

Responsible Business

Being a responsible wealth manager

Our purpose is to create prosperity for the generations of today and tomorrow. To do this, we must strive to create a sustainable business, that acts and invests responsibly. That is why being a responsible wealth manager is one of the four pillars of our Group strategy.

2022 materiality assessment

We are committed to reviewing our approach to responsible wealth management regularly to ensure it continues to reflect the areas of materiality for our business.

This year the materiality assessment was conducted between July and September. The output was presented to the Quilter Responsible Wealth Management Executive Steering Committee and the Quilter Board in September 2022.

The assessment included desk-based research of the regulatory landscape, our competitor propositions, the expectations set by the external bodies (of which we are a signatory) and societal trends relating to colleague, customer and adviser preferences. This research included consideration of customer and adviser research conducted by Quilter between 2020 and 2022. We also conducted a series of interviews with subject matter experts from our responsible investment, proposition, distribution and human resources teams to gain their perspectives.

Based on this assessment we have developed the following strategy for our responsible wealth management activities. This strategy is based around the framework you will find on the right-hand side of this page and three core areas which we are focusing on in the short term. You will find these detailed on page 27.

Our strategic framework:

Our materiality assessment has highlighted the need to leverage a framework which prompts us to think about how we act and how we invest.

Acting responsibly refers to the way we operate and do business. It is about our culture, values, business conduct and how we manage our relationships with our stakeholders.



Investing responsibly refers specifically to our products and services. It is about how we seek to integrate responsible investment ("RI") considerations into our financial advice process, investment platform tools and investment management approach.

Our current key areas of focus

	Why this pillar is important according to our assessment of materiality	Our commitments to our customers	Measuring our progress
<p>Invest responsibly</p> <p>Read more on page 28</p>	<p>Customers expect us to be able to manage their money in a way that aligns with their values and needs, whatever their life stage.</p> <p>Customers trust us to protect, grow and pass on their wealth to the future generation.</p> <p>Colleagues want to be proud of the outcomes we achieve for our customers and the way we manage their money.</p>	<p>We will aim to:</p> <ul style="list-style-type: none"> • make it easy for our customers to invest in line with their values and needs; and • safeguard the futures of our customers and their families by considering the environmental, social and governance issues that could impact their wealth where we actively manage their assets. 	<p>Our aim is to retain signatory status of the Financial Reporting Council's ("FRC") Stewardship Code and we will continue to be a signatory of the United Nations backed Principles for Responsible Investment ("UN PRI") as these are currently recognised as the custodians of best practice for responsible investment within our industry.</p>
<p>Reflect our community</p> <p>Read more on page 29</p>	<p>Customers expect us to care and understand their needs, making the right decisions in the moments that matter.</p> <p>Customers expect us to be able to service both them and their families as a whole.</p> <p>Colleagues want to feel included and part of something greater than themselves. They want to know the business values their individual needs.</p>	<p>We will aim to build a business that reflects the diverse needs of our customers, their families and the communities they live in.</p>	<p>We have set targets to increase the diversity of our senior management: 40% female representation for the end of 2025 and 5% ethnic minority representation by the end of 2023.</p> <p>Our aim is to have supported 100,000 young people since listing through the Quilter Foundation by 2025.</p>
<p>Consider climate impact</p> <p>Read more on page 31</p>	<p>Customers want the best for their families and future generations.</p> <p>Colleagues believe in the threat climate change poses; they want us to play our part to help tackle it.</p>	<p>We will seek to play our part in the global effort to create a more sustainable world for future generations.</p>	<p>We have set a target to reduce our Scope 1 and 2 emissions by 80% by 2030.</p>

Oversight of delivery

Board	Responsibility for environmental, social and governance ("ESG") matters – captured in the responsible wealth management framework – resides with the Quilter plc Board, which has delegated oversight of the reporting framework to the Board Corporate Governance and Nominations Committee.
Executive	Responsibility for the responsible wealth manager strategy is delegated to the Chief Executive Officer, supported by the Executive Committee. The Responsible Wealth Management Steering Committee is a formal sub-committee of the Executive and provides executive oversight, direction and monitoring of the responsible wealth management strategy.

Invest responsibly

The United Nations backed Principles for Responsible Investment (“UN PRI”) define responsible investment as ‘a strategy and practice to incorporate environmental, social and governance (“ESG”) factors into investment decisions and exercise active ownership’.

