Quilter

Responsible investment policy

November 2026

Contents

Contents

Introduction 3

Purpose 3

Scope 3

Definition of key terms 4

Our beliefs and principles 4

Customer preferences 5

ESG integration 5

Asset allocation 6

Manager selection 6

Portfolio construction 7

Monitoring and oversight 7

Unsustainable activities 7

Stewardship 8

Identifying and prioritising engagements 8

Voting 8

Escalation 9

Industry engagement 9

Climate change 10

Governance 10

Leadership and accountability 10

Operational risk management 10

Key responsible investment forums 10

Resources and training 11

Reporting and transparency 11

ESG data 11

Data service providers 11

Data quality and systems 11

Conflicts of interest 11

Reports and Disclosures 12

Appendices 13

Related policies, disclosures and further information 13

Glossary 13

Important information 14

Introduction

Purpose

This document outlines how our responsible investment beliefs and principles are implemented for Quilter's investment solutions, intended to inform our internal and external stakeholders. Our responsible investment policy (RI policy) forms part of our broader group-wide corporate sustainability and responsible investment strategy, which is overseen by Quilter plc. Our RI policy is to be considered in the context of other existing policies, procedures, and standards.

The RI policy will be reviewed annually by the Responsible Investment Steering Committee. Any changes to this document are subject to our responsible investment governance approval process, described in the *Governance* section of this document, and are the responsibility of the Head of Responsible Investment. The executive sponsor of the RI policy is Quilter Investors' Chief Investment Officer.

Key policy stakeholders

The responsible investment, manager research, operational due diligence, portfolio management, and investment risk teams, and the members of the responsible investment governance forums.

Scope

The RI policy applies to the investment solutions manufactured by the Quilter Affluent business segment of Quilter plc.

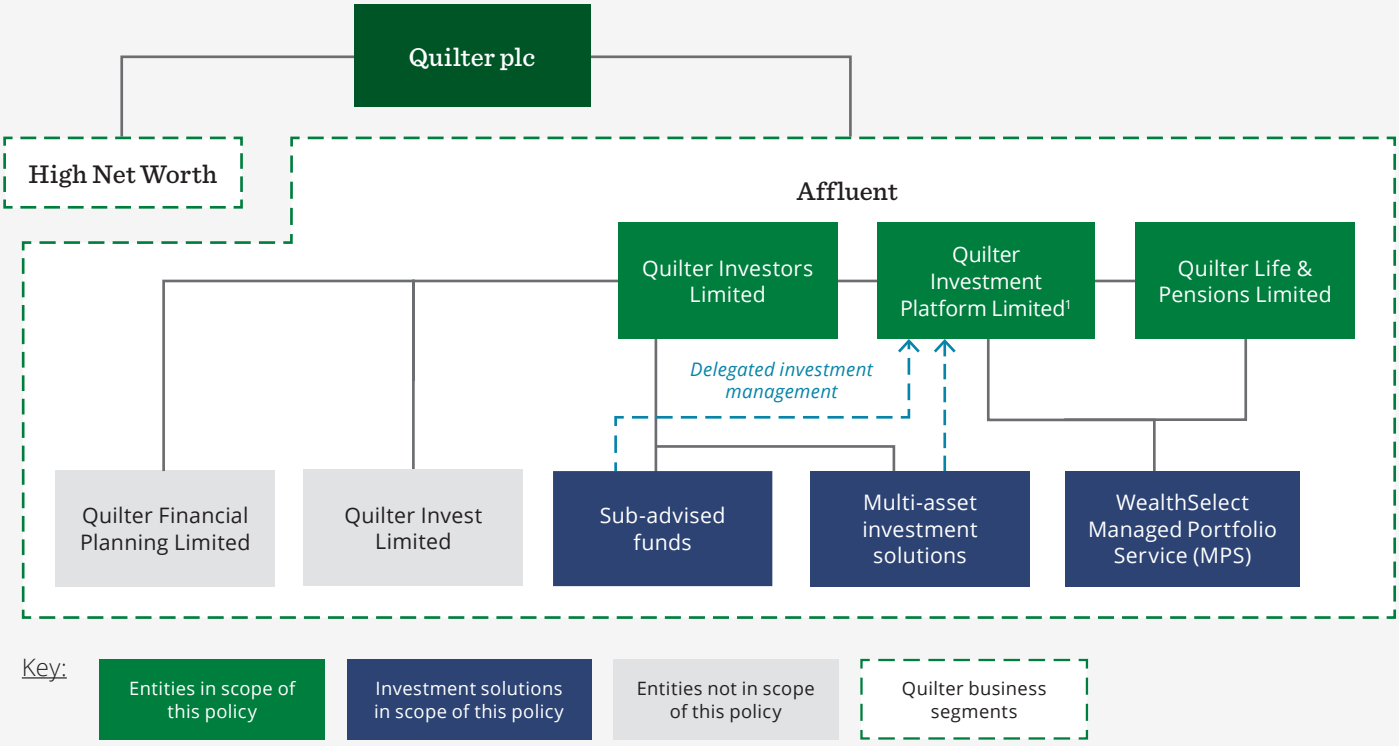

Figure 1: Quilter business structure and the investment solutions available via our advice and distribution channels. Please see group corporate and regulatory information for more information about our group's structure.

