Our Shared Prosperity Plan

Responsible Business Report 2019

Quilter

We're committed to operating responsibly, for the long term for the benefit of all our stakeholders.

We do this by helping customers to achieve their financial goals and also by helping colleagues and communities to thrive and prosper through our long-term positive relationships. In so doing, we strive to deliver sustainable returns for shareholders over the long term.

We call this Shared Prosperity.

This report explains our approach and our progress over the last year.

Students in a financial education session funded by The Quilter Foundation

Quilter at a glance

Quilter is a modern, multi-channel wealth management company. Advice is core to our business model and we believe in transparency and customer choice. We service customers either through our restricted financial planners or third-party independent financial advisers by providing investment solutions and platform services.

Miranda Lopez-Cordoza, Quilter colleague

Our values

- **Pioneering** – leading change and driving growth from the front, positively challenging industry convention to find new and rewarding opportunities for our customers and ourselves.
- **Dependable** – using our expertise, care and judgement to guide us and our customers through complex and challenging times, determined to take people to a better place in their financial future.
- **Stronger Together** – using our diversity and relationships – learning from each other – to create one business with better opportunities for our people and better outcomes for our customers.

Note:
Figures as at 31 December 2019

Serving
c.900,000
Customers

Our Colleagues
4,836

Assets under Management & Administration (AuMA)
£110.4bn

Financial Advisers
4,000+
relationships with independent advisers across the UK

Restricted Financial Planners
1,799

Investment Managers
167

Employee Ownership
3,037
colleagues are Quilter shareholders through our Share Incentive Plan

Our Locations
35

A view from the Board

Glyn Jones, Chairman

2019 was an eventful year for Quilter; its first full year of trading as a listed business. It was also an eventful year with numerous changes to the regulatory and governance framework. These elevated the prominence of corporate purpose, culture and wider stakeholders. The Board and I are very much engaged with the company's strategy in this area and through the Corporate Governance and Nominations Committee, which I Chair, we seek to learn and challenge management on a wide range of topics. For Quilter I see two dimensions to this: the first is about operating as a responsible business generally, but the second is about being a responsible investor specifically. The Board has been encouraged by the progress made during 2019, which is detailed in this report, and we look forward to the further incorporation of environmental, social and governance considerations into Quilter's investment management activity in 2020.

Paul Feeney, Chief Executive Officer

Quilter exists so we can help create prosperity for the generations of today and tomorrow. For customers, we do that through financial advice, investment solutions and wealth management. More widely, we do this through our relationships with colleagues, communities, partners and wider society. We remained focused on this during 2019 against a backdrop of political and economic uncertainty that characterised the year. For Quilter, 2019 was a year of transformation following our listing on the London and Johannesburg stock markets in 2018. We made good progress towards our vision of being a modern, advice-led, UK wealth management company built on the principles of fairness, transparency and choice. Key milestones included the broadening of our financial advice reach through three significant acquisitions and the reshaping of our business through the sale of Quilter Life Assurance.

Although 2019 was a busy year we maintained our belief that responsible business is simply the right way to operate and that our impact and value goes beyond our financial performance. As Quilter's CEO, I'm delighted to present our second responsible business report, which outlines our progress against our responsible business strategy as set out in our Shared Prosperity Plan. This focuses on the issues where we have most to contribute and it's clear that our work on financial capability, inclusive growth and responsible investment is having a positive impact on customers, colleagues and communities. These topics are inextricably linked to good customer outcomes, the future of the investment and savings industry and, of course, Quilter's own long-term success. Although we're still in the early stages of our Shared Prosperity Plan I am pleased with our progress and I would particularly like to highlight our efforts to make financial advice more accessible by bringing 175 new financial advisers into the industry through the Quilter Financial Adviser School, enabling new careers and helping more people to have a secure financial future. I'm also incredibly proud of what the Quilter Foundation has achieved in such a short space of time since it launched in 2018. In 2019 it forged three new strategic partnerships with charities that are genuinely changing young people's lives by supporting them into sustained employment, education or training.

An area of growing prominence is responsible investment. During 2019 we expanded our activities and see this as a key area of focus in 2020. Of course we're also committed to operating with integrity day to day and this report also explains the controls we have in place to ensure we're managing key issues such as data privacy, colleague relations, human rights and good market conduct.

We are committed to growing Quilter responsibly, creating value for all stakeholders, and to ultimately help people prosper. I hope you find this report of interest and value.

We are committed to growing Quilter responsibly, creating value for all stakeholders and to help people prosper.

Our approach to Responsible Business

Our approach is set out in our Shared Prosperity Plan which aims to deliver positive impact for customers, colleagues and communities across three key themes of greatest relevance to our stakeholders and our purpose. Within each theme, we've set ourselves commitments that we will focus on until 2025. These are underpinned by our culture, values and commitment to responsible business conduct.

Jane Goodland, Corporate Affairs Director

Stakeholder engagement

We have seen a tangible shift in recent years around the role of business within society to take more account of stakeholders, including colleagues, customers, communities and the environment, as well as shareholders. It is imperative therefore that we understand who our stakeholders are, what matters most to them and what they expect from Quilter. You can find our Section 172 Statement in the Governance Section of our Annual Report and Accounts, page 44.

Our colleagues

Quilter employs 4,836 people who we want to have a fulfilling career, equal opportunity to develop and an environment in which they can thrive. We understand the importance of a good culture and engaged employees. We continuously seek colleague opinion through a range of mechanisms. For example, the employee forum is a consultative group empowered to represent colleagues and our engagement survey operates a weekly survey which provides real-time qualitative and quantitative insights to line managers and management.

Our customers

Quilter serves over 900,000 end customers who rely on us to help them have a secure financial future. We want customers to feel confident in our ability to deliver solutions that meet their needs and act in a fair, transparent and responsible way. We seek customers' opinion in a number of ways, including customer feedback at point of transaction, our customer panel and our reputation monitor, which surveys over a thousand customers.

Our shareholders

Our shareholders are institutions and individuals, including employees, who own shares in Quilter plc. They want us to deliver long-term value and to communicate clearly about our business strategy and plans, key risks and financial performance. We regularly engage directly with our largest institutional shareholders and we update the market regularly on our financial performance.

Our communities

Quilter operates from over 35 offices located across the UK and overseas. Our communities include people located around our offices , including local residents, schools, suppliers, local businesses, community groups and charities. We work collaboratively with local communities around many of our offices, through working with charities, schools and local councils.

Regulators

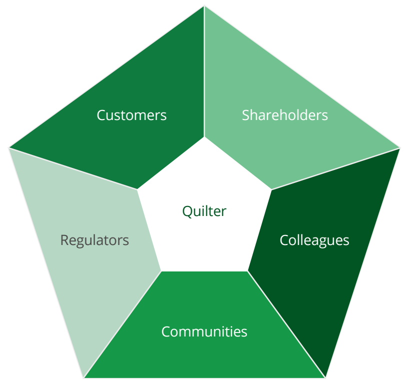
Good customer outcomes sit at the heart of Quilter's strategy. Through our risk and compliance team and executive management, we engage regularly and constructively with regulators in the UK, and in the overseas markets in which we operate, to support fair and transparent markets for our customers and consumers more widely.

Our partners and wider stakeholders

Quilter maintains relationships with a wide array of partners and other stakeholders such as financial advisers, suppliers, third-party fund managers, or those who influence our operating environment, such as regulators, NGOs, Government and media. Their perspectives and expectations are wide and varied, so we engage with them regularly to ensure we understand what matters most to them. We use a variety of mechanisms to engage depending on the nature of our relationship.