We believe that incorporating ESG data into investment decisions and exercising active ownership helps to mitigate risk and identify potential opportunities thereby contributing towards the generation of long-term sustainable returns. That is why we are in the process of integrating responsible investment (“RI”) practices into the areas of the business where we actively manage assets on behalf of our customers. This includes iteratively improving the data and technology we provide to our investment professionals and broadening the impact we have through stewardship. There are differences in how this is and can be applied in practice in each area of our business and you can read more about how this was approached in 2022 on our websites or in our Stewardship Code Report.

■ Read more at www.quilter.com/investments/responsible-investment/
■ or in our Stewardship Code Report plc.quilter.com/responsible-business/reports-and-statements

We believe customers should have the information and choices to enable them to invest in line with their values and needs. That is why we strive to understand our customers’ responsible investment preferences and provide them with the option to invest in a solution or service which has a specific responsible investment objective. In 2022, we made tools and training available to our advisers and investment managers so that they are able to understand a customer’s responsible investment preferences and select a solution which aligns to these. We have delivered new investment strategies and portfolios in recent years which have responsible investment objectives, with some key new offerings delivered in 2022 as noted below. We will aim to continue to evaluate our proposition against our customers’ responsible investment preferences and in 2023 will do so in line with the next phase of the FCA’s Sustainability Disclosure Requirements (“SDR”) Regime.



Marisol Hernandez
Head of Responsible Investment
Affluent Segment



Gemma Woodward
Head of Responsible Investment
High Net Worth Segment



Stuart Clark
Portfolio Manager, Wealth Select



Claudia Quiroz
Head of Sustainable Investment
Quilter Cheviot

Priorities 2022–4	2022 progress	Onward priorities
Continue to support customers, advisers and colleagues to engage with and understand responsible investment	Training for Quilter Cheviot Investment Managers to support the incorporation of RI preferences into suitability processes. Training made available to independent and Quilter advisers as part of Wealth Select launch.	Ongoing programme of engagement with customers, advisers and colleagues.
Embed responsible investment practices where relevant	Embedded consideration of responsible investment preferences into Quilter’s advice and Quilter Cheviot suitability processes.	Improve ESG data coverage and broaden stewardship activities across Quilter Investors’ portfolios.
Deliver reporting in line with regulatory change	Initiate roll out of task force for climate-related financial disclosures (“TCFD”).	Roll out of SDR.
Ensure our proposition caters to the responsible investment preferences of our customers	Launched WealthSelect Responsible & Sustainable Portfolios in Quilter Investors. Launched Climate Assets Growth Fund, DPS Focused and a further version of the Positive Change strategy in Quilter Cheviot.	Ongoing assessment of customer preferences with updates made where relevant.

Stewardship Code

Stewardship involves engaging with companies and funds to discuss and encourage improvement in their handling and disclosure of ESG issues. Quilter was proud to retain its signatory status of the Financial Reporting Council’s Stewardship Code in 2022, a status which is verified annually on the basis of our Stewardship Code Report. This report is updated annually on our website and our 2022 report will be added after it is submitted to the FRC in April. This report provides a summary of the key stewardship activities we have undertaken during the course of the year in Quilter Cheviot and Quilter Investors as well as further detail on our responsible investment activities more generally.

Propositional enhancements:

In 2022 we launched our new WealthSelect Sustainable and Responsible Portfolios and broadened our Climate Assets range through the launch of a new growth fund.

Reflect our community

We believe that having an inclusive culture that embraces diversity helps us better understand the evolving needs of our customers, and therefore improves decision making for them and our business.

We are making changes to our internal practices to enable us to attract and retain a diverse colleague community under the leadership of our Head of Inclusion and Diversity. We want to invest in initiatives designed to make our services more accessible to a broader range of clients. Quilter Cheviot's Women in Investing Hub is an example of this.

We want all of our colleagues to remain focused on the customers and advisers they serve and connected to the community they operate within. That is why we chose to establish a charitable foundation when we listed back in 2018. The Foundation aims to break down the barriers to prosperity for young people and has supported 57,710 young people since its launch.

Priorities	2022 progress	Onward priorities
Put the customer and adviser experience at the heart of our culture	Implemented next phase of customer-centric operating model.	Deliver Consumer Duty Programme.
Create a more inclusive and diverse Quilter	Quilter Cheviot's Women in Investing Hub continued & Female Client Survey conducted. Recruitment practice refresh.	2025 senior management targets. Assess routes of action to support greater diversity in adviser market.
Respond to the needs of our employees in the moments of truth	Provided additional support during the cost-of-living crisis to colleagues.	Launch refreshed wellbeing strategy.
Create a demonstrable symbol of our commitment to go beyond making a profit	Appointed new manager of the Quilter Foundation (joined January 2023) and refreshed trustee Board. Launched the Foundation's Local Community Fund. Donations to Disaster Emergency Committee ("DEC") appeals for Ukraine and Pakistan.	Launch next phase of Quilter Foundation employment grant.

