



Quilter

Quilter Affluent
TCFD Report 2024



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Introduction

A message from our Chief Executive Officer

Climate change continues to impact communities, ecosystems, and economies worldwide. At Quilter Affluent, we recognise the crucial role financial services play in addressing climate change and supporting the transition to a low-carbon, climate-resilient economy. We are committed to leveraging our resources, expertise, and influence to address climate-related risks and opportunities, integrating these considerations into our investment process to improve financial outcomes for our clients.

In 2024, we made significant progress across the Quilter Affluent business:

- **Strategic climate objectives:** Together with Quilter Group and Quilter Cheviot, we formulated a set of strategic climate objectives to drive our forward-looking strategy. These objectives aim to:
 - facilitate our clients' contributions to a low-carbon, climate-resilient economy
 - ensure our investment portfolios are resilient to climate-change risks by integrating material environmental consideration into our investment process
 - use our influence as investors to support a just transition to a low-carbon economy through direct and collaborative engagements, as well as our voting activities.

Our plan to achieve these objectives is detailed in the [Quilter Affluent 2025 climate action plan](#), published alongside this report.

- **Enhanced governance, data, and systems integration:** We established the Affluent responsible investment working group and steering committee to coordinate and track the delivery of our climate action plan and other responsible investment activities. Additionally, we implemented a shared manager research platform to record and track our external managers' responses to climate change and other relevant information. We also continued to embed our internal research hub, comprising the responsible investment, operational due diligence, and manager research teams, to better coordinate our research and oversight activities, including climate-related assessments.
- **Effective stewardship:** In 2024, we engaged with a subset of our managers to understand their approach to managing climate risk. This exercise focused on those managers we rate as most sustainable, helping us formulate and guide our expectations, and shape our definition of advanced practice in this area. Detailed information on how we intend to use this information is available in our climate action plan.

Our goal is to deliver long-term value to our investors and customers. We are dedicated to investing our clients' money responsibly and achieving long-term, positive, and sustainable economic outcomes for our customers.

Compliance statement

The disclosures contained in this report, including any third-party or group disclosures cross-referenced within it, comply with the entity reporting requirements under Chapter 2 of the Financial Conduct Authority's Environmental, Social, and Governance (ESG) Sourcebook rules (PS21/24: 'Disclosure of climate-related financial information') for the calendar year ending 31 December 2024. Our separate product reports disclose the required metrics in line with Chapter 2 of the FCA's ESG Sourcebook and for 2025 these can be found [here](#).

Please refer to the 'Glossary' for an explanation of key terms used in this report.



Steven Levin
Chief Executive
Officer





About the Quilter Affluent business

Quilter plc is a leading UK wealth management business and is listed on both the London and Johannesburg stock exchanges.

Quilter plc is a holding company containing a number of companies shown below (referred to collectively as the Quilter Group) that has an adviser and customer offering spanning financial advice, investment platform, investment solutions, and discretionary fund management¹.

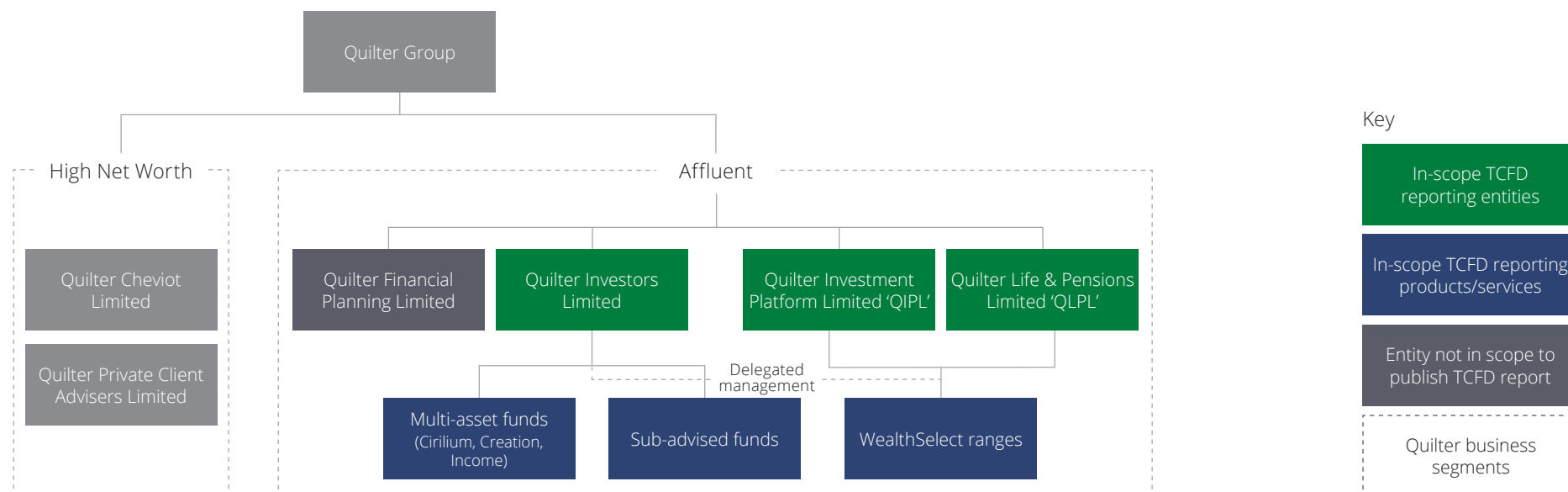


Figure 1: Organisational structure showing the Quilter Affluent business segment as part of the Group with relevant entities and products or services that are covered by this report.

| The Quilter Affluent business | | |
|---|--|---|
| Quilter Investors (Quilter Investors Limited) | Quilter Investment Platform (Quilter Life & Pensions Limited and Quilter Investment Platform Limited) | Quilter Financial Planning (Entity out of scope for TCFD reporting) |
| Our fund management business provides advisers and their customers with multi-asset investment solutions to meet their needs. | Enables financial advisers to deliver the very best service to customers and their families to help them achieve their financial goals. We offer a comprehensive range of products and investments through our award-winning online investment platform. | Supports around 1,400 restricted financial planners in the UK. Advisers within our network partner with us to help them run and grow their business. Our national advice business, Quilter Financial Advisers, helps customers across the UK with all their financial planning needs. |

¹Quilter's Affluent segment includes Quilter Investors (Quilter Investors Limited, the authorised manager of several UK UCITS/NURS umbrella schemes, and an Irish ICAV), Quilter's platform (which includes QIPL and QLPL entities, and acts as both discretionary investment manager in respect of the WealthSelect and multi-asset managed portfolios, and administrator in relation to third-party funds), and the Quilter Financial Planning businesses (out of scope for TCFD reporting).



Quilter Affluent climate reporting

This report describes our overall approach to and progress in assessing and managing climate risks and opportunities for the investments we make on behalf of our Affluent customers. It focuses on the investment solutions managed by the Quilter Affluent business, including multi-asset portfolios, managed portfolio services, and sub-advised funds. As these investment solutions are managed by the same teams, processes, and systems, with no material difference in terms of the governance, strategy, risk management, or metrics and targets, the report reflects the entire segment, referred to throughout as 'Affluent'. Where there are product-specific differences, these have been referred to within the report.

This report covers the period between 30 December 2023 to 31 December 2024. Reported figures, such as Affluent's climate metrics and assets under management (AuM) in scope of this report (£31.4bn) are calculated as at 31 December 2024. Retrieved as at 25 February 2025.

Affluent's direct operational emissions are reported within the Group's TCFD report. For information on Quilter plc's Group TCFD report, visit: plc.quilter.com/tcfid. This report is structured in line with that of the Group with no material deviations and provides reference and links where required disclosures apply to Quilter Affluent's TCFD reporting.

In producing the report, we have taken into account the following guidance:

- ▶ The Financial Conduct Authority's ESG Sourcebook (PS21/24 and associated 2023 and 2024 updates)
- ▶ The TCFD Final Report (2017) and the TCFD Annex (2021), specifically Section C of the TCFD Annex 'Guidance for all sectors' and the additional guidance for asset managers and asset owners. Additionally, we have utilised:
 - the TCFD Technical Supplement on the use of Scenario Analysis (2017)
 - the TCFD Guidance on Risk Management Integration and Disclosure (2020)
 - the TCFD Guidance on Metrics, Targets, and Transition Plans (2021)
- ▶ The Financial Reporting Council's thematic review of TCFD and climate disclosures (2022)

Key changes in 2024

Quilter Affluent TCFD reports are consistent with the governance, strategy, and risk management pillars of the TCFD recommendations and recommended disclosures of the TCFD report. We have expanded our climate metrics disclosures due to improved coverage and methodologies since last year, and provide aggregated values for the Affluent segment, including financed emissions and climate value at risk (climate VaR). We have also added implied temperature rise (ITR) values to our product reporting.

However, data challenges still apply due to data coverage and methodology changes. Metrics are based on models and data that are continually improving as more information becomes available and more companies make climate disclosures. Additionally, we are reliant on third parties for access to this data. This is especially true for greenhouse gas (GHG) emissions data including for scope 3 (emissions from the wider value chain, and not through direct operations) and forward-looking metrics such as climate VaR and ITR, as methodologies continue to be updated to capture more accurately the risks and drivers of impact from climate change.

To give a more accurate and consistent picture, we have restated the previous year's metrics using this year's improved data and methodologies in our product reports, therefore our previous year's disclosed metrics may look different. Our entity report does not include historical data as we did not disclose TCFD metrics last year due to limitations in our coverage, so we have chosen not to disclose previous year's figures to avoid misinterpretation.

It is important to note that changes in the year-on-year metrics disclosed may not necessarily be attributed to actual changes in underlying emissions or climate risks within the portfolio, but rather due to the changes in data coverage and methodologies. Metrics should be viewed as helpful indicators rather than precise estimates or predictions, and any comparisons should be interpreted with caution. They are provided to support our ongoing efforts to understand and manage climate-related risks and impacts. Therefore, our reported metrics should be considered alongside other insights and qualitative disclosures provided in this report.



Disclosure summary

| TCFD pillar | Description | TCFD recommended disclosure | Our disclosure | Pages |
|-------------------|---|---|---|-------|
| Governance | Disclose the organisation's governance around climate-related risks and opportunities. | Describe the board's oversight of climate-related risks and opportunities. | We have laid out how the Affluent business's governance cascades from the Group's governance structure, with entity-level board, board audit committees, and board risk committees involved in climate-related risks and opportunities oversight, and the associated activities in relation to the investments we manage. We also outlined the relevant management committees and forums, their roles in climate-related risks and opportunities, as well as the delivery teams made up of working and steering groups, which are responsible for the delivery of the climate-related activities within Affluent. | 8-13 |
| | | Describe management's role in assessing and managing climate-related risks and opportunities. | | |
| 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. | We have outlined the climate-related risks and opportunities that we have identified over various time frames and their impact on the Affluent business. This year, our Group refreshed our climate-related risk assessment in line with the TCFD guidance to identify material risks to Quilter, time horizons, and analysis. We have described the impact climate change has had on our: <ul style="list-style-type: none"> - investment in processes and systems - responsible investment principles, climate integration, and stewardship activities - workplace projects and change strategy through climate action plans - investment products and services. We have also explained how we implement our climate-related strategic objectives, our priorities, and our climate action plan that addresses how we intend to manage these risks. We have provided a summary of our progress and climate action plan objectives for 2025 which is aligned with Quilter Group's strategic climate objectives. We show our 2024 climate scenario analysis results for Affluent's managed investments and discuss our investment solutions within the context of climate resilience and a transitioning economy. | 14-23 |
| | | Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning. | | |
| | | Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario. | | |



| TCFD pillar | Description | TCFD recommended disclosure | Our disclosure | Pages |
|---------------------|---|--|--|-------|
| 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. | We have provided our approach to climate risk identification and assessment across the investment process for the Affluent investment business. We explain how we integrate the Group risk framework materiality assessment, principles, and practices, and describe the systems and processes of risk monitoring and mitigation across our investment process. We describe our stewardship role in risk management, and our proprietary responsible investment tiering framework within our investment activities to manage climate risk. | 24-28 |
| | | Describe the organisation's processes for managing climate-related risks. | | |
| | | Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management. | | |
| 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. | We disclose the climate metrics we use to monitor climate risks and impacts within our portfolios. Metrics cover financed emissions (such as scope 1, 2, and 3 emissions, footprint, weighted average carbon intensity (WACI)) and forward-looking portfolio climate VaR and warming alignment indicators. Portfolio-level metrics are published in the relevant product reports. In addition to increased climate VaR coverage, we have also included implied temperature rise (ITR) in our product reports this year (not in this report), with views on interpretation and limitations for the methodologies and the data that is available. We describe climate-related targets used for relevant products and discuss our intended goals as they relate to our climate action plan. | 29-33 |
| | | Disclose scope 1, scope 2, and, if appropriate, scope 3 greenhouse gas ('GHG') emissions, and the related risks. | | |
| | | Describe the targets used by the organisation to manage climate-related risks and opportunities, and performance against targets. | | |



Governance

Our governance around climate-related risks and opportunities





Organisational governance structure

Accountability for the oversight and management of climate-related risks and opportunities is held by senior leaders and facilitated through a management and board governance framework.