[1] Responsible investment considerations are not embedded as a core feature of the Quilter Platform proposition. Consistent with the platform's role as a distributor, the primary focus is on providing sustainability related disclosures where required and maintaining proportionate governance oversight, rather than undertaking independent responsible investment assessments of third-party funds. As a result, platform assets and investments that sit outside the scope of Quilter's manufactured investment solutions may be subject to different responsible investment approaches, processes and levels of oversight.

The investment solutions in scope are:

- **Multi-asset investment solutions:** Cirilium, Cirilium Blend, Cirilium Passive, Creation, Monthly Income, Monthly Income and Growth portfolios and Smoothed Funds.
- **WealthSelect Managed Portfolio Services (MPS):** WealthSelect Managed Active, Managed Passive, Managed Blend, Responsible Active, Responsible Passive, and Responsible Blend, and Sustainable Active portfolios.
- **Sub-advised funds:** a range of Quilter Investors funds for which we appoint third-party managers to manage single-strategy mandates. Sub-advised funds are primarily used within our multi-asset investment portfolios and the Quilter WealthSelect MPS.

References to 'managers' in this document relates to third-party managers of the funds we invest in as part of our multi-asset investment solutions and our MPS, as well as to the investment advisers of our sub-advised funds, unless otherwise stated.

Definition of key terms

We have provided definitions of key terms used in this policy. Our use of key terms and definitions are broadly aligned with the *UN-backed Principles for Responsible Investment* (UNPRI) and other leading sustainability frameworks and principles, such as the *Taskforce on Climate-related Financial Disclosures* (TCFD) and *UN Global Compact* (UNGC). A full list and corresponding description of terms used in this document can be found in the glossary.

- **Responsible investment:** We define responsible investment in line with the UNPRI, as 'a strategy or practice that incorporates material environmental, social and governance (ESG) factors into investment decisions and ownership activity'. We have adopted a responsible investment approach that supports the financial goals of our customers while contributing to broader societal and environmental outcomes.
- **ESG integration:** This means systematically embedding material ESG factors into the investment process, by using ESG factors in investment analysis, manager selection, portfolio construction and monitoring. We do this to identify material risks and opportunities, drive positive sustainable outcomes and improve risk-adjusted returns.
- **ESG leaders:** Third-party investment managers we believe to be leading compared to peers in how they integrate ESG into their investment processes, as is described in our internal standards document and assessed by our manager research team annually, with responsible investment review. Assessments are structured using the '4Ps' (Philosophy, Process, People and Portfolio) alongside guidance on best practice, which may vary between strategies and asset classes.
- **Sustainable outcomes:** Outcomes from investment activities that result in positive environmental or social impacts, such as decarbonisation, improved labour practices and equality or clean water and biodiversity. We align our classification of positive sustainability outcomes to those described by global frameworks such as the *UN Sustainable Development Goals* (SDGs).
- **Unsustainable activities:** We consider investing in certain controversial weapons or, where our investment solutions have more sustainability characteristics, certain involvement in tobacco or fossil fuel-related activities as unsustainable due to their negative impacts on people and planet. We seek to manage exposure to unsustainable activities, depending on the investment solution, through our ongoing research, investment, and monitoring activities.
- **Stewardship**: The responsible allocation, management, and oversight of capital to create long-term value for customers and beneficiaries. It includes activities such as monitoring managers and investee companies, voting on shareholder matters, and engaging with industry and wider stakeholders to promote sustainable business practices, good governance and collaboratively address systemic risks in the financial system.

Our beliefs and principles

Our responsible investment approach is driven by our *group's purpose,* which is to help deliver brighter financial futures for every generation. As a signatory to the UNPRI, we are committed to incorporating environmental, social and governance factors into our investment and stewardship practices.

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

Since we invest predominantly through third-party funds, we apply a consistent responsible investment approach across all our investments, while recognising that different investment managers may approach responsible investing in different but equally valid ways depending on a range of factors, such as asset class, resources and strategy.

Our five responsible investment principles are used to focus and guide the implementation of our beliefs across our investment solutions and ways of working. These are:

- **Customers are at the forefront of responsible investment**: We focus on delivering the best outcomes for customers by providing responsible investment solutions that meet their needs and preferences. *See Customer preferences*.
- **ESG factors should be integrated into investment decision-making:** We have a clear framework for integrating ESG factors into our investment process. See *ESG integration.*
- **Good stewardship maximises long-term value for customers' investments:** We have a stewardship approach that ensures we meet the standards required for our customers and promotes a well-functioning market over the long term. *See Stewardship*.
- **Strong governance is central to risk management and a well-functioning investment market:** We have a clear governance structure that monitors our responsible investment approach and ensures accountability across Quilter. This is also a key factor when allocating capital. *See Governance*.
- **Information needs to be clear, consistent and relevant for everyone:** We aim to use high quality, timely, and transparent information to support our responsible investment approach. See *Reporting and transparency.*