Quilter Foundation highlights



3-year employment grant concluded

In 2022 our three-year employment grant concluded. We partnered with three charities, Street League, Safe New Futures and School of Hard Knocks, to support 424 15-25 year olds reduce the barriers they faced to gaining employment.

Local Community Fund launched

In response to colleague feedback, we launched the Foundation's Local Community Fund in 2022. The aim of the fund was to create a mechanism through which the Foundation could make smaller grants to causes nominated by colleagues or advisers.

During the year we granted £120,000 to 17 charities across the British Isles. This included a number of organisations contributing support to those affected by the rising cost of living.

£120,000
granted



Colleagues fundraised


£120k

In 2022 our colleagues continued to show their support for the Quilter Foundation, raising over £100,000. Colleagues also raised over £20,000 for other charitable causes. Matched funding from Quilter plc contributed a further £60,000.

DEC donations

£195k

In 2022 we unfortunately continued to see emergencies around the world. Quilter responded to both the DEC's appeal for Ukraine and it's appeal for Pakistan. Colleagues fundraised over £70,000 and Quilter plc contributed a further £125,000.

 You can read more about our impact through the Foundation by visiting plc.quilter.com/responsible-business

Inclusion and Diversity Action highlights:

In 2022, we launched our two-year action plan designed to identify and deliver sustainable, long-term change.

- You can read more about our two-year Inclusion and Diversity Action Plan here plc.quilter.com/responsible-business

The Action Plan was endorsed by the Quilter plc Board and delivery is overseen by the Inclusion and Diversity Executive Steering Committee, chaired by Quilter's Chief Executive Officer. Good progress was made in 2022 but we are cognisant of the industry wide challenge to address inclusion in financial services and realise that significant effort and focus is required over a sustained period. In 2022 our focus was on setting the foundations for success, encouraging data disclosure and education.

Attracting and retaining diverse talent: A thorough review of recruitment processes was conducted to ensure our talent acquisition practices can enable our action plan. In addition, the talent acquisition team, along with the wider human resources function, underwent specialist training to ensure they are appropriately equipped to support delivery of our ambition.

Education and community: The Quilter plc Board, senior leaders and line managers attended informative and inspiring sessions with John Amaechi OBE. Over 300 employees attended in total. To reinforce the importance of inclusion and diversity we also mandated a specific performance objective for managers, offering guidance and setting clear expectations. We launched our new Inclusion and Diversity Forum. The Forum meets quarterly and is designed to create a safe space for dialogue on this topic between colleagues from across our organisation. We also continue to support our employee networks – Together with Pride, Gender Diversity and Cultural Diversity.

Data disclosure: We recognise the importance of data disclosure, not least in measuring and monitoring progress but also as an indicator of colleagues' level of psychological safety in sharing personal data with Quilter. In 2022 we focused on creating psychological safety through storytelling and role modelling, and we also expanded our disclosure fields to cover a broader set of diversity characteristics.

Colleague diversity data

We use targets to drive our desired improvement in the diversity of our senior management. In 2022, our target was to achieve 38% female representation and 5% ethnic minority representation in this community. Although gender diversity improved year-on-year, we narrowly underachieved these targets, ending the year with 36% female and 4% ethnic minority representation. Nonetheless, we remain committed to sustainable change and believe the progress noted above will support this. To further reinforce our long-term goals, we have set out new minimum targets for the end of 2025 to have 40% female representation, which is in line with the FTSE Women Leaders Review Target, and 5% ethnic minority representation by the end of 2023. As we progress toward these medium-term minimum goals, we will continue to set stretch targets for the executive that will drive and support diverse representation across our senior management.

With regards to our pay gap data, in 2022 we have reported a median gender pay gap of 31% and a median bonus gap of 44%, a reduction on 2021. We have also voluntarily included our ethnicity pay gap calculations. Our median ethnicity bonus gap of 35% is lower than 2021.

The data below is as at 31 December 2022 and staff are asked to contribute their data via an electronic portal. For detail on the diversity of our Board directors see page 54.

