



# Our approach to ESG topics and operating responsibly

Spring 2021

Quilter

# Quilter: a leading, UK-centric full-service wealth manager

- ✓ Leading UK wealth manager with £100bn+ of customer assets
- ✓ Advice-led investment solutions for customers in the UK and selected international markets
- ✓ LSE and JSE listed, ~£3bn market cap<sup>1</sup>
- ✓ A proven track-record, with scale in a growing market and momentum for future profit growth

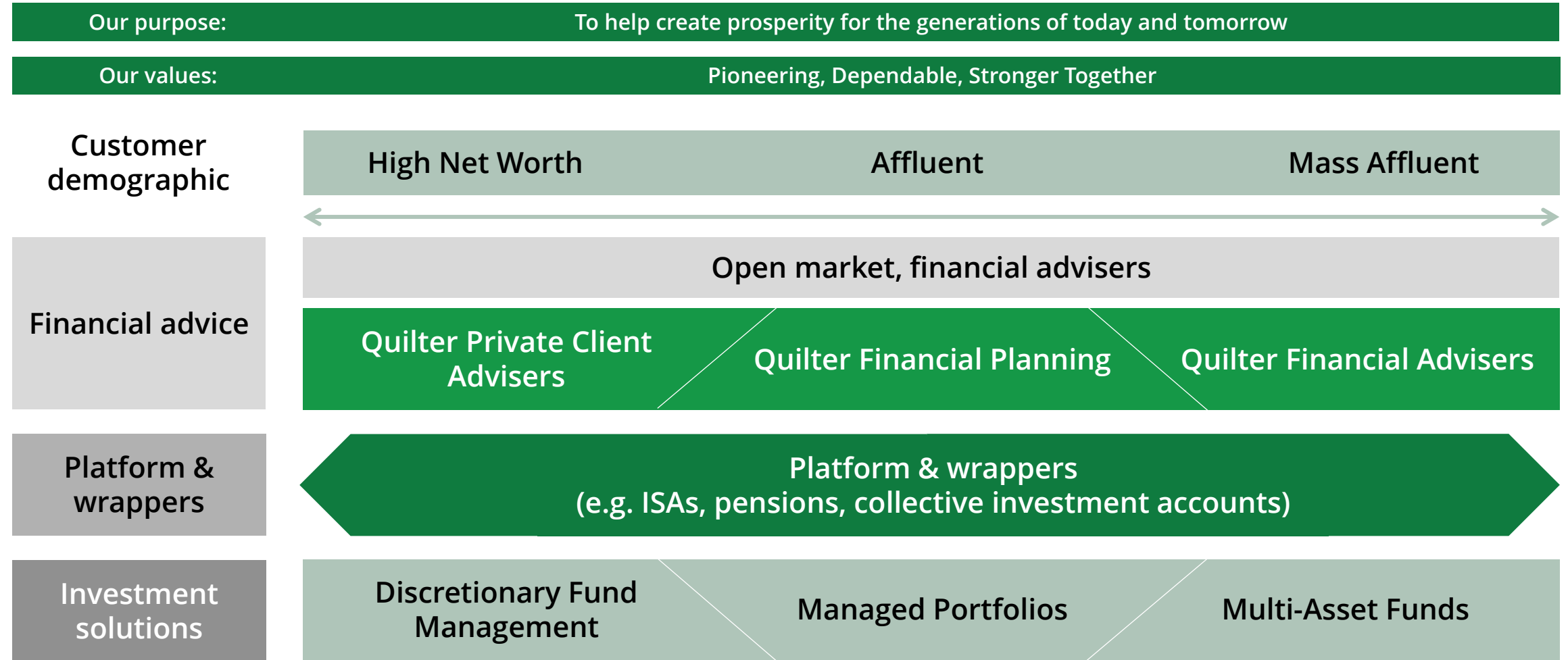
Key Performance Indicators		2020	2019	Δ
<b>AuMA and flows:</b>				
NCCF	£bn	1.6	0.3	+433%
Integrated net flows	£bn	2.3	2.6	(12%)
AuMA	£bn	117.8	110.4	+7%
<b>Financials:</b>				
Adjusted profit before tax <sup>2</sup>	£m	168	182	(8%)
IFRS profit/(loss) after tax	£m	89	(21)	-
Operating margin	%	25	26	(1pp)
Adjusted diluted earnings per share	p	8.5	8.6	(1%)
<b>Dividend:</b>				
Total dividend from continuing operations	p	4.6	4.0	+15%
- o/w QLA	p	-	1.2	-
<i>Total dividend incl. discontinued operations</i>	p	4.6	5.2	

1. Based on April 2021 share price.

2. 2019 adjusted profit before tax including QLA was £235m, including £53m contribution from discontinued operations.