Quilter's stakeholders and the Board

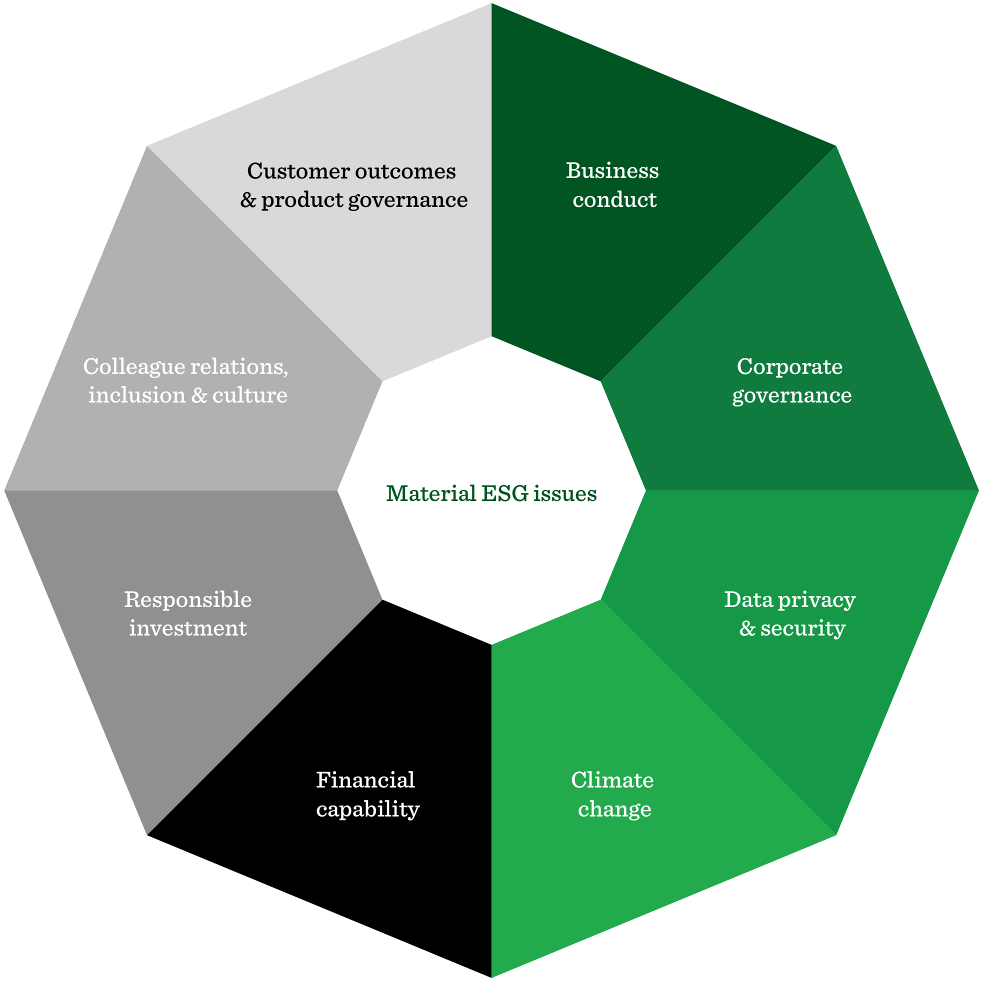
In undertaking its duties in 2019, the Board continued to be mindful of the need to appropriately balance the interests and expectations of the Group's key stakeholders. Throughout this report we describe how stakeholders have been considered as Quilter strives to achieve its purpose of helping create prosperity for the generations of today and tomorrow.



Material issues

Our approach to responsible business has been informed and shaped by the environmental, social and governance (ESG) issues that matter most to our stakeholders, combined with our own assessment of what has the greatest impact on our business and our ability to create long-term financial and non-financial value.

Because social norms and stakeholder priorities evolve over time, we take an iterative approach, engaging regularly with stakeholders and adapting as necessary. At present we believe these are among the most material ESG issues which could substantively affect our ability to create financial and non-financial value.



Our Shared Prosperity Plan

Our themes

Financial wellbeing

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

Commitments

- Improve access to financial advice and guidance
- Promote financial wellbeing for our colleagues
- Empower young people to manage their money well for life

Inclusive growth

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.

Commitments

- Empower customers to be more engaged in their financial future
- Create an inclusive culture that embraces diversity
- Help colleagues and communities to thrive in work

Responsible investment

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.

Commitments

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

Operate our business responsibly

Measuring our progress

We use a wide range of non-financial metrics to measure our progress. The complete data can be found on page 35 whilst here we show our headline key performance indicators (KPIs).

Theme	Commitment	KPI	2019	2018
Financial wellbeing	Improve access to financial advice and guidance for customers	Number of Financial Adviser School graduates	**74 graduates**	**62 graduates**
	Promote financial wellbeing for our colleagues	Number of colleagues regularly saving via share save scheme	**1,833 colleagues**	**New metric for 2019**
	Empower young people to manage their money well for life	Number of young people supported with financial education	**11,276 young people**	**6,529 young people**
Inclusive growth	Empower customers to be more engaged in their financial future	Percentage of customers with digital access to our UK investment platform	**24%**	**New metric for 2019**
	Create an inclusive culture at work that embraces diversity	Percentage of women in senior management	**32%**	**33%**
	Help colleagues and communities to thrive in work	Colleagues recommending Quilter as a place to work (colleague survey score out of 10)	**7.4/10**	**7.6/10**
		Number of people supported by the Quilter Foundation	**13,192 people**	**New metric for 2019**
Responsible investment	Embed responsible investment principles across our business	Principles for Responsible Investment score	**First disclosure in April 2020**	
	Exercise active stewardship of customers' assets	Number of company meetings at which we voted	**171**	**174**
	Reduce the environmental intensity of our activities	Tonnes of CO_2e (TCO_2e) per average number of colleagues/contractors	**0.60 TCO_2e**	**0.83 TCO_2e**
Operating responsibly	Responsible business conduct	Percentage of colleagues completed Code of Conduct training	**96%**	**New metric for 2019**

UN Sustainable Development Goals

In 2015 all Member States of the United Nations adopted the 2030 Agenda for Sustainable Development and Sustainable Development Goals (SDGs). These aim to end poverty, improve health and education, reduce inequality, and spur economic growth, whilst tackling climate change and protecting the natural environment. We are committed to helping to achieve the SDGs and believe our Shared Prosperity Plan can make the greatest contribution to six of the goals.

Sustainable Development Goals	Our shared prosperity themes	Further info
Good Health & Wellbeing Ensure healthy lives and promote wellbeing for all at all ages	• Financial wellbeing • Inclusive growth	p10-13 p14-20
Quality Education Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	• Financial wellbeing	p10-13
Gender Equality Achieve gender equality and empower all women and girls	• Inclusive growth	p14-20
Decent Work & Economic Growth Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	• Inclusive growth	p14-20
Climate Action Take urgent action to combat climate change and its impacts	• Responsible investment	p21-25
Partnerships for the Goals Strengthen the means of implementation and revitalise the global partnership for sustainable development	• Financial wellbeing • Inclusive growth • Responsible investment	p10-13 p14-20 p21-25

Financial wellbeing

Financial capability is a key driver of financial wellbeing which is the ability to meet all current commitments, without undue stress, and the resilience to cope with future income or expenditure shocks. We want to help enhance financial capability at school, at home and in the workplace as one of the keys to future financial security.

11.5 million
UK adults have less than £100 in saving[1]

47 million
people in the UK do not access financial advice[2]

72%
of UK adults support financial education from age seven[3]

Source:
1 Money and Pensions Service
2 The Investing and Saving Alliance (TISA)
3 ComRes poll, 2019

Lennon Gumbe, Client Services, Quilter

Financial wellbeing

Alignment with UN Sustainable Development Goals:

- 3 Good Health and Wellbeing
- 4 Quality Education

Progress towards our commitments

Improve access to financial advice and guidance

Progress
As one of the UK's largest financial advice firms, we're making financial advice more accessible by growing the number of restricted financial planners (RFPs) we employ or work with; reaching 1,799 at the end of 2019, up 11% from the previous year. Through the Quilter Financial Adviser School, we brought 74 new financial advisers into the industry in 2019, bringing the total to 175 since the school launched in 2017.

