Quilter

Brighter financial futures for every generation

Quilter plc Annual Report 2024

At Quilter, we believe in brighter financial futures for every generation.

Our core values – do the right thing, always curious, embrace challenge and stronger together – continually drive us in the way we behave with our customers, partners and each other.

Strategic Report

Governance Report

Financial statements

Other information

Quilter plc listed on the London and Johannesburg Stock Exchanges on 25 June 2018. Quilter has a primary listing on the London Stock Exchange and a secondary listing on the Johannesburg Stock Exchange.

2024 highlights

During 2024, the Group delivered significant increases in flows, strong adjusted profit growth and achieved its operating margin targets early.

Strategic highlights

- Strength of dual-distribution strategy demonstrated through a significant increase in gross and net inflows across both the Quilter and Independent Financial Adviser ("IFA") channels.
- Maintained status as the largest discrete retail advised platform in the UK by assets under administration and new business flows.
- Improved operating margin by two percentage points to 29%, ahead of our target of 25% by 2025.
- Continued focus on building distribution, enhancing our proposition and driving efficiency.
- Advice transformation programme remains on track.
- Acquisition of NuWealth to accelerate our digital capabilities.
- Restricted Financial Planner numbers broadly stable.

Operational highlights

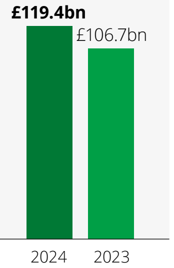
- Record core net inflows of £5.2 billion, with each quarter incrementally stronger than the previous, and strong flows in both Quilter and IFA channels.
- Bringing our High Net Worth advice and investment management teams together within the Quilter Cheviot legal entity, following FCA approval.
- Increased number of Quilter Partners firms to nine since 2023 launch.
- WealthSelect surpassed £18 billion in assets, and is now one of the leading MPS offerings in the UK market.
- £35 million Simplification Phase Two annualised run-rate savings achieved from a target of £50 million by end 2025.

Financial performance highlights

Assets under management and administration ("AuMA")*

£119.4bn

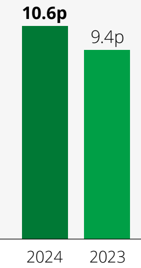
+12%



Adjusted diluted earnings per share*

10.6p

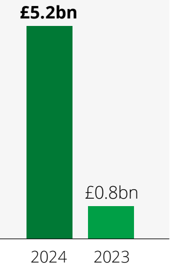
+13%



Core net flows*

£5.2bn

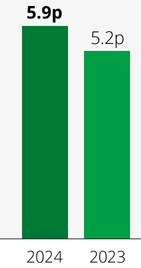
>100%



Recommended total dividend per share

5.9p

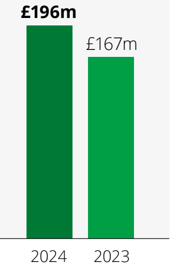
+13%



Adjusted profit before tax*

£196m

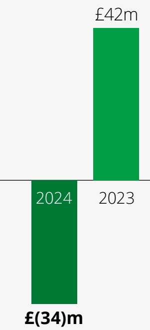
+17%



IFRS (loss)/profit after tax

£(34)m

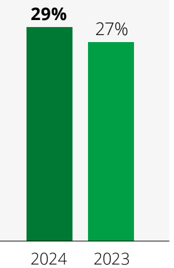
>(100%)



Operating margin*

29%

+2ppts



Alternative performance measures ("APMs")
We assess our financial performance using a variety of measures including APMs, as explained further on page 186. These measures are indicated with an asterisk (*).

Chair's statement

Ruth Markland
Chair

Dear shareholder

I am pleased to introduce our 2024 Annual Report, in which we set out the significant progress and achievements the Company has made in the year. Despite the challenges in the global external markets, regulatory change in our industry and fiscal changes introduced by the new UK government, we have made good progress on delivering our strategic goals whilst importantly remaining focused on how we deliver for our stakeholders.

Performance

In 2024, we delivered record levels of new business flows, revenues and profits. Overall core Group inflows totalled £16.0 billion gross and £5.2 billion net. Platform reported inflows totalled £12.4 billion gross, £5.6 billion net, making us the leading UK advised platform for total assets and new business. Our High Net Worth segment improved new business inflows which were 42% higher than the previous year. We also delivered record profitability, reporting adjusted profit of £196 million and a two-percentage point improvement in the operating margin to 29%, over the course of the year.

We have continued to invest in our business both organically through adding distribution and inorganically through the acquisition of NuWealth which, as Steven discusses overleaf, adds to both our proposition and distribution capabilities.

The Board has dedicated time in 2024 to the Ongoing Advice Review. You can read more about this on pages 3 and 4.

Shareholder returns

2024 was a year of excellent returns for our shareholders. We delivered a total shareholder return of 58% in sterling terms (and 54% in ZAR terms on the JSE), outperforming both our peers and the FTSE-100 and FTSE-250 indices.

The Board is recommending to shareholders at our 2025 Annual General Meeting ("AGM") a Final Dividend of 4.2 pence per share. Taken with our Interim Dividend of 1.7 pence per share paid in September 2024, the full year dividend will be 5.9 pence per share which is an increase of 13% over the 2023 level.

Governance

The views of our shareholders remain an important influence on our boardroom discussions. Once again, we maintained a high level of engagement with existing and potential shareholders in the year. I continued my programme of engagement and in early 2025 I met with a number of shareholders in the UK and South Africa covering topics including corporate governance, executive remuneration and Board composition and succession planning.

You can read about the engagement with our shareholders on the proposed changes to our remuneration policy, led by our Board Remuneration Committee Chair, on page 78.

People and culture

A key area of focus for the Board in 2024 was overseeing the embedding of our new target culture, and we were pleased with the progress made. You can read more about how our colleagues embraced this change on pages 16 and 17. In the year, the Board oversaw the evolution of our purpose – brighter financial futures for every generation. Our purpose is supported by our values – do the right thing; always curious; embrace challenge; and stronger together – which were refreshed in 2024 in an exercise led by our colleagues who strive to achieve these values every day.

Quilter's commitment to corporate sustainability is outlined on pages 22 to 29. During the year, management continued to oversee our progress as a responsible investor and our own commitments to a low carbon economy. In addition, we have continued to have a positive impact in the communities in which we operate as set out on page 14.

Inclusion and diversity

We continue to strive towards a truly diverse culture where all can thrive, and management's ambitions in this regard are set out in the latest Inclusion and Diversity Action Plan. You can read more about this Action Plan and our progress against the targets on page 18.

I am pleased to confirm that as at the year end, the Board met all the commitments set out in our Board Diversity Policy and the requirements of the UK Listing Rules. 40% of our Board are women, as are the Chair and the Senior Independent Director, and we have one Board member of a minority ethnic background.

Board matters

The Board welcomed Chris Hill and Alison Morris in the year and our sincere thanks go to Tazim Essani and Paul Matthews who stood down at our AGM in May 2024. Later in the year, Tim Breedon also retired from the Board and we are grateful to Tim for his contribution. As you might expect, the Board will continue to evolve over time in line with the expectations set out in the 2024 UK Corporate Governance Code.

Conclusion

Quilter had a positive year in 2024 in terms of operational and strategic progress and we look to the future with confidence. On behalf of the Board, I would like to thank all my colleagues for the significant progress made in 2024 and in particular thank our Chief Executive Officer, Steven Levin, and his management team for what has been achieved. I am grateful to our shareholders for their ongoing support for Quilter.

Ruth Markland
Chair

Chief Executive Officer's review

Steven Levin
Chief Executive Officer

When I took on the role of Chief Executive Officer in late 2022, it was clear that we needed to apply more urgency to our transformation plans. Our net inflows were running at 2% of opening assets, our operating margin was well below peers, and we needed to improve efficiency. As a result of our efforts over the last two years, I am pleased to report that Quilter is in much stronger shape today. We have a well-positioned High Net Worth franchise and the UK's largest, fastest growing, scale adviser platform in our Affluent segment. We are primed for future growth.

2024 performance

In 2024, we delivered:

- revenue growth of 7%, four percentage points higher than cost growth of 3%. That led to a two-percentage point increase in our operating margin to 29%;
- record core net inflows of £5.2 billion, with incrementally higher gross and net inflows achieved in each successive quarter of the year; and
- record adjusted profit of £196 million, an increase of 17% (2023: £167 million).