# Quilter's advice-led business model

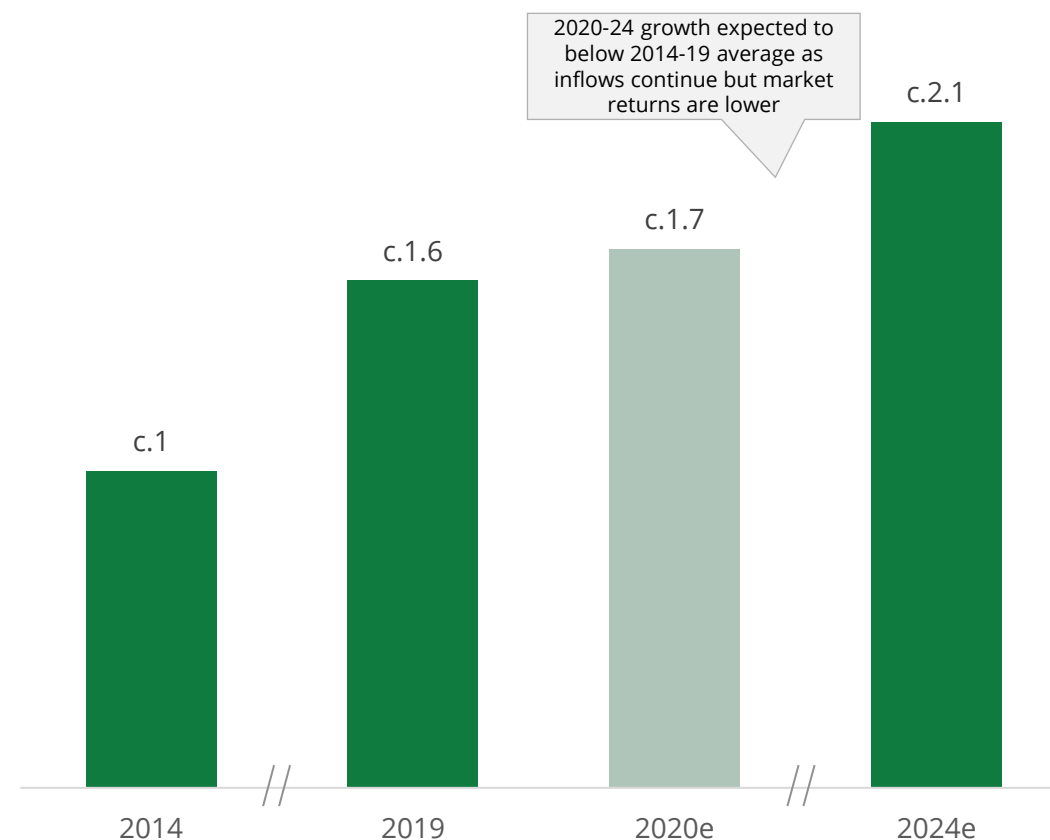
An open, transparent, full-service model serving customers across the wealth spectrum



# Operate in an industry whose growth drivers will generate significant opportunity

- Fifth largest wealth management market in the world<sup>1</sup>
- A large and growing industry with continued secular growth drivers
  - Savings responsibility shifted to the individual
  - Aging population with inter-generational wealth transfer
  - Shift from DB to DC
  - End of compulsory annuitisation
  - Increase in accessibility from Pensions Freedom
- Current trends reaffirming need for Advice in the UK
- Pandemic's fall-out disrupted many industries globally, including potential headwinds for UK Wealth
  - Wealth taxes
  - Pension allowance changes
  - Lower asset returns

UK long-term savings market forecast<sup>2</sup>  
AuMA £trn



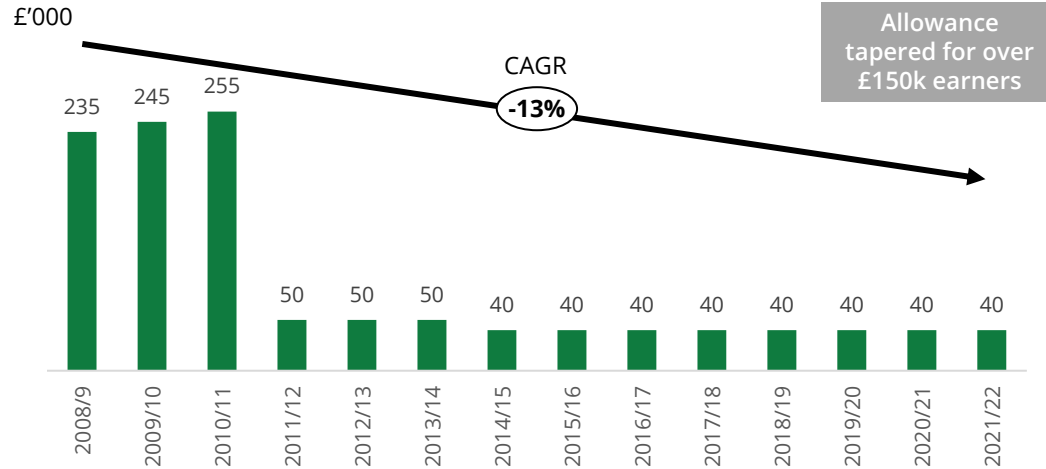
1. Source: Credit Suisse, Global Wealth Databook 2019.

2. Source: FCA, Platforum, Pimfa, PAM Directory, Oliver Wyman estimates; Includes assets managed by financial advisers, wealth managers and held on platforms. Does not include occupational pensions or annuities.