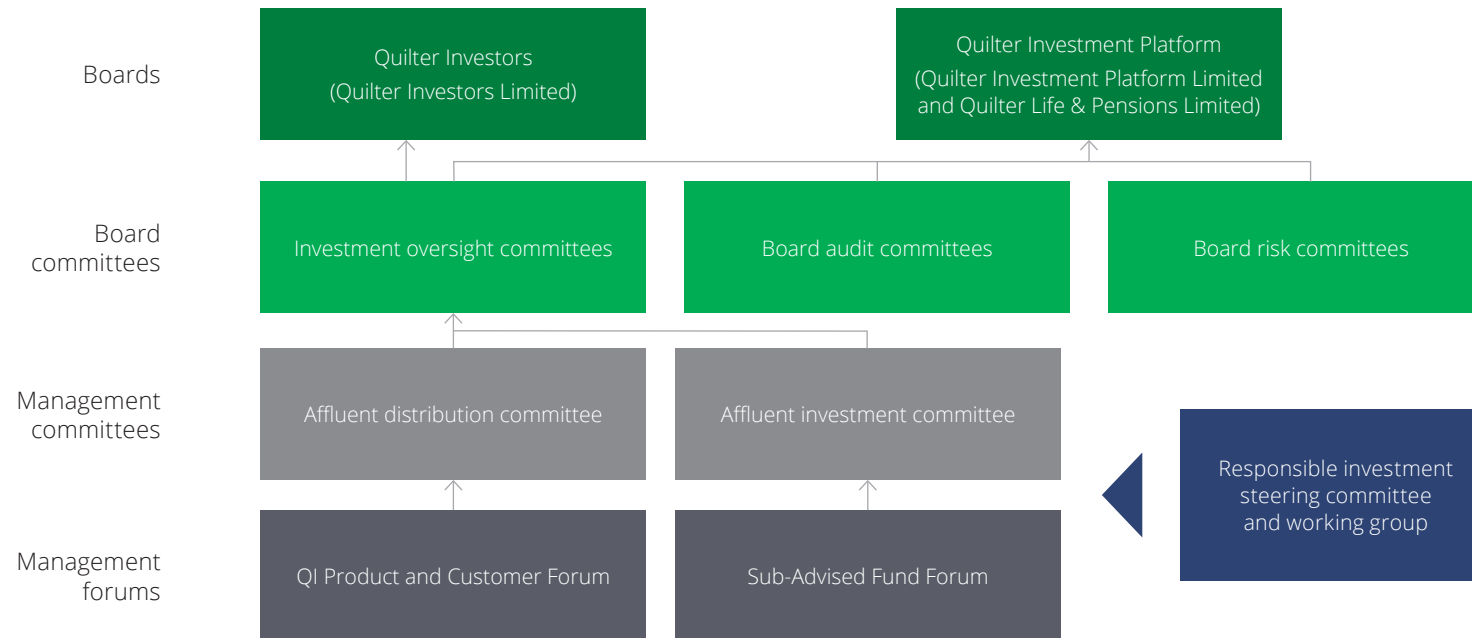
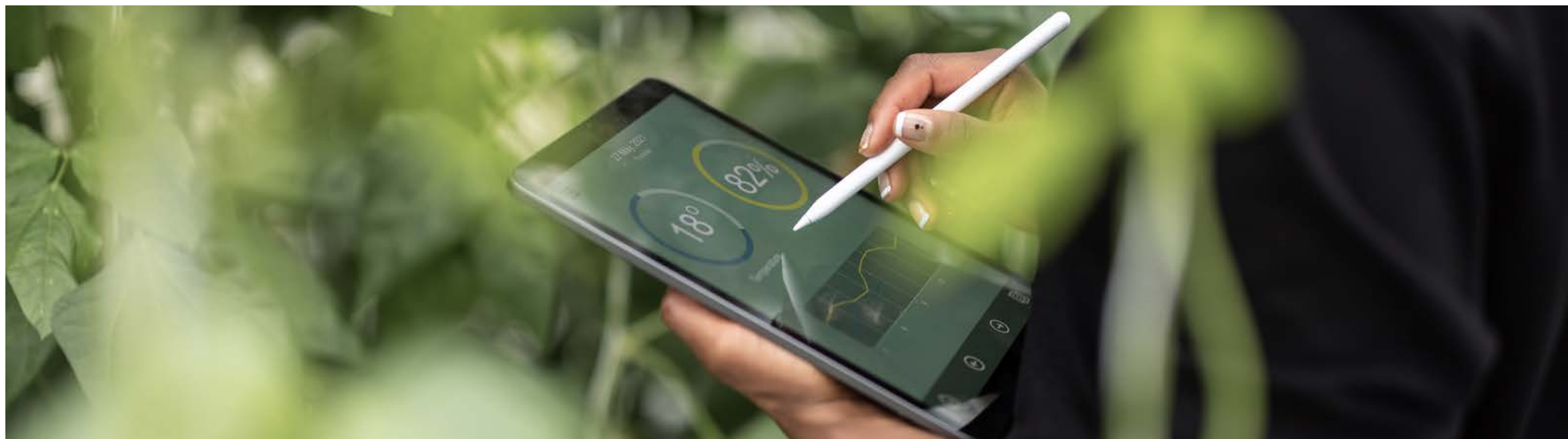


Figure 2: Quilter Affluent governance structure for sustainability and climate-related activities. The direction of the arrows represents the direction of oversight and lines of reporting within Quilter plc's governance framework.

Our board corporate governance model gives the Group board a direct line of sight to the Affluent segment.

- The legal entities of Quilter Investment Platform are supported by board audit committees and board risk committees as described below. As an authorised fund manager (AFM), the Quilter Investors board must demonstrate independent decision-making.
- Each legal entity's board has delegated investment oversight to an investment oversight committee (IOC).
- Responsible investment steering and working groups ensure the delivery of climate and other responsible investment activities.

On the following pages we set out the responsibilities of the boards, board committees, and management committees relevant to climate-related disclosures.



Board oversight of climate-related risks and opportunities

The Quilter plc board is the ultimate decision-making body for matters of Group-wide strategic, financial, risk, regulatory, or reputational significance. It is responsible to shareholders for creating and delivering sustainable shareholder value through the management of the Group's businesses whilst having regard to the interests of our key stakeholders, being our advisers, colleagues, communities in which we operate, customers, investors, and regulators. It determines the strategic objectives and policies of the Group to deliver long-term value, providing overall strategic direction within a framework of effective risk management and control.

The Boards of Quilter Investment Platform Limited, Quilter Investors Limited, and Quilter Life & Pensions Limited (the 'Boards') act independently to deliver the business strategy and objectives. They hold management to account in respect of business performance, the identification and mitigation of key risks, regulatory responsibility, and customer outcomes, and to support the delivery of the businesses' strategy within the context of the overall Quilter strategy.

The Boards have, where appropriate, delegated authority to a number of Board committees, which assist the Boards in delivering their responsibilities and ensuring that there is appropriate, independent oversight of internal control and risk management. Decisions on certain matters are specifically reserved for the Boards, including the approval of each company's strategy and financial budgets, risk appetite, financial statements, dividends, material corporate transactions, and Board appointments.

The Boards have also delegated authority for the operational management of each business to their respective Chief Executive Officer ('CEO') within certain limits for execution to support the effective day-to-day running and management of each company. The CEO of each company has delegated responsibility to certain senior executives (principally other members of the Quilter Affluent executive committee) within prescribed limits. Each CEO and the Affluent executive committee are supported by management committees which operate under delegated authority. The authority of these management committees is documented within their respective Terms of Reference.



Governance of responsible investment and corporate sustainability including climate-related risks and opportunities

The Boards are responsible for setting and overseeing the delivery of their strategic priorities, including those in relation to responsible investment and corporate sustainability. The Boards are briefed regularly on responsible investment performance. These updates include the strategic approach to responsible investment and climate issues and related commitments. The Board audit committees of Quilter Investment Platform Limited and Quilter Life & Pensions Limited oversee the principles, policies, and practices adopted in the preparation of climate-related disclosures. They receive regular updates on the production of TCFD reporting, including the processes and controls in place for ensuring compliance with the reporting regulations and the integrity of the metrics and underlying data. Following review and recommendation by the Board audit committee, the TCFD report is reviewed and approved by the Boards.

The Board audit committees are also responsible for overseeing the internal audit function and approve their plan for assuring the effectiveness of the controls for the key risks to Quilter, including for climate-related risks. The Board audit committees receive reporting from internal audit on the outcomes of this assurance work, including actions taken by management to mitigate any issues.

The Board risk committees of Quilter Investment Platform Limited and Quilter Life & Pensions Limited, in accordance with their Terms of Reference, oversee the management of risks, including ESG and climate-related risks, by reviewing management's recommendations on risk, in particular in relation to the implementation of Quilter's risk management framework. It challenges the assessment of the financial risks of climate change scenarios as part of the Quilter Investment Platform Limited Internal Capital Adequacy and Risk Assessment report, and the Quilter Life & Pensions Limited Own Risk and Solvency Assessment report, which includes the risk of greenwashing. The board of Quilter Investors Limited is directly responsible for the oversight of audit and risk matters. This includes the review of its Internal Capital Adequacy and Risk Assessment report and TCFD metrics, controls, and reporting.

During the year, the investment oversight committees of the Boards oversaw the effective implementation of the investment proposition strategy while seeking assurance as to the delivery of good customer outcomes and the management of potential conflicts of interest. The performance, investment risk, and adherence to investment mandates, including those pertaining to sustainability objectives, were reviewed during the year. During the year the boards agreed to close the investment oversight committees and these responsibilities have transitioned to the boards and, where applicable, their board risk committees.

The Quilter plc Board remuneration committee oversees and approves the remuneration arrangements for the Group, including consideration of environmental, social, and governance (ESG)-related metrics and targets, which form part of the executive scorecard for reward purposes. Climate-related metrics, specifically the reduction in scope 1 and 2 emissions and the principles for responsible investment ('PRI') framework, both form part of the Quilter plc long-term incentive plan ('LTIP') and are routinely reviewed by the Board remuneration committee. Further information can be found on page 17 in the [Quilter plc TCFD Report 2024](#).

Quilter's entity-level governance

Quilter plc and its subsidiary companies publish TCFD reports (see page 4) which are overseen by their respective Boards and Board committees. For further details, see the Group, Quilter plc's TCFD report 2024, and Quilter Cheviot TCFD report 2024 on the respective websites:

- ▶ [Task Force on Climate-related Financial Disclosures \(TCFD\) reporting | Quilter](#)
- ▶ [TCFD at Quilter Cheviot | Quilter Cheviot](#)

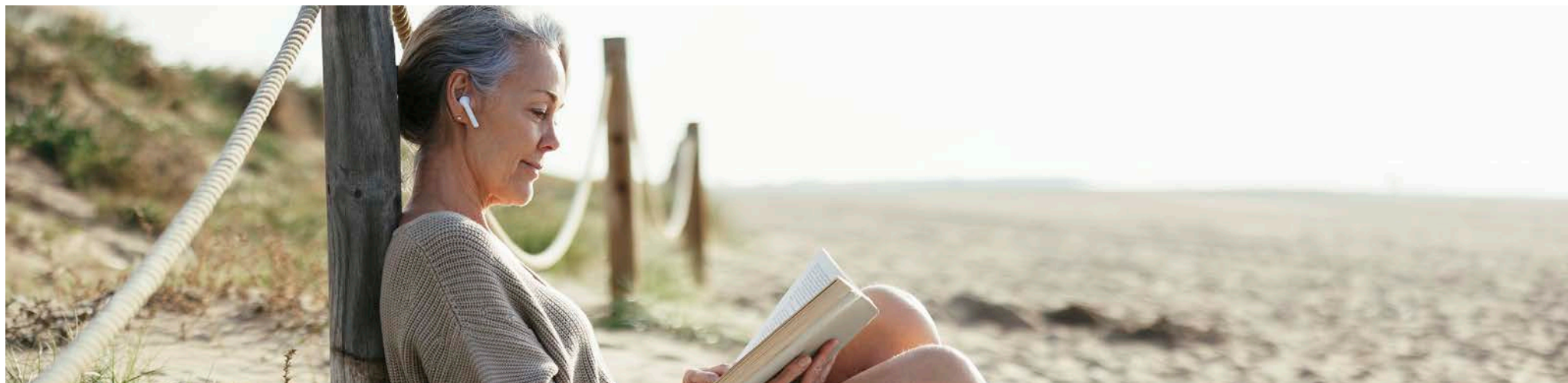


Management's role regarding climate-related risks and opportunities

Climate-related risk and opportunity management is embedded across Quilter and in the various strategic and day-to-day processes. The following governance meetings are fundamental to the oversight of the multi-asset portfolios, sub-advised funds, and managed portfolio services.