Across our two segments:

- Our High Net Worth segment increased revenue by 7% to £226 million (2023: £211 million). After maintaining growth investment, we delivered a 17% increase in adjusted profit before tax to £48 million (2023: £41 million).
- Affluent segment revenues increased by 8% to £424 million (2023: £393 million) reflecting higher advice and management fee revenues combined with a higher contribution from interest income on the shareholder capital which supports the segment. This revenue growth combined with strong cost management led to a 19% increase in adjusted profit to £148 million (2023: £124 million).

Group adjusted profit before tax of £196 million represents the Group's IFRS result, adjusted for specific items that management consider to be outside of normal operations or one-off in nature. The Group's IFRS loss after tax was £34 million compared to a profit of £42 million in 2023. Principal differences between adjusted profit and the IFRS result are due to non-cash amortisation of intangible assets, business transformation expenses (which are pre-funded and expensed as incurred), finance costs, the impact of policyholder tax positions on the Group's results and, in 2024, the customer remediation exercise provision in respect of the cost of undertaking additional work, together with the potential cost of client redress.

We expect business transformation expenses to remain elevated in 2025, reflecting remaining spend on our Simplification programme, but to reduce substantially thereafter.

Total Group adjusted diluted earnings per share were 10.6 pence, an increase of 13% (2023: 9.4 pence). On an IFRS basis basic EPS was (2.5) pence per share compared to 3.1 pence per share for 2023, with the decline largely reflecting the provision in respect of the Ongoing Advice Review and costs of undertaking the review.

Shareholder returns and capital

Our increased profit in 2024 supports a higher dividend of 5.9 pence per share for the year (2023: 5.2 pence). This represents a pay-out ratio of 59% (2023: 61%).

We have a strong balance sheet with a Solvency II ratio of 219% after an accrual for payment of the Final Dividend and allowing for the customer remediation exercise provision of £76 million. Given the strength of our balance sheet, once the Ongoing Advice Review is more advanced, the Board expects to undertake a review of our capital needs, foreseeable requirements and expected future cash and capital generation to consider whether the Group has excess capital and whether the current distribution strategy remains appropriate.

Ongoing advice

Delivering advice is central to how we operate, and we have policies in place that underline the need for advisers to meet their ongoing servicing obligations. We believe that a well-delivered ongoing advice service, tailored to the individual needs of the client, should be the foundation of an enduring beneficial and trusted relationship between client and adviser to help people make the most of their money. As such, we welcome the announcement made by the Financial Conduct Authority ("FCA") on 24 February 2025 regarding ongoing advice services.

In June 2024, a Skilled Person was appointed to conduct a review and provide a view to the FCA on whether the delivery of ongoing advice services by Appointed Representative firms in the Quilter Financial Planning ("QFP") network was compliant with applicable regulatory requirements. This work is well advanced, and the final report is expected to be submitted to the FCA in the second quarter of 2025.

As the review has progressed, the analysis of our historical data and practices has supported our view that, except in limited cases, where clients have paid for ongoing service, this has been provided. We also note that the actual number of customer complaints received by Quilter on this issue remains low. Although the Skilled Person Review is yet to complete and will be the subject of further discussions with the FCA, we have concluded that in those limited instances where clients may not have been provided with the expected level of service from their adviser, some form of client remediation is likely to be appropriate. Our best estimate of the cost of undertaking this work, together with potential cost of client remediation (plus interest), amounts to some £76 million and accordingly we have recognised a provision for this amount.

In line with FCA guidance, we would encourage any clients who believe that they have paid for and not received an ongoing advice service from their adviser to contact us directly rather than approaching a Claims Management Company. This will ensure that any amounts that may be due to them are received in full.

We also have the ability to seek appropriate reimbursement from the relevant advisers who have been unable to demonstrate that the ongoing servicing paid for by the client was provided.

As the broader advice regulatory landscape continues to evolve, including through the Advice Guidance Boundary Review, we are fully supportive of the FCA's intention to review the rules on ongoing advice to make sure that they remain fit for the future and help as many people as possible to access high quality support to build brighter financial futures for themselves.

Flows and investment performance

- Our business generated excellent inflows in 2024, reflecting the strategic initiatives put in place over the last few years. Most importantly, our performance accelerated over the course of the year with each quarter incrementally stronger. Total net inflows in our core business were 5% of opening assets, or 4% after non-core net outflows. Both High Net Worth and Affluent performed well relative to their respective market peers.
- Our High Net Worth segment continued to deliver very good levels of new business flows. This performance was achieved despite experiencing higher than historical average outflows predominantly reflecting increased investor activity, including that associated with pre-UK Budget tax planning in the latter part of the year.
- Within our Affluent segment, we were particularly pleased with the improvement in net inflows onto our Platform. We were the leading advised platform for new business flows and remain the largest single discrete UK retail advised platform by assets.

High Net Worth investment performance has been strong. Discretionary client portfolios outperformed the ARC PCI Steady Growth peer group indices over 1, 3 and 5 years; and in the ARC PCI Equity Risk category, they outperformed over 1 and 5 years, with a small 25bps underperformance over 3 years (figures to end December 2024). High Net Worth Core Managed Portfolio Solutions outperformed the respective IA sectors over all time periods. Within Affluent, we continued to deliver good performance from our WealthSelect managed portfolio range. Cirilium Passive and Blend also continued to perform as expected given relative underweight positions in the Magnificent-7 US stocks. Over the last few years, our WealthSelect MPS range has overtaken Cirilium as the preferred solution for advisers and reflects the increasing shift by independent advisers to outsourcing their client investment solutions to managed portfolios on platforms.

Business improvement

Distribution

In our High Net Worth segment, we continue to invest in our advice capability across the UK and internationally in our Dublin and Jersey offices, increasing the size and breadth of the client types we can attract. We plan to grow our client-facing professional headcount (Investment Managers and Restricted Financial Planners) to around 300 over time through developing existing staff and external recruitment.

The Quilter channel across both segments is building distribution on three fronts. We are targeting increased:

- adviser numbers, where the position has broadly stabilised versus the reductions seen in recent years. Total adviser headcount declined in the first half of the year reflecting a combination of natural attrition and retirements but increased modestly in the second half;
- adviser productivity. In 2024, we achieved a 14% increase in annual gross flow per adviser to £3.2 million (2023: £2.8 million). This means that while adviser numbers declined modestly in 2024, during the year the Quilter channel delivered a 46% increase in net inflows to £2.9 billion (2023: £2.0 billion); and
- adviser assets managed within our propositions. During 2024, we undertook back-book transfers, of c.£800 million (2023: c.£750 million).

Proposition

Our Platform and investment solutions are both market-leading propositions. Both are competitively positioned and offer consistent value to our customers. Initiatives to improve our market share of new business flows delivered strong results which, in turn, led to a significant increase in net inflows. IFA gross inflows onto the Platform increased by 68% to £8.8 billion (2023: £5.3 billion). This reflects the quality of our core platform and adviser support staff, and improvements in our sales effectiveness which has led to increased market share. We continue to enhance our proposition through the provision of value-added tools and services, such as family linking pricing, faster payment services and our CashHub cash management offering.

Our dual distribution strategy means that all Quilter products and services are available to both our advisers and independent financial advisers. The strong usage of products and solutions by third parties demonstrates that they are competitive with market alternatives and are both customer focused and competitively priced. Our unbundled pricing is fully aligned with the Consumer Duty principles and puts client choice at the heart of our business.

In September 2024 we acquired NuWealth, a small online Direct to Consumer ("D2C") business. This acquisition accelerates our digital capabilities, enabling us to onboard clients directly. The acquisition will broaden our propositions and add another channel to our distribution capability. It is not our intention to compete directly with the established players in the D2C market. Instead, our goal is that NuWealth will support advisers to nurture early-stage clients who can grow into core advisory relationships over time.

Through NuWealth, we will provide financial education and intuitive tools which are aligned with our advice processes to foster better investing habits and put customers in control of their financial journey. This will allow Quilter to support clients at an earlier stage in their lifetime wealth journey, before their assets have reached a level that would normally require face-to-face advice. As these clients' wealth and financial complexities evolve, they will be able to transition to a more tailored advisory service, thereby creating an additional pipeline for future growth.

Strategic transformation

Our change programmes remain on track and are contributing to improved performance.

1. High Net Worth

Following FCA approval of our application to provide financial advice from the Quilter Cheviot legal entity, we have been focused on getting the necessary administration and IT updates formalised ahead of taking up the permissions. From the second quarter, Quilter Cheviot will operate as a directly authorised, fully integrated business, allowing a more seamless approach to client servicing and providing scope for business efficiencies.