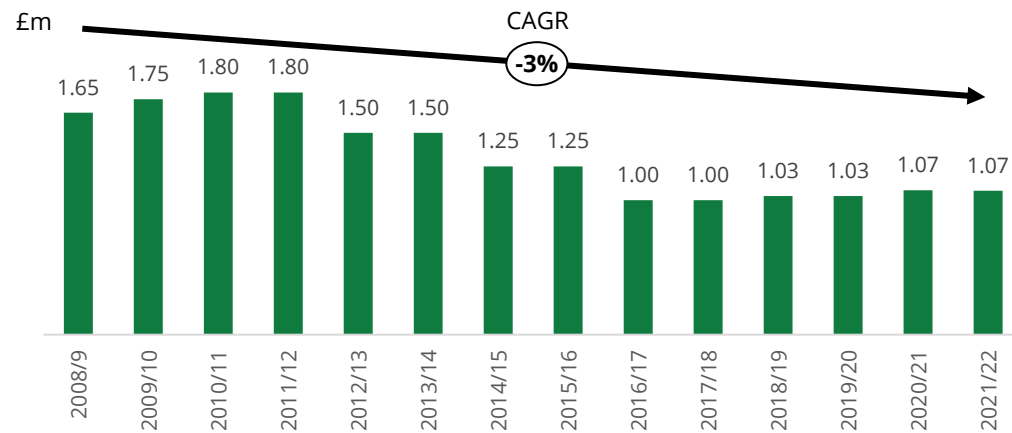
# Fiscal changes driving complexity, changing client behaviour and need for advice

With the second-largest adviser force in the UK, we strongly believe in the value of trusted face-to-face advice