In 2024, the governance structures were simplified to allow direct oversight of responsible investment at the Group level. Climate-related decision-making, that was previously the responsibility of the responsible wealth management steering committee, is now undertaken by the Group executive committee.

| Management body | Responsibilities with climate-related considerations | Activity in 2024 |
|--|--|---|
| Affluent investment committee (AIC) | <ul style="list-style-type: none"> Provides independent oversight and challenge of portfolio management activities for multi-asset, sub-advised funds, and managed portfolio services with the aim of ensuring that investors are provided with products that perform as expected. Oversees and monitors the integration and embedding of ESG considerations (such as climate risks and opportunities) into the investment process and ensures that any related customer objectives are being met. First stage of formal escalation related to risks in the investment process. | <ul style="list-style-type: none"> On a quarterly basis throughout the year, the Quilter Investors multi asset portfolios and managed portfolio services were reviewed with the aim of ensuring the portfolios were being managed as expected. This included the monitoring of the ESG-specific objectives of the WealthSelect Responsible and Sustainable Portfolios, including carbon emissions data, where appropriate. |
| TCFD & SDR steering committee | <ul style="list-style-type: none"> Attended by accountable executives and cross-firm key stakeholders, the steering committee is responsible for overseeing the development of the Group, entity, and product TCFD reporting and related decision-making. The committee meets monthly and is updated on progress, risk developments, and any changes to our TCFD reporting, including scenario analysis, risk management, and climate-related risks and opportunities. | <ul style="list-style-type: none"> The committee met monthly in 2024 and oversaw the updates to our TCFD reporting and our climate metrics for the Quilter Affluent reports. The committee provided challenge on key decisions and ensured the required Group, entity, and product TCFD reports were delivered on time and in line with expectations. Key decisions surrounding operational and financed emissions processes were also presented to the committee. |
| Quilter Investors sub-advised funds forum | <ul style="list-style-type: none"> Provides independent oversight of Quilter Investors Limited sub-advisers and the activities they perform on Quilter Investors' behalf. Our platform and multi-asset investment solutions invest in most of these sub-advised funds. For more details about how our climate risk and opportunities approach and activities differ for sub-advised funds, see 'Risk management' section. | <ul style="list-style-type: none"> Oversight of new or replacement sub-advisers, monitoring of any performance-related issues of sub-advised funds, eg the Quilter Investors Timber Equity Fund, which has an objective to invest in companies which support sustainable forestry and timber practices. Oversight of sub-advised funds investment process delegated to third-party managers (which is subject to our risk management process and includes climate-related risk management, details of which can be found in our 'Risk management' section). |
| Quilter Investors product and customer forum | <ul style="list-style-type: none"> Ensures that there is an effective and adequate framework in place for the multi-asset and sub-advised funds; covering the design, approval, and marketing throughout their lifecycle, to meet customer needs and legal, regulatory, and Quilter policy requirements. | <ul style="list-style-type: none"> Oversight of the design of products to ensure they meet the needs of an identified target market and appropriate consideration of climate and other ESG requirements. |
| Responsible investment steering committee and working group | <ul style="list-style-type: none"> Ensures the coordination of responsible investment matters across Affluent entities and services as the primary forums for oversight and approval of responsible investments reporting, processes, and products. The groups comprise representatives from responsible investment, advice, distribution, risk, and finance, to ensure alignment across the Affluent segment, oversight, and compliance against Group and entity-level responsibilities and obligations. | <ul style="list-style-type: none"> Launched in December 2024 to deliver projects and oversee responsible investment activity across regulatory reporting, the climate action plan, responsible investment policy developments, and other topics. Outputs are driven by responsible investment teams through working groups with oversight and decision-making from the responsible investment steering committee. |



Key people and climate resourcing

In 2024, Marcus Brookes, Managing Director and Chief Executive Officer of Quilter Investors, took direct executive responsibility for the Affluent responsible investment strategy and collaborates with the Group's senior executives to ensure alignment across business segments. Marcus is a member of the Quilter plc executive committee, TCFD & SDR steering committee and chairs the Affluent Responsible Investment steering committee. He ensures that updates to corporate sustainability and responsible investment strategies, including climate strategy and material climate-related developments, are communicated to the boards and board committees.

Our Head of Affluent Responsible Investment, Ido Eisenberg, leads a team of responsible investment analysts, reporting to Marcus. Ido oversees the development and delivery of the Affluent responsible investment strategy and is responsible for climate-related priorities, objectives, and TCFD reporting. He chairs the Affluent responsible investment working group to align approaches across advice, distribution, and investment activities, including the monitoring and approval of the TCFD report methodology and approach, and progress against our climate action plan. The responsible investment team delivered the Affluent climate action plan highlighting key objectives, priorities, and activities for 2025 and beyond.

In 2024, the Affluent team focused on enhancing their skills within responsible investment and climate change. Firm-wide and role-specific training was undertaken across the Affluent segment, including for executives, compliance, and risk functions across anti-greenwashing and sustainability disclosure requirements (SDR), both of which include major climate-related components.

We continued our internal training programme with the manager research and operational due diligence teams to improve knowledge of the responsible investment tiering system, as well as our stewardship programme, in addition to capacity building within the Affluent segment upskilling colleagues on our responsible investment principles and approach. Within the Affluent responsible investment team, our Senior Responsible Investment Analyst has completed the CFA UK level 4 Certificate in Climate and Investing, which provides skills and knowledge alongside key tools and techniques to integrate climate considerations across a range of asset classes. In addition, our Responsible Investment Quantitative Analyst has completed a certificate in quantitative finance (CQF) that focuses on providing both practical quantitative finance and advanced machine-learning techniques in the industry to equip the team with enhanced capabilities for climate-related analytics.

The 2024 highlights and 2025 ambitions of the responsible investment climate-related progress and activities are described in our 'Strategy' section. For a deep dive into how we integrate climate-related information in our risk management principles and practices, see our 'Risk management' section.



Strategy

The climate-related risks and opportunities we are exposed to and the impact of climate-related issues on our business and strategy





Strategic overview

For an overview of Quilter plc's overall strategy, including how climate-related risks and opportunities have affected our business model and strategy, see from page 16 of the [Quilter TCFD Report](#). This includes information about our investment in people and systems, our supply chain, workplace projects, and change strategy and executive remuneration, as well as products and services. Our responsible investment strategy, which is managed by the Affluent and High Net Worth segments of the business, is the focus of the following section.

Climate change is a Group-level thematic priority for responsible investment. In 2024, Group-level climate strategic objectives were set out as overarching priorities relating to the sustainability of the business (operational), as well as our investment activities (investments), expanding on the existing strategic objectives of responsible investment set in 2023. Operational objectives are detailed in the [Group TCFD Report 2024](#) (page 22) and are managed by the Group corporate sustainability team.

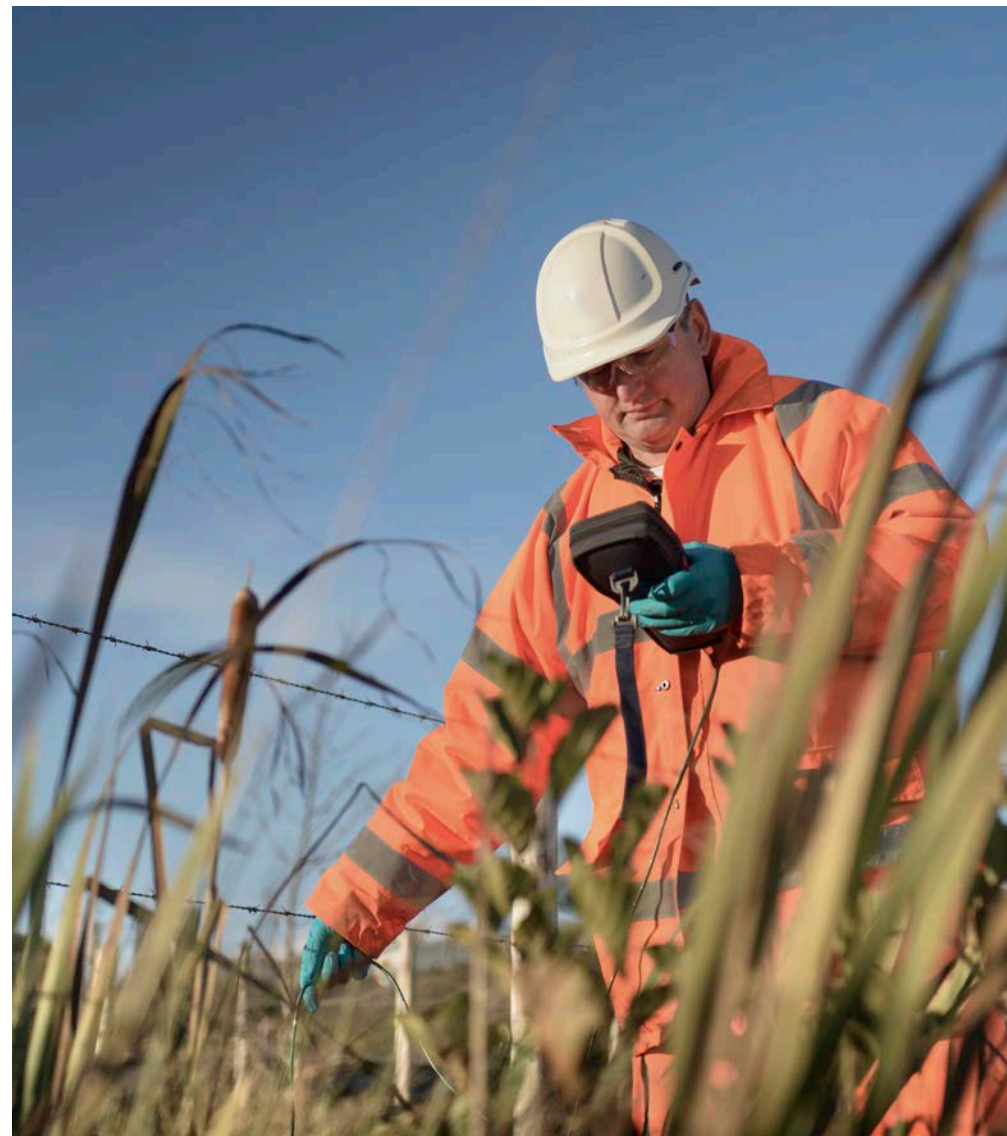
Investment objectives are agreed by the Group but managed by the High Net Worth and Affluent segments independently. These are as follows:

- Facilitate our clients' objectives to contribute to a low-carbon, climate-resilient economy by capturing their preferences and offering sustainability-linked investment strategies that invest in climate solutions and avoid carbon-intensive investments.
- Use our levers as an investor to contribute to the just transition to a low-carbon economy through direct and collaborative engagement and voting activities with companies and fund managers.
- Ensure our investment portfolios are resilient to climate-change risks by integrating environmental considerations primarily through research, due diligence, and information for use in investment processes and stewardship.

Affluent responsible investment principles (below) are aligned with these objectives. This has enabled us to define specific actions and milestones for 2025 in our climate action plan which includes both the investment, advice, and distribution activities of the Quilter Affluent and can be found on our website [here](#).

More detail on our customer focus, stewardship, and ESG integration principles and processes, including voting activities and escalation, and how these relate to climate is included in the 'Risk management' section of this report with detailed reporting available in the [Quilter stewardship code report 2024](#) from page 35 onwards.

While the Affluent business is responsible for defining specific objectives, actions, and focus areas, we are aligned with the Group approach to the way we consider the risks and opportunities over the short, medium, and long term.





Affluent responsible investment principles and climate change integration

Implementing the Quilter Affluent responsible investment principles provides the guardrails to integrating climate-change considerations within our responsible investment activities.



