we consider different active ownership expectations across different asset classes and fund strategies, please see 'Asset class considerations' (below).

### Our beliefs

We are committed to incorporating environmental, social, and governance ("ESG") factors into our investment and stewardship practices. We believe the integration of material ESG considerations into our investment process and stewardship is critical to generating strong, risk-adjusted, and resilient investment returns over the long term. This is because we believe sustainability risks, particularly those associated with a changing climate, can impact the value of our investments. This is especially important considering our fiduciary duty to our customers and delivering positive customer outcomes. We work to identify and manage these sustainability risks while finding opportunities to support positive change through our investment choices and influence as active owners.

We apply a consistent RI approach across all our investments, while recognising that different investment managers may address responsible investing in different but equally valid ways depending on asset class, resources, and strategy.

Our RI Policy has five principles that serve as the foundation to implement RI practices across our Affluent segment. We provide an overview of the 'ESG integration' and 'Good stewardship' principles below. For more detail on each of these principles, see our RI Policy ([here](#)).



**ESG integration**

All Quilter Affluent investment solutions use strategic asset allocations and rigorous manager selection and monitoring to meet customers’ objectives across a broad investment universe. ESG integration is embedded throughout this process, primarily through our Responsible Investment Tiering Framework<sup>1</sup>, which helps assess and classify funds based on their RI characteristics.

Assets are allocated according to strategic asset allocations, which define long-term investment guidelines across geographies and asset classes to align with the objectives of each investment solution. These strategic allocations serve as a framework for portfolio construction, ensuring consistency with the intended risk-return profile. The portfolio manager then selects funds within each strategic category to implement the strategy. In addition, tactical asset allocation decisions are made to take advantage of shorter-term market opportunities or to manage risk, allowing for temporary deviations from the strategic allocation.

Through our manager onboarding and monitoring processes, we maintain visibility into underlying manager holdings, enabling us to further monitor underlying investment exposures, ensuring transparency and effective oversight.

The Research Hub – comprising Operational Due Diligence (“ODD”), Manager Research (“MR”), and RI teams – plays a central role by conducting comprehensive research, screening, and due diligence on investment managers and funds. A key output of their work is the assignment of RI tiers to funds, based on a rigorous assessment of the ‘4Ps’: Philosophy, Process, People, and Portfolio. This tiering enables identification and mitigation of sustainability risks, guiding stewardship efforts and ensuring alignment with ESG objectives. ESG data also informs asset allocation decisions and portfolio rebalancing, particularly for our WealthSelect Responsible and Sustainable Portfolios. Portfolio construction is guided by RI tier eligibility and product-specific exclusions, with oversight maintained through governance forums and monthly investment risk reports that monitor ESG exposures, controversies, and unsustainable activities.

This integrated approach ensures ESG factors are considered at every stage of the investment process – from initial fund selection to ongoing monitoring – supporting long-term performance and alignment with customers’ objectives.



**Stewardship approach across our assets**




Good stewardship maximises long-term value for customers’ investments and is one of the overarching RI principles. The role of our stewardship activities is to deliver two key objectives:

**Objective I** – Ensure we meet the standards required for our customers. This objective requires stewardship to be integrated into investment processes. It is used to identify engagements which are conducted collaboratively by the Research Hub and involves communicating with managers and data providers that relate to systematic research and monitoring outcomes.

**Objective II** – Promote a well-functioning investment market over the long term. This objective requires stewardship activities that focus on the risks and opportunities in the broader context of our customers’ investments. We monitor the regulatory landscape and research the most material emerging themes to inform and develop Quilter’s thematic priorities.

**Engagement process**

To meet our stewardship objectives, engagements are systematically identified and prioritised. Our engagements are owned by the RI team and are research-based so that specific outcomes can be targeted through a structured pathway that can be measured and tracked. We therefore consider the following three characteristics as essential components of our internal definition of an engagement.

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

<sup>1</sup> Responsible Investment Tiering framework can be found [here](#)

## Identification

Engagements relating to Objective I are identified collaboratively through our ESG integrated research and monitoring processes. This may include through an ODD review of a firm, an annual Manager Research review of a fund, or the monitoring of our underlying exposures conducted collaboratively with the Investment Risk team. Findings from these processes are recorded and tracked through a central research system.

Our thematic engagement is driven by a combination of regulatory alignment, material risk considerations, and independent thematic research to support Objective II. We align with Quilter's thematic priorities: climate change, natural capital, and human rights (page defined on page 3). These are key issues 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 an increasing consideration of the ESG integration and stewardship work undertaken.

## Prioritisation

As a provider of diversified portfolios, our investment solutions include exposure to many firms, funds, and issuers in several markets and geographies. Therefore, numerous opportunities for engagement may be identified. We prioritise our engagements by considering the following lenses to ensure we engage for clear outcomes on the most pertinent topics:

- ▶ **Commitment related** – relevant to a policy, regulatory consideration, or mandate of an investment solution.
- ▶ **Materiality and severity** – related to specific topics or themes, and the extent of the possible impact on the size and asset classes within investment solutions.
- ▶ **Management level** – relates to a firm-level change or event, a manager's investment process, or relating to specific underlying exposures.

## Asset class considerations

Our stewardship approach is informed by the RI tiering assessments and tailored to the asset class and the manager's ability to engage directly with investee companies. We recognise that as a multi-manager product, we must balance depth of engagement with breadth of coverage across our diversified fund selection. Accordingly, we adapt our expectations of stewardship based on fund tier and asset class:

- ▶ **Equities:** Our stewardship approach in equities leverages managers' shareholder rights and access to company management and board to actively engage on ESG issues, using issuer-level data to inform investment decisions – especially within higher-tier RI funds and stewardship-focused firms.
- ▶ **Fixed income:** Our stewardship approach in fixed income focuses on issuer-level ESG monitoring and enhanced due diligence of managers' integration and stewardship activities – particularly for Tier 2 and Tier 3 funds – recognising the nuances of bond structures and limited transparency, especially in sovereign issuances.
- ▶ **Passive products:** Our stewardship approach to passive products emphasises firm-level due diligence on active ownership practices, recognising limited ESG integration in index construction and engaging with providers to address undesirable exposures – particularly for higher-tier RI funds where ESG integration is expected.