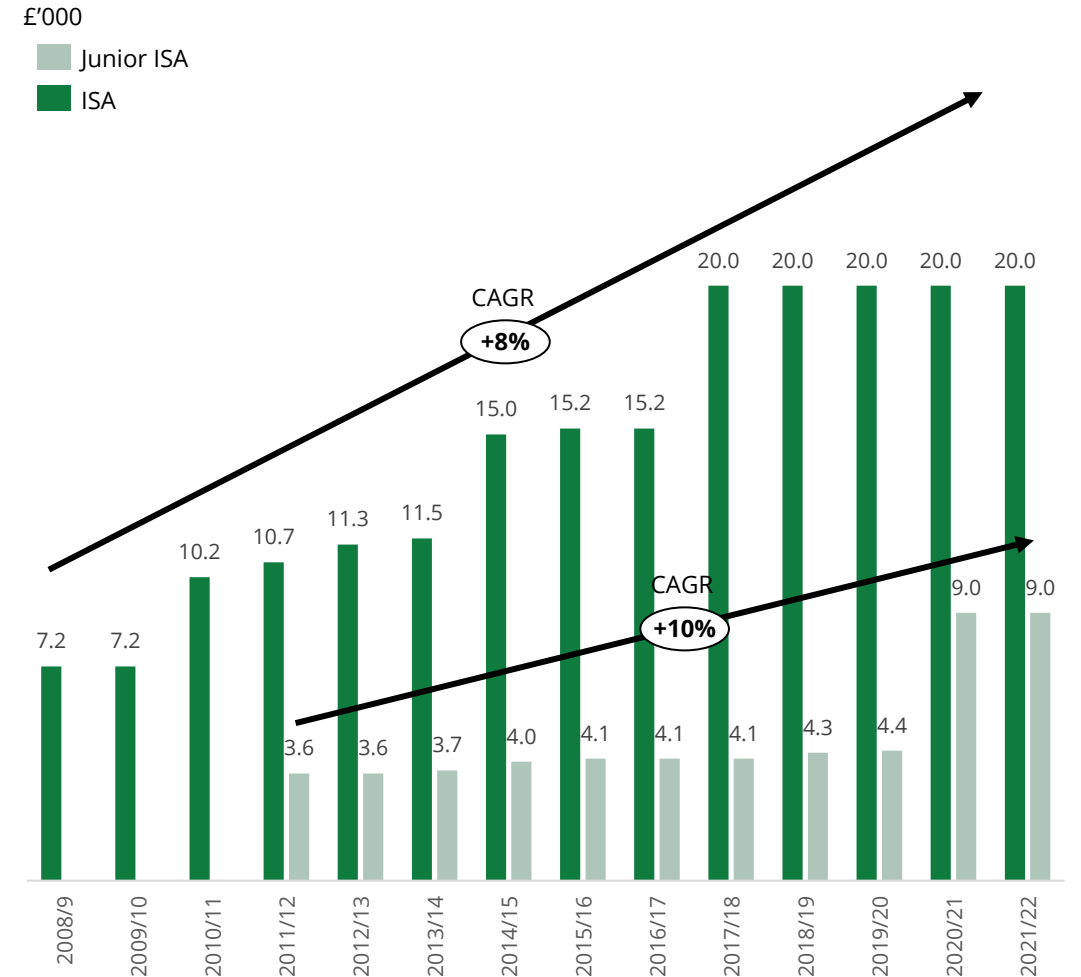
## Annual pension allowance



## Pension lifetime allowance

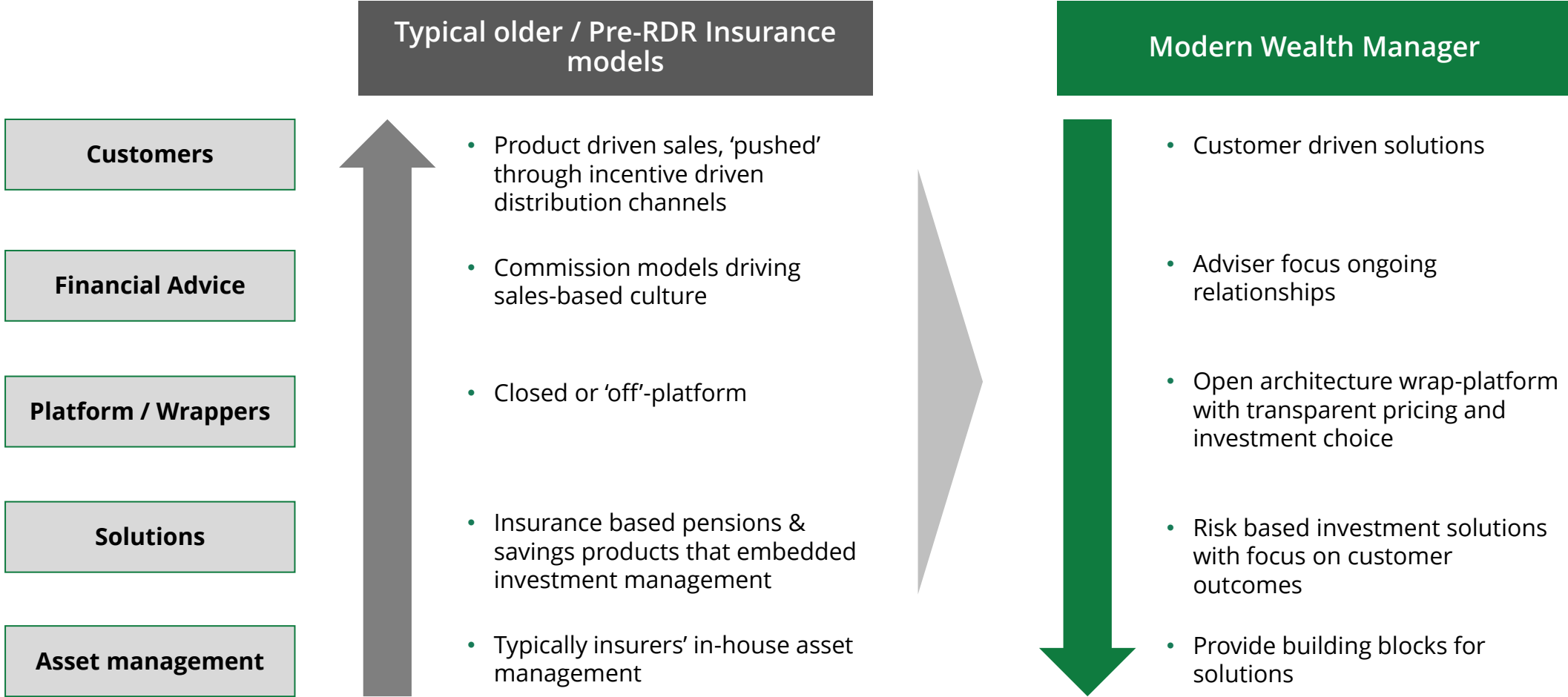


## ISA annual allowance



Source: HMRC

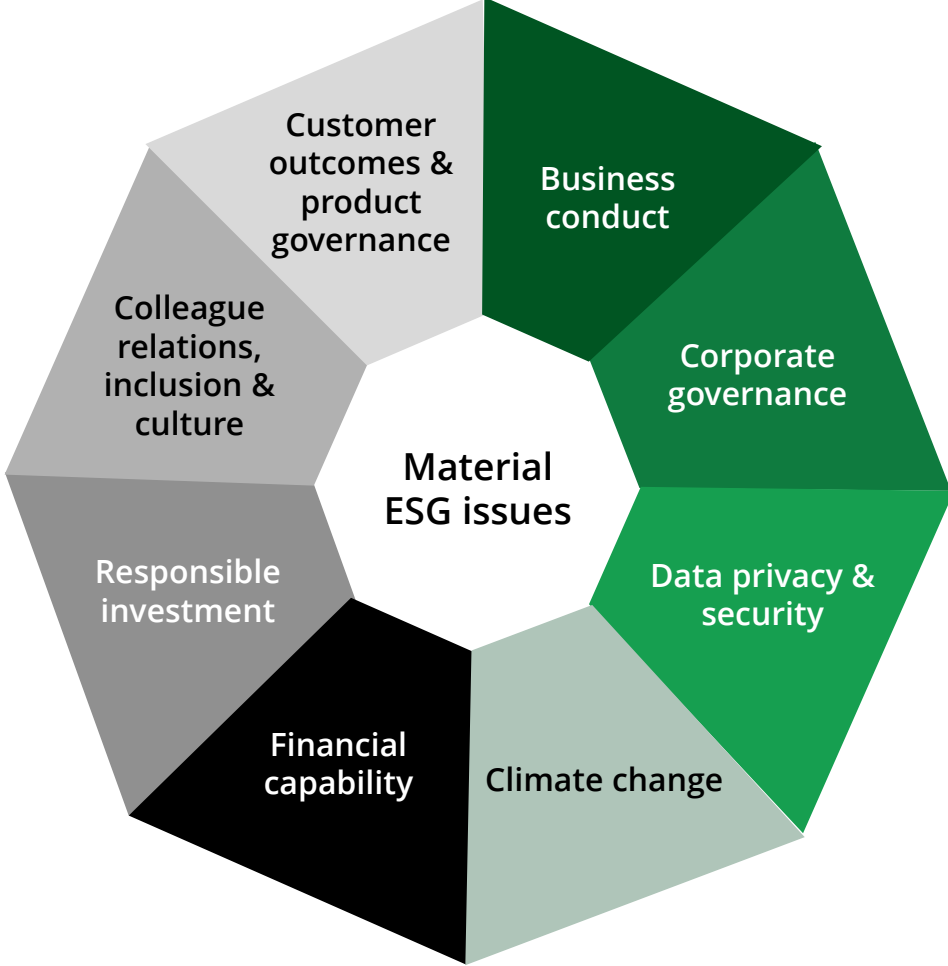
# Business models adapted to changing regulation and evolving value chain



Building a modern, advice-led wealth manager: For the generations of today and tomorrow

# Our responsible business strategy reflects material ESG issues

- Our approach to responsible business focuses on the ESG issues which are most important to our stakeholders and which affect our ability to create long-term financial and non-financial value
- Managing these issues contributes to business performance by helping us to:
  - Focus on good customer outcomes
  - Ensure customer satisfaction
  - Attract and retain the best talent
  - Build a strong culture and employee engagement
  - Strengthen adviser relationships
  - Attract new advisers to the Network and National advice models
  - Reduce regulatory and conduct risk
  - Mitigate and manage reputational damage
  - Compete against peers



# Our Shared Prosperity Plan

## Responsible business for a sustainable future

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- We are committed to operating responsibly, for the long-term benefit of all our stakeholders
- Our approach has been shaped by the ESG issues which matter most to our stakeholders and is set out in our [Shared Prosperity Plan](#)
- Our Shared Prosperity Plan has three themes:
  - Financial wellbeing
  - Inclusive growth
  - Responsible investment
- The Plan includes ten commitments which focus our work until 2025 and is underpinned by a perennial commitment to operate responsibly
- We measure and report progress comprehensively in our annual [Responsible Business report](#)