Customer preferences

Quilter's investment strategy is built around offering flexible, multi-asset solutions tailored to different customer profiles, risk appetites, and financial goals. We focus on delivering the best outcomes for customers by providing responsible investment solutions that reflect their investment preferences and financial needs. We collaborate with our financial planning and advice colleagues to support how our customers' responsible or sustainable investment preferences are captured alongside financial objectives. We ensure the preferences of our customers are served through:

- **Investment solutions:** We offer investment solutions to suit a range of responsible investment preferences, such as MPS WealthSelect Responsible Portfolios that invest in ESG leaders, and WealthSelect Sustainable Portfolios that aim to deliver positive sustainable outcomes.
- **Advice alignment:** We work closely with our network of independent financial advisers and Quilter's customer-focused teams to ensure our customers' needs are reflected in our investment products and services. We support responsible investment communications, product design and regulatory compliance such as the FCA's *Sustainable Disclosure Requirements* (SDR) naming and marketing rules in addition to responsible investment financial adviser training.
- **Ongoing review:** Customer preferences are a regular agenda item in our responsible investment forums. We support our advice colleagues during their annual client suitability reviews and provide responsible investment updates as required to ensure the advice process and our responsible investment activities accurately reflect the needs of our customers.

ESG integration

Our proprietary responsible investment tier assessments provide a clear framework (RI tiers) for integrating ESG factors into our investment process *(Figure 2)*. This process also informs our monitoring and engagement activities (described in *Stewardship*).

As our investment solutions are predominantly invested in funds managed or advised by third parties, manager selection and investment oversight are key stages for ESG integration. For investment solutions with portfolio level environmental or social objectives, ESG data may be included in the strategic asset allocation setting, portfolio construction and rebalancing activities.

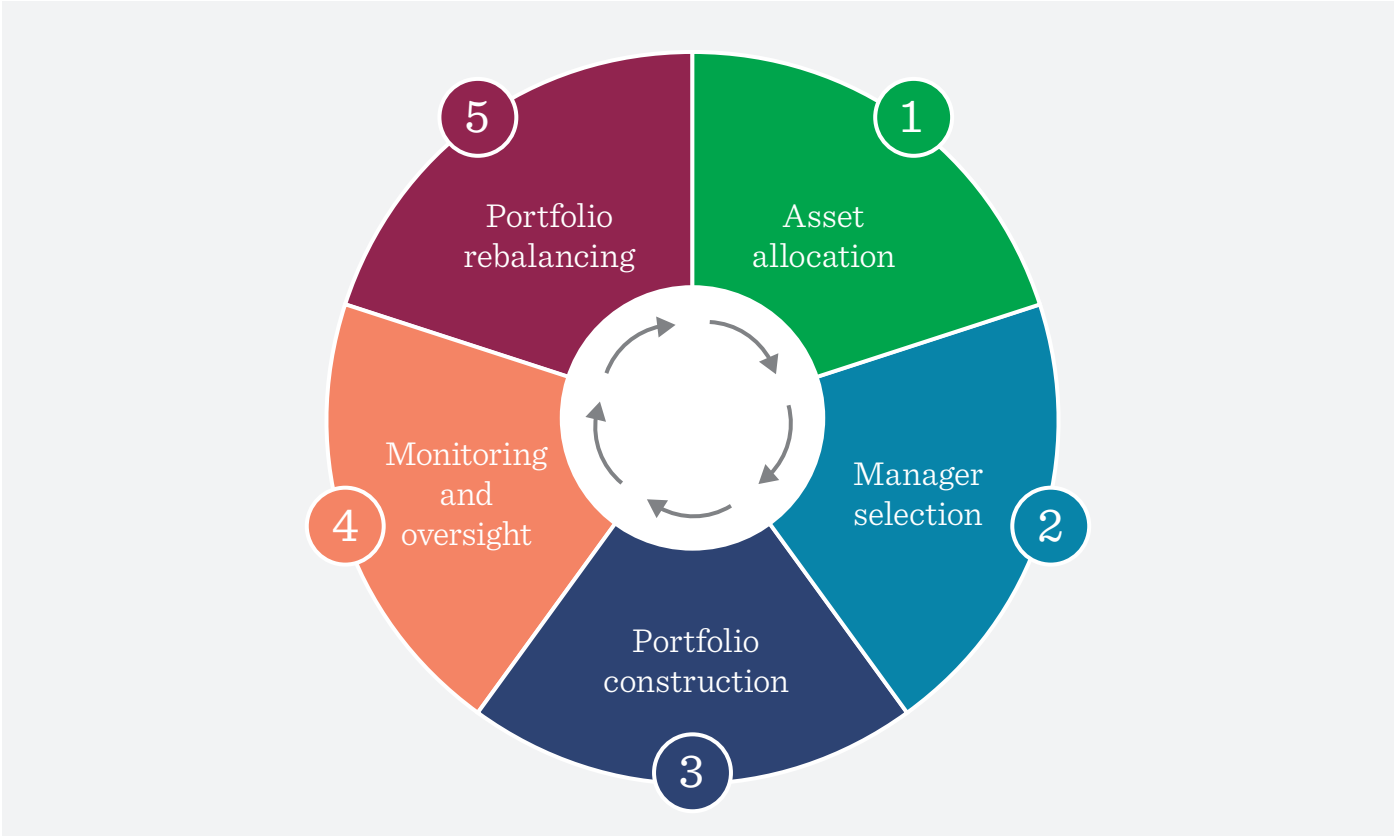

Figure 2: Our investment process. Note, only 2. manager selection, and 4. monitoring and oversight apply to our sub-advised funds.