Asset class		Market	Detail	Active	Passive
Equity		Developed	Large/mid cap		
			Mid/small cap		
		Emerging	Large/mid cap		
			Mid/small cap		
Fixed income	Corporate	Developed and Emerging			
	Government				
Alternative	Hedge funds	Developed and Emerging			
	Real assets*				
	Private equity				

**Table 3: Stewardship across asset classes**

- High opportunity for the manager to engage with underlying holdings and incorporate into investment decisions.
- Medium opportunity for the manager to engage with underlying holdings and incorporate into investment decisions.
- Low opportunity for manager to engage, and less resources dedicated to engagement activities.
- Low opportunity for engagement activities but can be incorporated into investment decisions.

**Our multi-asset strategies utilise a small selection of investment vehicles. Some restrictions and exceptions may exist between portfolios; most of our investments are of the following vehicle types (in order of ownership and control).**

#### **Closed-ended funds, including investment trusts**

As we own shares in these investment vehicles directly, we focus voting-related activities on these holdings (see 'Voting' section below) and our priority is to ensure appropriate governance and RI-related considerations.

#### **Open-ended funds, including sub-advised mandates and third-party funds**

##### *Sub-advised mandates*

We have fund mandates where investment management responsibilities are delegated to strategic partners. As regulatory responsibility for these funds is retained at Quilter Investors, we aim to ensure an enhanced level of oversight for these funds in line with their mandate obligations and investment objectives. This includes oversight of voting and more detailed due diligence through Research Hub processes.

##### *Third-party funds*

A majority of assets under management ("AuM") are invested in funds managed by other firms and available either via Quilter's Investment Platform or in the market. These funds undertake various strategies and are selected and monitored in line with the RI Tier framework accordingly.

Although derivatives may be used in some portfolios for hedging purposes, we do not currently consider these in scope for stewardship activities.

#### **Escalation**

Stewardship through our monitoring and investment oversight processes serves as the first line of identifying and managing material RI risks and opportunities. 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. The method of escalation will depend on the circumstances and the type of investment. In some cases, where there is willingness and proactive actions, milestones may be amended. Internally, we may lose conviction in a manager's process and reconsider the assessment of the fund's RI tier through a full review by the Research Hub. This may result in reduced allocation to the fund, or even divestment, especially by portfolios holding higher RI tier funds. These decisions are agreed upon and communicated through the relevant Research and Investment Governance Forums.

For closed-ended fund governance or management concerns, 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.

For RI, escalation may be relevant in the following cases:

- A fund investment is not being managed in line with current RI tier categorisation.
- Persistent exposure (where validated) to an excluded or unsustainable activity.
- A firm is not able to explain or show willingness to meet minimum requirements (e.g. UN Principles for Responsible Investment signatory).

#### **Voting**

We aim to vote on all resolutions at annual general meetings ("AGMs") and other general meetings where we hold voting rights, primarily through fund vehicles and investment trusts. Sub-advised managers are expected to vote on all eligible holdings, provide voting records, and voting attestation. The Voting Policy for the Quilter Affluent investment solutions is available [here](#).

We utilise a proxy voting service provider to propose resolutions and recommendations including on ESG topics. These are shared with portfolio managers, who review and confirm decisions. The responsible Investment team are included in all voting communications for oversight to ensure voting decisions are conducted in line with our Voting Policy, decisions are documented with clear rationale, and voting activities are accurately reported. The RI team is responsible for reviewing and publishing our voting reports monthly and annually.

One of the challenges we may encounter when voting, is 'share blocking'. This practice occurs in certain settlement jurisdictions where, to vote on shareholder resolutions, investors must temporarily restrict their ability to trade the shares they intend to vote. During this blocking period, shares are frozen, which can limit portfolio flexibility and liquidity. As a result, in markets where share blocking is required, we may be restricted from exercising our vote to avoid disadvantaging our investors.

## *Quilter Cheviot – our High Net Worth business*

### *Quilter Cheviot's discretionary investment management services are for anyone seeking tailored wealth management.*

Our services are for private customers, charities, trustees, and professional partners with straightforward or more complex needs. Private customers make up the vast majority of our customer base, with most customers using our discretionary portfolio service ("DPS"). Most of our customers are based in the UK, but we do also have regional offices in Dubai and Jersey that serve a small number of international customers.

We allocate our customers' assets across the following asset classes using a combination of direct holdings and investments in third-party funds:

- ▶ Equities (including those held via third-party funds) are the largest asset class held.
- ▶ Fixed income securities, including sovereign and corporate bonds (mostly held via third-party funds with some direct holdings) account for around 20% of our AuM.
- ▶ Alternatives, such as property, infrastructure, and private equity funds are a smaller allocation.
- ▶ Cash and cash equivalents are much smaller residual holdings around 3–5%.

We invest globally with most of our AuM allocated to equities and fixed income securities in developed countries with a small allocation to emerging markets.

Exact asset class and geographic weightings vary over time in line with customer objectives and the prevailing economic outlook. We publish a full, up-to-date asset class and geographical breakdown in our annual Activities and Outcomes Report.

We invest primarily in actively managed funds, with some exposure to passive index trackers where appropriate.