Headline KPI
Number of new graduates from Quilter Financial Adviser School:

2019	74
2018	62

Promote financial wellbeing for our colleagues

Progress
During 2019 we launched our financial wellbeing programme as part of our existing wellbeing initiative, Thrive. This started with a financial wellbeing week which involved webinars, information sharing and promoting tools and benefits available to colleagues. We also commenced our face to face financial education sessions for colleagues which we are expanding more widely in 2020.

Headline KPI
Number of colleagues saving regularly via share save scheme:

2019	1,833
2018	N/A

Empower young people to manage their money well for life

Progress
Throughout 2019 we helped 11,276 young people to enhance their financial knowledge and confidence through our strategic charity partnerships. In particular, with our financial education partner MyBnk, we delivered 1,109 hours of financial education to young people in schools, colleges and community groups in 2019. The programme is independently evaluated to ensure it effectively develops good financial skills, habits and behaviours.

Headline KPI
Number of people supported with financial education:

2019	11,276
2018	6,529

Improving access to financial advice and guidance

Growing the number of financial advisers

As one of the UK's largest financial advice firms we're making financial advice more accessible by growing the number of restricted financial planners (RFPs) we employ or work with; reaching 1,799 at the end of 2019, up 11% from the previous year. This is through acquisition but also by training new financial advisers through the Quilter Financial Adviser School. In 2019, 74 newly qualified financial advisers graduated, bringing the total to 175 since the school launched in 2017. We have strong focus on diversity as we want to help bring more women into the profession. In 2019, the number of female graduates increased by 30% compared with 2018, with women representing 36% of all graduates in 2019.

We've since helped the vast majority of graduates into employment as financial advisers so they are now helping customers to achieve their financial goals. In 2019 we extended our training proposition and introduced our new Level 6 Advanced Diploma for Financial Advice (DipFA®) which trains financial advisers to work on complex financial advice and planning services for clients.

Quilter named as FT top adviser of the year

Quilter was named number 1 in the 2019 FTAdviser Top 100 Financial Advisers ranking which judges firms on a number of objective measures including those which are important to customers such as adviser qualifications, amount of experience and staff retention, business growth and investment outcomes. The achievement is recognition of our continued commitment to providing high quality face to face advice.

Case study

Tracy Wood, Financial Adviser

I joined the Royal Air F orce when I was 19 and after a long career mainly as a medic I had to be discharged because of a back injury. Prior to joining the Armed Forces I'd worked in a bank and had always been interested in financial services, so much so that friends had always come to me for money advice. It therefore came as no surprise to anyone when I made financial advice my second career.

Training at the Quilter Financial Adviser School was fantastic as I live in Cornwall and could complete much of the course from home. Despite not being physically in a classroom for some of the teaching, I constantly felt really well supported by the trainers and School in general.

Once I graduated, the School was amazing in helping me find a job and get started as a fully fledged financial adviser. It naturally takes time to build relationships and get your name out there but recently I am really starting to see a step change. Most importantly, clients are giving me touching and kind feedback, which ultimately makes it all worthwhile.

Financial advice is really well suited to people who are looking to change careers as valuable skills honed in someone's first career, such as dealing with people and time management, are useful within the advice profession. Similarly, I strongly believe that there is no better time for women to consider a career in this industry.

There is a growing number of female clients out there who might be more inclined to get financial advice from a woman but don't seek it because the profession is perceived to be male-dominated. With 15,000 advisers set to leave the profession in the next ten years, there is no better time to join the industry.

Tracy Wood, Financial Adviser, Quilter Financial Advisers

Promoting financial wellbeing for our colleagues

As a leading provider of financial advice, the financial wellbeing of our people is naturally a priority. We understand how financial concerns can affect our colleagues' mental health and how we, as an employer, play a vital role in our colleagues' financial lives.

We provide access to a range of benefits and services to help colleagues feel secure and in control of their finances. These include:

- Free pensions advice
- Free financial education workshops
- Pension contribution scheme
- Share Incentive Plan
- Save As You Earn (SAYE) scheme
- Access to discounted products and services
- Online financial wellbeing hub

Case study

Financial education workshops for colleagues

In 2019 we began our financial education workshops in our Southampton office for colleagues, delivered by our financial education charity partner MyBnk. The money sessions are particularly useful for colleagues in the early stages of their career, providing money management tips and advice to support colleagues to manage, plan and save their money.

The sessions aim to demystify financial jargon and give colleagues practical tips on banking, budgeting and getting the best deals on living costs. Beyond this, the sessions also cover longer term aspirations, emphasising how saving and good money habits can help our people build a positive financial future.

After initially launching the workshops in Southampton towards the end of 2019, they will be rolled out more widely for colleagues across the UK and Isle of Man in 2020.

Claire Nailor, Marketing Services, Quilter

Empowering young people to manage their money well for life

During 2019 Quilter continued to co-chair KickStart Money which is helping to transform the long-term savings habits of the next generation. Twenty of the UK's leading saving and investment firms have come together to champion financial education for children aged seven up. Through the programme's delivery partner, MyBnk, expert-led financial education sessions are delivered in primary schools across the country, reaching 18,000 pupils since its launch in 2017.

What makes the initiative unique is that we subject the programme to independent evaluation on a continual basis to measure its effectiveness. In 2019 the second independent evaluation report was published and cemented the findings of the first evaluation which found that pupils were better at understanding how to manage their money after the KickStart sessions. The year-long independent assessment of over 3,000 pupils found two out of three children were actively working towards a savings goal after receiving lessons – nearly double the national average. 77% were also able to delay spending and 33% of pupils who didn't save before were now making a savings plan. Another unique feature of KickStart is its campaign to get financial education recognised on the primary school curriculum. In pursuit of that goal 36 MPs attended KickStart Money sessions in the classroom since launch and almost 40 have officially supported the campaign.

Following publication of the evaluation report in 2019 we wrote to the Prime Minister, calling for compulsory primary financial education to help tackle the UK's savings crisis which has left eight million UK adults struggling with debt.

Inclusive growth

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.

55%
of working-age adults do not feel that they understand enough about pensions to make decisions about saving for retirement[1]

2/3
two-thirds of workers who are struggling financially report at least one sign of poor mental health that could affect their ability to function at work[2]

11.7%
youth unemployment vs 3.9% for the whole population[3]

Source:
1 Money and Pensions Service
2 Money and Mental Health Policy Institute
3 House of Commons Research Briefing, Jan 2020

Jade Light, Customer Service Adviser, Quilter

Inclusive growth

Alignment with UN Sustainable Development Goals:

- 3 Good Health and Wellbeing
- 5 Gender Equality
- 8 Decent Work & Economic Growth

Progress towards our commitments

Empower customers to be more engaged in their financial future

Progress

We retained our focus on vulnerable customers throughout 2019. In addition to our internal programmes to help customer-facing colleagues support vulnerable customers we also continued to chair the industry working group of The Investing and Saving Alliance (TISA) to raise standards across the industry. This has involved working with charities to release a series of help-sheets to support financial firms to understand the difficulties that different vulnerabilities may create and how they can be addressed. We also recognise digital access can help customers to understand and be more engaged with their investments.

Headline KPI:

Percentage of customers with digital access to the UK Investment Platform (new measure for 2019):

2019	24%
2018	N/A

Create an inclusive culture that embraces diversity

Progress

We built on our existing inclusion activity in 2019 to encompass a greater focus on LGBT+. We supported the launch of LGBTGreat which is a collaborative organisation working to develop all aspects of LGBT+ equality and inclusion within the investment industry. We also continued to focus on our target to reach at least 35% women in our senior leadership community and our participation in the Diversity Project, the HM Treasury Women in Finance Charter and the annual Hampton-Alexander Review on FTSE Women Leaders.