Asset allocation

Where our investment solutions commit to environmental or social objectives, constraints form part of the strategic asset allocation process. Where our investment solutions commit to environmental, social or responsible investment objectives, relevant ESG considerations may form part of the strategic asset allocation process. For our WealthSelect Responsible and Sustainable Portfolios, relevant ESG data is added to the input for setting strategic asset allocation targets and is considered in periodic portfolio rebalancing. Decisions relating to the most appropriate ESG measures and their application within the investment process are agreed through the relevant governance forums, with Head of Responsible Investment representation.

Manager selection

Our central research function, known as the 'Research Hub', comprises our Operational Due Diligence (ODD), Manager Research (MR) and Responsible Investment (RI) teams, and is responsible for delivering comprehensive research, screening and due diligence analysis of managers and funds to our Portfolio Managers (PMs). This ensures a shortlist of RI tiered funds are available to portfolio managers for portfolio construction.

All funds formally 'available for investment' at regular Research Hub meetings are also assigned an RI tier, which reflects the level of ESG integration at the fund and determines which investment solutions can invest in it. The meetings are attended by the PMs, MR, ODD and RI teams, where the RI tier for a fund is assigned and presented by the MR analyst using the RI tier framework. This comprises:

1. A set of minimum expectations of a fund (table 1) designed to support formal commitments of our investment solutions, and minimum expectations of managers. This set of minimum expectations is owned by the responsible investment function and requires governance approvals for change. In certain situations, for example specific strategies or investment structures, the requirements may not be relevant or appropriate. The treatment of these exceptions is formalised in an internal RI Tiering Exception Policy.
2. Guidance on internal standards for this assessment, including detailed characteristics relating to terms such as 'Leaders in ESG integration' or 'Sustainable outcomes' as agreed and maintained collaboratively with the Research Hub according to best practice, regulation and industry developments.

The RI team reviews the assigned RI tiers which are approved during regular Research Hub meetings.

RI tier category	Characteristics of the **firm** where the fund is managed	Characteristics of the **fund** within this tier category	Characteristics of the fund's investment **exposures**
Tier 1 funds 'Minimum RI expectations'	– Have ESG or RI policies – Signatory to the UK FRC Stewardship Code, or equivalent – PRI signatories	– Fund managers should have access to material ESG risk data	– No exposure to cluster munitions and anti-personnel mines in any actively managed fund

Tier 2 funds
'Leaders in ESG integration'
	– Tier 1 expectations +
	– Credible resource to support ESG integration and active ownership processes
		– Tier 1 expectations +
		– Leading ESG integration (using 4Ps analysis)
			– No exposure to cluster munitions or anti-personnel mines
			– Managed exposure to:
			  – ESG and climate risk
			  – Corporate behaviours (related to controversies and violations of principles such as UNGC)

Tier 3 funds
'Sustainable outcomes'
	– Tier 2 expectations	– Tier 2 expectations +
		– Clear Do No Significant Harm (DNSH) criteria
		– Targets positive sustainable outcomes
			– Tier 2 expectations +
			– No exposure to:
			  – Controversial weapons
			  – Tobacco manufacture
			  – Thermal coal extraction*
			  – Unconventional oil and gas*

Table 1: Our responsible investment tier framework.

**As there can be difficulties in measuring exposure, we allow a company to generate up to 5% of their revenue from thermal coal and unconventional oil and gas extraction (arctic oil and gas exploration, oil sands and shale energy).*

There may be other unsustainable activities that a portfolio may 'normally avoid' and are specified in the product documentation, and are monitored and managed by the same processes as the other investment exposures listed above (see also *Monitoring and oversight* below). Assessment guidance and internal standards are managed and updated collaboratively by the Research Hub with RI team oversight, and comprise the principles and characteristics expected of our tier 2 ('Leaders in ESG Integration') and tier 3 ('Sustainable outcomes') managers.

Assessment guidance for tier 2 and tier 3 funds involve research into the fund's related philosophy, process, people and portfolio (the '4Ps') based on manager meetings, due diligence questionnaires and our look-through RI data feeds. This is incorporated into the annual review process conducted by the MR team and ensures consistent assessments across the investment universe. All tier 2 and tier 3 funds are assigned a responsible investment analyst who will work collaboratively with the research analyst to review the tier rating and resolve any areas of analysis that may remain unclear or disputed at the Research Hub meeting.

Portfolio construction

We aim to assign an RI tier to all funds available for portfolio construction. Portfolios are constructed to ensure minimum RI expectations are maintained, to consider compatibility with our customer's preferences and attitude to risk, and for adherence to the investment objectives, supported by responsible investment data feeds. For WealthSelect Responsible and Sustainable portfolios, portfolio construction also considers the carbon footprint and WACI of the portfolios, and investment exposure to any unsustainable activities specified in the objectives of the portfolios. Fortnightly meetings between the responsible investment team and the portfolio managers are held to discuss findings from portfolio monitoring and share responsible investment insights to support day-to-day investment activities.