### **Our philosophy**

We believe in active investment management and provide bespoke investment solutions, designed to deliver superior risk-adjusted returns for longer-term investors. On behalf of our customers, we invest in a wide range of asset classes using a combination of direct investments and third-party managed funds. We believe the best way to meet the challenges of today's dynamic market environment is through a carefully controlled investment framework that combines the skills of a dedicated research team with those of experienced investment managers. Our approach can be summarised as follows:

- ▶ Identify future trends.
- ▶ Adapt style to market cycle.
- ▶ Our global outlook informs asset and sector allocations.
- ▶ Being a responsible investor is part of our process.

### **Responsible heritage – why invest responsibly?**

With a heritage dating back to 1771, we understand the importance of taking a long-term view and investing for future generations. As a responsible investor, we are committed to our role as a steward of customers' assets to protect and enhance long-term returns. This encompasses our engagement with investee companies, through proxy voting and face-to-face dialogue, as well as considering ESG factors which could impact shareholder returns.

We believe incorporating ESG considerations into our investment analysis and stewardship activity is important for the following reasons:

- ▶ A more holistic approach: integrating ESG information into the investment process can help to mitigate risks and identify opportunities.
- ▶ The double bottom line: in addition to potentially enhancing long-term returns, we believe taking these factors into account will benefit other stakeholders, creating environmental and societal value, not just economic gains.
- ▶ Policy drivers: there are multiple regulatory developments progressing the case for implementing responsible investment and requiring immediate action. These include the Taskforce on Climate-related Financial Disclosures ("TCFD"), the Sustainability Disclosure Requirements and the UK Stewardship Code.
- ▶ Supporting customer demand: public awareness of ESG issues and customer demand for responsible investment solutions is growing. We implement a firm-level responsible investment process that covers all discretionary holdings but can take a more targeted approach for customers who want their portfolios to reflect their specific interests or preferences.

## Our beliefs

Responsible investment is an umbrella term for different investment approaches: our role is to enable customers to pick the right approach for them, within the appropriate risk profile.

- ▶ There is no such thing as an ESG fund or an ESG company: all will take different approaches so cannot be directly compared.
- ▶ As a responsible investor, the main pillars of our approach are to analyse ESG data to better inform investment decisions, and to proactively engage with the companies and funds that we hold on behalf of our customers (active ownership).
- ▶ In our role as a steward of our customers' assets, we protect and enhance long-term returns through responsible investment.

There are two approaches to being a responsible investor:

1. Risk mitigation and identifying opportunities: the integration of ESG factors and stewardship within the investment process.
2. Specific RI-related objectives: this builds on the first element and relates to linking products or strategies to specific responsible investment-related outcomes or objectives.

We have adopted the UN PRI's responsible investment framework which defines responsible investment as:

*“A strategy and practice to incorporate environmental, social, and governance (ESG) factors in investment decisions and active ownership”.*

Our approach to responsible investment and stewardship can be summarised by the following key principles:

1. Integrate ESG considerations into our due-diligence process for companies and funds.
2. Engage with companies and funds to address key ESG-related issues, themes, and risks.
3. Vote on the majority of our holdings, while enabling customers to decide how they wish to vote.
4. Allow our customers to invest in line with their RI preferences.

Our overarching approach to stewardship and responsible investment is aligned with our position as a discretionary investment manager serving private customers, charities, and trustees with long-term investment horizons and complex financial needs. Integrating ESG considerations and our customers' RI preferences into our investment decisions ensures that we meet the individual needs of our customers while managing ESG-related risks. Additionally, our 'engagement over divestment' approach ensures that we invest in line with our customers' financial goals while delivering long-term sustainable value.

## Stewardship

Within our HNW segment, stewardship involves engaging directly with the companies and funds we invest in. The purpose of this dialogue is two-fold: improve our understanding of how they are managing material ESG issues and to improve their management and disclosure of such issues. Engagement may be carried out individually or in collaboration with other investors. Stewardship also includes voting, either in person or by proxy, which involves formally expressing approval or disapproval through voting on company resolutions at general meetings.

Additionally, we facilitate customer-instructed voting, therefore our customers have the ability to exercise their own stewardship. As a wealth management business with direct retail customers, we feel this is an important element of our stewardship approach.

As a responsible investor we will use voting rights (where appropriate) to further the long-term interests of our customers, and we have established a set of voting principles which guide how we vote. Discretionary customers' holdings held in our nominee's name will be voted in accordance with our decision, as the voting of holdings reflects our investment thesis, unless otherwise instructed by a customer.

Our thematic and ad hoc engagements ensure that we engage on the most pertinent RI topics each year and utilise our RI and research teams effectively. As a minority shareholder, we ensure our approach remains effective by targeting a limited number of investees with the most significant impact on our thematic priorities and seek opportunities to engage on a collaborative basis with other investors to increase our influence.

## ESG integration

For our HNW segment, this is the explicit and systematic inclusion of ESG issues in investment analysis and decisions – to better manage risks and improve returns. This is integrated into the investment process, and our research teams are responsible for incorporating this into their ongoing analysis of investments.

Embedding ESG factors within our investment decision making is integral to our responsible investment approach. This is not about excluding companies or funds but evaluating their management of ESG issues. We will adopt different approaches depending on whether we are investing directly or via funds.

Our stewardship approach is embedded within our investment process, leveraging our internal structure and expertise to ensure that engagement insights inform investment decisions. Engagements with investee companies and funds typically involve the relevant research analyst responsible for the overall investment recommendation, enabling effective information sharing and integration of ESG considerations into our investment research process. This ensures that stewardship activities are not siloed and deliver long-term sustainable value for our customers.