2. Affluent: Quilter Channel

Having declined in the first half, our number of restricted advisers increased modestly in the second half of 2024. Natural attrition and retirements was partially offset by recruitment and graduates from our Academy, with increased adviser productivity supporting an increase in gross new business flows.

We continued to invest in our Quilter Partners hubs, which combine increased investment and Platform alignment with the entrepreneurial drive and focus of owner-operated businesses. By the end of February 2025, nine firms had joined Quilter Partners which is in line with our initial plans.

Our goal of building a more efficient operating model to deliver further improvements in adviser productivity and client experience is progressing to plan, with expected delivery over a two to three-year horizon.

3. Simplification Phase Two
We remain on track to achieve our second stage Simplification target of £50 million of cost savings by end 2025 on a run-rate basis. The programme covers the simplification of our governance and internal administration processes, together with our Advice Transformation and High Net Worth initiatives. By end-2024, £35 million of these savings were delivered on a run-rate basis. Completion of this programme will support our ambition of operating sustainably above a 30% operating margin over the medium term.

Culture

During 2024, we undertook a strategic refresh of our purpose which is "brighter financial futures for every generation". This was supported by an employee led refresh of our values – do the right thing; always curious; embrace challenge; and stronger together – which our colleagues strive to achieve every day.

Looking forward

As I have outlined, I am very pleased by the progress we have made to position Quilter for the future. The strength and breadth of our businesses means Quilter is uniquely positioned in the UK wealth market:

- In our High Net Worth segment our 14 onshore offices provide nationwide coverage. We offer an integrated advice and investment management proposition to those clients who require this, or each service separately for those clients who do not need both from us. Our approach is relationship led and our business balances meeting complex client needs while retaining the intimacy and client focus of a traditional wealth manager.
- Our Affluent segment is a leading large-scale player in UK Wealth. Our Platform and investment solutions businesses benefit from operating leverage as assets grow and economies of scale are realised. Reflecting this, our strategy is to maximise distribution by supporting advice through both our restricted and independent channels.

When we look across the UK savings and investment landscape, it is clear that too many people have insufficient savings. Quilter believes UK Government policy should be directed at encouraging those individuals to build greater financial self-sufficiency. For those who do save, many do so disproportionately in cash savings with numerous studies concluding that the UK consumer over-saves but under-invests. We are concerned that this may lead to a wealth-gap emerging for future pensioners, with them living on lower incomes than could have been attained through better financial planning.

Studies conducted by Quilter show that consumers who take financial advice tend to have a greater proportion of their wealth in long-term investments and achieve better financial outcomes relative to those who do not. Financial advisers across the market use Quilter as a gateway to access a wide range of fund solutions on an industry-leading platform which supports their clients' investment goals. Instilling a wider long-term investing culture in the UK would increase the likelihood of a well-funded retirement for most individuals. As the UK's second largest advice firm, Quilter will play a leading role in supporting consumers who want to build themselves a brighter financial future.

Over the next decade, we expect a transformation in the way that financial advice is delivered to customers, both through technological change facilitating higher adviser productivity, and regulatory changes such as the expected outputs from the Advice Guidance Boundary Review. We will ensure our business is at the forefront of embracing these changes.

With the business now primed for growth, we are evolving our strategic goals towards a more outward focus:

1. Grow distribution
We achieved our Core net inflow target of 5% of opening balances in 2024. We expect the environment for UK savings to remain constructive. UK households need to invest more, lower interest rates should heighten focus on longer-term investment products, and lower inflation increases the ability to invest. We aim to deliver market leading net new business flows. By gradually improving our share of a growing market, while maintaining persistency levels in line with long-term trends, we expect to continue delivering net flows of around 5% of opening balances, through the cycle.

2. Enhance propositions
Our open, unbundled business model is, by its nature, highly customer-centric. We will continue to innovate and anticipate future client needs. We will create new propositions to support the development of a stronger UK investment culture. Our investment in NuWealth will allow us to accelerate development of digital distribution and propositions. Delivering brighter financial futures for our customers is central to our philosophy.

3. Be future fit
We will complete our current Simplification programme and further improve our operating margin, over time, while investing in our business to deliver our growth objectives. We will continue to evolve our culture and talent to ensure we are regarded as a high-performing organisation.

Outlook

Business performance was excellent in 2024, and we look to 2025 and beyond with confidence. Our customer-centric business model, dual channel distribution, and commitment to operational efficiency, backed by a strong balance sheet, positions us well to support our clients on their wealth-building journey. We have started 2025 well with net inflows running ahead of the corresponding period in 2024. Our current view of the remainder of the year embeds the following assumptions:

- Market levels sustain the solid momentum that has characterised early 2025 and the broader environment remains conducive to improving new business flows.
- In line with Bank of England commentary, we expect UK interest rates to gradually decline from current levels, albeit the pace of easing remains uncertain. Although this will reduce the investment income generated on shareholder cash, it should increase demand for longer-term investment products from clients and be supportive to equity market valuation levels.
- We see a strong opportunity to continue to capture market share and are primed for growth. As a result, we expect cost growth of around 5% in 2025, before the benefit from Simplification, as we increase growth investment spend.
- In addition, we expect a £5 million increase (annualised) in costs arising from the change in Employer's National Insurance rates. We also expect the FSCS levy to double to approximately £8 million from 2024 levels.

As a result of the above, we expect a cost base of around £500 million in 2025. This is expected to lead to a mid to high single digit increase in adjusted profit in 2025, with the pace of cost investment broadly matched to that of revenues and with accelerating profit growth in 2026 and beyond.

Steven Levin
Chief Executive Officer

Our markets

Quilter is a UK focused wealth manager. We provide services to the High Net Worth and Affluent segments of the UK population, helping provide for their brighter financial futures.

We also support our clients during the decumulation phase, in retirement, to ensure the duration of their assets matches their expected lifestyle.

The market in which Quilter operates offers long-term growth potential with the onus on individuals in the UK to take responsibility for their financial futures and their need for support in making their decisions. Our integrated business, including advice solutions, is well positioned to meet our clients' needs.

Key trends

Economic climate and UK Budget tax changes

While 2024 saw some improvement in market conditions with larger levels of new business flows across the market and higher equity market levels, there were still some challenges for the wealth management industry. A change in the UK Government, who introduced changes to capital gains and inheritance taxes in the October UK Budget, created market uncertainty ahead of the announcement. The introduction of new rules led to increased engagement between advisers and clients to understand the new tax rules and the potential impact on their assets. UK interest rates eased in 2024 but did not fall as much as initially expected due to inflationary pressures. Although there is a consensus that rates will fall further in 2025, the pace of this remains uncertain and may have an impact on investor confidence.

Making financial advice more accessible

There is continued need for consumers to have access to and support from financial advice, allowing individuals and families to make well informed investment and saving decisions. The Financial Conduct Authority recently took steps toward addressing the "advice gap" in the UK with proposals aiming to create a simplified financial advice regime identified through the Advice Guidance Boundary Review. A proposition that aims to ensure customers have access to timely and affordable financial help, provides significant longer-term opportunity that will be relevant to full-service UK wealth managers such as Quilter.

Large market with growth trends

The UK wealth management market is positioned for growth. According to a Fundscape report on the retail wealth management industry, on a realistic five-year compound annual growth rate basis, Investment platforms are projected to grow 11.6%, while the direct discretionary segment is expected to grow 4.2%. Additionally, there is also a growing emphasis on individuals to take personal responsibility for their financial future. Thus, building relationships with younger generations as they begin investing for retirement is key for advice businesses and will drive future growth.

Technology and digital innovation

The wealth management industry has continued to embrace technology with digital innovation. Investing in technology enables us to improve productivity and provide our customers with more seamless, personalised experiences across both our High Net Worth and Affluent segments. Adopting a digital client experience can help ensure compliance and streamline these processes, thereby fostering collaborative and better relations between clients and advisers. Over 165,000 customers now use our Platform mobile app, enabling day-to-day engagement with their wealth goals.

Attractive attributes within the UK wealth management market

The UK wealth management industry demonstrates attractive strong structural growth trends built on long-term relationships with customers, recurring revenues and high customer retention rates. UK wealth managers, such as Quilter, with scale, brand recognition, operating leverage and capacity to fund technological and digital investment, are well positioned to continue to meet client needs and deliver good customer outcomes.

Our strategy

Our strategy is focused on meeting the needs of our clients across the UK and elsewhere. Our goal is to support our clients to build brighter financial futures for every generation.

Financial advice is core to our client proposition and so we aim to grow the number of advisers who work with us by broadening and deepening our distribution, enhancing our propositions, and improving the efficiency of our operations.