# Shared Prosperity Plan



By enabling people to enhance their financial knowledge and confidence we can help customers, colleagues and communities to be financial resilient and achieve long-term financial stability.

- 55% of working-age adults do not feel they understand enough about pensions to make decisions about saving for retirement<sup>1</sup>
- 47m people in the UK do not access financial advice<sup>2</sup>
- 72% of UK adults support financial education from age seven<sup>3</sup>



By building and promoting an inclusive culture we can ensure our products and services reflect the customers we serve whilst helping colleagues and communities to thrive in work.

- 33% representation of women on FTSE350 Boards and Executive Committees by 2020 target set by Hampton-Alexander review
- 2/3rds of workers who are struggling financially report at least one sign of poor mental health that could affect their ability to function at work<sup>4</sup>
- 12% youth unemployment vs 4% for the whole population<sup>5</sup>



By investing responsibly we can take account of environmental, social and governance issues that may impact long-term investment returns, whilst reducing our impact on the environment.

- 2,300 signatories managing over \$86 trillion have committed to the UN PRI<sup>6</sup>
- 58% increase in assets held in European sustainable funds vs. 2018<sup>7</sup>
- Net zero The UK is the first major economy to set a legal target of net zero greenhouse gas emissions by 2050



1. Money and Pensions Service.  
 2. The Investment and Saving Alliance ("TISA").  
 3. ComRes poll 2019.  
 4. Money and Mental Health Policy Institute.

5. House of Commons Research Briefing, January 2020.  
 6. UN Principles for Responsible Investment ("UN PRI").  
 7. Morningstar.