Monitoring and oversight

Investment oversight is conducted through our governance forums (see ***Governance***.) and supported by investment risk reporting on portfolio-level constraints and underlying ESG exposures to risks such as GHG emissions, controversies, UNGC violations and unsustainable activities (see below) and, where appropriate, sustainable outcomes.

Monthly investment risk reports 'look-through' the funds held in the portfolios to assess the underlying holdings and exposures within these funds to ensure they do not contravene stated commitments to any of our investment solutions. Responsible investment risks are validated and reviewed by the RI team. If deemed material, the manager, or managers concerned are contacted for further information and discussion relating to the risk in the context of their investment strategy, rationale and any engagements with the company concerned. This forms part of our stewardship programme, and is tracked through a shared internal research system where it may be further escalated as appropriate. Please see our ***Stewardship*** for more details.

Note, for sub-advised funds, where we delegate the investment process for the strategy to a third-party manager (our sub-advisers) a detailed ongoing oversight and reporting process occurs through dedicated Quilter governance structures. As such, sub-advised funds have additional reporting requirements across ESG Key Performance Indicators (KPIs) for those funds with specific ESG objectives.

Unsustainable activities

We seek to minimise investment exposures to unsustainable activities as specified for each investment solution. Generally, we deem business operations, products or services which are widely accepted to cause harm to people and planet over the long term as unsustainable activities. At a minimum, we consider manufacture, development or trade of cluster munitions and anti-personnel mines, being components or services that are tailor-made and essential for the lethal use of these weapons as unsustainable activity. We exclude investment exposure to these companies across all RI tiers and investment solutions, however, where tier 1 funds are passively managed (i.e. replicating an index with no ESG criteria or screening applied), small exposures may occur.

Investment in other unsustainable activities, such as thermal coal extraction or the manufacturing of tobacco products, may be restricted for investment solutions with environmental or social objectives, such as the WealthSelect Sustainable range. These portfolios invest in tier 3 funds where additional criteria relating to unsustainable activities apply. This may be treated as an exclusion, for example, exposure to tobacco manufacture, or activities we normally avoid. The activities we normally avoid may include companies that generate more than 10% of their revenues from unsustainable activities such as conventional oil and gas extraction, gambling operations or military contracting.

To manage exposure to unsustainable activities, we seek:

- **Alignment of manager policy:** exclusions in the firm's policy that applies to a fund; or an exclusion in the fund's own investment policy; or a commitment through an attestation letter not to invest in specific business activities.
- **Investment oversight of exposures:** our detailed monitoring of holdings allows post-trade ongoing checks for exposure to specific business activities as they relate to the funds' tiers which are held within the portfolios.
- **Engagements with / by managers:** potential engagements are identified through monitoring these specific business activities and tracking progress against any stated remedial actions with our managers (see ***Stewardship***). Data from our external data feeds need to be validated and we may engage data providers to investigate inaccurate information and rectify errors in the underlying data. See ***Reporting and transparency*** for more information.

Stewardship

We have a stewardship approach to ensure we meet the high standards we require for our customers and promote a well-functioning investment market over the long term. For each objective we have implemented systematic ways to identify and prioritise engagements. These are research-based and aim to create specific outcomes that can be targeted through a structured pathway. Our on-going stewardship activities and outcomes are detailed in our annual *Stewardship Code report* (see *Reporting and transparency*).

Figure 3: Essential components of our responsible investment engagement activities.

Our stewardship objectives are:

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

Objective II – Promote a well-functioning investment market over the long term. This objective requires stewardship activities focused on risks and opportunities that may affect the long-term outcomes of our customers' investments. This includes engagement with regulators, policymakers, industry groups, standard setters, data providers and other market participants to support the development of investment markets, regulatory frameworks, stewardship practices and sustainability-related methodologies. We monitor the regulatory landscape and research the most material emerging themes to inform and develop Quilter's thematic priorities, including:

- **Climate change** – to understand management of climate-related risks and opportunities, such as decarbonisation plans, that may apply to our investment solutions.
- **Human rights** – to ensure that human rights are protected through the value chain and considered in supply chains of higher risk sectors in line with our group human rights standard.
- **Natural capital** – to prevent further degradation of finite natural resources that support life on the planet.

We conduct annual reviews of our thematic stewardship activities.

Identifying and prioritising engagements

Engagement opportunities are identified through ongoing responsible investment oversight and monitoring activities, thematic research, stewardship assessments, and reviews of investment managers across the investment portfolio.

When determining the priority, scope and nature of engagement with an investment manager, the following factors will be considered:

Severity: the extent to which an issue gives rise to concerns relating to regulatory requirements, client commitments, our minimum responsible investment expectations, investment governance requirements, or other applicable standards.

Materiality: the potential impact of an issue on investment portfolios, underlying client assets, investment outcomes, or the effective delivery of investment objectives.

Alignment: the extent to which a manager's actions, practices, disclosures, stewardship activities, or investment approach are consistent with their stated commitments and our established understanding of their investment and responsible investment processes.