Data disclosure response rates

Gender	Gender identity	Sexual orientation	Ethnicity	Disability	Age group	Religion	Socio economic
100%	46%	72%	90%	61%	100%	80%	60%

Gender representation

Senior management¹

2022	32 (64%)	18 (36%)
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All colleagues

2022	1,676 (56%)	1,329 (44%)
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Latest UK Census (2021) benchmark

2022	49%	51%
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■ Male ■ Female

Gender pay gap

Gender pay data	2022	2021
Mean hourly pay gap	30%	33%
Median hourly pay gap	31%	29%
Mean bonus gap	62%	72%
Median bonus gap	44%	53%
Female colleagues receiving a bonus	90%	92%
Male colleagues receiving a bonus	92%	91%

Ethnicity pay gap

Ethnicity pay data	2022	2021
Mean hourly pay gap	12%	15%
Median hourly pay gap	5%	4%
Mean bonus gap	48%	44%
Median bonus gap	35%	38%
Colleagues from an ethnic minority group receiving a bonus	82%	87%
White colleagues receiving a bonus	92%	92%

Ethnic group representation

Ethnic group representation	Asian ² %	Black ³ %	Mixed ⁴ %	White ⁵ %	Other ⁶ %	N/A ⁷ %
Senior Management	2%	0%	2%	92%	0%	4%
All colleagues	6%	2%	2%	87%	1%	2%
Latest UK Census (2021) benchmark	10%	4%	3%	81%	2%	-

¹Senior Management is defined as Executive Committee and their direct reports, excluding personal assistants.

²Colleagues who identified as belonging to one of the following ethnic groups: Bangladeshi, Chinese, Indian, Pakistani or Asian other.

³Colleagues who identified as belonging to one of the following ethnic groups: Black African, Black Caribbean, Black other.

⁴Colleagues who identified as belonging to one of the following ethnic groups: Mixed White/Asian, Mixed White/Black African, Mixed White/Black Caribbean, Mixed other.

⁵Colleagues who identified as belonging to one of the following ethnic groups: White British, White Irish, White Gypsy/Traveller, White other.

⁶Colleagues who identified as belonging to one of the following ethnic groups: Arab, Any other.

⁷Colleagues who responded but opted not to disclose their ethnic group.

Consider climate impact

We believe in the importance of playing our part in the global effort to create a more sustainable world and consider our exposure to climate-related risks. In 2022 we set a reduction target for the emissions associated with our direct and indirect operations (Scope 1 and 2) and continued to develop our understanding of the emissions from our value chain (Scope 3). Excluding our investments, the biggest contributor to our Scope 3 emissions are those associated with our third-party spend. In 2022, we worked with a third-party to broaden our understanding of the emissions generated by the third-parties we procure services from and the levers we have available to reduce this impact. Delivering on these opportunities will be a priority in 2023 and we remain committed to building out our approach further. Further details can be found in our Task Force on Climate-Related Financial Disclosures ("TCFD") report which is summarised on page 32.

Priorities	2022 progress	Onward priorities
Contribute to a just transition to net zero by 2050	Scope 1 and 2 targets set.	Set purchased goods and services engagement target. Iteratively improve our action plan with a focus on our investments.
Enable our people to take tangible action to address the climate crisis	Colleague sustainability committee launched. First Colleague Sustainability Survey.	Iterative improvements to encourage colleague action.
Assess the action required of Quilter on biodiversity		Assess Taskforce for Nature Related Financial Disclosures recommendations and determine actions.

Colleague sustainability survey

In June 2022, we ran our first Quilter sustainability survey. The survey was designed to obtain more information on colleague commuting and working from home habits. It allowed us to hear their ideas about the opportunities we have to act more sustainably. We had a 33% response rate, with coverage across our office locations. We made the results of the survey available to colleagues so that they could see the emissions impact of different commuting choices. As a result of the feedback, we were able to refine our Scope 3 emissions calculations through the use of some actual employee commuting data and also launched a new quarterly sustainability newsletter, designed to promote the support we are making available to colleagues to enable more sustainable choices. We currently intend to repeat this survey to track the impact of our improvements and reflect on engagement.

Operational greenhouse gas emissions

Our 2022 Scope 1 and 2 emissions were 46% lower than our 2020 baseline. The primary driver of this was the reduction in our office footprint driven by the sale of our International business. Moving forwards, we anticipate short-term reductions will be harder to achieve. In 2022 we worked with a third party to update our methodology for calculating Scope 3 emissions and this has meant we have restated higher 2021 figures below.