We have made significant progress through the year against our three areas of strategic focus.

Strategic focus	Progress in 2024
Grow distribution In a consolidating industry, maintaining market leading strength in distribution is key. Our goals are to improve retention and alignment of the Quilter channel advisers, add client facing individuals in our High Net Worth segment, and broaden and deepen our relationships with the Independent Financial Adviser community.	– Broadly stable Quilter channel adviser numbers. – Quilter Partners firms increased to nine across our Network. – Improved strategic alignment of adviser force. – Transferred c.£800 million of Quilter advised assets onto our Platform from third party platforms. – Leading UK retail advised platform for new business flows. – Largest discrete UK retail platform in the advised market. – Continued build out of Jersey and Dublin financial planning offices.
Enhancing propositions Our market is highly competitive. To remain an industry leader, we need to be agile, responsive and market focused. This involves delivering good investment performance to clients through the cycle, ensuring that our Platform and investment solutions remain market leading to meet the needs of both adviser and client needs, providing exceptional service and being competitive in the value we offer.	– WealthSelect launched on four peer platforms. – Launched CashHub on Quilter Platform. – Acquired NuWealth. – Launched new High Net Worth solutions strategies. – Within High Net Worth, bolstered our professional connections with our Big-4 offering for partners of accountancy firms.
Be future fit Since Listing in 2018, we have made very good progress at optimising and simplifying our business. We are in the latter stages of our Simplification journey which is focused on achieving efficiencies from investment in technology and simplifying our governance structures. Our Platform and investment solutions business are highly scalable which will lead to further improvements in our operating margin, over time.	– Delivered £35 million of targeted run-rate cost savings as at the end of 2024. We remain on track to achieve our Simplification Phase Two target of £50 million of run-rate cost savings by the end of 2025. – Advice technology and operating model transformation programme well underway with the Group already experiencing productivity benefits and cost savings.

Our business model

The power of two

Quilter is a UK focused wealth manager. Supporting financial advice is central to our propositions. We offer services to clients and their advisers. Our Platform and investment solutions are available on similar terms to both our own advisers and independent advisers, enabling us to remain competitive with third party market offerings in terms of pricing and proposition, thereby ensuring good client outcomes.

Two segments

Two distribution channels

We administer and manage client assets that have originated from financial advisers through two channels: our own Quilter advisers and Independent Financial Advisers (“IFAs”).

Two investment approaches

1. For clients in our Affluent segment, we administer assets on the Quilter Investment Platform. Assets on the Quilter Platform are invested across the c.250 fund management groups and c.3,000 fund offerings on our Platform, including our Cirilium (fund of fund) and WealthSelect (Managed Portfolio) range.
2. High Net Worth clients’ assets are managed through either a bespoke Discretionary Managed Portfolio or through our Managed Portfolio service.

What makes us different

Two segments with strong distribution channels

High Net Worth
Delivering growth by partnering with specialist intermediaries to offer relationship led advice, and bespoke investment solutions.

Affluent
We aim to be the leading scale provider of administration and investment services to financial advisers across the market.

Broad UK advice distribution network

Our own restricted adviser force, coupled with Independent Financial Advisers (“IFAs”), are the distribution channels for our Platform and solutions. Our restricted advisers are provided with a matrix of products which they utilise to service their customers. This provides them with a wide range of suitable products where we have used our scale to ensure value for money and confidence in the suitability of products on offer. Our restricted advisers operate under regulatory authorisation overseen by us and benefit from marketing, compliance oversight and administrative support. For IFAs, we provide a range of services from a market-leading investment platform to back-office and technical support. This approach reinforces and strengthens our position in the market.

The size of our Platform

With c.£85 billion of assets under administration as at 31 December 2024, we are the largest discrete platform in the retail advised market, offering best-in-class technology with the benefits of our scale to clients at sustainable and competitive prices.

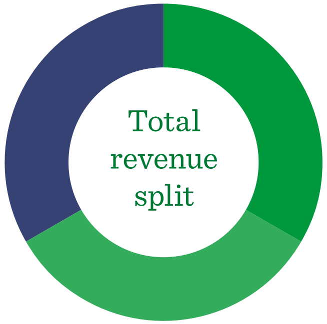
Our own investment solutions

As well as the third party funds on our Platform, we also offer our own solutions which are structured to support the advice process, and allow for client choice in terms of investment style (active or passive, risk appetite and ESG preferences).

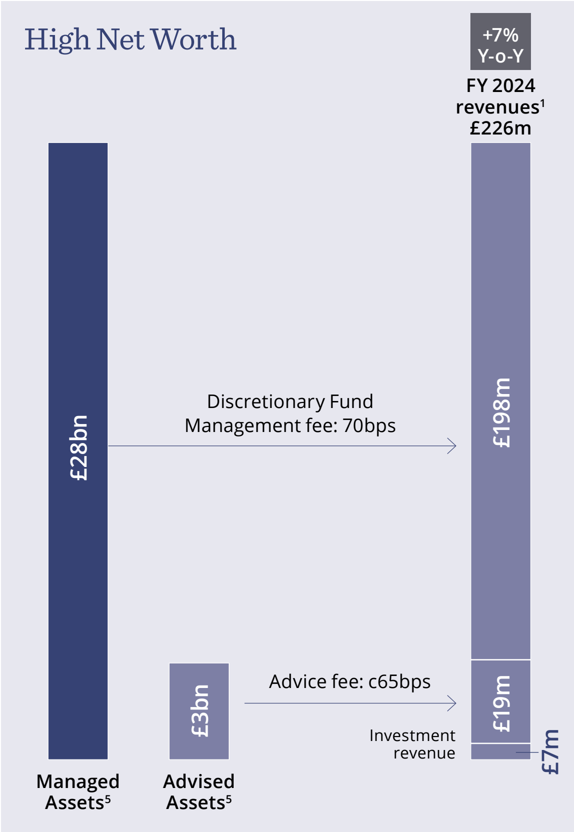
Our business model *continued*

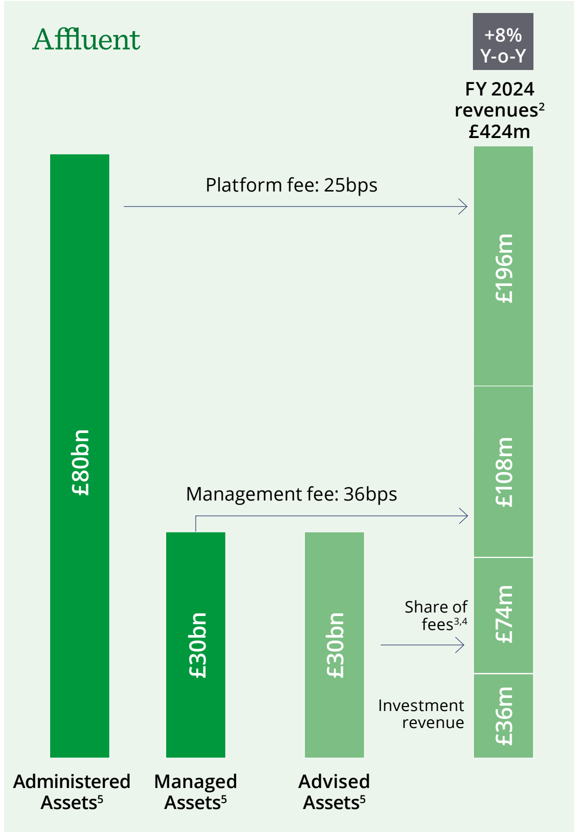
How we make money

Revenue contribution



- **High Net Worth**
- **Affluent:** Quilter
- **Affluent:** IFA





[1] HNW revenue total includes 'other' revenue of £2m.
[2] Affluent revenue total includes 'other' revenue of £10m.
[3] Quilter retains 15-20% of all fees generated by Quilter Financial Planning advisers.
[4] Includes initial and Mortgage and Protection
[5] 2024 average assets.

Revenue margins in the above represent the revenue margins that Quilter retains.

Advice fee

We earn a share of revenues generated from the advice provided by our advisers. A client typically pays an ongoing fee, representing a percentage of their investment, and some may also pay a one-off initial advice fee.

Platform fee

Administration fees are charged to clients on a quarterly basis, representing a percentage of the value of their investment under administration.

Management fee

Clients pay an annual management charge based on their assets under management by Quilter.

Investment revenue

Interest earned on shareholder cash balances (including cash at bank and money market funds).