Headline KPI:

Percentage of women in senior management positions:

2019	32%
2018	33%

Help colleagues and communities to thrive in work

Progress

We continued to focus on colleague engagement and wellbeing during 2019. Our wellbeing initiative, Thrive, continued to focus on mental health specifically, led by our CEO, Paul Feeney.

We also recognise employment is vital to healthy communities. During 2019 we forged three new strategic charity partnerships focused on supporting young adults into further education, training or sustained employment.

Headline KPIs:

Colleagues recommending Quilter as a place to work (Colleague survey score out of 10):

2019	7.4
2018	7.6

Number of people supported by The Quilter Foundation (new measure for 2019):

2019	13,192
2018	N/A

Empowering customers to be more engaged in their financial future

Leading the way on vulnerable customers

According to the Financial Conduct Authority it is estimated that around half of all UK adults are at risk of being vulnerable[1] which refers to anyone who is especially susceptible to detriment, particularly if a company doesn't act with appropriate levels of care. We're committed to ensuring we support all customers, especially those who might be more vulnerable, and we recognise that without proper attention and care, companies like Quilter can contribute to that vulnerability. To help us understand the factors influencing vulnerability we created our 'honeycomb' which maps 30 vulnerabilities across health, communication, personal circumstances and experience. The more of these factors a person is experiencing may increase their risk of vulnerability and the potential for detriment. For each area of vulnerability we've worked with specialist organisations and charities to improve our understanding of the issues and have developed training for our customer-facing colleagues so they're better equipped to support customers appropriately. 800 colleagues participate in regular weekly training using gamification and artificial intelligence learning techniques.

To ensure Quilter-wide understanding all colleagues, irrespective of their role, are required to complete annual mandatory training regarding vulnerable customers.

We believe it's important that the whole industry works together to improve how it serves vulnerable customers. That's why we're a member of the Association of British Insurers (ABI) and The Investing and Saving Alliance (TISA) Vulnerable Customer working groups. TISA's group shares best practice on particular areas such as power of attorney or financial terminology. In 2019 the working group created and trialled an online self-assessment tool for financial firms.

> I'm passionate about helping vulnerable customers because I've seen first hand the negative impacts of getting it wrong and I don't ever want us to make a customer's situation harder than it already might be.
>
> **Anthony Scammell,** UK Operations Director

Creating an inclusive culture that embraces diversity

Gender equality

Although our workforce is roughly half men and half women, this balance changes amongst more senior roles where we find fewer women. We're committed to creating more gender diversity and have demonstrated this commitment by signing the HM Treasury Women in Finance Charter. We've set ourselves a target to reach at least 35% women in senior management by the end of 2020. At the end of 2019 this group was 32% female, which is down on the previous year. Whilst it is disappointing that we've not made more progress in this regard we remain committed to meeting our target by focusing on gender equality in talent development, recruitment and succession planning. But we recognise that the impact of these changes can take a long time to be felt at senior level within the organisation.

The gender pay gap is the difference between the average hourly pay of men and women in an organisation. For Quilter, the gap is due to there being fewer women in senior management and revenue-generating roles which tend to be higher paid. Although activity is underway to create more gender diversity in senior management we recognise that this could take some years to have a demonstrable effect on pay gap figures. We acknowledge more needs to be done to accelerate progress across the investment industry and we're working with others via the Diversity Project to address systemic issues and create a more inclusive environment within the investment management sector. All data shown in this section is as at the 'snapshot' reporting date of 5 April each year as required by the Gender Pay Gap Reporting Regulations.

Quilter colleagues 2019

Total number of colleagues

4,836

2018: 4,343

Total colleagues split by gender
% (number)

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

2018: 52% (2,258) | 48% (2,085)

Quilter plc Board split by gender
% (number)

Male	Female
64% (7)	36% (4)

2018: 64% (7) | 36% (4)

Executive Committee split by gender
% (number)

Male	Female
75% (9)	25% (3)

2018: 79% (11) | 21% (3)

Senior management split by gender
% (number)

Male	Female
68% (75)	32% (36)

2018: 66% (70) | 34% (36)

■ Male ■ Female

Gender pay and bonus gap

Hourly pay gap

	mean %	median %
2019	35	32
2018	35	29
2017	37	29

Bonus gap

	mean %	median %
2019	72	34
2018	70	39
2017	70	41

Proportion of men and women receiving a bonus payment (%)

	Men	Female
2019	86	85
2018	86	85
2017	85	84

Proportion of men and women in each pay quartile

First (highest) quartile

Male	Female
72%	28%

2018: 72% | 28%

Second quartile

Male	Female
55%	45%

2018: 52% | 48%

Third quartile

Male	Female
41%	59%

2018: 42% | 58%

Fourth (lowest) quartile

Male	Female
39%	61%

2018: 41% | 59%

■ Male ■ Female

LGBT+ Inclusion

During 2019 we built on our existing inclusion activity to encompass greater focus on LGBT+. Quilter is a founding member of LGBT Great which aims to be a catalyst for LGBT+ equality and inclusion within the investment industry.

Our Chief Operating Officer, Karin Cook, is a role model for LGBT Great and a passionate LGBT+ ally who works to raise awareness and visibility of diversity and inclusion in the workplace. Karin pledged her support as an LGBT+ ally becoming one of 50 executives who took part in the #50for50 campaign launched by LGBT Great to mark 50 years since the Stonewall movement began in New York.

Karin has also been named twice in the Financial Times' top 10 OUTstanding LGBT+ allies list and was named Stonewall LGBT+ Ally of the year in 2016. At Quilter, Karin has brought together colleagues to share their experience and ideas of how we can create a more inclusive environment.

We also supported Pride across our office network, raised money for Stonewall and a Quilter group participated in the Southampton Pride march where over a thousand colleagues are based.

LGBT GREAT

Quilter colleagues are very caring and welcoming but I think we could and should do more to be ever more inclusive and celebrate and harness diversity proactively.

Karin Cook, Chief Operating Officer

Helping colleagues and communities to thrive in work

Colleague wellbeing

Colleague engagement and wellbeing is vital to a healthy culture. Thrive is our colleague wellbeing programme which covers four key dimensions we believe are imperative to an individual's overall wellbeing: mental/emotional, financial, physical and social. Thrive is championed by over 120 Thrive ambassadors who promote awareness of and engagement with the various Thrive initiatives. Some of the key highlights in 2019 are shown opposite:

Developing future leaders

In 2019, we maintained our focus on developing future leaders through our 12-month 'Leading for Success' programme. Designed for emerging talent two or three levels below executive management and supported by one-to-one coaching, the course brings together talent from across Quilter with principles of values-based and responsible leadership at its heart.

time to change

let's end mental health discrimination

Thrive – 2019 progress

Mental health /emotional

- In 2019 14 mental health first aiders helped to improve colleagues' knowledge, skills and confidence on mental health
- We raised awareness and promoted 'Time to talk' and World Mental Health Day
- We continued our 'This is Me' campaign which enables colleagues to share their stories of living with mental health issues

Physical wellbeing

- We provided health kiosks for the second year running enabling colleagues to measure their weight, BMI, blood pressure etc
- Numerous Quilter running clubs continued during the year
- Colleagues were invited to take up free flu-jab vouchers

Financial wellbeing

- We launched our financial wellbeing work by raising awareness of ways to manage, save and protect money and promote organisations that can support those that might be struggling
- We delivered a financial education session for colleagues at the beginning of their career journey

Social wellbeing

- We continued to run our Quilter choirs in Southampton and London
- We are continuing to offer volunteering days for our people to support charities and our communities

Case study

Paul Feeney, CEO, on mental health

When I signed the Time to Change pledge back in July 2018, I said how committed I am to creating an environment in which our people can thrive. And I thought very carefully about those words before I used them. They're very important to me. And that's why I want us all to be able to talk about our issues particularly our mental health. Because I want us to be open. I want us to know, in our company, that it's OK not to be OK.