Operational greenhouse gas emissions and energy use data

Greenhouse gas emissions as at 31 December		2022 tCO ₂ e	2021 tCO ₂ e
Scope 1 emissions	Global	377	1,132 ¹
	UK	371	1,125 ¹
Scope 2 (location-based) emissions	Global	1,085	1,622
	UK	1,043	1,505
Scope 2 (market-based) emissions	Global	833	1,151 ²
	UK	754	1,017
Total Scope 1 & 2 emissions³	Global	1,462	2,754
	UK	1,414	2,630
Scope 3 emissions ⁴ (excluding investments)	Global	39,900	56,599
	UK	39,891	54,013
Total operational emissions	Global	41,362	59,353
	UK	41,305	56,643
Operational carbon intensity (tCO₂e per Full Time Equivalent (FTE))⁵	Global	14.10	19.56
	UK	14.22	18.80
Streamlined Energy and Carbon Reporting (SECR)		2022 kWh	2021 kWh
Global energy use		8,776,775	11,935,393
UK energy use		8,605,404	11,615,018

Meaning of Scope Definitions

All operational emissions data (incl. energy consumed) calculated according to the Greenhouse Gas (GHG) Reporting Protocol – Corporate Standard. The GHG protocol categorises emissions according to 'Scope', as follows:

- **Scope 1** (Direct GHG) These are emissions from sources that are owned or controlled by an organisation. This includes fuel combustion on site e.g. gas boilers, fleet vehicles and air-conditioning leaks.
- **Scope 2** (Energy – Indirect GHG) These are emissions from the consumption of purchased electricity, heat and steam, or other sources of energy (e.g. chilled water) generated upstream from the organisation. For purchased electricity, organisations are required to report Scope 2 emissions according to a 'location-based' method and a 'market-based' method (see below):
 - **Location-based.** This reflects the average emissions intensity of grids on which energy consumption occurs (using mostly grid-average emission factor data).
 - **Market-based.** This reflects emissions from electricity that organisations have purposefully chosen and therefore includes where they may have renewable energy contracts in place or generate their own energy.
- **Scope 3** (value chain – indirect) These are all indirect emissions (not included in Scope 2) that occur in a company's value chain, including both upstream and downstream emissions (e.g. business travel, waste).

Due to data availability, Quilter's calculations do not take into account the emissions generated by self-employed advisers. This includes, Quilter Financial Planning, Quilter Financial Advisers and other independent advisers who use our platform or asset management services. Our Scope 3 disclosures do not include data for the impact generated by our investments.

Footnotes to data table

- ¹Including a refrigerant leak accounting for 509 tCO₂e. This figure differs from last year's reported value due to underestimation of gas supply in our Southampton office.
²This figure differs from last year's reported value due to a change in market-based emission factors for our geothermal supply in our Southampton office.
³This is calculated as the total of Scope 1 and Scope 2 (location-based) emissions.
⁴Our disclosed Scope 3 emission metrics (excluding investments) contain some estimations and reliance on externally provided data. Following a change in methodology, our emissions from purchased goods and services have been recalculated for 2021.
⁵Calculated as total operational emissions divided by the average number of FTE employees as at year-end. This metric is provided as a comparison against other organisations.

Task Force on Climate-related Financial Disclosures statement

For accounting periods starting on or after 1 January 2021, the FCA required premium listed companies, such as Quilter plc, to include a statement of consistency with the TCFD's recommendations and recommended disclosures within their Annual Report.¹ Where the relevant disclosures are provided in a separate report, listed companies must provide a description of where that document can be found. Whilst material and significant climate-related information can be found in this report, we have chosen to produce disclosures consistent with the TCFD's recommendations and recommended disclosures in a separate standalone report, intended to supplement our annual report. This allows us to produce more detailed supplemental climate-related information, in a form tailored and accessible to a wide range of stakeholders. Our '2022 Group TCFD report' can be found online at: plc.quilter.com/responsible-business/reports-and-statements. See below for a summary of the TCFD recommended recommendations, our disclosures and where in the standalone 2022 Group TCFD report they can be found¹:

Theme	TCFD Recommended disclosure	Our disclosure
Governance Disclose the organisation's governance around climate-related risks and opportunities.	Describe the Board's oversight of climate-related risks and opportunities. See page 9	<ul style="list-style-type: none"> We have presented the governance structure for Board oversight and management of climate-related risks and opportunities. We have described relevant recent activities performed by the Board and senior management.
	Describe management's role in assessing and managing climate-related risks and opportunities. See pages 10 - 12	
Strategy Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning, where such information is material.	Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term. See pages 14 - 16	<ul style="list-style-type: none"> The climate-related risks we have identified are market, reputational and legal, policy and regulatory, and physical risks such as extreme weather events. Our climate-related opportunities include increased demand for sustainable products and services. We have described how the identified risks have informed our strategy, business activities and services. We have an opportunity to expand upon how these risks have informed financial planning in our 2023 disclosure. A climate-related scenario analysis exercise for the Group, which explored our long-term resilience to three potential climate scenarios, is described.
	Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning. See pages 17 - 20	
	Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario. See page 21	
Risk management Disclose how the organisation identifies, assesses, and manages climate-related risks.	Describe the organisation's processes for identifying and assessing climate-related risks. See page 23	<ul style="list-style-type: none"> We have described how climate-related risks have been integrated into our overall risk management framework, including information on how climate-related risks are determined in relation to other identified risks. Our approach to managing climate-related risks within our investments is described in more detail, covering our approach to ESG-integration, stewardship activities and engagement.
	Describe the organisation's processes for managing climate-related risks. See pages 23, 25 - 30	
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management. See pages 23 - 24	
Metrics and targets Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process. See pages 32 - 34	<ul style="list-style-type: none"> With regard to our operational activities we use GHG metrics to assess, monitor, and manage our exposure to climate-related reputational risks. We have disclosed our Scope 1 and Scope 2 GHG emissions and estimated our Scope 3 emissions (excluding investments) and set a target to reduce our Scope 1 and 2 emissions. With regard to our investment activities, we are not able to disclose our GHG emissions for investments due to data limitations. However, in our High Net Worth segment, we have provided a carbon-related matrix, the weighted average carbon intensity ("WACI") as a measurement of exposure to climate-related market risk in our investments. Within Affluent, we have provided carbon footprint metrics for our WealthSelect Responsible and Sustainable ranges and have disclosed the WACI of a proportion of our investments to the extent that data is available and reasonable credible.
	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas ("GHG") emissions, and the related risks. See pages 32 - 33	
	Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets. See page 32	

¹Our disclosures are consistent with the four recommendations and the eleven recommended disclosures set out in the report entitled 'recommendations of the task force on climate-related financial disclosures' published in June 2017 by the TCFD as required under the FCA's listing rules. We have considered the document entitled 'annex: implementing the recommendations of the task force on climate-related financial disclosures' published in October 2021 and highlighted where future improvements are needed to meet these enhanced recommended disclosures above.

Other key activities: our people

Talent management and engagement

The success of our business relies on recruiting and retaining the very best talent. As part of our annual talent and succession review, future skill needs of the organisation are identified in order to highlight any skill gaps within the organisation and plan for how to address these (for example through training, recruitment, apprenticeships etc).

We have continued our partnership with Future Talent, a leading education and learning platform, to provide two flagship leadership development programmes: the Transformational Leadership Programme for experienced leaders and managers looking to step into senior leadership roles, and the Aspiring Manager Transformational Leadership programme, aimed at first-time line managers or those aspiring to take on a management position. We currently have 234 people on our leadership programmes. 6% of people who have participated in the programme have since been promoted, compared with the Quilter average of 2.5%. A new coaching framework was also rolled out last year, primarily designed to support new leadership and management teams that were coming together as the business transformed. In addition, colleagues can access training and development, including degree programmes and relevant professional qualifications, where relevant to their role and development needs.

We seek the views of our colleagues through the Workday Peakon Employee Voice tool. The survey provides key engagement insights to leaders and managers and informs our people strategy to ensure we are focusing on employee needs whilst also tracking key priorities such as inclusion and diversity. Our engagement score increased to 7.4/10 in 2022, independently rated as 'good' and in the middle range of the finance sector. The Employee Forum represents colleagues across Quilter and meets with senior leaders on a monthly basis to discuss key issues that impact the interests of our people. The views of the Employee Forum, together with views and feedback from our weekly surveys, are taken into account and support management's decision making.

We continue to make the option available to permanent employees to invest in Quilter shares via a save as you earn ("SAYE") scheme and arrange townhalls and provide regular communications to explain our business performance.

HR policies

Our people policies support our aim to create an inclusive culture that embraces diversity and enables our people to thrive. They also reflect relevant employment laws, including the Universal Declaration of Human Rights and ILO Declaration on Fundamental Principles and Rights at Work. All employees and suppliers providing on site services in the UK are paid no less than the real Living Wage, a voluntary initiative run by the Living Wage Foundation. In October 2021 they published the rates of £11.05 per hour for London and £9.90 per hour outside of London and these were refreshed in September 2022 to £11.95 and £10.90 respectively – the largest percentage increases in recent memory in direct response to the cost of living challenges. Firms have six months to update any employees whose pay is below these minimums to remain accredited, however, we voluntarily made the appropriate changes for affected individuals with immediate effect and ensured all of our starting salaries begin in excess of these amounts. In light of the pressures faced by many of our colleagues due to the rising cost of living, we made a one off payment in August 2022 to all employees on an full time salary of £50,000 or less.