Figure 3: Quilter responsible investment principles.

Customer focus



We make investment solutions available to our customers through our advice and distribution networks, and are focused on meeting their needs and preferences through our services. Assets managed in 2024 with climate-related objectives include the WealthSelect Responsible and Sustainable Managed Portfolio Services, where mandates include portfolio-level carbon footprint constraints, some exclusions in areas such as thermal coal extraction, and investment in climate-related solutions, such as renewable energy. More detail on this is provided in the 'Risk management' section.

Strong governance



We have a clear governance structure that monitors our responsible investment approach and ensures accountability. This includes reporting on climate-related commitments of our investment solutions, as well as oversight of climate-related research outcomes used in investment processes, and progress on climate-related risk management, such as milestones outlined in our climate action plan.

Clear information



We aim to provide clear, consistent, and relevant climate-related data and information for all. This means high-quality, timely, and transparent information delivery to customers, our investment teams, and the regulator that are aligned across our core teams and production processes. For example, within our investment process, we use data and systems to ensure that ESG risks and opportunities, including those related to climate change, are clearly captured and monitored through responsible investment dashboards and on-demand reporting, such as our proxy voting and stewardship reports. These will be consistent with customer reports and regulatory reports.

ESG integration



We have a clear framework for integrating ESG factors into our investment research processes operated by the research hub (the responsible investment tier framework can be found in Appendix C). The responsible investment team provides expertise to define and oversee requirements for this framework to ensure alignment with our climate and broader ESG-related commitments and risk management for our investment solutions, governance, and regulatory purposes. While the responsible investment tier framework is our core tool for investment research, the responsible investment team also provides expertise to enable integration of climate and broader ESG-related considerations, such as relating to climate-metric methodologies, best practice ESG risk management, and climate standards, to support and inform other parts of the investment process. This includes portfolio construction, and investment risk reporting. This is described in more detail in the 'Risk management' section.

Good stewardship



We believe good stewardship maximises long-term value for our customers' investments and our approach ensures we meet standards required of our customers and promotes a well-functioning investment market. This involves actions relating to ESG-related outcomes from our integrated investment process, where systematised reporting can flag issues or areas of concern, as well as monitoring and assessment of manager engagement approaches and participation in climate and sustainability-related initiatives and collaborations.



Climate change – investment integration timeline

Launch of first Quilter Affluent investment solutions with climate-specific objectives as WealthSelect Responsible and Sustainable portfolios commit to constraints on portfolio carbon footprint.

Quantitative analysis of sustainability-focused investment managers to identify priorities, scoring methods, and tool design for climate-related manager research and engagement.

Quilter Affluent supports CDP campaigns encouraging company disclosure of climate-related data and commitment to SBTi.

Completion of manager engagement for climate research and validation of findings with managers and industry bodies such as IIGCC.

Formal climate strategic objectives and oversight structures agreed with investment objectives disseminated to investment segments to initiate climate action plans.

Key research findings incorporated into new manager research systems for integrated research processes and to inform design of 2025 climate action plan.

2022

2023

2024

2025

Qualitative data collection, analysis, and findings from engaging with sustainability-focused managers relating to climate change integration and engagement.

Integration of data relating to climate scenarios for portfolios with climate-related targets for inaugural WealthSelect TCFD product reports.

Full review of carbon and climate scenario data to ensure appropriate calculations applied consistently for all uses across all Quilter Affluent Managed Solutions.

Affluent climate action plan implementation for 2025 focuses on robust climate integration into research and investment processes including manager assessments of climate integration and stewardship.

Continued commitment to market participation and engagement with peers as part of collaborations such as UK Wealth Managers for Climate and PRI Climate Reference Group.

Our progress in 2024

In 2024, we made progress on our goal to fully embed the five responsible investment principles within the core activities of our Affluent investment teams. For example, after investing expansively in 2023 in building out our research hub, we have optimised internal processes to create a service that strengthens our growing investment capabilities. In 2024, the teams and systems were fully embedded to bring together professionals with expertise in a range of industry disciplines including manager research, responsible investment, and operational due diligence.

Alongside implementation of shared, centralised research tools, this provides us with transparent, consistent investment research, and deepened oversight and controls throughout the investment process, including information and research relating to manager approaches to climate-related commitments, integration, and stewardship at manager firms and in their investment strategies.

We continue to improve our data quality and management capabilities achieving full look through capabilities and allowing us to analyse our underlying exposures through a climate and sustainability lens. This information can be analysed by geography, sector, fund, or portfolio and combined additional proprietary or external research for the purposes of identifying overall climate-related risks and opportunities, including meaningful research and impactful engagement planning.



Climate-related risks and opportunities assessments

Group-level risk management and assessments determine the materiality of climate risks within the operational matrix of the business. In 2024, the Group formally introduced a cross-functional annual climate risks and opportunity workshop and risk assessment that informed the Group's climate strategic objectives and themes. The Affluent climate action plan will form part of the Group's 2025 transition plan disclosures commitment.

Affluent's approach is fully aligned to the Group's approach to climate risks and opportunities, which is consistent with the TCFD guidance on climate risk and opportunity assessments. Full definitions used within Affluent's climate risks and opportunities assessment can be found in the [Group TCFD report](#) from page 30.

For qualitative climate scenario analysis of the Affluent business, material climate risks and opportunities, their potential impacts, and our actions over the short, medium, and long-term time horizons are summarised in the tables below:

| Factors | What we mean | How this applies |
|------------------------------|---|---|
| Time horizons | Short term 0-3 years Medium term 3-10 years Long term 10+ years | <ul style="list-style-type: none"> Climate change time horizons used to qualitatively determine material financial and non-financial climate impacts over different lengths of time. Time horizons impact the prioritisation of strategic planning, risk management, responsible investment activities, and our response to climate regulation. |
| Type of climate risks | Transition Physical | <ul style="list-style-type: none"> Transition risks relate to the global transition to a lower carbon economy and encompass risks arising from policy and legal, market and technology changes, as well as reputation risks arising from industry standing, brand, and 'greenwashing', which can impact the financial and non-financial positions of the business. Physical risk refers to increased frequency and severity of acute climate-related events such as cyclones, hurricanes, floods, and wildfires, and shifts in climate patterns that result in chronic weather issues. These risks may result in damage to property, supply chain disruption, and assets becoming stranded. Physical risks can disrupt markets, impair asset values, and directly impact securities held within the investments of our portfolios. Therefore, investing in solutions to mitigate and adapt to physical impacts may deliver beneficial investment outcomes. These are referred to as climate opportunities and span sectors and focus areas within renewable energy, green technology, and nature-based solutions. |
| Business areas | Operations Investments Advice and distribution | <ul style="list-style-type: none"> Quilter operational risks assessment related to climate can be found in Quilter plc's Group TCFD report. Each business area's risks and opportunities can manifest differently. Whilst there are some commonalities, risk mitigation and actions will vary depending on the business functions. The focus of our climate change activities is primarily on our investment business areas and guided by the Quilter responsible investment principles. Our principles encompass good customer outcomes, and therefore also apply to the advice and distribution areas within Affluent. We work with our client-facing colleagues to capture our customers' preferences and requirements to ensure our responsible investment themes and focus areas are well-aligned and deliver long-term value. |



Climate risks and impacts

Risks are either idiosyncratic, ie implicit risks exclusive to a company's business, or systemic, which refers to broader trends that could impact the overall market or sector. Climate risks and impacts from either may be implicitly or explicitly captured within Group-level risk assessments. This year, the Group adopted a 'double materiality approach' to climate risk assessments which looks at both the severity and impacts on AND of the business to identify the internal and external levers of change within the economies and markets it serves.

Given our diversified, global portfolios and responsibility to ensuring our customers' financial futures, treatment of climate risks is especially complex and multi-faceted. Our approach to mitigating and monitoring climate risks and their impacts are grounded in robust Group-level oversight and risk materiality alignment, business area-specific processes, data-driven research, performance monitoring, and portfolio look-through to determine drivers and dependencies as well as identify stewardship actions.

| Type of risk | Risk description | Potential impacts | Mitigating actions, controls, and monitoring | Time horizon |
|---|---|---|--|--|
| Policy and legal (Transition) | Emerging regulatory requirements - Risk of changes in climate-related policies or regulation which have an adverse impact on our propositions, investment products, and services. This includes risk of non-compliance with regulatory reporting and investment product labelling. | <ul style="list-style-type: none"> – Unbudgeted or high costs to implement systems, source-relevant expertise, and change processes or structures to adhere to new regulatory requirements. – Potential costs of inadvertent non-compliance due to volume of global regulation. | <p>Regulatory and market horizon scanning and engagement through regulatory consultation governance oversight and guidance from compliance and risk functions holding ESG and climate-related responsibilities.</p> <p>Engagement with industry bodies and participation in cross-industry, standards, and policy groups such as:</p> <ul style="list-style-type: none"> – IIGCC Institutional Investors Group on Climate Change – The Investor Forum – CDP – The Investment Association – PRI working groups | Short term/ Medium term |
| Market (Transition and Physical) | Portfolio climate risk – Risk of investment market underperformance caused by a disorderly transition or physical climate-related acute and chronic climate events. | <ul style="list-style-type: none"> – Potential for reduced market return for clients, resulting in reductions in the value of assets under management and revenues. | <ul style="list-style-type: none"> – Investment in diversified, multi-asset investment portfolios. – Consideration and integration of climate-related risks and opportunities within investment research and due diligence (eg through our integrated research hub). – Utilising better data and high-quality climate metrics and key performance indicators (KPIs). – Macro and microeconomic monitoring of trends, performance, and market conditions. | Short term/ Medium term/ Long term |



| Type of risk | Risk description | Potential impacts | Mitigating actions, controls, and monitoring | Time horizon |
|----------------------------------|---|--|---|----------------------------|
| Market (Transition) | Consumer sentiment and evolving demand - Risk that we fail to align our product offering with customers' investment preferences and general market demand for climate-related mandates and requirements. | <ul style="list-style-type: none"> - Reduction in demand for Quilter's products and services resulting in reduced revenues. | <ul style="list-style-type: none"> - Monitoring of customer and adviser preferences as part of the development of climate-related strategy and goals through customer surveys and engagement. - Ensuring our responsible investment approach aligns with our financial advisory services and processes. | Short term |
| Reputational (Transition) | Misrepresentation risk - Risk that clients, advisers, and other stakeholders take action on the basis of misleading or incorrect information relating to the environmental or sustainability attributes of our investment products and services. | <ul style="list-style-type: none"> - Reduced demand for Quilter's products and services due to damage to Quilter's brand. - Loss of market position against peers/competitors. - Associated potential cost of redress where clients have taken action based on misleading or incorrect information through lengthy legal processes. | <ul style="list-style-type: none"> - Management review and approval of published information and ensure compliance with investment labelling, disclosures, and rules. - Data validation for the calculation of climate metrics, underlying methodologies, data sources, and providers. - Greenwashing training for all staff, as well as targeted training for specific functions. | Short term/ Medium term |
| Reputational (Transition) | Climate strategy risk - Risk that the Affluent climate action plan, covering objectives, priorities, and goals surrounding client offering and investment is not perceived to be sufficient or misaligned. | <ul style="list-style-type: none"> - Negative publicity leading to damaged brand, loss of existing or potential clients, and negative reputation in the industry. - Reduction in market share resulting in loss of revenues over the long term. - Increased operational costs and sunk costs due to inaccurate prioritisation and failure to adopt to transition-aligned process, technologies, and frameworks. | <ul style="list-style-type: none"> - Alignment with Group climate transition plan and well-informed climate action plan for investments. - Annual review and reporting on progress against climate action plan priorities and goals. - Continued engagement and monitoring of market and industry trends and regulations relating to climate action in investments. | Short term |



Climate opportunities

Climate opportunities refers to the potential financial benefits from efforts taken to mitigate and adapt to climate change. Examples include digitalisation and technology adoption to bolster operational efficiency, increase productivity, and reduce costs, as well as the development of new products and services through shifting client preferences and new or emerging markets, such as investments in green energy and supply chain resilience.

Climate-related opportunities will vary depending on the region, market, and industry, and arise from climate change impacts from policy environments, underlying asset locations, market or sector development, as well as our customers' changing investment preferences and expectations.