Voting

We seek to exercise voting rights in a manner that protects client interests, supports good governance and stewardship practices, and is consistent with the responsible investment approach applicable to each investment solution. Our voting policy is available to view *here*.

Multi asset investment solutions

We aim to vote all eligible resolutions at Annual General Meetings (AGMs) and other shareholder meetings where we hold voting rights, primarily through our fund vehicles and investment trusts. We use a proxy voting service provider to support voting analysis and recommendations, including on environmental, social and governance (ESG) issues. Voting decisions are reviewed and approved by the relevant portfolio managers, with oversight from the Responsible Investment team to ensure consistency with our voting policy. Voting records and significant votes are reported through our regular stewardship and voting disclosures which can be found in the '*Reporting and Transparency*' section.

Sub advised funds

We expect sub advised managers to vote all eligible holdings, maintain appropriate voting records and provide voting disclosures, voting attestation and stewardship reporting as part of our ongoing oversight and due diligence processes. While voting decisions remain at the discretion of the delegated manager, we monitor voting activity and engage with managers where voting outcomes, stewardship practices or ESG-related issues diverge from our expectations.

Wealth Select Managed Portfolio Service

For WealthSelect portfolios, voting activity is primarily undertaken at the platform level in relation to material fund events and exchange-traded instruments. Voting decisions seek to protect customer interests and support outcomes that remain consistent with customers' objectives and expectations.

Escalation

Stewardship through our monitoring and investment oversight processes serve as the first line of identifying and managing material responsible investment risks and opportunities. Where we feel our engagements with managers are not progressing positively – for example, if an outcome cannot be agreed or agreed milestones are not reached without explanation – we undertake a process of escalation. The method of escalation will depend on the circumstances and the type of investment. In some cases, where there is willingness and proactive actions, milestones may be amended. Internally, we may lose conviction in a manager's process and reconsider the fund's RI tier through a full review by the Research Hub. This may result in reduced allocation to the fund, or even divestment, especially by portfolios holding higher RI tier funds. These decisions are agreed upon and communicated through the relevant Research and Investment governance forums (see *Governance*).

For close-ended fund governance or management concerns we may consider using voting rights as a means of escalation and will discuss our concerns and voting decisions with the management and board of the investment company. In some cases, where we may own only a small proportion of voting rights, or have poor corporate access for such discussions, we may seek to collaborate with other stakeholders. We have developed internal standards to guide these company escalations and voting decisions.

For responsible investment, escalation may be relevant in the following cases:

- A fund is not being managed in line with its RI tier minimum requirements.
- Persistent exposure (where validated) to an excluded or unsustainable activity.
- A firm is not able to explain or show willingness to meet minimum requirements (e.g. PRI signatory).

Industry engagement

Quilter is committed to working collaboratively with a broad range of industry stakeholders to help address systemic risks within the financial system. We participate in collaborations that are aligned with our beliefs, principles and thematic priorities. The RI team owns topical and general responsible investment-related memberships, commitments to initiatives and consultations where relevant.

Figure 4: Our advocacy groups and memberships.

Collaborative engagements can take the form of thematic initiatives, participation in taskforces or working groups, endorsements or signatories to letters and responses to regulatory consultations. Where aligned with our stewardship objectives and priorities, we commit to:

- Participate in initiatives that shape regulations and standards on responsible investment and ESG integration within investments.
- Explore strategic partnerships to improve ESG data, technology and responsible investment innovation.
- Advocate for and align processes, policies and approaches to leading frameworks and industry best practice that drive responsible investment adoption.

As fund investors, we may advocate for participation by our managers and strategic partners in suitable engagements which align with our stewardship objectives.

Climate change

Climate change is increasingly impacting our customers and their assets. We are committed to taking action to address these impacts for all our stakeholders and our business. Our group's strategic objectives for climate change are to contribute to a low-carbon, climate-resilient economy through the investment solutions we offer. Our *Climate Action Plan* outlines our strategic objectives which are aligned with our group's commitments, focusing on informed ambition, measurable impact, and climate resilience.

Details on our climate-related risk and opportunities are reported in line with TCFD recommendations to ensure transparency and compliance with regulatory expectations. See *Reporting and transparency* to view our latest TCFD entity report, and *ESG integration* and *Stewardship* for details on how climate considerations are integrated into our investment process.

Governance

We have a clear governance structure and process in place that monitor our responsible investment activities and provides accountability across Quilter. This ensures oversight of responsible investment in capital allocation and investment decisions in applicable portfolios.

Leadership and accountability

Our group's board and board committees provide oversight and are responsible for setting and overseeing the delivery of group strategic priorities, including those in relation to responsible investment. The Chief Investment Officer of the Quilter Affluent business segment is the executive sponsor for responsible investment strategy and an accountable member of the group's executive committee. The Head of Responsible Investment is responsible for delivering the strategy, as delegated by the executive sponsor.

Operational risk management

Key operational risks and their ownership for responsible investment are documented and monitored through Risk and Control Self Assessments (RCSAs) by the group risk function, which provides independent oversight to ensure effective risk management processes are in place.