In April 2022, we introduced a framework to capture our customers' RI preferences. At the same time, we reviewed and categorised all centrally monitored holdings to ensure they align with these preferences and our investment strategies. We use three categories – Aware, Engaged, and Dedicated – which apply consistently across customer preferences, investment strategies, and our centrally monitored holdings. This structure helps us tailor our approach to stewardship and responsible investment in a way that reflects our customers' values and expectations.

	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	<ul style="list-style-type: none"> <li>▶ Discretionary Portfolio Service ("DPS")</li> <li>▶ Managed Portfolio Service ("MPS")</li> <li>▶ AIM Portfolio Service</li> <li>▶ Global Income and Growth Fund for Charities</li> <li>▶ Libero Balanced</li> <li>▶ Quilter Cheviot International Funds</li> </ul>	<ul style="list-style-type: none"> <li>▶ DPS Applied</li> <li>▶ Positive Change</li> </ul>	Sustainable Opportunities 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. The classification also requires certain ethical exclusion criteria are met and the company must not generate more than 5% revenue from activities that are deemed to negatively impact achievement of the SDGs.  For sovereign debt investments to be classified as 'Dedicated', the issuing country must have achieved i) an SDG index score of 80 or higher; and ii) a "green" rating for certain core indicators, in both cases based on data from the most recent SDSN Sustainable Development Report. This annual report assesses the progress of all 193 UN Member States on the SDGs, with a score out of 100 determined for each. An SDG index score of 100 indicates all 17 SDGs have been achieved.

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

### The scope of our stewardship activities

We work to continually enhance our stewardship and RI processes. There are nuances in how these processes are delivered given the different end customers and underlying investments.

As a discretionary manager, we have nearly 6,000 individual, direct 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 that our customers wish to retain. Therefore, the focus of our stewardship activity is on material positions.

Activity	Process and universe
Voting <sup>2</sup>	<p>Discretionary holdings within the global equity and investment trust monitored lists where we have voting rights.</p> <p>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.</p> <p>Holdings in the following investment funds:</p> <ul style="list-style-type: none"> <li>▶ MPS (Managed Portfolio Services) building blocks.</li> <li>▶ Sustainable Opportunities Balanced Fund and Sustainable Opportunities Growth Fund.</li> <li>▶ Quilter Cheviot Global Income and Growth Fund for Charities.</li> <li>▶ Quilter Investors Ethical Fund.</li> <li>▶ AIM Portfolio Service.</li> <li>▶ Quilter Cheviot International Funds.</li> <li>▶ Libero Balanced.</li> </ul> <p>Customers are also able to instruct voting on their behalf.</p>
Engagement universe	<p>Centrally monitored holdings</p> <ul style="list-style-type: none"> <li>– AIM Portfolio Service holdings</li> <li>– UK holdings where we own more than 0.2% or £2 million of the market capitalisation (governance matters only)</li> </ul>
ESG integration	Centrally monitored holdings.
Screening	<p>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 our HNW discretionary portfolio service. These will vary from customer to customer and will focus on sectors, industries, or individual companies.</p> <p>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.</p>

**For up to date information on the amount of our AuM covered by the categories outlined above, please see our latest Stewardship Activities and Outcomes Report.**

<sup>2</sup> 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 where Crest Depository Interests (“CDIs”), ADRs or GDRs are held. Ability to vote on these holdings differs on a case-by-case basis.

## Governance

For an up to date overview of our wider governance framework, please see the latest Quilter plc Annual Report available on our website. [\[link\]](#)

### 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 business areas 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](http://plc.quilter.com).

The Board has also delegated authority for the operational management of the Group's business areas to the Group Chief Executive Officer within certain limits for execution to support the effective day-to-day running and management of the Group. The Group Chief Executive Officer has delegated responsibility to certain senior executives (principally other members of the Quilter Group Executive Committee) within prescribed limits. The Group Chief Executive Officer and his Executive Committee are supported by several 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 stewardship-related 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 Principle for Responsible Investment ("PRI") Framework which both form part of the Company's long-term incentive plan ("LTIP"), 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.

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 responsible investment performance. The Group Executive Committee provides 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 strategy.

In each business segment, an Investment Oversight Committee oversees the responsible investment activity with the respective Head of Responsible Investment being members/attendees of these.

The 'Heads of Responsible Investment' act as the RI Policy owners for their respective segments. They are accountable for ensuring stewardship-related policies remain effective, appropriate, and aligned with the latest stewardship standards. They also provide direct oversight of voting and engagement activities, ensuring these are delivered in line with the relevant policies.

Within Affluent, RI practices are incorporated within the existing governance structure. The RI team has representation within the QI Product and Customer Forum, Sub-advised Funds Forum, Affluent Distribution Committee, and the Affluent Investment Committee.

Within our High Net Worth segment, the RI 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 and the Investment Oversight Committee.

## Our people

Stewardship across Quilter is led by our RI teams and delivered in close collaboration with our investment research teams. This partnership ensures that we address relevant issues identified through our due diligence and ongoing monitoring, and that insights from stewardship activities are effectively integrated into our research and investment decision-making processes.