Highlights

Customers

We help customers plan their finances to ensure a more secure financial future.

£16bn
Gross inflows

Advisers

We help financial advisers to run a more successful and efficient business.

Awards

Schroders UK Platform Awards 2024:
– UK Platform of the Year Winner.
– UK Leading Platform for Model Portfolio Services.

DFM Bespoke Defaqto award – Expert rated.

City of London Wealth Management Awards – Wealth Manager of the Year.

Strong Trustpilot ratings for Quilter, Quilter Cheviot and Quilter Cheviot Financial Planning.

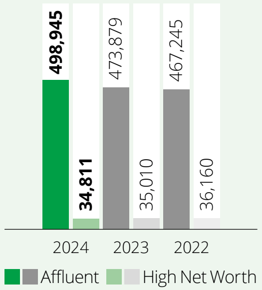
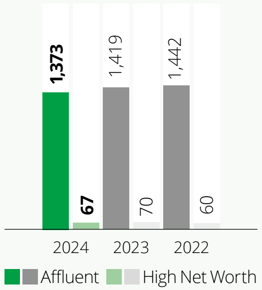
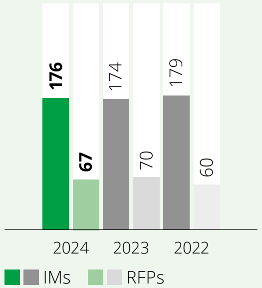
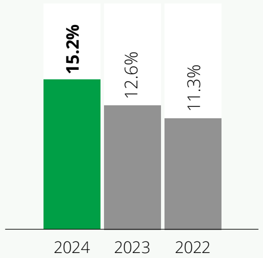
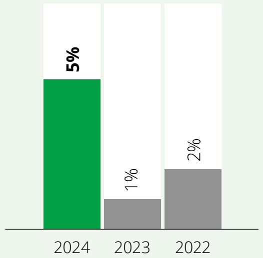
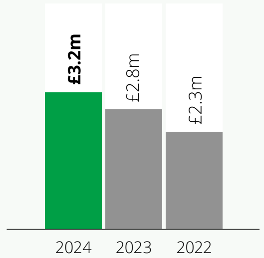
Shareholders

We aim to deliver attractive shareholder returns. We aim for a dividend payout ratio of between 50% – 70% of post-tax, post-interest adjusted profit.

Key performance indicators

The following Key performance indicators ("KPIs") seek to track the achievement of our strategic priorities and express the benefits delivered for all our stakeholders.

Financial KPIs

	Number of clients	Number of Restricted Financial Planners ("RFPs")	Number of Client Facing Individuals ("CFIs")	Gross flow market share	Net flows as a % of opening AuMA (core)	Productivity (Quilter channel)
Definition	Based on the number of households or clients served by High Net Worth. Affluent client numbers are identified as individuals, or corporate or trust entities actively using our Platform.	Advisers licensed to advise across Pensions, Investment and Protection Solutions, but only permitted to recommended products and solutions from providers on the Quilter Financial Planning restricted panel.	Individuals providing discretionary Investment Management ("IM") services to clients and/or advisers licensed to advise Quilter Cheviot clients in line with individual circumstances and investment objectives.	Total Platform gross sales as a percentage of the retail advised platform market gross flows, provided by Fundscape.	Total core net inflows as a percentage of opening core AuMA. This measure evaluates the level of inflows during the period in relation to the opening asset base and excludes market movements.	Quantum of new gross flows generated by Quilter Restricted Financial Planners into our Platform and solutions, divided by the number of average RFPs.
2024 Performance	**533,756** +5% 	**1,440** (3%) 	**243** (0.4%) 	**15.2%** +2.6ppts 	**5%** +4ppts 	**£3.2m** +14% 
	Affluent client numbers increased by 5% in the year, with a strong contribution from the Quilter channel (+8%). HNW client numbers declined 1% as growth in higher value Quilter channel clients was offset by a reduction in lower value clients in the IFA channel.	Affluent RFP numbers declined in the period as recruitment and Quilter Academy additions were offset by retirements. Quilter Cheviot Financial Planning ("QCFP") declined in the year, as adviser leavers marginally offset recruitment and Quilter Academy joiners.	The total number of CFIs decreased by one, primarily due to Restricted Financial Planner leavers, which were offset by an increase in Investment Managers. Investment Manager numbers increased on a net basis due to promotions, partially offset by retirees and other leavers.	The Quilter Platform's market share increased year-on-year, reflecting the quality of our core platform and adviser support staff, and improvements in our sales effectiveness.	Core net flows as a percentage of opening AuMA was +5%. We delivered strong performance during 2024 with each quarter demonstrating incremental improvement compared to the preceding quarter. This outcome reflects the strategic initiatives that management have put in place over the last few years.	The increase in productivity reflects initiatives to improve strategic alignment among our RFPs, coupled with strong gross inflows and continued progress in transferring Quilter Restricted Financial Planner back-books.
Outlook for 2025	We aim to increase the number of clients served by broadening and deepening our distribution reach.	Seek to grow RFP numbers sustainably.	We plan to grow our client facing professional headcount (IMs and RFPs) to around 300 over time through developing existing staff and external recruitment. Build out investment management proposition.	Aim to further increase our Platform's market share.	Target building core net inflow growth to c.4–5% of opening AuMA on average, through the cycle.	Continue to improve productivity through a combination of buying books of business to accelerate productivity of newly graduated RFPs, and investing in technology to support back-office efficiency improvements.

Key performance indicators *continued*

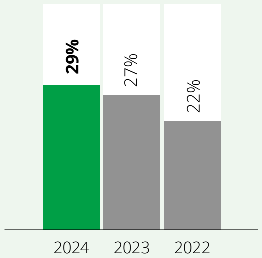
Financial KPIs

Operating margin

Definition: Represents adjusted profit before tax divided by total net revenue. Operating margin is an efficiency measure that reflects the percentage of adjusted profit before tax generated from total net fee revenues.

2024 Performance: £29%

+2ppts



We remain ahead of our target to achieve 25% operating margin by 2025, as a result of increased total net revenues, continued strong cost management and the benefits of our Simplification programme.

Outlook for 2025: Complete our Simplification programme, enhancing efficiency and reducing complexity, with total benefit of £50 million of annualised cost savings expected by the end of 2025.

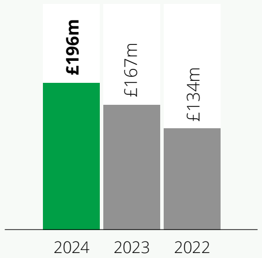
Operating margin improving from a c.30% base, over time.

Adjusted profit before tax

Definition: This represents the Group's IFRS profit, adjusted for specific items that management consider to be outside of the Group's normal operations or one-off in nature as detailed in note 7(b) in the financial statements.

2024 Performance: £196m

+17%



Total net revenue increased 7% supported by higher net management fees, advice revenue and revenue generated on corporate cash balances. Operating expenses were 3% higher, as a result of inflationary increases and planned business investment, partially offset by Simplification cost savings.

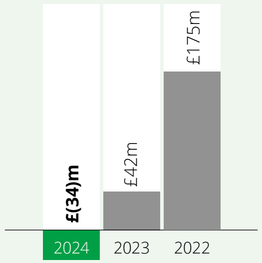
Outlook for 2025: Accelerating growth in the medium term as investor sentiment and Quilter's operating leverage improves.

IFRS (loss)/profit after tax

Definition: IFRS (loss)/profit after tax from continuing operations.

2024 Performance: £(34)m

>(100%)



The change from IFRS profit in 2023 to a loss in 2024 reflects the variances in policyholder tax outcomes due to market gains in the year, the provision for the customer remediation exercise and the cost of the Skilled Person Review. This is partially offset by an improvement in the adjusted profit result.

Outlook for 2025: IFRS profit after tax from continuing operations can vary significantly year-on-year depending on the change in policyholder tax. Business Transformation expenses reflecting expense towards our Simplification Phase Two programme and investment in advice transformation, are expected to reduce substantially from end-2025.

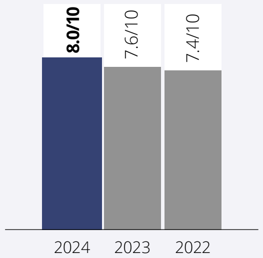
Non-financial KPIs

Employee engagement

Definition: "Overall engagement" score as captured in the all-employee engagement survey, measured by "Peakon".

2024 Performance: 8.0/10

+0.4/10



Communication and engagement activity supported the score improvement, including all-employee conferences designed to engage colleagues on strategy, culture, customers and positive market perception. Over 80% of attendees rated these events as informative or very informative.