# Measuring performance

Commitments	Lead KPIs	2020	2019
<b>Financial wellbeing</b>			
<ul style="list-style-type: none"> <li>• Create secure financial futures for customers through quality products and services</li> <li>• Promote financial wellbeing for all our colleagues</li> <li>• Empower communities to manage their money well for life</li> </ul>	<ul style="list-style-type: none"> <li>• Customer asset retention</li> <li>• Percentage of colleagues feeling confident about money</li> <li>• Number of people benefiting from financial literacy support</li> </ul>	<ul style="list-style-type: none"> <li>• 92%</li> <li>• 81%</li> <li>• 7,811 people</li> </ul>	<ul style="list-style-type: none"> <li>• 88%</li> <li>• n/a</li> <li>• 11,276 people</li> </ul>
<b>Inclusive growth</b>			
<ul style="list-style-type: none"> <li>• Improve access to financial advice, saving and investing</li> <li>• Create an inclusive and diverse culture at work that enables our people to thrive</li> <li>• Help communities to thrive through employment and wellbeing</li> </ul>	<ul style="list-style-type: none"> <li>• Number of Restricted Financial Planners (“RFPs”)</li> <li>• Percentage of women in senior management</li> <li>• Number of people supported by the Quilter Foundation employment and wellbeing support</li> </ul>	<ul style="list-style-type: none"> <li>• 1,842</li> <li>• 35%</li> <li>• 3,685 people</li> </ul>	<ul style="list-style-type: none"> <li>• 1,799</li> <li>• 32%</li> <li>• 1,822 people</li> </ul>
<b>Responsible investment</b>			
<ul style="list-style-type: none"> <li>• Embed responsible investment principles across our business</li> <li>• Exercise active stewardship of our customers’ assets</li> <li>• Reduce the environmental intensity of our activities</li> </ul>	<ul style="list-style-type: none"> <li>• PRI score</li> <li>• Number of company meetings at which we voted</li> <li>• Tonnes CO<sub>2</sub>e per full-time colleague/contractor</li> </ul>	<ul style="list-style-type: none"> <li>• ‘A’ rating</li> <li>• 378</li> <li>• 0.63 TCO<sub>2</sub>e</li> </ul>	<ul style="list-style-type: none"> <li>• First disclosure Apr’ 20</li> <li>• 171</li> <li>• 0.92 TCO<sub>2</sub>e</li> </ul>
<b>Responsible business conduct</b>			
	<ul style="list-style-type: none"> <li>• Percentage of colleagues completed code of conduct training</li> </ul>	<ul style="list-style-type: none"> <li>• 96%</li> </ul>	<ul style="list-style-type: none"> <li>• 96%</li> </ul>

N/A – prior year comparator not available.

# External benchmarks



Included in Index Series since 2018



Living Wage accredited employer



ESG rating: BBB



HM Treasury Women in Finance Charter



ESG risk rating: 21.9/100 (low risk)



- Armed Forces Covenant signatory since 2018
- Defence Employer Recognition Scheme: Silver Award



Environmental stewardship score: C



Rated 'A' (Strategy & Governance)



LGBT Great founding member

# Responsible investment

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- Quilter has committed to embed responsible investment principles across all areas of the business from financial advice, to investment and wealth management and investment platforms
- In 2019 a pan-Quilter ESG working group was established to drive our responsible investment commitments
- ESG Expertise: we have dedicated responsible investment professionals in Quilter Investors and Quilter Cheviot, coordinated at Group level by Responsible Business team within Corporate Affairs function
- Current ESG practice:
  - ✓ PRI signatory
  - ✓ Stewardship: voting and engagement on direct equity holdings and investment trusts
  - ✓ ESG considerations embedded into third-party fund research process conducted in-house
  - ✓ ESG fund ratings available on Quilter Investment Platform
  - ✓ Responsible investment products managed by Quilter: Climate Assets Fund and Quilter Ethical Fund
  - ✓ ESG-related regulation project to ensure full compliance of incoming requirements
  - ✓ Active members of ESG working groups convened by TISA, PRI, PIMFA
- We anticipate interest in responsible investment to continue to grow and are exploring market opportunities to meet customer and adviser needs

# The Quilter Foundation

## The focal point of Quilter's community investment activity

- Registered charity whose mission is to help young people thrive and prosper
- Aim to positively change lives by improving financial literacy, employability, and mental health and wellbeing
- Work in partnership with a small number of strategic charity partners, delivering life changing impact in our communities

7,811 young people  
supported in 2020

£2.2m donated to charity  
partners since 2018 launch

23,000 young people  
supported in local  
communities since 2018  
launch



# Quilter Foundation partnerships

## Financial education

Helping young people improve financial wellbeing plays a vital part in their overall health and happiness.

We continue to partner with leading financial education charity, MyBnk and to support the KickStart Money initiative to provide high energy and innovative money education.

- **7,811** young people reached in 2020
- **£470,150** granted to support the provision and development of financial education for young people in the UK and Isle of Man over past three years

## Young carers campaign

One in five secondary school children may be caring, unpaid, for a loved one with serious illness, disability or mental health issues. Very often, this is at the expense of their own mental health and future prospects.

In 2018 Foundation launched a three-year campaign to give thousands of young carers the chance of a brighter future.

- **2,000** young carers supported in 2020
- **96%** learnt new skills on employability
- **204** Quilter colleagues gave their time and skills by volunteering with The Carers Trust

## COVID-19 relief

As the scale of the impact of the global pandemic became apparent, we donated to trusted partners the National Emergencies Trust and the Disasters Emergency Committee to provide urgent relief and support to vulnerable communities across the UK and internationally.