	Affluent resources	High Net Worth resources
Responsible investment teams	<p>A team of five experienced responsible investment professionals led by the Affluent Head of Responsible Investment.</p> <p>The RI team attends manager meetings and reviews the RI tiering assessments carried out by the Manager Research teams. Alongside this, the RI team leads ongoing stewardship engagement and monitoring activities with fund managers to ensure alignment with RI standards. Within the team, two stewardship specialists are responsible for coordinating and delivering engagement with fund managers, monitoring compliance with responsible investment standards, engaging with industry working groups, and overseeing voting decisions and escalation procedures.</p> <p>Fixed-term contractors may join the team occasionally to assist in the delivery of specific projects.</p>	<p>A team of five experienced responsible investment professionals led by the HNW Head of Responsible Investment.</p> <p>The team has overall responsibility for active ownership (engagement and voting) and industry collaborations across our centrally monitored holdings. The team works alongside the research teams to continually enhance our ESG integration approach and manages our proprietary ESG dashboards, as well as the ESG data we ingest from multiple providers.</p> <p>The team leads on responsible investment strategic developments within our HNW segment.</p> <p>Fixed term contractors may join the team from time to time to assist in the delivery of specific projects.</p>
In-house research teams	<p>The Manager Research team integrates ESG considerations into fund evaluation by analysing holdings, conducting manager interviews, reviewing RFI responses, and ensuring ESG factors are systematically embedded in the selection and monitoring processes.</p> <p>The ODD team assesses and monitors fund managers' operational robustness, issuing risk-rated reports, and escalating concerns to governance forums, when necessary, with reviews conducted on a cyclical basis.</p> <p>Insights from both teams inform the RI team's engagement priorities and help shape investment decisions, ensuring they reflect investment and operational perspectives.</p>	<p>There are three research teams covering third-party funds, equities and fixed income (sovereign and corporate). This includes alternatives and property.</p> <p>These teams will meet with the investee company or fund manager as part of their due diligence and monitoring. Additionally, the relevant Research Analyst will usually join engagements led by the Responsible Investment team ensuring outcomes are fed back into the investment research and analysis process.</p> <p>The Responsible Investment team works closely with the Research teams when determining engagement priorities and which companies and funds to target.</p> <p>The relevant analyst is also consulted as part of the voting process, ensuring our voting decisions are aligned with the long-term investment thesis and value creation for our customers. The Voting Panel approves all votes where we determine to vote against management.</p>
Sustainable investment management teams	<p>The WealthSelect portfolio management team consists of three portfolio managers who oversee the responsible and sustainable WealthSelect portfolios. They use the RI tiering framework to build diversified portfolios within the WealthSelect MPS, ensuring alignment with the strategies defined for each risk profile. The team works closely with the Research Hub to ensure consistency with the Responsible Investment approach throughout the fund selection process. Insights from these engagements, along with ongoing monitoring of fund managers' stewardship activities, help guide portfolio construction and may influence both fund selection and weightings within the strategies.</p>	<p>The Sustainable Investment team, comprised of three fund managers and a sustainable investment specialist, manage Quilter Cheviot's Sustainable Opportunities Funds; the Quilter Investors Ethical Equity Fund and private customer portfolios managed in line with these strategies.</p> <p>The team regularly engage alongside the Responsible Investment team with investee companies held in this portfolio, ensuring an aligned approach. The topics of these engagements are usually aligned with the targeted sustainability outcomes of the fund. Outcomes from engagements may be used to inform investment holdings in these strategies.</p>

The RI teams set the key engagement priorities and voting principles. These teams have specific experience and expertise in ESG-related matters and ensure the latest developments are considered and discussed as part of engagements. They are also responsible for engaging with internal stakeholders and ensuring our RI and stewardship principles are implemented.

## Training our people

Across the Group, we have made anti-greenwashing training mandatory, with targeted training for specific teams. This is regularly reviewed and updated as developments occur.

Continuous learning and development are central to Quilter's culture. We actively support colleagues in attending external events and pursuing relevant qualifications to deepen their expertise and enhance the experience we deliver to customers. Members of our RI teams hold a range of industry-recognised qualifications, including the CFA Investment Management Certificate ("IMC"), the CFA Certificate in ESG Investing, and CISI certifications, and many continue to pursue further professional development.

Our teams regularly participate in industry events, roundtables, and collaborative engagements, helping us stay informed on the latest stewardship-related developments and best practices. This commitment to learning ensures that our approach to responsible investment remains current, informed, and aligned with evolving customer expectations and regulatory standards.

Quilter Affluent designs and delivers ESG training across Quilter's investment, product, and advice teams, as well as to second-line risk and compliance functions. The training is informed by role-specific needs assessments and is regularly refreshed to reflect evolving ESG regulations, product developments, and industry best practices.

Our HNW segment has established the Responsible Investment Champions Forum to support the ongoing development of stewardship and responsible investment expertise across the firm. This regular forum provides enhanced and in-depth training on a range of RI topics, including regulatory developments, industry best practices, and annual engagement and voting updates. Responsible investment also features as a key part of the Quilter Cheviot Induction, ensuring colleagues new to the business are aware of our stewardship activities and the role of the RI team. Additionally, the team delivers firmwide updates biannually.

## Service and data providers

We use the following data providers<sup>3</sup> to assist in the delivery of our stewardship activities. Data providers are generally used for:

- ESG integration.
- Identification of key issues and targets for our thematic and reactive engagements.
- Our voting decision making process.

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

External data provider	Purpose	
	Affluent	High Net Worth
<b>Institutional Shareholder Services (ISS)</b>	<p><b>To assist with our active ownership agenda and an additional ESG data source.</b></p> <p><b>Voting platform</b> – 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.</p> <p><b>Governance risk-oriented data</b> – focused on board structure, compensation, shareholder rights, and audit and risk oversight. Informs decision making for governance engagements.</p> <p>To provide data for ESG integration and for engagement.</p>	<p><b>To assist with our active ownership agenda and an additional ESG data source.</b></p> <p><b>Voting platform</b> – 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.</p> <p><b>Governance risk-oriented data</b> – focused on board structure, compensation, shareholder rights, and audit and risk oversight. Informs decision making for governance engagements and is an input into the ESG dashboard.</p> <p>To provide data for ESG integration and for engagement.</p>
<b>MSCI</b>	<p><b>To provide data for ESG integration and for engagement and climate-related reporting.</b></p> <p><b>Climate solutions</b> – directly reported and modelled greenhouse gas ("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.</p>	<p><b>To provide data for ESG integration and for engagement and climate-related reporting.</b></p> <p><b>Climate solutions</b> – 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.</p>

<sup>3</sup> This list is accurate as of 1 January 2026 but may evolve over time, as Quilter is committed to maintaining robust data and information practices to support the delivery of our responsible investment objectives.