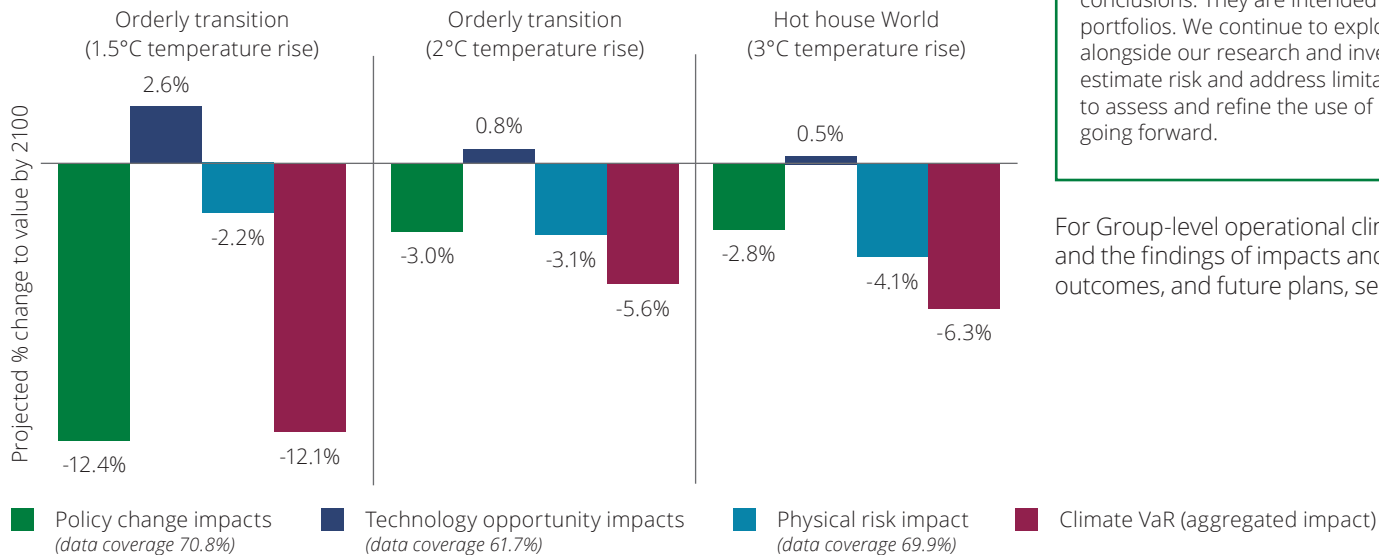
| Type | Description | Potential impacts | Actions to capitalise | Time horizon |
|--------------------------------|--|--|--|------------------------------|
| Products & services | As we transition to a low-carbon economy and as younger generations enter the investment market, we expect an increase in demand for responsible and sustainable investment solutions. | <ul style="list-style-type: none"> – Increased demand for product aligned with customers' investment preferences within an evolving marketplace, such as WealthSelect Responsible and Sustainable. – In the medium to long term we may see an increased market share and therefore revenue growth as we attract a wider range of customers and meet the increased demand for responsible and sustainable investment solutions for positive climate-related outcomes. | <ul style="list-style-type: none"> – Continue to develop and deliver our responsible investment strategy and climate action plans aligned with product and service offerings. – Monitor consumer demand to ensure our responsible and sustainable product offering meets the needs of the market. | Short, medium, and long term |
| Markets | The transition presents investment opportunities and growth opportunities as companies enter new markets for sustainable products/services and generate additional revenue streams. | <ul style="list-style-type: none"> – Potential for higher investment performance for clients in the long term through investment in new technologies, climate resilience, and adaptation and new markets. Higher investment performance for clients would drive increased revenues to Quilter. | <ul style="list-style-type: none"> – Continue to invest in assets that financially benefit from the transition to a low-carbon, climate-resilient economy. – Continue to engage with the funds and managers we invest in to monitor how they intend to capitalise on climate-related opportunities through our stewardship and voting activities. Please see 'Risk management' section for more details. | Short, medium, and long term |



Quantitative climate scenario analysis

Scenario analysis is performed at a Group level to determine the materiality of how climate change impacts on business model, operations, and financial position. Below we show our quantitative scenario analysis using the climate VaR metric, aggregated to an Affluent segment level. Climate VaR estimates the potential gains or losses on our investments in certain climate scenarios, which are provided by the Network for Greening the Financial System (NGFS). Climate scenarios are future pathways that explore how global temperatures may change under different emission levels, policy, and socio-economic actions. The three climate scenarios explored here are:

1. An orderly transition that assumes climate policies are introduced early and become gradually more stringent to minimise carbon emissions to 'net zero by 2050', that in turn limit the resulting global temperature rise to 1.5°C by the year 2100.
2. An orderly transition scenario that is less ambitious than net zero emissions by 2050 but limits the resulting global temperature rise to 2°C by 2100.
3. A 'hothouse world' scenario that assumes global efforts do not change and are insufficient to minimise emissions, leading to a global temperature rise of 3°C by 2100.



This analysis suggests a more pronounced negative impact from an orderly transition to 1.5°C temperature increase by 2100 scenario due to high upfront costs from climate policies and technology adoption needed for economy-wide decarbonisation to achieve global climate targets, such as the Paris Agreement.

However, the results presented in this report are derived from developing models, which may possess a high degree of uncertainty and require cautious interpretation. Climate risk quantification using climate VaR is a relatively new practice, and the business is aware of the limitations of these models recognised across the industry. For example, the current climate VaR methodologies front-load the risks of transition and insufficiently capture the extent of physical risks of temperature rise over longer time horizons. It also currently takes limited inputs from nature-related risks and dependencies, socioeconomic factors, and other second-order effects of climate change. The longer-term impacts from the accumulation of physical risks on asset values and instances of market disruption across a longer timeframe, especially for higher temperature rise scenarios, may mean that risks are underpriced. This may mean that the real financial impacts of a warming world are substantially underestimated in these models.

Accordingly, the results should be regarded as preliminary indicators rather than definitive conclusions. They are intended as a tool to provide a high-level overview of sources of risk within portfolios. We continue to explore developments in physical risk modelling and impact forecasting alongside our research and investment teams to identify decision-useful climate data, accurately estimate risk and address limitations within current climate models. The business will continue to assess and refine the use of climate-related risk indicators and the underlying methodologies going forward.

For Group-level operational climate scenario analysis process within Group risk management and the findings of impacts and resilience on the Group's financial position, assumptions, outcomes, and future plans, see the [Quilter plc TCFD report 2024](#) from page 26.

Figure 4: Taken from the Quilter Group TCFD report page 28. Climate VaR forecasts the percentage change in monetary value of the portfolio by 2100 due to the manifestation of transition and physical risks and opportunities per NGFS climate scenario pathway. See glossary of terms in Appendix A for descriptions of the climate scenarios used and components of the climate VaR metric across transition (policy risk and technology opportunities) and physical risk. Source: Affluent holdings data as of 31 December 2024. MSCI data as of 31 January 2025. Individual portfolio level climate VaR outputs are disclosed in the respective TCFD product reports. The data used to inform these values was sourced from MSCI. We understand that due to MSCI's data refresh cycle, some of the emissions data (specifically scope 1 and 2) may date from other previous financial years. Data coverage represented in brackets refers to the portion of Affluent's AuM which had sufficient data for calculations.



Investment solutions with responsible or sustainable investment-related mandates

The following investment solutions incorporate climate-related aspects in their design and investment process. All products have increased AuM since last year. Through our advice and suitability processes we will continue to identify the specifics of our customers' responsible investment preferences, as well as in relation to climate change, which we track through the allocation of capital to our products and strategies designed to have responsible or sustainable investment-related mandates and inform future investment offerings. These products are outlined below.

| Strategy/product | Mandate | AuM £m as at 31/12/2024 (% change since 31/12/2023) |
|--|--|---|
| WealthSelect Responsible | The WealthSelect Responsible Portfolios (active, passive, and blend) aim to achieve capital growth while managing ESG risk of the portfolio, and maintain a smaller carbon footprint than the reference index. The portfolios have exposure to a diversified range of investments in the UK and globally by investing in funds that we identify as leaders in the integration and management of ESG factors. In addition to meeting these criteria, at least 50% of the portfolios' assets will be in funds that pursue explicit environmental and/or social targets, or characteristics as part of their investment process. | 608 (+105%) |
| WealthSelect Sustainable | The WealthSelect Sustainable Portfolios (active) aim to achieve capital growth, whilst seeking to support sustainable solutions to environmental and social challenges, that help to achieve the objectives of the UN Sustainable Development Goals. The ESG risks of the portfolio will be managed, and exposure to unsustainable activities minimised while maintaining a smaller carbon footprint than the reference index. The portfolio will have exposure to a diversified range of investments in the UK and globally, and will invest a substantial portion of its assets in funds that target a broad range of sustainable outcomes, and which are leaders in the integration and management of ESG factors, with exceptions where necessary to achieve an appropriately diversified portfolio. In addition, the portfolio will exclude companies with exposure to the following: <ul style="list-style-type: none"> – Manufacture or sell controversial weapons – Manufacture tobacco products – Derive more than 5% of their revenue from thermal coal extraction – Derive more than 5% of their revenue from unconventional oil and gas extraction (arctic oil and gas exploration, oil sands, shale energy). For more information on how climate change may affect WealthSelect Sustainable investment strategies see the TCFD product reports here . | 253 (+75%) |
| Quilter Investors Timber Equity Fund | The Quilter Investors Timber Equity Fund adopts a thematic strategy accompanied by a layer of ESG exclusions applied to the fund. The fund invests in sustainable forestry companies that produce wood-based materials, or companies in the timber value chain that provide biodegradable alternatives to plastics, concrete, or steel. The focus will be on ensuring trees are replanted, forests are nurtured and regrown, and carbon is captured as part of an overarching mandate to maintain biodiversity. The fund applies an exclusion policy relating to companies that have exposure above a certain threshold to activities that result in negative impacts on the environment or society – this includes not committing capital in countries lacking strong forest legislation, or where legislation is not enforced. | 168 (+29%) |
| Quilter Investors Ethical Equity Fund | The Quilter Investors Ethical Equity Fund invests at least 80% of the value of its property in shares of companies located in developed and emerging markets anywhere in the world. Ethical considerations are integral to the fund's investment objective. This entails the explicit and systematic inclusion of ethical factors in investment analysis and decisions, to better manage risks and improve returns. The fund operates two screening processes: (i) a negative screen to ensure that the fund does not invest in companies that do not meet its ethical criteria; and (ii) a positive screen to focus investment into companies and sectors which the investment adviser believes make a positive contribution to society by exhibiting ethical practices. To be considered for inclusion in the fund, in addition to passing the negative screen, companies must offer solutions to the global and emerging challenges of delivering 'more with less' for a rapidly growing population with a finite supply of resources and within a carbon-constrained environment. As such, the fund holds shares in companies that the investment adviser considers enable a cleaner and more efficient economy, underpinned by the following investment themes: energy, food, water, and resource efficiently. | 184 (+15%) |



Risk management

How we identify, assess, and manage climate-related risks, across Quilter plc and within our investment businesses





Risk management across Quilter plc

For Group-level climate-related risk integration within the Group enterprise risk framework, please see page 31 in *the Group TCFD report*. The Group's simplified risk categorisation taxonomy facilitates the setting of risk appetite and risk reporting. Within this risk taxonomy, a standalone responsible investment risk category captures the risks associated with climate change within our investments. As Affluent and High Net Worth segments have distinct investment processes and therefore different approaches to responsible investment and climate-related risks and opportunities, the Quilter TCFD report sets out a 'Risk management' section for each segment. For the Affluent segment, this begins on page 35.



Identifying, assessing, monitoring, and managing climate risks within our investments

The management of climate-related risks is considered as part of the investment process for the Quilter Affluent's investment solutions. The figure below provides an overview of the investment process we follow, and the table includes details on actions and opportunities for climate risk management, namely across stages 1, 3, and 5 of the process. At each of these stages, climate integration practices will be more established for some investment solutions (ie those with climate or sustainability-related objectives such as WealthSelect Responsible and Sustainable Portfolios) than for others. However, the approach is applicable to all Affluent investment solutions and therefore this also forms the foundations of the Affluent climate action plan for investments.



Figure 5: Stages of the investment process. Climate risk management within the stages 1, 3, 5, and Investment oversight are discussed in the following page.



Strategic asset allocation

Where investment solutions are committed to climate-related characteristics, such as WealthSelect Responsible and Sustainable Portfolios, climate-related data is incorporated into the strategic asset allocation setting process to ensure the asset allocation result aligns with climate objectives.