We promote equal opportunities and ensure that no job applicant or colleague is subject to discrimination or less favourable treatment on the grounds of gender, marital status, nationality, ethnicity, age, sexual orientation, responsibilities for dependants, or physical or mental disability. We are committed to continuing the employment of, and for arranging training for, employees who have become disabled while employed by Quilter. We select candidates for interview, career development and promotion based on their skills, qualifications, experience and potential.

A grievance procedure is in place to provide a clear and secure route for employees to raise a complaint or problem about any issue relating to their work, working environment, pay and benefits, working hours or a concern about any other issue affecting their employment. In line with our whistleblowing policy, colleagues are required to report knowledge or suspicion of malpractice or actions that endanger Quilter's employees or assets. The Whistleblowing Policy provides employees who raise concerns in good faith with protection from detriment to their future employment opportunities. Concerns can be reported to line managers, Risk and Compliance or via the independent confidential ethics hotline which is available year round. This hotline is also available to suppliers and advisers who work with Quilter.

Our customers

Customer service and engagement

We continue to invest effort into the collation of customer feedback and seek to act upon the insights it provides to improve service and ensure our proposition continues to meet customer needs. We continue to monitor our Trustpilot score. As at December 2022, our score stood at 4.2/5, meaning we saw an improvement through the course of the year. In 2022 we linked our pre-existing customer satisfaction surveys generated for customers of our platform and Quilter Private Client Advisers to Trustpilot to enable greater transparency of the feedback we are receiving and continued to work with an external organisation to collate customer satisfaction scores for these two areas of our business. Our customer satisfaction score remained flat on 2021 at 84% and market insight indicates that this was a good outcome given the disruption seen last year due to market conditions. The feedback gained from these sources is made available to a variety of stakeholders across the business and we seek to ensure we act on any areas for improvement which are highlighted.

To broaden our understanding of our customers and target customers further, we continue to run research projects. The most notable example of this in 2022 was the Female Client Survey run by Quilter Cheviot as part of the Women in Investing initiative. The survey aimed to understand the investment experiences of our female clients including what aspects lead them to invest, how they make investment decisions, and how their differing circumstances affect the way they invest. We have released the output of this project externally and have used the insights to inform our proposition.

In advance of the implementation of the FCA's Consumer Duty in 2023, in 2022 we initiated a pan-Quilter programme designed to ensure readiness and have a specific workstream focused on customer support. One of the customer groups we have considered as part of this work is those customers who could be considered vulnerable, for whom we have already made various adjustments in recent years to ensure they are appropriately supported. The programme is also implementing a new approach to the testing of customer communications so that we can continue to ensure they are as understandable as possible.

Consumer advocacy

During 2022, we continued to call for the UK Government to protect consumers against the threat of online financial scams. This included campaigning for the online advertising elements of the Online Safety Bill to remain part of the bill and responding to Department for Digital, Culture, Media & Sport on the Online Advertising Programme to make the case that it should align with the Online Safety Bill to help prevent online financial scams advertisements. As part of our work advising NHS employees, we led successful calls for the government to extend the 2020/21 NHS Pension Scheme Pays deadline and the continuation of the extension of the cessation of abatement rules. Both issues helped to ensure healthcare workers were given adequate time to plan their finances and did not face undue tax costs while they were focused on fighting the NHS backlog, as well as ensuring the most experienced and senior doctors and nurses continue to work without being penalised for doing so.

Policies and practices

Customer policies

Our Product Governance Policy sets minimum standards for the Group and its subsidiaries in manufacturing and distributing financial products appropriately to meet customer needs. The policy is implemented to support compliance with various regulatory frameworks, including the UK implementation of the Markets in Financial Instruments Directive ("MiFID II"), the underlying regulation on markets in financial instruments ("MiFIR"), and the Insurance Distribution Directive ("IDD"). The Product Governance Policy is subject to an annual attestation process managed by the Quilter Risk Function. In our Group, individual legal entity Boards are responsible for setting product strategy and ensuring product governance is effective. The Boards delegate execution of product strategy and operational responsibility to the business Chief Executive Officer.

Our Product Governance Policy outlines minimum marketing and communications requirements for Quilter Group functions and subsidiaries. Marketing material published by businesses must be clear, fair and not misleading. Materials should be sufficient to ensure customers can make informed financial decisions in relation to the product or service, including the clear communication and explanation of charging structures for related products.