<b>Sustainalytics</b>	<p><b>To monitor exposures and ESG risk.</b></p> <p><b>Product involvement, UN Global Compact breaches, and controversies</b> – Sustainalytics data is used to monitor exposures across these areas.</p> <p><b>ESG risk ratings</b> – incorporated into our proprietary data dashboards to support ESG integration.</p>	<p><b>To provide data for ESG integration and for engagement.</b></p> <p><b>Equity and fund dashboards</b> – we use ESG data as an input into our proprietary dashboards including companies that breach the UN Global Compact.</p> <p><b>Controversial weapons screening</b> – used for monitoring exposure to anti-personnel landmines and cluster munitions in line with our policy.</p>
<b>CDP</b>	<p><b>To validate and provide ad hoc analysis.</b></p> <p><b>Climate and environmental disclosures</b> – CDP data is accessed to support validation of company-reported information and for ad hoc research purposes.</p>	<p><b>To provide data for ESG integration and for engagement.</b></p> <p><b>Equities and funds</b> – incorporating metrics from CDP's global disclosure system into the dashboards and providing data for engagements.</p>
<b>Ethical Screening</b>	Not applicable for Affluent	<p><b>To screen on a negative and positive basis in line with the client policy, and an additional ESG data source.</b></p> <p><b>Screening tool</b> – employed at a portfolio level and an additional data source for the research teams to identify areas of exclusion as well as positive screening.</p> <p><b>SDG alignment</b> – this is used for the Sustainable Opportunities strategy which identifies holdings and their alignment to the UN Sustainable Development Goals..</p>
<b>Refinitiv (LSEG ESG)</b>	Not applicable for Affluent	<p><b>To provide data for ESG integration and for engagement.</b></p> <p><b>Equity and fund dashboards</b> – we use ESG data as an input into our proprietary dashboards as well as for engagement purposes.</p>
<b>RepRisk</b>	Not applicable for Affluent	<p><b>To provide data for ESG integration and for engagement.</b></p> <p>We use this to identify and assess material ESG risks within our holdings.</p>

### Technology and systems

To support our stewardship activities, we use the following technologies and systems<sup>3</sup>.

<b>Affluent</b>	
<b>Provider</b>	<b>Purpose</b>
<b>Proprietary data dashboards</b>	<p><b>An ESG and climate risk dashboard to monitor investment exposures and track sustainability metrics across our portfolios.</b></p> <p>The ESG data dashboard provides monitoring of ESG risk across the investment universe through analysis of look through holdings and tracking key sustainability metrics including GHG emissions. The dashboard enables us to monitor climate-related mandate commitments, such as maintaining a lower carbon footprint relative to reference indices and monitoring UN Global Compact violations.</p>
<b>Dasseti</b>	<p><b>A platform to manage and track RI findings, enabling structured engagement with fund managers through automated workflows and flagging processes.</b></p> <p>This tool streamlines the identification, documentation, and escalation of RI-related flags during manager reviews. This platform enables RI analysts to issue findings linked to specific companies and products; assign follow-up actions to management research analysts and monitor engagement outcomes through automated workflows. Dasseti also facilitates internal communication and reporting, ensuring timely collaboration between RI, Research, and portfolio management teams.</p>

<sup>3</sup> This list is accurate as of 1 January 2026 but may evolve over time as we continue to enhance our technology and stewardship activities.

<b>FactSet</b>	<p><b>A platform for ESG data analysis and portfolio reporting, enabling detailed look through into underlying holdings and sustainability metrics.</b></p> <p>This tool supports the creation of ESG and climate-related reports across portfolios, integrating proprietary and third-party datasets to assess exposures to ESG risks. FactSet enables tracking of key metrics such as carbon footprint, UN Global Compact violations, product involvement, and other mandate-specific criteria. It also facilitates structured data provision to MRT and PM teams, supporting investment decision-making and internal reporting.</p>
<b>Enterprise data management ("EDM")</b>	<p><b>A system to ensure accurate voting through centralised data management and validation</b></p> <p>EDM is used in the context of voting and plays a key role in managing and validating the data required to support accurate and timely proxy voting decisions. It is used for exception management to identify and resolve data quality issues, and for mastering data sourced from downstream systems. By maintaining high-quality data throughout the investment lifecycle, EDM helps ensure that voting activities are based on accurate holdings and aligned with our stewardship objectives.</p>