Manager selection and monitoring

Fund selection follows a rigorous investment due-diligence process that integrates consideration of the fund's responsible investment practices to assign a proprietary tier categorisation, which includes climate-related considerations as described below:

- Philosophy: ESG integration is a core part of the investment philosophy, eg formal commitment to considering climate-related impacts or outcomes.
- Process: ESG factors are integrated in the investment process, eg in research and investment universe construction.
- People: The team has the appropriate skills and is supported by the appropriate data, tools, and resources, eg in-house climate specialists or data sources and systems.
- Portfolio: Demonstrate good management of ESG risks, including climate-related, eg assessment of company transition plans, engagement with carbon intense investments, risk of stranded assets.

The responsible investment tiers also set incremental minimum standards (see figure 6) that align with the commitments of the investment solutions offered. For tiers 2 and 3, we expect managers to monitor carbon emissions metrics, and additionally for tier 3 there are restrictions relating to fossil fuel investment.

Further to minimum standards, the manager research process includes systematic collection of climate-related information, including: any climate-related targets with KPIs, alignment with SBTi, and inclusion of the fund in any firm-level climate-related targets and climate-related approach and examples.

In considering a fund's responsible investment tier, the responsible investment approach of the firm is also included. Our operational due diligence (ODD) process facilitates systematic and efficient management of information, including firm-level climate commitments and related engagement approach.

Portfolio construction

The managed portfolios are constructed using an appropriate combination of funds to ensure compatibility with the customer's attitude to risk and sustainability preferences.

Responsible investment data dashboards, which include climate-related metrics as appropriate to the mandate, are used as part of the portfolio management and risk-monitoring process on an ongoing basis to ensure portfolios are managed in line with their objectives. For WealthSelect Responsible and Sustainable Portfolios, this process considers the carbon footprint of the portfolio as compared to the reference index, for example, by using data dashboards to monitor portfolio carbon footprint exposures before and after portfolio rebalances. Additionally, monthly monitoring reporting significant changes in portfolio or asset-level emissions can trigger engagement with managers to seek further information on drivers of unexplained change or to understand intended actions.

Investment oversight (risk reporting)

Dashboards presenting ESG and climate-related risks of investment exposure through look-through holdings are used to monitor and track risks and exposure to unsustainable activities of investments. These dashboards can be adapted for different uses, including monitoring of climate-related mandate commitments, such as maintaining a smaller carbon footprint than the reference index. They are used as part of monthly reporting run by the investment risk and the responsible investment teams with any above tolerance data points flagged for further investigation by the investment and research teams. Where appropriate, this may result in an engagement with managers.

Some of the climate metrics included in the dashboards are GHG emissions, carbon footprint, and product involvement in oil and gas, shale, oil sands, thermal coal extraction, and fossil fuel generation. Commitment to GHG reduction targets and alignment to the United Nation's Sustainable Development Goals can also be included for consideration.

Note: For our sub-advised fund range, the process for identifying, assessing, monitoring, and managing climate risks and opportunities involves stage 3 manager selection and investment oversight (risk reporting) from the above table only. The investment management process is delegated to third-party managers and any mandate, investment objectives, and preferences are contractually agreed between the parties, with oversight and risk reporting maintained through our sub-advised funds governance forum.



Escalation process

The escalation process for any climate-related issues identified starts during the investment process. These may originate through internal carbon reporting, investment risk reporting, or regular fund reviews, and are typically dealt with through our stewardship activities described below as our first line of defence for climate-related risks. Our investment function is responsible for identifying, assessing, and managing risks within the investment strategies as per our Group's Three Lines of Defence model. Issues that are deemed to be ongoing material risks on a Quilter Affluent business level are discussed during our monthly Affluent responsible investment working group, with any decisions required escalated to the Affluent responsible investment steering committee. The Affluent responsible investment steering committee is attended by representatives from our Group's formal management forums and committees as part of our Group's governance framework, described in the 'Governance' section of this report.

For investment-specific risks, the Affluent investment committee (AIC) reviews and makes decisions. While rare at present, any climate-related issues within our investments that require further consideration are brought to the relevant management committees and forums. Further escalation is available through our second line of defence, the Affluent risk and compliance function. Members of the function sits on both the affluent responsible investment working group and affluent responsible investment steering committee. Our third line of defence, the Group's internal audit function, operates independently to provide assurance that our risk management and internal control framework remains robust and effective. Although we have not had material escalations related to climate risks in our investments to date, our Group's robust process of oversight and controls ensures that the highest level of governance is exercised, while the organisational Three Lines of Defence model is in place to ensure our processes and practices are fully compliant and fit for purpose.

Climate stewardship for investments

Good stewardship is one of the five Affluent responsible investment principles and a fundamental component of how we manage our customers' assets. Quilter plc supports the FRC Stewardship Code 2020 and our 2024 Stewardship Code report can be found [here](#). The report provides qualitative and quantitative disclosures on our voting policies and activities, as part of our stewardship approach, including those related to ESG issues, which may involve climate-change-related topics. In summary, our overall aims for the stewardship programme are:

1. Ensuring we meet the standards required for our customers, by fully integrating stewardship into investment processes and aligning with our firm-level and mandate commitments. This is implemented through the responsible investment tier framework that records responsible investment-related minimum standards that apply to the firm, fund, and issuer level of investment exposure monitored through manager due diligence and investment risk processes. Where we identify risks that any of these areas may not reach the standards promised to our customers, we work collaboratively to engage with managers on the issue.
2. Promoting well-functioning markets long term, by focusing on risks and opportunities with regards the broader context of our customers' investments. This is implemented by thematic integration and collaboration through our strong relationships with investment partners and guided by monitoring of the regulatory landscape and research of the most material themes emerging. In addition, we carefully consider our commitment to initiatives and collaborations that are aligned to these thematic areas.

Stewardship plays an important role in supporting our approach to managing climate-related risks and opportunities responsibly across our investment solutions. We believe that, for most of our strategies, an approach of engagement rather than divestment is the most appropriate initial action to take.

The Quilter Affluent segment invests predominantly through third-party funds, hence our stewardship activity focuses on manager engagement to monitor and manage climate risk by understanding decarbonisation plans, and gauge levels of alignment with transition pathways, for example, through signatory status or adoption of globally recognised standards such as the SBTi or UNPRI signatory status.

One of the key objectives of our climate action plan for investments is to deepen our integration of climate risk, and how they are managed in the funds we are invested in. This will be achieved through our investment process primarily by evolving our assessments of managers' approach at firm and fund level. We also intend to enhance our capabilities to analyse firm, fund, and issuer-level data, in aggregate and through a portfolio, sector, or geographic lens to identify stewardship priorities for strengthening climate risk management. See our [climate action plan](#) for detailed goals and our activities roadmap.



Metrics and targets

The metrics and targets we use to measure, monitor, and manage our exposure to climate-related risks and opportunities



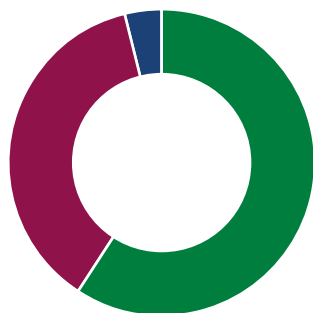


Quilter Affluent climate metrics

This year, we have disclosed Affluent-level aggregated climate metrics across the investments we manage on behalf of our customers.

The disclosures below are for aggregated Affluent AuM. Our investment products and services offerings can be grouped into three ranges: the managed portfolio service WealthSelect range, offered by Quilter Investment Platform, as well as the multi-asset funds ranges offered by Quilter Investors, and sub-advised funds range managed by Quilter Investors. Quilter Investors and Quilter Investment Platform portfolios are included in our emissions calculations as they are the products where we have full investment control (see organisation chart (Figure 1)). As of 31 December 2024, the total AuM for Quilter affluent was £31.4bn, of which £29.8bn is covered for the metrics below (~95% coverage).

AuM by Category



Quilter investment platform (Managed Portfolio Service (MPS)) £18.6 billion

WealthSelect portfolios invest across sub-advised funds as well as third-party funds.

Quilter Investors (multi-asset funds) £11.6 billion

Includes the Cirilium, Creation, and Monthly Income ranges, as well as other portfolios.

Quilter Investors (other) £1.2 billion

To avoid overlap, this reflects the remaining AuM of Quilter Investors sub-advised funds not already counted within the above product ranges' AuM.

| Investment greenhouse gas emissions | As at 31/12/2024 | Unit | Data coverage |
|--|------------------|---------------------------------|---------------|
| Scope 1 and 2 greenhouse gas emissions | 1,441,530 | tCO ₂ e | 73.4% |
| Scope 3 greenhouse gas emissions | 13,299,437 | tCO ₂ e | 73.3% |
| Carbon footprint (scope 1 and 2 only) | 52.6 | tCO ₂ e/\$m invested | 73.4% |
| Equities and corporate bonds Weighted average carbon intensity ('WACI') (scope 1 and 2) | 105.1 | tCO ₂ e/\$m revenue | 75.4% |
| Equities and corporate bonds Weighted average carbon intensity (scope 1, 2, and 3) | 1,036.7 | tCO ₂ e/\$m revenue | 73.3% |

Disclaimer: Quilter Investors and Quilter Investment Platform holdings data as of 31 December 2024. MSCI data retrieved on 25 February 2025. The data used to inform these values was sourced through FactSet and from MSCI. We understand that due to individual data provider data refresh cycles, some of the emissions data may display a lag, and some data may date from before FY 2022 (emissions data is typically reported with a one-year lag).

We have not shown a benchmark or comparator as the aggregated holdings across Quilter Investors and Quilter Investment Platform have a significantly different composition to the MSCI All Country World Index (which we use as a comparator in our product TCFD reports), and does not allow for meaningful comparison. Due to data coverage and availability issues, we did not disclose climate metrics for the Quilter Affluent segment (aggregated across all portfolios) last year. For this year's report, we do not provide last year's aggregated climate metrics to avoid misleading comparisons. As climate reporting standardisation develops, methodologies mature, and data quality improves year-on-year, reliable performance comparisons may be achieved and we will look to include historical performance in future reports.

Except for total carbon emissions, the metrics for the covered part of the portfolios have been scaled for the entire portfolio. We use both reported and estimated data in our scope 1, 2, and 3 calculations. There are holdings within our universe for which we are unable to provide climate data. This is usually where there is no International Securities Identification Number ('ISIN') as the holding is not listed and includes cash, sovereign bonds, and alternative investments. Please see our climate metrics & data limitations and assumptions disclosures in this section for further information.

Quilter Group TCFD reports disclose the direct emissions from the Affluent segment's operations as part of the Group. For an overview of the Group operational climate metrics for 2024, see the [Quilter TCFD report](#) from page 46. Each investment product report discloses climate metrics of the investment portfolio, details follow.



TCFD product-level reported metrics

Financed emissions

Our products' TCFD reports for 2024 can be found [here](#). For the product reports, we use calculations functionality provided by FactSet, which allows portfolios to be analysed via bottom-up asset-level data. Each of our TCFD product reports includes the following metrics, using MSCI ESG carbon emissions data:

- Scope 1 and 2 greenhouse gas emissions
- Scope 3 greenhouse gas emissions
- Carbon emissions per \$1m invested
- Total carbon of the entire portfolio
- Weighted average carbon intensity (WACI)

Climate value at risk (climate VaR)

Quantitative scenario analysis using FCA recommended NGFS climate scenarios has been reported for all portfolios.

Our quantitative scenario analysis uses NGFS climate scenarios of an 'orderly transition', 'disorderly transition', and 'hothouse world' to calculate VaR metrics for the portfolio per scenario. Climate VaRs provide forward-looking estimates of impact on portfolio values by 2100 in percentage terms as driven by different socioeconomic and climate change pathways. NGFS climate scenario descriptions are listed in the 'Glossary' (Appendix A).

We have included a coverage percentage for each metric, representing the percentage of the portfolio and the percentage of a comparator, MSCI ACWI, for which data is available to calculate climate VaRs. Other inputs to the calculation process are:

- portfolio positions
- fund holdings
- prices and exchange rates
- MSCI climate and CVaR (Climate VaR) packages as integrated with FactSet.

Implied temperature rise (ITR)

ITR is a forward-looking metric that estimates the temperature trajectory of an investment portfolio based on its underlying constituents' current emissions, future targets, and the amount of emissions they are allowed to produce while staying within global carbon budgets necessary to meet the Paris Agreement goal. It is designed to show how well companies, portfolios, and funds align with global temperature goals, helping investors navigate the transition to net zero by setting decarbonisation targets and supporting engagement on climate risk. Unlike risk metrics, which assess potential financial losses, ITR is a portfolio alignment metric that indicates whether investments are on track to meet climate goals, such as keeping the average temperature rise this century to well below 1.5°C.