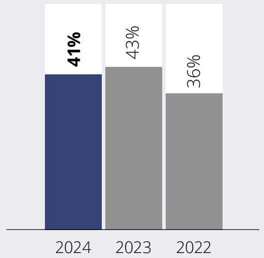
Outlook for 2025: Aim to maintain strong engagement scores from colleagues, as measured in our employee engagement survey, Peakon. Management has planned activity in continued support of our target culture, including the embedding of our refreshed purpose and values. Leading through change can be challenging, and management is aware that continued effort is required to maintain and improve the engagement scores.

Female representation in senior management

Definition: Proportion of females within our senior management team.

2024 Performance: 41%

(2)ppts



At 31 December 2024, Quilter exceeded the 2025 target set in its Inclusion and Diversity Action Plan of 40% female representation within the senior management team in line with the FTSE Women Leaders Review.

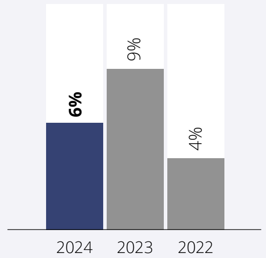
Outlook for 2025: Maintain our target of at least 40% female representation in senior management by the end of 2025, in line with the recommendations in the FTSE Women Leaders Review and as set out in our Board Diversity Policy.

Ethnic diversity representation in senior management

Definition: Proportion of ethnic diversity representation within our senior management team.

2024 Performance: 6%

(3)ppts



At 31 December 2024, Quilter had not met its internal ethnicity target within the senior management team for 2024. The senior management team is a small population and its demography is sensitive to small changes in the underlying population. The Company does not expect its progress toward the 2027 Inclusion and Diversity Action Plan target of 13% ethnic diversity representation to be linear.

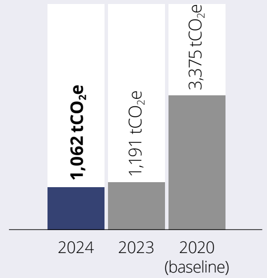
Outlook for 2025: We are taking deliberate action to build a robust pipeline of diverse talent with a focus on inclusive recruitment, targeted development programmes and addressing barriers as outlined in our Inclusion and Diversity Action Plan. We remain committed to meeting our internal goal of 13% ethnic diversity representation within our senior management team by 2027.

Scope 1 & 2 Greenhouse Gas ("GHG") emissions

Definition: Level of direct emissions from owned or controlled sources (Scope 1) and indirect emissions from the generation of purchased energy (Scope 2).

2024 Performance: 1,062 tCO_2e

(11%)



In 2024, we made material restatements to our previous year's emissions, including our baseline year to ensure we are reporting in accordance with the GHG Protocol.

Scope 1 and 2 emissions were 69% lower than the 2020 baseline, primary due to the delivery of our Workplace Strategy which considers our office footprint in relation to changing workspace demands.

Outlook for 2025: Going forward, we anticipate a continuation of incremental reductions each year as we implement energy saving opportunities across our offices and source renewable energy contracts where we control the office energy procurement.

Section 172 (1) statement

Delivering for our stakeholders: Section 172 (1) statement

The Companies Act 2006 (the "Act") and the UK Corporate Governance Code require the Annual Report to provide information that enables our stakeholders to assess how the Directors of Quilter have performed their duties under section 172 of the Act.

The Act provides that Quilter Directors must act in a way that they consider in good faith and would be most likely to promote the success of Quilter for the benefit of shareholders as a whole. In doing so, Quilter Directors must have regard, amongst other things, to the factors set out below:

- the likely consequences of any decision in the long term;
- the interests of Quilter's employees;
- the need to foster the Company's business relationships;
- the impact of Quilter's operations on the community and the environment;
- the desirability of the Company maintaining a reputation for high standards of business conduct; and
- the need to act fairly for all our members.

Building Quilter to deliver long-term success for all our stakeholders

To ensure that Quilter achieves its purpose – brighter financial futures for every generation, it is critical for the Board to balance the needs, interests and expectations of our key stakeholders. At times these competing stakeholder views can appear to be at odds and in order to achieve long-term success, it is the Board's role to balance these complexities. The Board has a comprehensive stakeholder engagement programme and seeks to act in the best interests of the Group, whilst being fair and balanced in its approach.

In addition to direct engagement with our stakeholders, papers submitted to our boards and board committees across the Group identify for their consideration where stakeholders could be impacted by the proposals. At all times, the Board remains focused on ensuring good customer outcomes and preventing customer harm, in line with obligations under the FCA's Consumer Duty. Some of the ways the Board engages with our stakeholders, including examples of how our Board has considered stakeholders when it made key strategic decisions in 2024, can be read on pages 50 to 56.

Quilter's stakeholders

The Board has identified six key stakeholder groups whose interests it regularly considers:

Stakeholder engagement

Advisers

Advisers expect Quilter to:

- Provide an investment platform and support which facilitates the provision of a high-quality service to advisers and their customers.
- Have a wide range of compelling investment propositions that meet the needs and expectations of customers.
- Provide a high-quality control environment that enables advisers to be productive within an effective control environment with tools that support their business.

How does the Board engage with advisers?

- Our Chief Executive Officer, and other members of the Executive Committee, regularly brief the Board on key issues impacting advisers.
- The Board and Board Risk Committee scrutinise and challenge the activities that align to our risk appetite to identify how effectively and safely Quilter is supporting advisers in serving their customers.
- The Chief Executive Officer attended various adviser events throughout the year, ensuring adviser feedback formed part of updates to the Board.
- The Chair and a number of the Non-executive Directors joined management at an adviser event, Q-Live, in April 2024, meeting directly with advisers to listen to their experiences of working with Quilter.
- The Board discussed and endorsed continuing investment in technology that advisers use to support our customers.

What was the outcome of that engagement?

- Quilter continues to offer support for people to enter the financial advice profession, with routes to qualification including a graduate support programme under our Adviser Academy. In 2024, we have invested in our Adviser Academy and 94 students successfully completed their chosen qualifications during the year.
- Following its introduction in 2023, Quilter Partners has been extended giving a "franchise-style" model to advisers and increasing the number of ways that advisers can work with Quilter. Nine firms are now Quilter Partners.

Colleagues

Our colleagues expect Quilter to:

- Create a values-led culture that is open and inclusive.
- Invest in the development of its people so that they can deliver excellent service to our customers.
- Offer an attractive reward structure and a compelling colleague proposition.
- Support the wellbeing of all colleagues.
- Listen to ideas, suggestions and concerns, and take action as appropriate.

How does the Board engage with colleagues?

- The Board reviews biannual reports from the Human Resources Director on the Group's people, culture and ways of working, and closely monitors colleague engagement survey scores. This includes metrics measuring our colleagues' response to Quilter's new purpose and values.
- The Group Chief Executive Officer and the Chief Financial Officer hosted a number of colleague conferences to help colleagues understand more about our Company, the economic and financial impact of our performance, the progress we are making in delivering our strategy and how we support customers. Other topics included the launch of our refreshed purpose and values and recognition. Colleagues were asked to provide feedback on the topics covered at the conferences.
- All Non-executive Directors took part in a Talent Engagement programme, meeting colleagues across a broad spectrum of careers including potential successors to the current executive team, high performing managers, rising talent, and senior female talent.
- The Workforce Engagement Director attended certain meetings of the Employee Forum and with the Cultural Diversity Network Chairs.
- The Board endorsed management's recommendation to offer a 2024 Save As You Earn ("SAYE") Scheme for all colleagues, noting the benefit in aligning colleagues' interests to that of our shareholders. You can read more about our SAYE Scheme on page 99.

What was the outcome of that engagement?

- Colleague understanding of the Group's strategy improved with the Peakon score increasing to 8 out of 10 as at September 2024.
- Colleague engagement with our new purpose – brighter financial futures for every generation – increased from 8.2 to 8.5, indicating a strong resonance with colleagues across Quilter.
- The Board endorsed the Group's 2024-2027 Inclusion and Diversity Action Plan.
- Quilter has won a number of external awards including "Best employee voice" awarded by the simplys – The Digital Internal Communications Awards.

Communities

Our communities and suppliers expect Quilter to:

- Contribute to the communities in which Quilter operates and where our products and services are used.
- Behave responsibly, including understanding our environmental impact.
- Treat suppliers fairly and professionally.

How does the Board engage with its communities?