## High Net Worth

Provider	Purpose
<b>Proprietary ESG dashboards</b>	<p><b>Proprietary dashboards developed to enhance our approach to ESG integration and inform our engagement and voting activity.</b></p> <p>Our ESG dashboards allow us to combine multiple data streams, from the providers listed above, to carry out quantitative analysis of material ESG factors. Metrics utilised in the dashboards are a combination of the Sustainability Accounting Standards Board ("SASB") framework and additional industry-specific factors identified in conjunction with the relevant research analyst.</p> <p>We primarily use the dashboards to categorise our holdings into our Aware, Engaged, and Dedicated categories, but they are used to determine which companies, fixed income holdings, and funds we may wish to prioritise in our engagements. The outcome of our engagements feed into our assessment of a company or fund's categorisation.</p>
<b>Proprietary responsible investment tracking tool ("RI Tool")</b>	<p><b>A proprietary system built to manage, monitor, and report our engagement and voting activity.</b></p> <p>The tool allows us to record engagement objectives, outcomes, status (e.g. initiated, monitoring, closed), and alignment with ESG factors. It supports the effective management of multi-stage and ongoing engagements, and ensures that insights from these discussions are considered in our voting decisions.</p> <p>The RI tool also helps us identify companies and funds that we have not previously engaged with or where engagement has not occurred within a defined timeframe, enabling a more proactive and comprehensive stewardship approach.</p> <p>We have also developed a Microsoft Power BI tool to deliver reporting for our firmwide and specific strategy voting. This provides enhanced transparency and allows us to monitor voting activity across the business, contributing to more consistent and informed stewardship practices.</p>
<b>Proprietary climate-related calculation engine ("ERNIE")</b>	<p><b>A proprietary calculation engine and reporting tool used for a variety of climate-related customer and entity reporting, and to inform climate-related engagements.</b></p> <p>The tool uses MSCI climate data to calculate the financed emissions and Climate Value at Risk ("CvaR") for our investment portfolios and for specific holdings. It's primarily used for customer reporting and TCFD reporting but is also a useful tool in aggregating climate data for peer comparisons which inform our engagements and voting.</p>
<b>DOOR fund RFI platform</b>	<p><b>A fund research platform used by the RI and fund research teams to gather information directly from fund managers.</b></p> <p>This tool facilitates the collection of information directly from fund managers through the management of RFI. These RFIs are designed to gather detailed insights into managers' approaches to stewardship and responsible investment.</p> <p>The data collected is instrumental in assessing and categorising funds according to our ESG framework. It also helps identify areas where further engagement with managers may be appropriate to enhance stewardship outcomes.</p>

# Our stewardship policies and processes

*As outlined above, our two investment management entities have their own unique approach to responsible investment tailored to their respective operating models, investment strategies, and customer bases. They therefore maintain separate stewardship-related policies which we set out in this section.*

While the thematic priorities for stewardship have been set at the Group level, how they are implemented varies between the two entities. Across Quilter we have policies in place regarding controversial weapons. The HNW policy is [here](#).

## *Affluent*

The policies listed below are updated annually and the latest iterations are available on the [Quilter website](#).

All policies are owned by the Head of Responsible Investment, with executive sponsorship provided by the Chief Investment Officer of Quilter's Affluent segment and Managing Director of Quilter Investors Limited, ensuring appropriate senior level governance and accountability for policy updates. Policies are reviewed by the Quilter Affluent Responsible Investment Committee at least annually to ensure they remain current with evolving market conditions, regulatory requirements, and best practice standards. The review process involves comprehensive assessment by key policy stakeholder teams including Responsible Investment, Manager research, Operational Due Diligence, Portfolio management, Investment Risk and the members of the Quilter Affluent Responsible Investment Governance Forums.

### **Responsible Investment Policy**

Our RI Policy outlines how our responsible investment beliefs and principles are implemented for Quilter's Affluent Investment Solutions and is intended for Quilter's internal and external stakeholders. It outlines our framework for integrating ESG considerations into investment decision making, defines our stewardship approach and engagement priorities, and provides transparency on how we manage sustainability risks and opportunities.

### **Voting Policy**

The Quilter Investors Voting Policy is in place to provide transparency to customers and advisers our approach to voting decisions, key voting principles, and how this varies for the different types of funds we invest in.

Quilter Investors delegates the investment management of a portion of its AuM to third-party managers. The policy sets out the expectations of these managers in relation to voting on Quilter's behalf and how we oversee this activity. As well as these key points, the policy explains how Quilter Investors places votes directly, the use of proxy adviser services, and the reporting of our voting activity.

The key voting principles set out how we vote in relation to:

- ▶ climate change;
- ▶ board effectiveness and independence;
- ▶ auditor independence and procedures;
- ▶ remuneration;
- ▶ capital structure; and
- ▶ other shareholder resolutions.

## High Net Worth

As these are updated annually, please see the [Quilter Cheviot website](#) for the latest version of each of the policies listed below, as well as a range of additional customer information documents outlining our approach to responsible investment and active ownership.

All policies are owned by the Head of Responsible Investment for Quilter Cheviot and with oversight from the Quilter Cheviot Chief Executive Officer, is responsible for ensuring the policy is reviewed on an annual basis and approving any changes to the policy. The Head of Responsible Investment is accountable for the design and delivery of the RI strategy, and any material changes to the strategy that would impact the policy are agreed by the Quilter Cheviot Chief Executive Officer and Investment Oversight Committee.

### Responsible Investment Policy

Quilter Cheviot's RI Policy sets out the overall approach to incorporating ESG factors and active ownership into the investment process. This is the overarching policy that, amongst other things, summarises the entity's approach to voting, engagement, ESG integration, customer reporting, conflicts of interest, and alignment with the UN PRI.

### Voting Policy

The Quilter Cheviot Voting Principles form the policy which is in place to clearly inform customers about our voting principles, what we vote on, and provide examples of how we will vote in different scenarios. For transparency, the policy sets out our principles for voting in relation to:

- ▶ climate change;
- ▶ natural capital;
- ▶ human rights and modern slavery;
- ▶ diversity;
- ▶ board governance, independence, and effectiveness; and
- ▶ remuneration.

The policy is also clear on how we implement these principles for investment trusts in comparison to equities.

We outline how we have voted in line with our Voting Policy in our annual Stewardship Activities and Outcomes Report.

### Engagement Policy

The Quilter Cheviot Engagement Policy sets out the types of engagement we undertake and how we prioritise them. The policy is designed to make the following elements of our engagement strategy clear to customers:

- ▶ How Quilter Cheviot implements and engages in line with the thematic priorities.
- ▶ When, how, and why we engage.
- ▶ How engagements differ between equities and funds.
- ▶ How this interacts with our voting.
- ▶ Methods of escalation.
- ▶ Reporting on engagements.
- ▶ Our process and criteria for joining collaborative engagements.
- ▶ How we identify and prioritise thematic engagements .