Mental health issues are a scourge because I know it from my own experience. I have had my own mental health issues and it took me two decades to open up and talk about it. I couldn't have conceived this in some of the firms I have worked in. I think mental health is the last great taboo in the City and it has to be called out.

Supporting the armed forces community

Quilter is a proud supporter of those who serve, or have served, in the armed forces. We are a signatory of the Armed Forces Covenant which is a voluntary pledge from businesses who wish to demonstrate their support for this community and in 2019, we were awarded a Bronze award for our commitment from the Defence Employer Recognition Scheme (ERS).

Greg Napier, who served in the Royal Anglian Regiment until 2014 and joined Quilter's internal audit team in 2017, says: "My experience in the armed forces definitely set me up for success, I gained lots of leadership and management experience and was used to working in a fast-paced environment. I think bringing people in from the armed forces makes good business sense too and I think it's great to have a network of people internally who have been through a similar experience."

ARMED FORCES
COVENANT

> **I think bringing people in from the armed forces makes good business sense and it's great to have a network of people internally who have been through a similar experience.**

Greg Napier, Optimisation Programme Manager

Supporting young carers

One in five secondary school children may be caring for a loved one with serious illness, disability or mental health issues. Very often, this at the expense of their own mental health and future prospects as evidenced in educational, employment and wellbeing outcomes in later life.

In 2018, following consultation and engagement with over 1,000 colleagues, The Quilter Foundation launched a three-year campaign to give thousands of young carers in the UK and Isle of Man the chance of a brighter future. Since launching, we have directly supported over 800 young carers in our local communities working with three leading charity partners – Carers Trust, The Mix and Crossroads Care.

Tackling youth unemployment

According to the government, although overall UK unemployment levels are relatively low at 3.9%, unemployment amongst young people is much higher at 11.8% and, for many, this is a long-term issue with 17% of unemployed 16-24 year olds having been out of work for a year or more. Critical to an individual's ability to have a secure financial future is access to sustained employment. That's why in 2019 we forged new long-term strategic partnerships with three charities who we'll work with over the coming years, investing £450,000 to support young adults into further education, training or sustained employment.

For more detail on how The Quilter Foundation is helping communities to thrive and prosper, see page 30.

Responsible investment

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

Adam Etherington, Sales Support Consultant, Quilter

2,300

2,300 signatories managing over $86 trillion have committed to the UN backed Principles for Responsible Investment[1]

58%

increase in assets held in European sustainable funds vs. 2018[2]

Net zero

The UK is the first major economy to set a legal target of net zero greenhouse gas emissions by 2050

Source:
1 UN PRI
2 Morningstar

Responsible investment

Alignment with UN Sustainable Development Goals:

13 Climate Action

17 Partnerships for the Goals

Progress towards our commitments

Embed responsible investment principles across our business

Progress

We continued to embed environmental, social and governance (ESG) considerations across our business in 2019. We incorporated ESG considerations more deeply into our fund research process. We also took steps to enhance transparency relating to third-party managed funds on our UK investment platform.

A pan-Quilter ESG working group was established to drive our responsible investment commitments across Quilter.

Headline KPI:

UN Principles for Responsible Investment Rating: first disclosure as new signatory due April 2020.

Exercise active stewardship of our customers' assets

Progress

In 2019, we continued our voting and engagement activity, using our influence as shareholders in companies on topics such as executive remuneration and climate change in order to protect and enhance long-term returns for our customers.

Headline KPI:

Number of company meetings at which we voted in 2019:

Year	Meetings
2019	171
2018	174

Reduce the environmental intensity of our activities

Progress

In 2019 we took some important steps which helped us reduce our direct environmental impact. We reviewed and refined our environmental management strategy to focus on reducing our greenhouse gas emissions, reducing waste and procurement activity. We also secured a new lease for our new London headquarters, which will consolidate three buildings into one at Senator House. The building design and refurbishment has incorporated environmental features which have led to the building achieving a BREEAM Very Good rating.

Headline KPI:

Greenhouse gas emissions (TCO_2e) per average number of colleagues:

Year	TCO_2e
2019	0.60
2018	0.83

Embedding responsible investment principles across our business

We have made a commitment to embed responsible investment principles across our business and are a signatory of the Principles for Responsible Investment (PRI). This is an investor initiative supported by the UN and is the world's leading proponent of responsible investment. Signatories are working to incorporate environmental, social and governance (ESG) factors into investment and ownership activity. Attention on this topic increased considerably during 2019 with new European regulation focused on embedding ESG factors into EU Financial Services legislation.

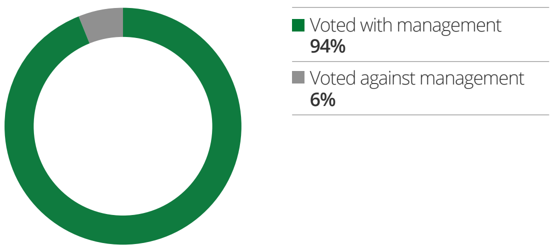
During 2019 we took steps to enhance transparency of ESG issues relating to third-party managed funds available on our UK investment platform. As a result we have introduced ESG fund ratings, supplied by Morningstar, to give customers and advisers greater insight about how ESG issues are being managed by the companies held within a fund. These ratings can be considered alongside a variety of other factors that should be taken into account when reviewing and selecting investment funds. We also further developed our approach to incorporating ESG considerations in our fund research process, which now includes a view on third-party fund managers' approach to ESG and stewardship.

Where we invest directly in companies we continued our stewardship activity as we are committed to being a responsible steward in order to protect and enhance long-term returns. Our discretionary fund manager, Quilter Cheviot, exercises its voting rights on an active basis. Core UK equity and investment trust holdings are the main focus as this represents a significant proportion of assets under management. Voting principles take into account best practice codes and guidelines, including the UK Corporate Governance Code, and cover topics such as board independence and effectiveness, remuneration, audit, and capital structure.

In 2019, Quilter Cheviot voted at 171 company meetings, which involved 2,423 resolutions. Quilter Cheviot also engaged directly with company management to promote high standards of corporate governance and good management of ESG issues. We use the services of ISS, the proxy voting service, to inform our voting and engagement process; importantly all engagement and voting decisions involve the research analyst team as we believe that responsible investment has to be fully embedded in the investment process. Voting is an important part of our stewardship, and engagement even more so. Our engagement with companies will often span years rather than months and is an ongoing process.

Our voting activity

We voted at 171 company meetings, which involved 2,423 resolutions.



In the cases where we voted against management, they related to the following resolutions:

Resolution type	% voted against
Remuneration	45%
Board structure	36%
Capital structure	9%
Shareholder rights/company articles	9%

Some of the key themes we have discussed with companies over the last year include:

- **Executive remuneration –** for example performance conditions, pension contributions, responsible business and/or sustainability metrics
- **The Board –** for example board composition; independence and challenge; responsibility
- **Climate change –** for example how carbon emitters are planning for a 2030 world; remuneration; lobbying.

Around 60% of Quilter Cheviot's assets under management are held in third-party funds, therefore an important part of our responsible investment approach is understanding how managers incorporate ESG factors into their investment process. The fund research team is tasked with this as part of their ongoing monitoring and due diligence of funds. As well as encouraging managers to explain how they approach ESG issues, in line with best practice we expect managers to regularly publish details of their voting and engagement activity. In terms of voting we look for quality over quantity, as we are interested in the thought process that goes into making these voting decisions. We encourage considered voting and engagement with companies on key topics.