- **£243,000** donated to trusted partners

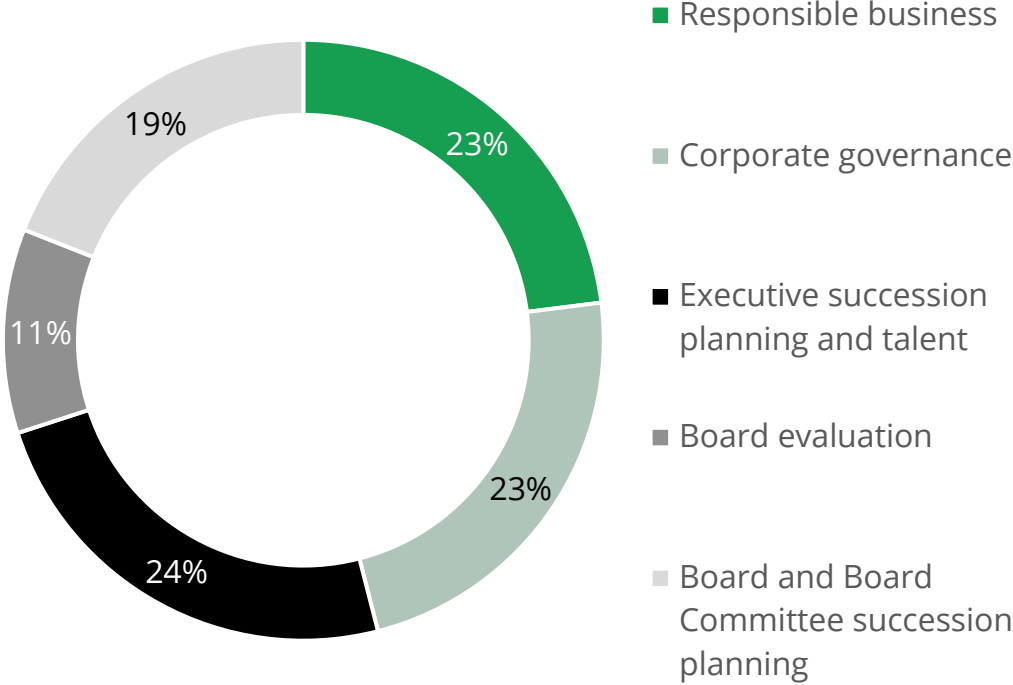
# Governance and Management of ESG

Quilter is committed to being a responsible business and has appropriate governance arrangements in place to manage this commitment.

- The Board oversees Quilter’s approach to ‘Responsible Business’ through the Board Corporate Governance and Nominations Committee, chaired by Quilter’s Chairman<sup>1</sup>.
- Quilter’s CEO has overall accountability for responsible business and all members of the Executive Committee have personal objectives reflecting Quilter’s commitment to responsible business, aligned with their remuneration.
- The Responsible Business Forum is a management group providing oversight, direction and challenge with respect to Quilter’s approach to responsible business. The Forum, chaired by the Group Corporate Affairs Director, meets quarterly and comprises members from each operating business and key corporate functions.
- The Board and Executive Committee receive regular reports on responsible business issues, activity and progress.

1. The Committee’s terms of reference can be found here on [quilter.com](http://quilter.com).

Board Corporate Governance and Nominations Committee activity 2020



# ESG in action

## Maintaining support to all stakeholders in wake of COVID-19 pandemic

### Colleagues

- 98%+ of colleagues in UK and internationally working remotely at lock-down peak
- Active colleague engagement strategy – “Thrive” wellbeing programme supporting remote working and those struggling with isolation
- Deferred certain Optimisation initiatives

### Communities

- Quilter Financial Adviser School’s first Diploma module available free online. Over 300 people signed up during lockdown
- £200k+ donated to the UK National Emergencies Trust
- Volunteers remotely supporting Young Carers Trust

### Clients and Advisers

- Accelerated delivery of IT and remote telephony solutions maintained high service levels
- “There for you” programme rolled out to over 23,000 advisers across the UK offering help on topical issues
- Encouraged digital access and provided online materials for advisers to share with clients

### Shareholders

- Balance sheet strength in challenging times
- Buybacks of c.£175m completed to date<sup>1</sup>
- Completion of the Odd-lot Offer
- 4.6p recommended total dividend

In uncharted waters, we must be guided by our values; Our priority is to protect our employees, while serving the customers and advisers who rely on us.