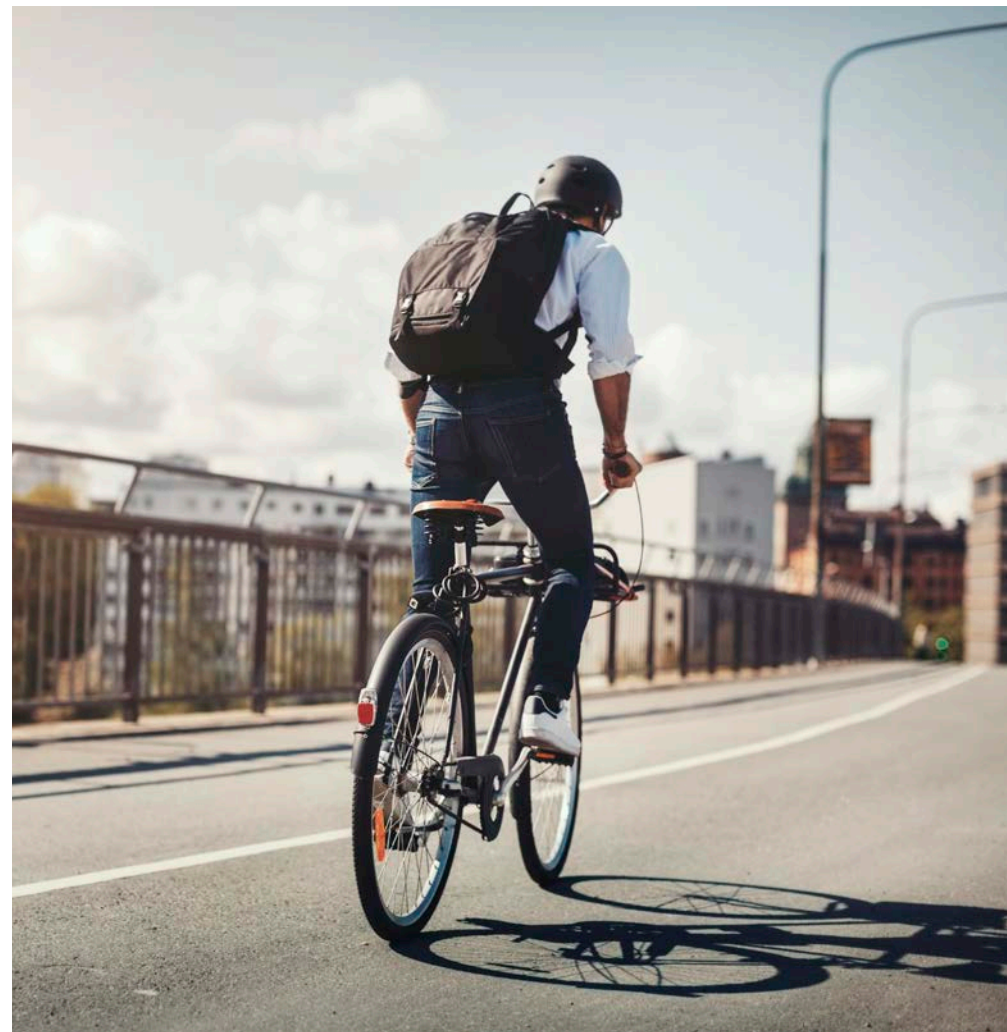


Targets

Quilter Group has set operational targets, including management performance-related targets. For details of climate performance monitoring and how ESG metrics link to executive remuneration, please see page 17 of the [Group TCFD report 2024](#).

Since our investments are made predominantly through third-party funds, our approach to climate-related targets centres on our ability to influence change by effectively engaging with our third-party managers through our investment process and stewardship programme, which is governed by our stewardship objectives and associated goals. Currently, explicit emissions targets apply for WealthSelect Responsible and Sustainable Portfolios only. These portfolios are managed to ensure they have a smaller carbon footprint than the reference index (MSCI ACWI) and is applied through integration in the investment process outlined in the 'Risk management' section. The portfolio emissions calculated and reported for managing and monitoring these targets are calculated using a variation of the methodology for the TCFD product reports as described in this document. Please see WealthSelect methodology document [Your guide to our responsible investment reporting](#) for more information.

Looking forward, our climate action plan lays the foundation for our approach to Quilter Affluent climate targets for 2026 and onwards.





Data limitations and assumptions for climate metrics

Scope 1, 2, and 3 emissions

For our investments we include scope 1 and scope 2 emissions together, and scope 3 emissions separately. For scope 1 and scope 2 data, the average ratio of reported vs estimated or modelled data is generally more than 80%. Scope 3 data availability is inconsistent in nature and still relies on estimates for a material number of companies. Estimated data is produced using various methodologies and approaches which are regularly updated.

We have observed that scope 3 emissions figures have exhibited a high degree of year-on-year volatility due to, at least in part, the following reasons:

- Increased **reported** scope 3 emissions in 2023 (a trend which we expect to continue) driving higher total emissions figures.
- Methodology updates from our data provider for estimating emissions.

These changes cause inconsistencies and do not currently allow for meaningful year-on-year comparisons, as well as materially influencing the output of forward-looking metrics such as climate VaR and ITR, which depend on these figures.

Asset class coverage

For product-level calculations, asset classes such as sovereign bonds, alternatives, and cash are excluded for calculation purposes, and the remaining portfolio rescaled to 100% (except for the total GHG emissions metrics). For remaining asset classes, primarily listed equities and corporate bonds, most metrics are available from MSCI. The MSCI methodology calculates climate metrics using only the covered part of the portfolio. For uncovered assets it assumes the aggregate portfolio exposure is applicable to the rest of the portfolio and scales the number to compare against the index. For portfolios with a lower level of data coverage (below 50%) the validity of this assumption becomes less reliable. We have therefore reported the proportion of assets covered ('data coverage') for all metrics.

For the calculations made for monitoring WealthSelect Responsible and Sustainable emissions targets against reference index, the assets included vary slightly from those included for TCFD product report calculations. This is due to distinct asset types included for monitoring purposes, defined at product launch, and before TCFD regulation.

Please see the [Group TCFD report 2024's](#) Appendix 1 for our full emissions methodology and reporting criteria for Quilter entity TCFD reporting.



Appendix A: Glossary of terms



Glossary

| Term | Definition |
|---|---|
| Carbon budget | Country or regionally set, carbon budgets are the maximum amount of carbon dioxide emissions permitted over a period of time, typically five years, to keep global temperature rise within a specific limit, such as 1.5°C or 2°C, as set by international climate agreements. |
| Carbon footprint | Allocated emissions to all financiers (EVIC) normalised by millions of US dollars invested. This metric compares portfolio impact across portfolios in tonnes CO ₂ e per USD\$1m. |
| CDP nature-based solutions | Formally known as the Carbon Disclosure Project, it provides the global disclosure system that helps companies, cities, states, and regions measure and manage their environmental impacts, including greenhouse gas emissions, water security, and forest management. Nature-based solutions, or NbS, refer to actions that protect, sustainably manage, or restore natural or modified ecosystems to address the challenges caused to societies, economies, and ecosystems as a result of environmental damage. They involve using nature and its functions to tackle problems like climate change, disaster risk reduction, and biodiversity loss. |
| Climate mitigation and adaptation | Climate change mitigation refers to reducing GHG emissions to address the root cause of climate change, while climate adaptation refers to adjusting to the unavoidable effects of climate change that are already occurring or expected in the future. Mitigation aims to limit the warming of the planet, whereas adaptation focuses on minimising the impacts of climate change on human societies and ecosystem. |
| Climate resilience | Climate resilience refers to the ability of ecosystems, societies, or the economy to anticipate, prepare for, and respond to the impacts of climate change. |
| Climate scenario: disorderly transition | A climate scenario that assumes higher transition risks due to policies being delayed or divergent across countries and sectors but still limits the increase to 1.5°C. |
| Climate scenario: hothouse world | A climate scenario that assumes some climate policies are implemented in some jurisdictions, but global efforts are insufficient to halt significant global warming and the global temperature increases to 3.0°C. |
| Climate scenario: orderly transition 1.5°C | A climate scenario that assumes climate policies are introduced early and become gradually more stringent, limiting the global temperature increase to 1.5°C by 2100. |
| Climate scenario: orderly transition 2°C | A climate scenario that limits the increase to 2.0°C. |
| Climate value at risk (climate VaR) | Climate VaR provides a stressed market valuation of a security in relation to aggregated transition and physical cost and profit projections until the end of the century. The climate VaR metric, expressed as a positive or negative percentage, reflects a change from a portfolio's current valuation, assesses how an investment portfolio could be impacted by climate policy risk and extreme weather (physical climate risks), and benefited by a low-carbon technology transition. |
| ESG | Environmental, social, and governance. Environmental concerns include climate and broader environmental issues, like biodiversity. Social factors range from modern slavery to international development. Governance refers to the way that companies are controlled and directed. |
| Exchange-traded fund | An exchange-traded fund (ETF) is a type of investment fund and exchange-traded product, ie they are traded on stock exchanges. |
| FCA | Financial Conduct Authority. |
| Green energy | Green energy refers to energy produced from sources that minimise or eliminate negative environmental impacts, typically by utilising renewable resources or energy-efficiency measures. |
| Green technology | Green technology refers to the development and use of technologies that minimise and address the negative impacts of human activities on the environment and society. It encompasses a wide range of products, services, and practices that support a more sustainable future. |
| Greenhouse Gas Protocol | The GHG Protocol supplies the world's most widely used GHG accounting standards. |



Glossary (continued)

| Term | Definition |
|--|--|
| IIGCC | Institutional Investors Group on Climate Change is a European membership body for investor collaboration on climate change, which aims to mobilise capital for the low-carbon transition and ensure resilience to the impacts of climate change. |
| Implied temperature rise (ITR) | ITR is a forward-looking metric expressed in degrees Celsius. It indicates how well companies, portfolios, or funds align with global temperature goals, such as those set by the Paris Agreement. ITR measures the projected temperature increase based on current and future carbon emissions of the investments in the portfolio. |
| Investment trust | An investment trust is a public limited company (PLC) traded on the London Stock Exchange, so investors buy and sell from the market, meaning that the value is affected by supply and demand. |
| MSCI | Morgan Stanley Capital International. |
| Nature-based solutions | Nature-based solutions, or NbS, refer to actions that protect, sustainably manage, or restore natural or modified ecosystems to address the challenges caused to societies, economies, and ecosystems as a result of environmental damage. They involve using nature and its functions to tackle problems like climate change, disaster risk reduction, and biodiversity loss. |
| Net zero | Net zero is the state in which the amount of greenhouse gases emitted into the atmosphere is balanced by the amount removed from it. This balance ensures that there is no net increase in GHG levels, helping to mitigate climate change. Achieving net zero typically involves reducing emissions through various means, such as transitioning to renewable energy sources, improving energy efficiency, and implementing carbon capture and storage technologies. |
| NGFS | The Network of Central Banks and Supervisors for Greening the Financial System. |
| ORSA | The own risk and solvency assessment or 'ORSA' is a self-directed process undertaken by insurance groups to gauge the adequacy of their risk management and solvency conditions under normal and severe scenarios. This is required under the Prudential Regulation Authority's Solvency II regime. |
| Paris Agreement | The Paris Agreement is a legally binding international treaty on climate change, adopted by 196 Parties at the UN Climate Change Conference (COP21) in Paris on 12 December 2015. It aims to limit global warming to well below 2°C above pre-industrial levels, with efforts to limit the increase to 1.5°C. The agreement requires countries to submit their national climate action plans and progressively increase their climate ambition. |
| PRA | Prudential Regulation Authority. |
| Science Based Targets initiative (SBTi) | Science Based Targets initiative is an initiative that helps companies set science-based targets to reduce greenhouse gas emissions, ensuring their actions are aligned with the latest climate science and the goals of the Paris Agreement. |
| Scope 1 emissions | The direct GHG emissions from sources that are owned or controlled by the company. Scope 1 emissions result from a company's internal operations, including on-site energy production, vehicle fleets, manufacturing operations, and waste. The values represent metric tonnes of CO ₂ equivalent. |
| Scope 2 emissions | The indirect GHG emissions attributable to operations that are owned or controlled by the company. Scope 2 emissions result from the emissions generated in the production of energy (electricity, steam, heat, and cooling) that is purchased by a company generated upstream from the organisation. For purchased electricity, organisations are required to report scope 2 emissions according to a 'location-based' and a 'market-based' method. |
| Scope 3 emissions | These are all indirect emissions (not included in scope 2) that occur in a company's value chain, including both upstream and downstream emissions (eg business travel, waste). |
| Stewardship | Stewardship is the responsible allocation, management, and oversight of capital to create long-term value for customers and beneficiaries leading to sustainable benefits for the economy, the environment, and society. |