Signatory of:

PRI Principles for Responsible Investment

2019 engagement and voting examples

Resources company

We opened engagement with the company regarding its climate lobbying activities. Despite making a number of positive commitments to reduce carbon emissions, the company is a member of some industry associations which are opposed to climate policy. We have inherent concerns that these industry associations may undermine the company's climate strategy. On the basis of multiple engagements with numerous shareholders, the company has committed to publish a review of all industry association memberships, highlighting where climate policies are not aligned. This will provide the basis for our future engagement with the company.

Telecoms company

We held a number of conversations with the chair of the remuneration committee and members of the executive team. The main topic of conversation was the newly proposed remuneration policy that will be put to shareholders at the 2020 AGM. In terms of the proposed policy, we have seen some encouraging developments, such as pension contributions for executives being brought into line with the wider workforce, overall reduction in executive bonus opportunity, longer holding periods for long-term incentive plans as well as stricter bonus clawbacks for major ethical violations. The board has also proposed building ESG metrics into executive remuneration. However, on further discussion it appears that the structure and the metrics have not been explored in detail. On the basis of our conversations, while we welcome the commitment to integrate ESG metrics into pay, we have concerns over the ESG skillset on the board to provide clarity, discretion and a regular review of material ESG issues. We will monitor developments on this prior to the 2020 AGM. We are generally positive on the proposed policy, but concerns over implementation remain a topic of engagement.

Technology company

We met both the chair of the remuneration committee and the chair of the board to discuss our views regarding the proposed policy which moves away from the billings and cash as metrics for rewarding annual performance towards revenue and profit measurements. We are uncomfortable with this measure as it may reward executives for the same performance (as billings are revenue further down the line). Revenues and profits will also be a significant component of the Long Term Incentive Plan (LTIP), which again risks double counting. The revised remuneration policy retains the unorthodox equity reward structure of the LTIP and retains significant provisions in a change of control event. We have highlighted the inconsistency of using US tech company remuneration as a comparator whilst at the same time using the FTSE 250 index (exc. Investment trusts) as its Total Shareholder Return (TSR). We voted against the new policy.

Real estate investment trust

We raised our concerns regarding the remuneration package for executives which would see them receive around 50% of their LTIP despite the Total Shareholder Return (TSR) metric not being met. We are concerned that pay-outs are being made when shareholders have not benefited through the share price. We also questioned the other metrics used to calculate the LTIP which may be achieved independently of the TSR. The company will be reviewing future metrics, however in this instance we felt that the remuneration was not aligned with our clients' interests and therefore voted against the resolution.

Investment trust

We met with the chair to discuss issues pertinent to the trust, which has a fund of funds approach through one investment house. We encouraged the trust to enhance its disclosure to show all portfolio holdings. We believe that all investors should see the full portfolio in line with the Investment Association's Statement of Recommended Practice. The chair agreed the board would aim to do this in the future. The chair believes that non-executive directors should have a least one year's salary invested in shares, and the chair should have a larger holding. In relation to its stewardship disclosure we noted that the information on the company website lacked detail regarding the level of engagement or themes involved. The board expressed a willingness to improve this.

Reducing the environmental intensity of our activities

We're working to reduce the intensity of our business activities. As we are office based that means we want to reduce the amount of energy used and waste generated per employee. We also continue to operate our environmental management system (EMS) in our largest office location in Southampton, where a large proportion of colleagues are based.

In 2019 we forged a new partnership with Sodexo to provide all our facility management requirements for the whole UK Quilter estate. We used the tender process to set out our environmental expectations and Sodexo was selected in part due to their strong environmental credentials. In 2020 we will also consolidate three London offices into one building – Senator House – which has been fully refurbished to incorporate environmental efficiency features enabling a BREEAM Very Good rating.

We've joined over 7,000 companies that support the Carbon Disclosure Project (CDP) which is a global disclosure system for companies to measure, manage, disclose and ultimately reduce their greenhouse gas emissions. We submitted our first CDP report in July 2019 and were awarded B- score.

We are working to reduce our greenhouse gas emissions (GHGs) that arise predominantly from our energy consumption in our buildings and our business travel. Since 2016 we have cut our carbon emissions by 61%.

Greenhouse Gas Emissions 2019-2017

	TCO_2e 2019	TCO_2e 2018	TCO_2e 2017
Scope 1[1]	**664**	636	556
Scope 2[2]	**2,216**	3,037	3,289
Scope 2 – market based[3]	**1,378**	1,976	3,079
Total Scope 1 & 2	**2,880**	3,672	3,845
Tonnes of CO_2e/average number of colleagues	**0.60**	0.83	0.91

Please refer to footnotes, bottom right of page.

Greater transparency by companies about climate-related risks is critical for long-term investors as we transition to a low carbon economy. The work of the Financial Stability Board Task Force on Climate-related Financial Disclosures (TCFD) plays a crucial role in this. TCFD's voluntary framework on the disclosure of climate-related information around governance, strategy, risk management, and metrics and targets provides a useful framework and as we develop our approach we aim to align our disclosure with this.

B-

Carbon Disclosure Project (CDP) score, which recognises that Quilter actively manages its environmental impacts, risks and opportunities.

61%

reduction in carbon emissions since 2016

CDP DISCLOSURE INSIGHT ACTION

Our emissions are calculated and reported in accordance with the GHG Protocol Corporate Standard.

The Greenhouse Gas Protocol is the most widely used international accounting tool for government and business to understand GHG emissions. The Protocol decided that GHG emissions were to be categorised according to 'Scope'.

1 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.

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

Scope 2 – Location Based
This reflects the average emissions intensity of grids on which energy consumption occurs (using mostly grid-average emission factor data).

3 Scope 2 – Market Based
This reflects emissions from electricity that organisations have purposefully chosen and therefore includes where they may have renewable energy contracts in place or generate their own energy.

Operating responsibly

We are committed to operating our business ethically, lawfully and with integrity at all times. In this section we present an overview of the governance, policies and processes in place to ensure we operate our business in a responsible way.

Jasmine Piper, UK Distribution, Quilter

Operating responsibly

Responsible business governance

Our approach to responsible business helps us manage a number of our principal risks and uncertainties, particularly those which relate to brand, reputation, people, culture, and conduct risk. For more information about our principal risks and uncertainties, see pages 32-33 of our Annual Report.

The Board oversees Quilter's approach to responsible business and has delegated this to the Corporate Governance and Nominations Committee which is chaired by Quilter's Chairman, Glyn Jones. Other Non-executive members of the Committee include Cathy Turner, Suresh Kana and Ruth Markland. With respect to responsible business the Committee is responsible for: a) providing oversight of, and support for, the Group's aspirations and strategy with respect to responsible business; b) providing challenge to Quilter's executive management on those activities which impact on the Group's reputation as a trusted, responsible business; c) reviewing and recommending to the Board for approval the Group's publicly available responsible business reports; and d) reporting to the full Board at least annually on the Group's strategy and performance on responsible business. The Committee regularly considers different aspects of the responsible business agenda as shown on pages 47-48 of the Annual Report.

Within executive management, Quilter CEO Paul Feeney has overall accountability for ensuring we do business in the right way. He is supported by the Responsible Business Forum which is a management group that provides oversight, direction and challenge with respect to Quilter's approach to responsible business. The Forum, which is chaired by the Group Corporate Affairs Director, meets quarterly and comprises members from each operating business and key corporate functions.

Code of Conduct & speaking up

We are committed to maintaining the highest standards of integrity, honesty and ethics at all times and complying with all relevant laws. Our Code of Conduct sets out the duties and expectations of all colleagues and includes: acting with integrity and respect, treating customers fairly, managing conflicts of interest, good market conduct, information, data and communications, use of company assets, prevention of financial crime and working with regulators and governments.