- By overseeing the delivery of Quilter's corporate sustainability agenda, including broader ESG matters, which affects customers, colleagues, communities and the environment.
- By receiving updates on the Quilter Foundation (the "Foundation") and the successes and progress made to deliver the Foundation's objectives.
- The Board received updates on the Foundation's initiatives including strategic partnerships with MyBnk, which promotes financial education, and the Brokerage, which aims to break down barriers in the workplace and create a more diverse workforce.

What was the outcome of that engagement?

- Employees across the Group were offered the opportunity to volunteer their time to support charities and organisations with over 900 volunteering hours recorded.
- Quilter supported colleagues who made a difference to causes that matter to them, resulting in donations to 22 charities totalling over £160,000 inclusive of matched funding.
- The Chief Executive Officer regularly engages with the media and industry bodies on pensions and savings.

How does the Board engage with its suppliers?

- Strong supplier partnerships are necessary to provide effective and efficient support for our customers and advisers. The Board Risk Committee receives updates on the performance of our key suppliers and Quilter's third-party risk management with substantive matters reported to the Board.
- The Board Risk Committee reviewed and reported to the Board on the Group's cyber risk and control environment, including the threat posed by the risk of ransomware attacks on both the Group and our material third-party suppliers. It was also briefed on the performance of third parties in respect of resilience, data security, and operational, business and financial issues.

What was the outcome of that engagement?

- Quilter held a proactive dialogue with its suppliers regarding geopolitical events, disasters and conflicts which may impact their financial resilience or the services that they provide to us. This ensures that we understand their needs and how we can work together to support our customers.
- Operational resilience is crucial for ensuring the business can continue to deliver important business services during disruptions. The Board Risk Committee reviewed and approved the Important Business Services and Impact Tolerance Thresholds required to ensure that services to clients and advisers could be managed in the event of business disruption.
- We aim to treat suppliers fairly and pay them promptly in accordance with best practice.

£160k+

Donated to charities inclusive of matched funding.

Customers

Customers expect Quilter to:

- Provide consistently high quality service and access to products and services that meet their needs and expectations, within their risk appetite and with the flexibility to reflect their investment preferences.
- Provide personalised customer propositions, through supporting long-term advice-based relationships.
- Deliver good investment performance.
- Adhere to relevant regulatory requirements, including the Consumer Duty, in ensuring good customer outcomes and the avoidance of foreseeable harm.

How does the Board engage with customers?

- The Board is updated by the Chief Executive Officer on customer related matters, including customer related strategic initiatives such as product and propositional developments, enhancements to customer-facing and back office technology. These strategic developments were further considered at the Board Strategy Day held in May 2024.
- The Board and the Board Risk Committee have been briefed on customer experience and customer journeys, communication and branding strategy. All Board and Committee papers include, where appropriate, analysis of the impact on customers of business proposals.
- Customer is an important component of the executive scorecard which drives remuneration outcomes for our senior executive team. The Board Remuneration Committee oversees the outcomes of the metrics set in the scorecard.
- The Board's Consumer Duty Champion supports the Chair, the Chief Executive Officer and the whole Board to raise the Consumer Duty regularly at Board meetings and all other relevant discussions.

What was the outcome of that engagement?

- The Board and the Board Risk Committee oversaw the process for the Group and its UK regulated subsidiaries to complete the first annual Consumer Duty assessment in July 2024. These assessments set out how Quilter is delivering good outcomes for its customers, supporting them to achieve their financial objectives, and avoiding foreseeable harm. You can read more about the work of the Board on the Consumer Duty on page 53.
- Management was encouraged to enhance colleague awareness and training on support for vulnerable customers.
- Quilter sponsored The Investing and Savings Alliance's ("TISA") Vulnerable Customer conference.
- CashHub was launched, which enables customers to manage their cash savings alongside their Quilter investments, providing greater visibility of finances through a single login.

2024 Trustpilot rating

4.5 "excellent"

Quilter's Trustpilot customer satisfaction score has improved from 4.2 in 2023.

Stakeholder engagement *continued*

Investors

Our investors expect Quilter to:

- Develop a strategy that ensures long-term shareholder value and sustainable earnings, supported by a resilient business model that generates growth and reliable cash flow for both shareholders and debt investors.
- Uphold robust corporate governance to ensure effective oversight and control of the business.
- Ensure responsible and sustainable approaches are embedded in both how we act as a business and invest on behalf of our clients.

How does the Board engage with its investors?

- Maintaining regular and constructive dialogue with investors and other market stakeholders to communicate the Company's strategy, governance and performance. The Chair, Chief Executive Officer and Chief Financial Officer, with support from the Head of Investor Relations, conducted over 200 meetings in 2024 with shareholders, debt holders and prospective investors.
- The Chair of the Board Remuneration Committee met with representatives from larger institutional shareholders to discuss proposed changes to the Directors' Remuneration Policy.
- The Chief Executive Officer and Chief Financial Officer participated in investor conferences to engage with existing and prospective investors.
- Holding an Annual General Meeting which was accessible for all shareholders, including those based overseas. We also strongly encouraged shareholders to engage with us by voting before the meeting if they were unable to attend in person.

What was the outcome of that engagement?

- The Board considers investor feedback on an ongoing basis, both from management feedback and via our corporate brokers.
- We received more than 99% of votes cast in favour of the majority of resolutions voted on by our shareholders at the 2024 AGM (and more than 93% of votes cast in favour of all but one of the resolutions).
- Continuing dialogue with our major South African shareholders on the precautionary resolution in respect of political donations/expenditure proposed at each Annual General Meeting in line with routine market practice for UK listed companies, to avoid any inadvertent technical breach of UK company law. You can read more on page 55.
- In February, the Chair conducted a governance roadshow to meet with representatives of our major shareholders. She briefed them on key matters impacting Quilter and listened to their thoughts and views.

200+

meetings held with shareholders, debtholders and prospective investors in 2024.

Regulators

Our regulators expect Quilter to:

- Operate in an open and transparent manner with its regulators, its customers and the financial markets both as a Wealth Manager and a listed company in its own right.
- Ensure customers' interests are central to the firm's culture and purpose, and that this is embedded throughout the organisation.
- Manage Quilter's operations in a prudent manner, being appropriately capitalised and with sufficient liquidity to enable it to discharge its obligations.
- Fulfil regulatory responsibilities through the application of policies and practices, including managing our conduct risk.

How does the Board engage with the Group's regulators?

- Quilter maintains a constructive and open relationship with our regulators and members of the Board have regular meetings with our UK regulators.
- Our UK regulators engage with us to discuss their objectives, priorities and concerns and how they affect our business.
- The Board Risk Committee monitors key regulatory matters and areas of interest and receives updates on the status of material regulatory relationships and current areas of focus.

What was the outcome of that engagement?

- Through the approval of Quilter's first annual Consumer Duty assessment in July 2024, the Board endorsed action plans for the Group and its UK regulated subsidiaries to enhance how the Duty is embedded.
- Given the strategic importance of regulatory matters, the Board discussed regulatory change including the Consumer Duty and the potential impacts of the Advice Guidance Boundary Review, and the acquisition of NuWealth.
- Quilter responded to regulatory information requests, consultations and surveys on specific areas of our business, including topics such as operational resilience and the Consumer Duty.

Our people

Evolving our culture

2024 has been an important year for Quilter as we embed our target culture to support the delivery of our strategic ambitions. We recognise that in setting ourselves ambitious goals we need to invest in our people and equip colleagues to deliver for our stakeholders.

Quilter's culture is demonstrated in the way we behave – how we interact with each other, with customers and stakeholders, the values we hold and the decisions we make. We want to create a culture in which our colleagues can thrive and feel listened to. Where we embrace ambition, take accountability and ownership, and adopt a learning mindset where we seek new opportunities, ideas and knowledge to help us to improve and succeed.

You can read more about how the Board oversaw the culture transformation programme on page 56.

Our purpose

Brighter financial futures for every generation

We do this by guiding our customers and their families through the complexity of planning for their future, responding to their rapidly evolving needs, and giving them peace of mind.

Our values

Our four core values continually drive us in the way we behave with our stakeholders

Do the right thing

We do the right thing

We act with integrity and are proudly committed to going above and beyond in service of our clients and the support we provide our communities.

Embrace challenge

We set bold objectives for impactful results

We aim high to transform our potential into meaningful outcomes.

With ambition as our driving force and a steadfast commitment to growth, we succeed for the good of every generation.

Always curious

We are forward-thinking and curious

We continuously seek new ideas and knowledge so we are one step ahead of our clients' needs.