Key responsible investment forums

The table below represents the main delivery groups and oversight committees or forums for responsible investment, their responsibilities and meeting cadences:

Governance body	Responsibilities	Cadence
Affluent Executive Management Committee (Affluent ExCo)	Overall executive responsibility for ensuring operational governance, strategic oversight and cross-functional coordination across group for responsible investment activities.	Quarterly
Affluent Investment Committee (AIC)	Oversight and escalation of investment performance and the investment process, including the monitoring of mandate or prospectus breaches and material issues for multi-asset and MPS. Issues are escalated to Affluent ExCo.	Monthly
Affluent Responsible Investment Committee	Provides oversight and strategic direction for responsible investment activities within the Affluent segment.	Bi monthly
Sub-Advised Funds Forum (SAFF)	Responsible for oversight of sub-adviser evaluation and appointment, monitoring and compliance.	Quarterly
Research Hub	Review and approval of manager research and operational due diligence reports across all investments, including RI tier assignments.	Fortnightly

Table 2: Quilter responsible investment governance bodies and responsibilities.

Resources and training

The Head of Responsible Investment is supported by a team of responsible investment professionals who specialise in stewardship, sustainability reporting and ESG data.

The Responsible Investment team also develops and delivers training across the business to build awareness and capability on responsible investment-related topics. This includes mandatory anti-greenwashing training delivered to all employees, as well as tailored responsible investment training for teams whose roles are most significantly impacted by responsible investment considerations, including investment, product, advice, risk and compliance teams.

Training content is informed by training needs assessments, tailored to the requirements of each role and regularly updated to reflect evolving regulation, product developments, emerging responsible investment topics and industry best practice.

Reporting and transparency

ESG data

We use a combination of different data sources while evaluating ESG factors in our investments. We perform qualitative assessments through our questionnaires and direct engagement with our managers, and use external data providers across our ESG integration, stewardship activities and reporting requirements. Examples of our data uses include, but are not limited to:

- Using carbon data to test strategic asset allocations for portfolio level commitments or for rebalancing and allocation adjustments efforts to keep responsible and sustainable products in line with targeted carbon performance.
- Monitoring data that flags human rights controversies or UNGC signatory breaches, which may impact a holding's RI tier and require manager engagement or even escalation.
- Tracking against portfolio-level constraints, exclusions, and, for sustainable products, sustainable outcomes indicators, for example UNSDG-aligned data points.

Data service providers

We collaborate with our internal data teams and engage third-party data vendors to ensure data meets the high quality and technical standards required. This applies to data we receive from managers and externally sourced data from specialist ESG data service providers.

Our third-party and internal data is subject to several oversight processes and controls. We work with the Quilter Market Data and Data Management teams to screen and procure specialist ESG data providers, with all data needing to align with our Market Data Principles and Quilter's procurement oversight processes. The Market Data team is responsible for ensuring our vendors meet the quality and standard expectations as described in our *Quilter Supplier Code of Conduct*.

Data quality and systems

We implement quality and validation checks to ensure the data and systems we use are fit for purpose and aligned to our group's information security and technology policies and technical standards.

- We review data methodologies and perform tolerance checks across data quality indicators such as coverage, accuracy, frequency and latency.
- We apply data handling principles and methods to minimise data errors, and enable better data comparability, consistency and auditability across our data systems.
- We maintain internal methodologies, assumptions and calculation documentation, which are subject to RI governance oversight and approval.

As ESG data and our responsible investment data usage continue to develop, we will adapt our data usage, validation and control processes to ensure the data we use is of the highest quality. For more information on Quilter's data usage and third-party service providers, please see *Quilter third-party data*.

Conflicts of interest

We strictly adhere to our conflicts of interest policy both for actual and perceived conflicts which may arise during the execution of our investments and engagement activities, such as through our stewardship and proxy voting activities. We are committed to acting fairly, independently and transparently and in the best interests of our customers. Our teams are required to undertake mandatory conflicts of interest training, and to log potential or active conflicts which are monitored via internal systems.

Where conflicts may arise due to engagement activities, such as proxy voting, clear rationale and documentation is expected, especially when voting against our proxy voting service provider recommendations. We manage conflicts of interest within the investment process by maintaining independent teams across research, portfolio management, risk and due diligence coupled with robust governance and oversight. Our internal risk and policy frameworks govern conflicts of interests for all colleagues, where further controls may apply to specific job functions. For more information on Quilter's conflicts of interest please see *Quilter Code of Conduct policy* and *Quilter Conflicts of Interest statement*.

Reports and Disclosures

We make disclosures across mandatory regulatory reporting requirements and our signatory commitments. Below is a list of the reporting requirements that RI have responsibility for (either in whole or as part of our group's reporting requirements).