In line with our whistleblowing policy, colleagues are required to report knowledge or suspicion of malpractice or actions that endanger Quilter Group's employees or assets. They can report their concerns, either to their line manager, the Risk & Compliance team or via the independent confidential ethics hotline which is available 24 hours per day, every day of the year and provides the option to report anonymously. All reports are treated seriously and confidentially, are fully investigated and escalated to senior management and George Reid, independent NED and designated Group Whistleblowing Champion. The whistleblowing policy provides employees who raise concerns with protection from detriment to their future employment opportunities.

At least once a year the Board Audit Committee receives a report on all whistleblowing reports as well as a broader update on industry developments.

Colleagues are required to undertake annual training to ensure they fully understand the Code of Conduct and what is required of them. This training also includes whistleblowing, human rights, diversity and inclusion, financial crime, anti-corruption and anti-bribery. During 2019, 96% of colleagues completed this training.

Colleague relations

Our ability to attract, develop and retain the best talent is critical to our business. We strive for an engaged colleague community and a caring, collaborative culture. Cathy Turner is the designated Non-Executive Director with responsibility for ensuring the Board understands the views of colleagues so that their interests can be taken into account. At least annually, Cathy meets with Quilter's employee forums, which are designed to be a consultative body to represent colleagues. Throughout the year the Non-Executive Directors also held a series of Board breakfast discussions with small groups of colleagues from across the business to better understand the culture of the organisation and identify areas for further focus.

We continued to proactively seek feedback from colleagues via our engagement survey which we moved from a quarterly to a weekly cycle to provide more meaningful real-time engagement. The engagement score for 2019 was 7.2 out of 10 compared to 7.7 out of 10 for 2018. This reduction was not entirely unexpected given the transformation occurring across the business during the year. We continually strive to ensure colleagues are well supported and engaged through these periods of organisational change.

We continued to embed Quilter's core values during 2019 and launched the Quilter Awards to recognise role models across the organisation. 539 nominations were submitted, from which 21 winners were selected.

Our internal communications strategy and plans are focused upon being conversation led and aim to provide the maximum opportunity to build manager and team relationships around who we are, what we do and, importantly, how we do it, connecting to our overall Quilter strategy, purpose and vision as well as our commercial priorities. We cover a wide range of topics including financial performance and company results, corporate activity such as acquisitions and disposals, relevant external social, financial and economic factors impacting our business and our responsible business activities. We also cover matters directly impacting individuals such as recognition and reward, benefits, as well as raising awareness of our Thrive programme which focuses upon mental, physical, emotional and financial wellbeing. We aim for a communications approach that is simple, clear and human, providing colleagues with the opportunity to 'join up the dots' wherever possible with information on what's happening and when, outlining rationale and sharing any desired outcomes.

Human rights

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

Remuneration

Our remuneration policy seeks to promote reward structures that encourage appropriate behaviour, avoid excessive risk taking, protect customers and support the creation and preservation of sustainable value for the benefit of all relevant stakeholders. We're also committed to fair pay and Quilter is an accredited Living Wage employer. The real Living Wage is based on the cost of living, calculated annually by the Living Wage Foundation, and is voluntarily paid by nearly 6,000 UK employers; 2019 rates are £10.75 per hour for London and £9.30 per hour for the rest of the UK. We ensure that all employees and suppliers providing on site services are paid no less than the real Living Wage. In line with new reporting requirements we disclose the ratio of CEO pay to average employee pay which can be found on page 82 of the annual report.

The Directors' Remuneration Policy includes the alignment of pension arrangements to the wider workforce, with pension provisions for Executive Director appointments set at 10% of base salary. This has been effective for new starters since July 2019 and will apply to all employees from April 2020.

We are a Living Wage Employer

Working with suppliers

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

Data privacy & IT security

In the course of our business customers and colleagues trust us with their personal data which can include sensitive and/or financial information. The collection and use of personal data is governed by a Privacy Policy and overseen by a Group Data Protection Officer (GDPO) with the support of a formal committee, the Quilter Privacy Forum. We take seriously our responsibility to control and protect this data and use it only for the purposes for which it was collected. We also recognise the legal requirements that relate to our data protection duties and in particular to satisfying data subjects' rights.

Privacy Notices are published in clear language in a form that is open and honest about the nature, uses and retention of personal data. Those notices also provide data subjects with the information they need to exercise any of their statutory rights. Each business unit in the Quilter group of companies employs a dedicated data protection team managed by a specialist "Data Guardian" (under the guidance of the GDPO) exercising operational procedures to deliver data subjects' rights and investigate personal data related incidents and breaches, should they occur.

Our information management framework includes robust processes and controls to govern the way we look after customer and colleague information. Our Information Management Policy and our Information Security policy, along with a numerous more detailed standards and our Code of Conduct set out how we protect and manage data and how we proactively and continually manage the cyber security risks that exist as part of doing business today. Where appropriate we require these controls and standards to be adopted and applied by outsourced services providers, contractors and suppliers, and is central to the terms of our agreement with them. Despite having numerous IT security, physical and environmental controls in place we recognise that the cyber risks are constantly evolving and it is therefore not to possible to reduce the risk of breaches to zero. Where breaches do occur we believe the resulting impacts can be reduced through effective incident response plans which we have developed and are tested.

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

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 robust control environment in place including the following policies: 1) Anti-Money Laundering & Counter Terrorist Financing Policy, 2) Anti-bribery and Corruption Policy, 3) Fraud Prevention Policy. All colleagues are required to complete mandatory training on these topics annually to ensure that understand their role in preventing financial crime, bribery and corruption.

Tax strategy

As a responsible business, 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. More information about our tax strategy can be found in the responsible business section of quilter.com.

The Quilter Foundation

The Quilter Foundation is Quilter's charity. Launched in 2018, it provides funding and skills to charitable organisations that support and empower young people to thrive and prosper.

Young Adult Carer Support Worker, Carers Trust

The Quilter Foundation

The Quilter Foundation is the focal point of Quilter's community investment activity. The Foundation's mission is to help young people thrive and prosper. We aim to positively change lives by improving financial capability, employment and mental health and wellbeing. We work in partnership with a small number of strategic charity partners delivering life changing impact in our communities.

Trustee board

The Quilter Foundation is a registered charity, regulated by the Charity Commission for England and Wales. It is governed by a board of trustees, chaired by Quilter CEO Paul Feeney and also includes two independent trustees: Philippa Foster-Back CBE, Director of the Institute for Business Ethics and Professor Richard Breen, Professor of Sociology and Fellow of Nuffield College at the University of Oxford. The board also includes four other Quilter executives.

Quilter
FOUNDATION

Number of young people supported in 2019

13,192

Donations to charity partners

£622,159

Amount raised by Quilter colleagues

£234,000

The Quilter Foundation
Major charitable activity

Location	Charity partner
Southampton and Solent	• MyBnk • Carers Trust • Safe New Futures
London	• MyBnk • Carers Trust • School of Hard Knocks
Birmingham	• Street League
Isle of Man	• Crossroads Care • MyBnk
Blackpool	• Carers Trust
Manchester	• Carers Trust
Blackburn	• Carers Trust
Newcastle	• Carers Trust
Scarborough	• Carers Trust

Financial education

7yrs

Our money habits are formed around the age of seven[1]

11.5m

11.5 million UK adults have less than £100 in savings[2]

46%

of people in problem debt also have a mental health problem[2]

Source:
[1] Money Advice Service
[2] Money Advice Service – 2018 Adult Financial Capability Survey
[3] Money and Mental Health Policy Institute – debt and mental health facts

Helping young people to manage money well for life

We know poor financial wellbeing is one of the biggest causes of stress and anxiety that impacts our overall mental health, wellbeing and life satisfaction.

To reduce the mental health toll and societal costs of poor financial wellbeing, and build a more financially capable society, it's critical to start early. We know our money habits form around the age of seven and that's why we passionately believe that financial education at an early age can equip young people with the skills, habits and knowledge to manage their money well for life.