1. As at 9 March 2021.



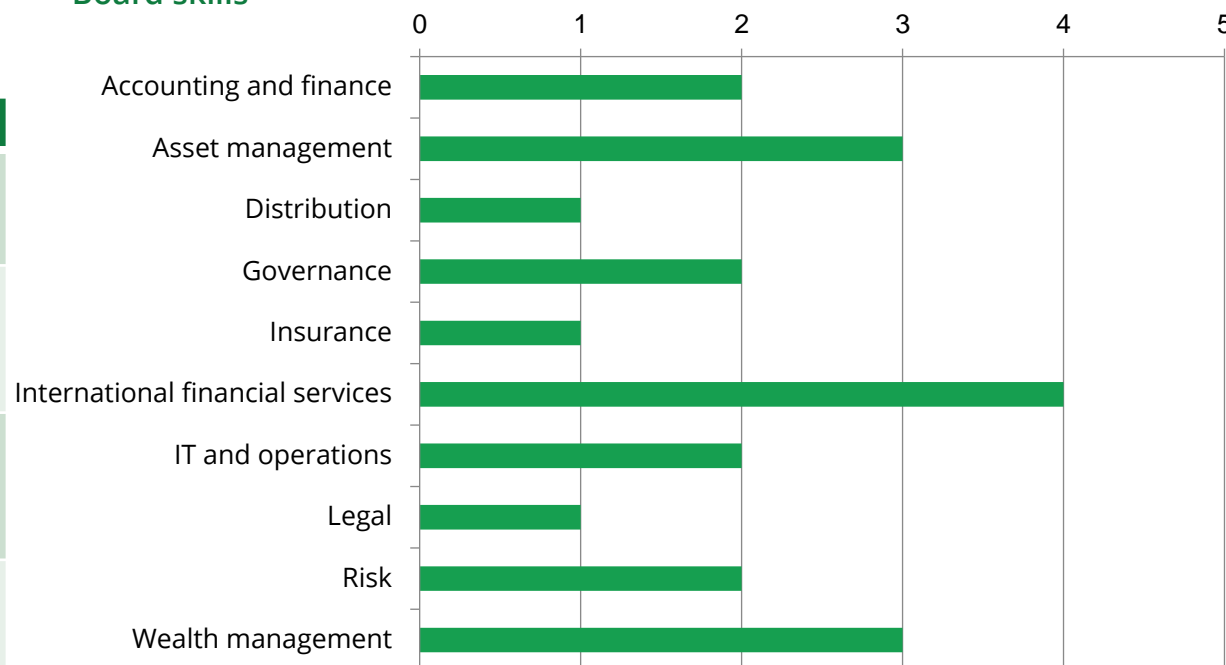
# Quilter plc Governance and our Board of Directors

- In undertaking its duties in 2020, the Board continued to be mindful of the need to appropriately balance the interest and expectations Quilter's key stakeholders

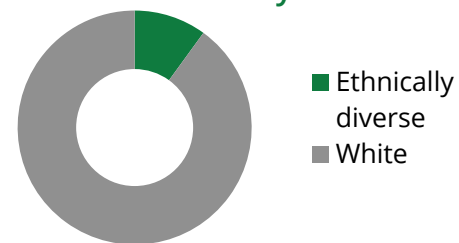
Stakeholders	Material considerations in 2020
Investors	<ul style="list-style-type: none"> <li>• Capital management incl. share buyback and dividends</li> <li>• Managing costs during volatile markets to support delivery of strategy and achieve long-term sustainable success</li> </ul>
Colleagues	<ul style="list-style-type: none"> <li>• Promoting diversity and inclusion and colleague engagement</li> <li>• Monitoring employee surveys and supporting our people during a period of significant change and additional demands on colleagues</li> </ul>
Communities	<ul style="list-style-type: none"> <li>• Comprehensive and rapid support in response to the COVID-19 pandemic</li> <li>• Reducing our contribution to climate change and support the transition to a low carbon economy</li> </ul>
Regulators	<ul style="list-style-type: none"> <li>• Outcomes achieved for customers through a sustainable business model</li> <li>• The strength of the Group's relationships with its regulators and work performed to ensure Quilter meets their expectations</li> </ul>
Advisers	<ul style="list-style-type: none"> <li>• Safe implementation of new investment platform, enabling advisers to provide excellent advice and customer support with an enhanced range of services</li> </ul>
Customers	<ul style="list-style-type: none"> <li>• Management action to support customers impacted by the pandemic including heightened internal controls to prevent fraud and cyber crime</li> <li>• Working closely with the FCA and the skilled person review in light of complaints in respect of historic advice provided by Lighthouse to British Steel Pension Scheme participants</li> </ul>

Data as at 10 March 2021.

## Board skills



## Board ethnic diversity



## Board gender diversity



# Contacts

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## Investor enquiries

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# Disclaimer

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This presentation should be read in conjunction with the announcements published by Quilter plc on 10 March 2021 and the Responsible Business report contained within the Annual Report published on 25 March 2021.

This presentation may contain certain forward-looking statements with respect to certain Quilter plc's plans and its current goals and expectations relating to its future financial condition, performance and results.

By their nature, all forward-looking statements involve risk and uncertainty because they relate to future events and circumstances which are beyond Quilter plc's control including amongst other things, international and global economic and business conditions, the implications and economic impact of the COVID-19 pandemic, the implications and economic impact of several scenarios of the UK's future relationship with the EU in relation to financial services, market related risks such as fluctuations in interest rates and exchange rates, the policies and actions of regulatory authorities, the impact of competition, inflation, deflation, the timing and impact of other uncertainties of future acquisitions or combinations within relevant industries, as well as the impact of tax and other legislation and other regulations in the jurisdictions in which Quilter plc and its affiliates operate. As a result, Quilter plc's actual future financial condition, performance and results may differ materially from the plans, goals and expectations set forth in Quilter plc's forward looking statements.

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