Disclosure	Requirement	Description	Link
FCA TCFD (Task Force on Climate-related Financial Disclosures)	Mandatory	We make climate disclosures on an annual basis for product and entity level TCFD (under FCA PS 21/24) reporting. We commit to transition towards ISSB-aligned UK SRS reporting as per regulatory timelines.	*TCFD entity and product report*
FRC UK Stewardship Code	Voluntary	As our group is a signatory to the UK Stewardship Code, we commit to meeting the standards that the Code expects, and we submit our Policy & Context Disclosure and Activity & Outcomes report to the Financial Reporting Council (FRC).	*Quilter Policy & Context Disclosure* *Quilter Activities & Outcomes Report*
Sustainability Disclosure Requirements (SDR)	Mandatory	In line with SDR reporting timelines, we will ensure adherence to anti-greenwashing, sustainable product labelling (where required) and naming and marketing rules for products and entity sustainable disclosure requirements	*Quilter SDR reports*
Shareholders Rights Directive II (SRD II)	Mandatory	In line with SRD II, we report monthly on our voting activities and annually to shareholders on our engagement activities as per our engagement and stewardship strategy. We make disclosures aligned to SRD II requirements via our annual Stewardship Code Activity & Outcomes report, to be read in conjunction with the responsible investment policy and voting policy.	*Responsible investment policies and reports*
UNPRI	Voluntary	As a signatory to the UNPRI, we have made a commitment to its principles, and we report against the PRI framework annually.	*Quilter plc – PRI*
Responsible Investment reporting	Consumer Duty	We provide regular reporting for our WealthSelect Responsible and Sustainable Portfolios.	*Quilter responsible investment reports* *Guide to our responsible investment reporting and calculations*

Table 3: Quilter list of responsible investment-related regulatory reporting and disclosures.

Appendices

Related policies, disclosures and further information

Quilter information	External link
Quilter plc corporate entities	*Quilter plc corporate and regulatory information*
Group company and regulatory disclosures	*Quilter plc regulatory reports and company disclosures*
Group policies and statements	*Quilter plc reports and statements*
Group and entities governance	*Quilter plc Governance*
Group modern slavery and human rights standards	*Quilter Modern Slavery statement* *Quilter Human Rights Standard*
Shareholder disclosures regarding our UK insurance business	*Quilter plc Shareholder Rights Directive*
Quilter Investors fund prospectuses	*Quilter Investors funds prospectuses | Document library*
Quilter Investors policies	*Quilter Investors policy documents*
Quilter investors corporate and voting reports	*Quilter Investors Voting reports*
Investment glossary	*Quilter Investment Glossary*
Information on Quilter multi-asset investment portfolios	*Multi-asset investment portfolios | Quilter*
Information on WealthSelect MPS	*Quilter WealthSelect*
WealthSelect Responsible and Sustainable Portfolios	*WealthSelect due diligence made easy*

Table 4: Further information on Quilter products, policies, statements and disclosures.

Glossary

ESG (Environmental, Social, Governance) factors: Risks, issues or opportunities that are relevant to products, services or operations of a business entity that impact sustainability and relate to the environment (such as climate change or nature), society (such as employee management or community engagement) or governance matters (such as policy quality and oversight or political and reputation management.

Manager research 'MR' team: MR integrates ESG considerations into fund evaluation by analysing holdings, conducting manager interviews, and reviewing responses to responsible investment RFIs, ensuring ESG factors are systematically embedded in selection and monitoring processes.

Operational Due Diligence team 'ODD' team: ODD assesses and monitors fund managers' operational robustness, reputation and regulatory compliance, ESG and responsible investment practices and investment structure, issuing risk-rated reports and escalating concerns to governance forums, when necessary, with reviews conducted on a cyclical basis.

Materiality: Describes ESG factors that may manifest as investment, regulatory or reputational risks and opportunities for underlying holdings in business entities that may have possible impact on returns or asset prices of the portfolios we manage. Materiality will be different between contexts and industries and may change over time.

Resilience: We refer to resilience in the context of the capacity of investment strategies, portfolios, and supporting governance structures to withstand and adapt to systemic risks; particularly those arising from ESG factors. This includes both financial resilience, such as managing exposure to climate-related risks, and operational resilience, such as ensuring robust oversight and stewardship practices.

Active ownership: Purposeful dialogue and engagement as investors aimed at influencing investee behaviour, improving ESG performance, and mitigating risks. Engagement is structured, goal-oriented, and tracked to ensure accountability and impact.

Natural capital: The stock of renewable and non-renewable natural resources, such as plants, animals, air, water, soils, and minerals, that yield a flow of benefits and ecosystem services to society. We recognise the interconnectedness of natural capital with climate change, biodiversity, water usage, and deforestation. Engagement efforts focus on understanding how companies and managers mitigate risks and dependencies related to nature, and how these efforts align with broader sustainability goals.

Do No Significant Harm 'DNSH': We apply a DNSH principle to ensure that investments considered sustainable do not materially undermine other environmental or social objectives. DNSH assessments typically involves screening for negative revenue contributions to environment or social harm, evaluating ESG risk ratings and controversy data from third-party data providers such as Sustainalytics, and considering Principal Adverse Impact Indicators as defined by the EU's SFDR and EU Taxonomy regulations. These include data in thematic areas such as GHG emissions, social violations and biodiversity loss.

Important information

Investment involves risk. The value of investments may go down as well as up and investors may not get back the amount originally invested. Exchange rates may cause the value of overseas investments to rise or fall.

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Policy owner
Head of Responsible Investment, Quilter Affluent segment

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