All communications must consider our customers' information needs and comply with applicable regulations, including the Financial Conduct Authority's ("FCA") Treating Customers Fairly ("TCF") requirements.

Data privacy and IT security

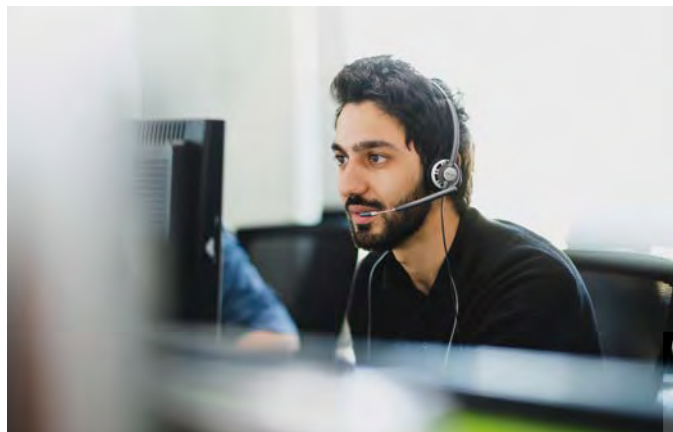
The collection and use of customers' and advisers' personal data is governed by our Privacy Policy and supporting standards and overseen by a Group Data Protection Officer ("GDPO") with the support of a formal committee, the Quilter Privacy Forum. The Board oversees Quilter's IT strategy, including our approach to information and data security. At an executive management level, the Group Chief Operating Officer is responsible for IT strategy and is supported by the Director of Information Security & Technology and team, with input also from the GDPO and Data Guardians embedded in our businesses. All colleagues and full-time contractors are required to complete mandatory annual training on data privacy and IT security.

Our Code of Conduct

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

Financial crime, anti-bribery and corruption

As a financial services company we recognise the potential risk of being a target for financial crime, including money laundering, terrorist financing, tax evasion and fraud. We also acknowledge the potential risk of bribery and corruption which could result in financial loss, regulatory fines and/or censure and damage to reputation. We have zero tolerance for financial crime, bribery or corruption and have a robust control environment in place including the following policies: 1) Anti-money Laundering and Counter Terrorist Financing Policy, 2) Anti-bribery and Corruption Policy, 3) Fraud Prevention Policy, and 4) Financial Crime Prevention Policy. All colleagues are required to complete mandatory training on these topics annually to ensure that they understand their role in preventing financial crime, bribery and corruption.



Human rights and modern slavery

We recognise our responsibility to not only respect the rights and freedoms of those that work for Quilter but also of those in our supply chain. Our human resource and supplier policies and processes prohibit Quilter from doing business with parties involved in modern slavery, forced labour, compulsory labour and child labour. These policies also promote equal opportunity and eschew any form of discrimination or unfair treatment on the grounds of protected characteristics, or because of any other personal factor. We respect the right of employees to associate for the purposes of collective bargaining and colleagues are free to join a union of their choice.

Working with suppliers

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

Tax

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

Political lobbying

Quilter is a politically neutral organisation and does not engage in party political campaigning or make party political donations. We will not employ any current politician to conduct public affairs activities in any capacity. Furthermore, we will not make any award or payment in money or in kind to any current politician for the provision of public affairs activities. Quilter did not employ any former politician to conduct public affairs activities on our behalf in 2022. If Quilter wishes to employ any former UK Government Minister or senior official within two years of leaving office, the appointment must be approved by the Advisory Committee on Business Appointments ("ACOPA"), and the employee must not lobby the government for two years after leaving office, as stated in the Ministerial Code.

Quilter does, however, seek to influence government policy which could impact our customers, with particular focus on consumer rights and protection. Quilter is a member of several industry trade bodies in the UK, including the Investment Association ("IA"), Personal Investment Management and Financial Advice Association ("PIMFA"), the Association of British Insurers ("ABI"), the UK Sustainable Investment and Finance Association ("UKSIF") and The Investing and Savings Alliance ("TISA").

Non-financial information statement

The Responsible Business report from pages 26 to 35 constitutes Quilter's Non-Financial Information Statement, which complies with sections 414CA and 414CB of The Companies Act. The table below sets out where to find details on specific matters relevant to these requirements within this section and elsewhere in our Annual Report:

Anti-bribery and corruption	Page 34
Business model	Pages 20 to 21
Employees	Pages 30 and 33
Environmental matters	Pages 31 to 32
Human rights	Page 35
Non-financial KPIs	Pages 16 to 19
Principal risks	Pages 47 and 48
Social matters	Page 29