Examples of our engagement are published in Quilter Cheviot's quarterly and annual RI reports, and in the Stewardship Activities and Outcomes Report.

# Conflicts of interest

## *Policies*

At the Group level, Quilter plc maintains a Conflicts of Interest Policy and a Code of Conduct that sets out how we manage potential and actual conflicts of interest in our day-to-day business. The Policy is applicable across the Group and sets out the necessary principles to manage and mitigate key risks and safeguard the independence of our business.

The Affluent and High Net Worth CEOs are responsible for setting the overall strategy and framework in relation to the Policy applicable to their business.

All colleagues undertake regular training. Conflict management forms a core part of our annual computer-based training. Identifying and managing conflicts of interest and mitigating the risk of potential damage to our customers' interests have always been, and remain, an important part of our culture. Colleagues (including senior management) of the firm, play an essential role in the firm's approach to identifying and managing any conflicts of interest. Therefore, it is important that colleagues understand the firm's approach to conflicts and take responsibility for identifying and managing conflicts seriously.

All potential and actual conflicts identified are recorded on a Conflicts of Interest register (the Register). The Register contains the overview of all conflicts of interest. Additional associated registers are maintained to capture specific personal conflicts of interest, including gifts and entertainment, and personal account dealing. The location and purpose of all associated registers is recorded on the annex to the Register.

To support the Group-wide Conflicts of Interest Policy, we have investment specific policies such as the Quilter Cheviot Conflicts of Interest Policy that sets out the entities' specific approach to investment-related conflicts.

In addition to the above, to ensure stewardship-related conflicts are identified and managed appropriately, the Affluent and High Net Worth RI policies contain additional information on conflicts of interest.

Our publicly available policies are linked below:

▶ [Affluent Conflicts of Interest Statement of Practice](#)

▶ [High Net Worth Conflicts of Interest Policy](#)

## *Examples*

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 Non-Executive Director ("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.

We disclose any identified conflicts during the reporting period in our annual Stewardship Activities and Outcomes Report.

# Keeping our customers informed

We are proud of the stewardship work we undertake and recognise that transparency is essential to building trust with our customers. Our commitment to keeping customers informed is shaped by the distinct engagement models across our two investment management segments.

Quilter Cheviot engages directly with end investors, enabling a more direct approach to communicating stewardship activities. In contrast, our Affluent segment operates through financial advisers, which means our focus is on ensuring advisers are well-informed about our stewardship approach and equipped with the right materials to accurately represent this to their customers. This tailored communication strategy ensures that all customers, regardless of how they interact with us, have access to clear and relevant information about our stewardship practices.

We are committed to keeping our customers informed throughout their investment journey, starting with the advice and suitability processes.

## Advice and suitability process

- ▶ During the advice and suitability assessment processes, our advisers and investment managers seek to understand the customers' preferences in relation to responsible investment, and discuss our approach to responsible investment and stewardship with the customer.
- ▶ We make responsible investment training resources available to our advisers to ensure they are equipped to inform clients of our approach. For example, Quilter Financial Planning advisers are required to complete mandatory responsible investment training and are provided with discussion guides that include key elements of our responsible investment and overview of our stewardship approach.
- ▶ Within our HNW segment, we have included determining a customer's responsible investment preference within the annual 'Explain to me' competency exercise. In regards advisers, Quilter Cheviot has its own in-house financial planners as well as strong relationships with external advice firms, the education we provide reflects these different relationships.

## Client onboarding

- ▶ Prior to and during the onboarding process, customers are provided with marketing documentation and brochures for the services they are interested in. Advisers in the Affluent segment are provided with a client-facing factsheet which explains the role of stewardship in their approach to responsible investment and Quilter Cheviot includes details on our approach to responsible investment with the 'Understanding your investment portfolio' guide.
- ▶ Both business segments have resources on their respective websites in relation to their approach to stewardship and responsible investment.
- ▶ If a customer has a particular interest in our responsible investment or stewardship approach, the responsible investment team may attend meetings with the customer to discuss our approach.

## Ongoing Reporting

- ▶ Both Affluent and High Net Worth produce quarterly and annual voting reports in accordance with the SRD II directive.
- ▶ Quilter Cheviot also produces a quarterly and annual Responsible Investment Report outlining voting and engagement activity throughout the reporting period and the priorities for the coming year. Bespoke responsible investment reporting is also available for customers based on their specific portfolio.
- ▶ Quilter Cheviot's customers remain in open dialogue with their dedicated investment managers, and depending on the customer's level of interest in responsible investment, may provide updates from the responsible investment team directly to the investors. The responsible investment team remain available to investment managers to support in customer engagement and will provide bespoke reporting and attend meetings as requested by the customer.
- ▶ Our Stewardship Code and TCFD reporting is also available to customers and advisers to keep them up to date on our recent stewardship activities.

All the policies and documents outlined above are updated annually and remain available to customers via the Quilter and Quilter Cheviot websites and are provided to customers and advisers upon request.

### *Listening to our customers*

Quilter Affluent actively listens to customers through surveys and adviser feedback to ensure our products and resources reflect their values and expectations. We test RI preferences using dedicated customer panels, surveys, and various other methods to understand what resonates most.

Within the High Net Worth segment, we have a direct relationship with our customers which ensures we hear feedback first hand. We also survey our customers on a bi-annual basis and responsible investment is one of the areas we include within this. Additionally, we offer customers the ability to instruct voting on their holdings where their views or priorities differ from those reflected in our Voting Policy.

We remain committed to delivering a stewardship approach that supports long-term sustainable value and reflects our customers' priorities. We continue to listen to our customers' preferences and incorporate them into our approach to responsible investment.

**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.**

## **Quilter plc**

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