We have partnered with MyBnk and KickStart Money to do just that – delivering high energy and innovative money workshops for young people in our communities. We aim to:

- Deliver financial education to 40,000 young people in London, Southampton and the Isle of Man by end of 2025
- Invest £1m in financial education initiatives by 2025
- Campaign for financial education to be included on the National Primary Curriculum.

Our financial education partners

Leading financial education charity **MyBnk** empowers young people to take charge of their future by bringing money to life, delivering financial education and enterprise workshops to young people. Our funding supports the delivery of high-energy money workshops for young people aged 11-25 in London, Southampton and the Isle of Man.

KickStart Money is a ground-breaking industry initiative, co-chaired by Quilter, that brings together 20 of the leading saving and investment firms to deliver financial education to over 20,000 young people and call for financial education to be included on the National Primary Curriculum.

Impact in 2019

1,109

hours of financial education delivered

11,276

young people reached

£176,700

spent on financial education

Volunteer case study

Elliott Gwynne, Quilter colleague, volunteered with our financial education programme. He said: "Volunteering is fantastic as it adds variety to my day but also as a company it allows us to engage with people within the community. It has improved my confidence too. While it's daunting being in the classroom at first, you soon get used to it and it's so rewarding knowing you could have a huge impact on someone's life. Above all, it's simply just good fun.

People often say that they wish they'd been taught about personal finance more and I agree. These sort of essential life skills are really important. Financial illiteracy can cause huge problems for people in their adult lives so it's better to make these interventions early and provide children with the tools to make better decisions later in life."

The Quilter Foundation's Young Carers Campaign

£132bn

Unpaid carers save the UK £132 billion a year[1]

56%

of young carers achieve lower grades at school[2]

45%

of young carers report mental health issues, loneliness, anxiety and depression[3]

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 as evidenced in educational, employment and wellbeing outcomes in later life.

As chosen by Quilter employees, in 2018 The Quilter Foundation launched a three-year campaign to give thousands of young carers the chance of a brighter future. Since launching, we have directly supported over 800 young carers in our local communities working with three leading charity partners – Carers Trust, The Mix and Crossroads Care.

In collaboration with these charities, by the end of 2021 the £1.5m campaign aims to:

1. Support 2,500 young carers
2. Invest £690,000 via Quilter Foundation grants
3. Raise £800,000 through fundraising efforts
4. Improve awareness of the role carers (of all ages) play in our society.

Our Partners

Carers Trust is our principal campaign partner in the UK. They work to improve support services and recognition for anyone caring, unpaid, for a family member or friend who is ill, frail, disabled or has mental health or addiction problems.

Young adult carer supported by Carers Trust

The Mix is the digital support partner for the campaign. They provide a free, confidential digital support service for under 25s. Whatever the issue, The Mix is there – online, over the phone or via social media.

Crossroads Care is our campaign partner on the Isle of Man. They are the leading provider of practical and emotional support for carers on the Isle of Man.

Impact in 2019

829

young carers supported

85%

young people learnt new skills

166

Quilter colleagues gave their time and skills through volunteering

Source:

[1] Carers Trust
[2] Carers Trust
[3] Carers Trust

Routes into sustainable work

In 2019 the Foundation forged three new strategic partnerships, all focused on supporting young people into sustainable employment, education or training. Over the coming years we aim to reach hundreds of young people in Southampton, London and Birmingham.

School of Hard Knocks (SOHK) uses high impact sport, a research-based curriculum and in-depth mentoring to help people improve their physical and mental wellbeing. SOHK programmes use rugby, boxing or 'strength' training to work with two main groups: unemployed adults needing help to find sustained work; and children at risk of permanent exclusion to improve their behaviour and complete their education. Through the new partnership with Quilter SOHK is running sports-based employability sessions at The Black Prince Community Hub in the London borough of Lambeth; an area which experiences high levels of unemployment, poverty, homelessness and crime. The programme will reach 120 young people between 16-25 across three years to further their careers, access regular sport and exercise provision, enhance their physical fitness and mental wellbeing and allow them to meet new people.

Safe New Futures – through this partnership we're supporting 16-25-year olds living in deprived areas of Southampton and the wider Solent area through a new five-week personal development programme, which is a mix of cognitive behavioural therapy, employability support and vocational training helping them move into mainstream education or employment. The programme targets those with low to moderate mental health conditions or who are facing significant barriers to employment due to other types of identified disadvantage.

Street League is a 'sport for employment' charity supporting the hardest to reach young people with multiple and complex barriers to employment including poverty, criminal backgrounds and mental health issues. Street League engages the young people with sport and provides one-to-one support, work experience, job application support, and 12 months of ongoing in-work aftercare to ensure the role is sustained.

Our partnership with Street League is focused in Birmingham. Through the sport and employability programme in both daytime and evening sessions, Street League is working with unemployed young people living in the most deprived communities to provide them with the skills they need to progress into sustainable employment. The evening sessions are a new development aiming to provide a safe and secure space for young people from 6pm to 9pm, reducing the risk of young people getting involved in knife and gang crime which is prevalent at these times.

Major disasters and emergencies

Whilst the vast majority of the Foundation's work is focused in the UK our partnership with the DEC (Disasters Emergency Committee) means that when international disasters occur we are one of the first corporate donors contacted so we're able to mobilise vital funds very quickly. Since launch the Foundation has provided relief funding for those affected by the Indonesian tsunami in September 2018 and Hurricane Idai in Mozambique, Zimbabwe and Malawi earlier in 2019.

School of Hard Knocks session in action

Non-financial data summary

Theme	Commitment	KPIs	2019 data	2018 data
Financial wellbeing	Improve access to financial advice and guidance for customers	Number of Financial Adviser School graduates	74 graduates	62 graduates
		% of female FAS graduates	36% female	33% female
		Number of Restricted Financial Planners (RFPs)	1,799 RFPs	1,621 RFPs
	Promote financial wellbeing for all our colleagues	Number of colleagues regularly saving via share save scheme	1,833 colleagues	New metric for 2019
	Empower young people to manage their money well for life	Number of young people supported with financial education	11,276 young people	6,529 young people
		Hours of financial education delivered	1,109 hours	622 hours
		Amount invested in financial education	£176,700	£110,000
Inclusive growth	Empower customers to be more engaged in their financial future	Percentage of customers with digital access to our UK investment platform	24%	New metric for 2019
	Create an inclusive culture at work that embraces diversity	Percentage of women senior management	32%	33%
		% women in professional investment roles	19%	18%
		Median hourly gender pay gap	32%	29%
		Median gender bonus gap	34%	39%
		Colleagues report Quilter values diversity and inclusivity*	8.0/10	7.6/10
	Help colleagues and communities to thrive in work	Colleagues recommending Quilter as a place to work score*	7.4/10	7.6/10
		Colleague engagement score*	7.2/10	7.7/10
		Colleagues report they're growing professionally*	7.3/10	7.2/10
		Colleagues report Quilter cares about their mental wellbeing*	7.3/10	New metric for 2019
		Colleagues report they can lead a physically healthy lifestyle*	7.1/10	New metric for 2019
		Number of people supported by The Quilter Foundation	13,192	New metric for 2019
Responsible investment	Embedded responsible investment principles across our business	UN Principles for Responsible Investment score	First disclosure due April	
	Exercise active stewardship of our customers' assets	Number of company meetings at which we voted	171 company meetings	174 company meetings
		Number of resolutions on which we voted at company meetings	2,423	New metric for 2019
	Reduce the environmental intensity of our activities	Tonnes of CO_2e (TCO_2e) per average number of colleagues/contractors	0.60 TCO_2e	0.83 TCO_2e
		Carbon Disclosure Project Score	B-	New metric for 2019
Operating responsibly	Responsible business conduct	Percentage of colleagues completing Code of Conduct training	96%	New metric for 2019

* colleague survey score out of 10

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