Glossary (continued)

| Term | Definition |
|---|--|
| Sub-advised funds | These are funds operated by Quilter Investors Limited (QIL), which as an AFM, has overall responsibility for them. QIL as AFM must therefore ensure the funds comply with applicable regulations and their investment objectives and policies. The underlying investment management, however, is outsourced to third-party investment managers (also known as sub-advisers) who undertake the day-to-day investment decisions. |
| TCFD | The Task Force on Climate-related Financial Disclosures. The Financial Stability Board created the TCFD to improve and increase reporting of climate-related information. |
| The Group | Quilter plc and its underlying companies. |
| The Three Lines of Defence | An organisational model aimed at providing a structured framework for managing risk and exercising control within an organisation. Within the model, the first line has primary responsibility for managing organisational risks. The second line comprises the risk management and compliance functions to help build and monitor the first line of defence's controls. The third line provides independent risk assurance. |
| Total carbon emissions | Physical amount of GHG emissions by the underlying holdings of the investment portfolio. This metric aims to understand the absolute emissions of the portfolio in tonnes CO ₂ e. |
| UK Stewardship Code | The UK Stewardship Code 2020 sets high stewardship standards for those investing money on behalf of UK savers and pensioners, and those that support them. Stewardship is the responsible allocation, management, and oversight of capital to create long-term value for customers and beneficiaries leading to sustainable benefits for the economy, the environment, and society. |
| UNPRI | The Principles for Responsible Investment. The PRI is a UN-supported network of investors, working to promote sustainable investments. |
| WealthSelect | An MPS offered by Quilter and available to customers of Quilter's platform. |
| Weighted average carbon intensity ('WACI') | A portfolio's exposure to carbon-intensive companies, expressed in tonnes CO ₂ e/\$m revenue. This metric is recommended by the TCFD. Certain asset classes are excluded from the WACI calculation. Most significantly, these include government bonds, asset-backed securities, cash, foreign currencies, and derivatives. |



Appendix B: Quilter Affluent's investment solutions



In-scope investment solutions

| Fund or portfolio name |
|---|
| Quilter Cheviot Global Income and Growth for Charities Fund |
| Quilter Cheviot International Balanced Portfolio |
| Quilter Cheviot International Equity Portfolio |
| Quilter Cheviot International Growth Portfolio |
| Quilter Investors Absolute Return Bond Fund |
| Quilter Investors Asia Pacific (ex Japan) Fund |
| Quilter Investors Asia Pacific (ex Japan) Large-Cap Equity Fund |
| Quilter Investors Asia Pacific Fund |
| Quilter Investors China Equity Fund |
| Quilter Investors Cirilium Adventurous Blend Portfolio |
| Quilter Investors Cirilium Adventurous Passive Portfolio |
| Quilter Investors Cirilium Adventurous Portfolio |
| Quilter Investors Cirilium Balanced Blend Portfolio |
| Quilter Investors Cirilium Balanced Passive Portfolio |
| Quilter Investors Cirilium Balanced Portfolio |
| Quilter Investors Cirilium Conservative Blend Portfolio |
| Quilter Investors Cirilium Conservative Passive Portfolio |
| Quilter Investors Cirilium Conservative Portfolio |
| Quilter Investors Cirilium Dynamic Blend Portfolio |
| Quilter Investors Cirilium Dynamic Passive Portfolio |
| Quilter Investors Cirilium Dynamic Portfolio |
| Quilter Investors Cirilium Moderate Blend Portfolio |
| Quilter Investors Cirilium Moderate Passive Portfolio |

| Fund or portfolio name |
|--|
| Quilter Investors Cirilium Moderate Portfolio |
| Quilter Investors Corporate Bond Fund |
| Quilter Investors Creation Adventurous Portfolio |
| Quilter Investors Creation Balanced Portfolio |
| Quilter Investors Creation Conservative Portfolio |
| Quilter Investors Creation Dynamic Portfolio |
| Quilter Investors Creation Moderate Portfolio |
| Quilter Investors Diversified Bond Fund |
| Quilter Investors Dynamic Bond Fund |
| Quilter Investors Emerging Markets Equity Fund |
| Quilter Investors Emerging Markets Equity Growth Fund |
| Quilter Investors Emerging Markets Equity Income Fund |
| Quilter Investors Ethical Equity Fund |
| Quilter Investors Europe (ex UK) Equity Fund |
| Quilter Investors Europe (ex UK) Equity Growth Fund |
| Quilter Investors Europe (ex UK) Equity Income Fund |
| Quilter Investors Global Dynamic Equity Fund |
| Quilter Investors Global Equity Absolute Return Fund |
| Quilter Investors Global Equity Growth Fund |
| Quilter Investors Global Equity Value Fund |
| Quilter Investors Global Unconstrained Equity Fund |
| Quilter Investors Investment Grade Corporate Bond Fund |
| Quilter Investors Japanese Equity Fund |

| Fund or portfolio name |
|---|
| Quilter Investors Monthly Income and Growth Portfolio |
| Quilter Investors Monthly Income Portfolio |
| Quilter Investors Natural Resources Fund |
| Quilter Investors North American Equity Fund |
| Quilter Investors Precious Metals Equity Fund |
| Quilter Investors Sterling Corporate Bond Fund |
| Quilter Investors Sterling Diversified Bond Fund |
| Quilter Investors Timber Equity Fund |
| Quilter Investors UK Equity 2 Fund |
| Quilter Investors UK Equity Fund |
| Quilter Investors UK Equity Growth Fund |
| Quilter Investors UK Equity Income Fund |
| Quilter Investors UK Equity Large-Cap Income Fund |
| Quilter Investors UK Equity Opportunities Fund |
| Quilter Investors US Equity Growth Fund |
| Quilter Investors US Equity Income Fund |
| Quilter Investors US Equity Small-Mid-Cap Fund |
| Quilter WealthSelect Managed Active 3 Portfolio |
| Quilter WealthSelect Managed Active 4 Portfolio |
| Quilter WealthSelect Managed Active 5 Portfolio |
| Quilter WealthSelect Managed Active 6 Portfolio |
| Quilter WealthSelect Managed Active 7 Portfolio |
| Quilter WealthSelect Managed Active 8 Portfolio |



| Fund or portfolio name |
|---|
| Quilter WealthSelect Managed Active 9 Portfolio |
| Quilter WealthSelect Managed Active 10 Portfolio |
| Quilter WealthSelect Managed Blend 3 Portfolio |
| Quilter WealthSelect Managed Blend 4 Portfolio |
| Quilter WealthSelect Managed Blend 5 Portfolio |
| Quilter WealthSelect Managed Blend 6 Portfolio |
| Quilter WealthSelect Managed Blend 7 Portfolio |
| Quilter WealthSelect Managed Blend 8 Portfolio |
| Quilter WealthSelect Managed Blend 9 Portfolio |
| Quilter WealthSelect Managed Blend 10 Portfolio |
| Quilter WealthSelect Managed Passive 3 Portfolio |
| Quilter WealthSelect Managed Passive 4 Portfolio |
| Quilter WealthSelect Managed Passive 5 Portfolio |
| Quilter WealthSelect Managed Passive 6 Portfolio |
| Quilter WealthSelect Managed Passive 7 Portfolio |
| Quilter WealthSelect Managed Passive 8 Portfolio |
| Quilter WealthSelect Managed Passive 9 Portfolio |
| Quilter WealthSelect Managed Passive 10 Portfolio |
| Quilter WealthSelect Responsible Active 3 Portfolio |
| Quilter WealthSelect Responsible Active 4 Portfolio |
| Quilter WealthSelect Responsible Active 5 Portfolio |
| Quilter WealthSelect Responsible Active 6 Portfolio |
| Quilter WealthSelect Responsible Active 7 Portfolio |

| Fund or portfolio name |
|---|
| Quilter WealthSelect Responsible Active 8 Portfolio |
| Quilter WealthSelect Responsible Active 9 Portfolio |
| Quilter WealthSelect Responsible Active 10 Portfolio |
| Quilter WealthSelect Responsible Blend 3 Portfolio |
| Quilter WealthSelect Responsible Blend 4 Portfolio |
| Quilter WealthSelect Responsible Blend 5 Portfolio |
| Quilter WealthSelect Responsible Blend 6 Portfolio |
| Quilter WealthSelect Responsible Blend 7 Portfolio |
| Quilter WealthSelect Responsible Blend 8 Portfolio |
| Quilter WealthSelect Responsible Blend 9 Portfolio |
| Quilter WealthSelect Responsible Blend 10 Portfolio |
| Quilter WealthSelect Responsible Passive 3 Portfolio |
| Quilter WealthSelect Responsible Passive 4 Portfolio |
| Quilter WealthSelect Responsible Passive 5 Portfolio |
| Quilter WealthSelect Responsible Passive 6 Portfolio |
| Quilter WealthSelect Responsible Passive 7 Portfolio |
| Quilter WealthSelect Responsible Passive 8 Portfolio |
| Quilter WealthSelect Responsible Passive 9 Portfolio |
| Quilter WealthSelect Responsible Passive 10 Portfolio |
| Quilter WealthSelect Sustainable Active 3 Portfolio |
| Quilter WealthSelect Sustainable Active 4 Portfolio |
| Quilter WealthSelect Sustainable Active 5 Portfolio |
| Quilter WealthSelect Sustainable Active 6 Portfolio |

| Fund or portfolio name |
|--|
| Quilter WealthSelect Sustainable Active 7 Portfolio |
| Quilter WealthSelect Sustainable Active 8 Portfolio |
| Quilter WealthSelect Sustainable Active 9 Portfolio |
| Quilter WealthSelect Sustainable Active 10 Portfolio |



Appendix C: Responsible investment tiering framework



Responsible investment tiering framework

| Responsible investment tier | Firm | Fund | Issuer |
|---|--|---|---|
| Tier 1 Basic responsible investment integration | Basic level industry commitments | Awareness of material ESG risks | No involvement in cluster munitions or anti-personnel mines |
| Tier 2 Advanced responsible investment integration | Basic level industry commitments and appropriate organisational resources and support | Awareness of material ESG risks, opportunities, and related activities that are intentionally managed and actively discussed as part of investment decisions | No involvement in cluster munitions or anti-personnel mines and active monitoring, and management of ESG risk, carbon emissions, controversies, and compliance to UNGC with related active ownership |
| Tier 3 Sustainability objectives | Basic level industry commitments and appropriate organisational resources and support with relevant sustainability knowledge and expertise | Awareness of material ESG risks, opportunities, and related activities that are intentionally managed and actively discussed as part of investment decisions with particular attention to doing no significant harm and creating positive sustainability outcomes | No involvement in any controversial weapons or tobacco manufacture, and active monitoring and management of ESG risk, carbon emissions, controversies, and compliance to UNGC with related active ownership |



Appendix D: Data sources



Data sources

MSCI climate data

In the calculations of the TCFD product report metrics, we have placed reliance on the accuracy of our third-party climate data solution – MSCI ESG Research LLC. Where MSCI uses reported carbon emissions data, reporting periods may not be aligned. In some cases, reported data may also be dated as MSCI use the latest disclosed emissions data.

For 2024 data, MSCI enhanced their carbon package, which has significantly increased its coverage across emissions, in particular scope 3 emissions. Additionally, MSCI has implemented updates to their emissions calculations, climate VaR and ITR methodologies, which have been rolled out on an ad-hoc basis to date. These enhancements have been critical in expanding our analytical tooling capabilities and disclosures; however, inconsistencies will continue to impact our year-on-year quantitative climate reporting.

FactSet

FactSet provides us with financial data points used in the calculations of our climate metrics, as well as a platform for the managed portfolio service model portfolios. Climate data from MSCI is accessed through FactSet's own MSCI data feed, from which we perform our portfolio climate level analytics. Metrics disclosed in our product reports were run with the most up-to-date information available. Sometimes, there is a lag between the data present within FactSet which may potentially cause discrepancies in our calculations between our entity and product-level reports. During the reporting process, we perform validation and reconciliation checks as standard to ensure consistency and identify any material (ie more than 1%) differences between datasets. For 2024, we have validated that any differences were within accepted tolerance levels.



Past performance is not a guide to future performance and may not be repeated. Investment involves risk. The value of investments may go down as well as up and investors may not get back the amount originally invested.

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