We look for inspiration everywhere and encourage experimentation, recognising that this is how we create brilliant solutions for brighter futures.

Stronger together

We achieve remarkable outcomes together

Combining our diverse talents, we accomplish more collectively than we ever could do alone.

We speak openly, actively listen and support each other, and constructively challenge and embrace new ideas.

We seek empowerment and demonstrate ownership and trust, with the confidence to make impactful decisions.

Our refreshed purpose and values

Having set the target culture in 2023, we wanted to engage colleagues across the business to ensure that Quilter's purpose, and the values underpinning it, are appropriate and would resonate and inspire them in their day-to-day activities. A collaborative process was run Group-wide to ask colleagues and customers to provide their thoughts on the behaviours Quilter colleagues should demonstrate to enable them to deliver for our stakeholders, each other and especially our customers. The Board endorsed the refreshed values in June 2024.

How the values were communicated

Quilter's refreshed purpose and values were launched at an all-colleague conference in July. The Chair, Ruth Markland, Chief Executive Officer, Steven Levin, and Executive Committee members led discussions on culture, purpose and values. Quilter's nominated culture champions shared their experience of how they had got involved and what it meant for them in their roles supporting customers and advisers.

81%

of colleagues responding rated the July all-colleague conference as informative or very informative and colleague feedback included feeling inspired, proud and connected with the refreshed purpose and values.

How Quilter is embedding the target culture, purpose and values

Culture workshops have been held across the business, with over 600 colleagues involved and exploring what the refreshed purpose and values means for them. Individual teams have dedicated time to discuss how they can work together to make a positive impact in what they do and how they do it.

Over
600 colleagues **&** **125** customers
participated in workshops and feedback sessions to refresh our values.

Saying thank you

To recognise the work of our colleagues, a new recognition platform "Thank Q" was launched in November 2024.

Thank Q

Designed to motivate, engage and reward high performance habits in line with our refreshed values, the platform allows colleagues to recognise those who are demonstrating the values. Over 1,500 recognitions were posted in recognition of colleagues' efforts and achievements in the first six weeks after launch.

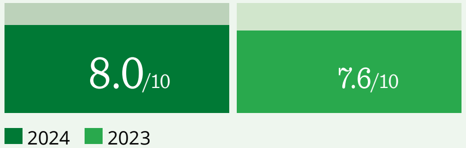
Outcomes

Results from Peakon (our colleague engagement survey tool) shows that colleagues identify strongly with the refreshed values.

Our overall employee engagement score for 2024 reached 8.0, exceeding the industry benchmark of 7.8.

Our colleagues particularly align to the new value of "do the right thing" (8.5/10) which represents acting with integrity and going above and beyond in service of clients and communities.

Overall employee engagement



Colleague alignment to the new value of "do the right thing"

Source: Quilter Peakon survey September 2024

Awards

We were pleased that the collaborative and inclusive process adopted in evolving our culture was recognised:

Winner
Best employee voice
the simplys – The Digital Internal Communications Awards

Highly Commended
Employee voice initiative
The Business Culture Awards 2024

Building capability

We recognise the importance of building talent from within Quilter. In 2024, training and development has been largely focused on supporting our people on the culture change programme and ensured that the new values are embedded appropriately across the Group. Key initiatives undertaken include:

1. Senior management engagement

Setting the tone from the top, senior management were invited to attend a series of workshops and briefings on the culture in recognition of their pivotal role in ensuring that the expected behaviours are embedded across the Group.

In addition, Quilter's most senior managers, identified through Executive succession planning, joined the Forward Institute's Fellowship Programme with a focus on strategic and responsible leadership.

2. Manager development programme

A new manager development programme was launched to equip managers with the skills they need to manage high performing teams. Discussing the key culture anchors, the programme included topics such as having conversations with impact, performance development and leading with purpose. A new online manager hub was launched to provide continuing support for managers.

15 current and aspiring managers completed the Aspirational and Transformational Leadership Programmes in 2024 with 100% pass rate and 80% of colleagues achieving a distinction. A further 29 colleagues are participating and due to complete their training in 2025. These programmes are funded by the apprenticeship levy and accredited by a global learning organisation, Future Talent.

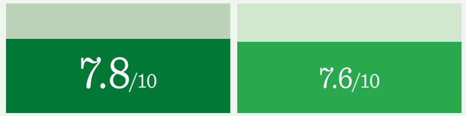
3. Building a talent pipeline

During the year, Quilter has invested in a new talent pipeline with four interns spending 12 months with our Quilter Cheviot business, with the opportunity for them to join Quilter permanently.

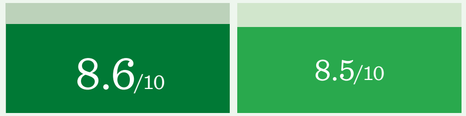
Quilter also welcomed 30 work experience students giving them a unique opportunity to gain insight in to a financial services company and the range of career opportunities open for them. In addition, we again partnered with Girls Are Investors ("GAIN"), hosting ten students as part of their Spring insights programme.

Focus continued on attracting and hiring talent from underrepresented backgrounds at junior to mid-levels, an important step in building a sustainable diverse talent pipeline.

I feel that I'm growing professionally



My manager encourages and supports my development



How likely is it you would recommend Quilter as a place of work?

Source: Quilter Peakon survey September 2024

Inclusion and diversity

Quilter remains committed to building an inclusive culture in which everyone has an opportunity to thrive. We believe that the key to achieving this is nurturing and growing a diverse workforce, ensuring we attract, develop, and retain great talent and embrace inclusivity.

Inclusion and Diversity Action Plan

Quilter first published an Inclusion and Diversity Action Plan in 2022 which laid firm foundations for our new ambitions. Key successes from that plan include:

- increased representation of women and ethnically diverse colleagues in senior management roles;
- a significant increase in data disclosure among colleagues with several demographic areas exceeding industry peers; and
- the establishment of employee networks including the launch of a Disability and Neurodiversity support group.

In July 2024 we published a refreshed three-year Action Plan setting out the new targets we have set ourselves. The plan builds on the strong foundations established and focuses on the key areas that require improvement and actions required to prompt change. Quilter remains committed to swift action, nurturing a culture that values diversity and ignites innovation.

Our ambition is to build on our progress and reach a more advanced stage of diversity, equality and inclusion maturity by 2027. To do this, we will focus on initiatives that ensure our leadership is inclusive, enhance management information and reporting on diversity, deliver the growth of future talent through how we recruit, and investing in future generations.

Diverse representation

There are two key aspirations for diverse representation. Quilter is committed to:

- 40% of senior management roles* being held by women by 2025. This is in line with the FTSE Women Leaders Review Target.
- 13% of ethnically diverse colleagues in senior management roles* by 2027. This is in line with our commitment with the Parker Review and is an increase on the prior target of 5%, which was in place until 2023.

As at 31 December 2024 the proportion of females in senior management roles was 41% and the proportion of ethnically diverse colleagues was 6%, a fall from 43% and 9% respectively, against prior year.

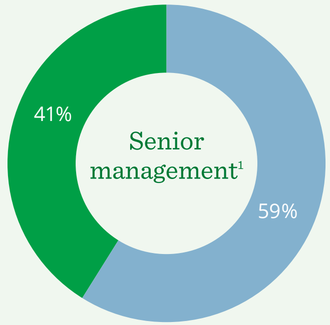
We are pleased that we continue to exceed our gender diversity target, and are mindful of the need for sustained focus, as progress toward our long-term inclusion and diversity commitments will take time and may not always be linear. The senior management population is relatively small, making representation sensitive to even modest changes in year.

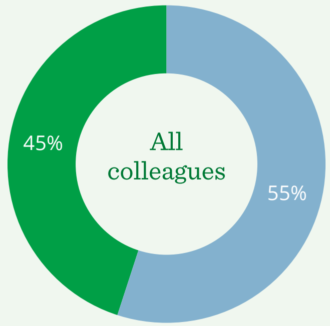
We are committed to promoting advancement opportunities for underrepresented talent and driving improvements in succession planning.

Women in Finance Charter

Quilter is proud to be a signatory of the Women in Finance Charter which requires firms to work together to create more gender balance at all levels across financial services firms. It is a voluntary initiative, led by the Treasury, aimed at promoting best practice.

Gender representation





Senior management[1]

Female	41% (28 employees)
Male	59% (41 employees)

All colleagues

Female	45% (1,375 employees)
Male	55% (1,653 employees)

[1] Senior management is defined as the Executive Committee and their direct reports, excluding business managers and personal assistants.

Ethnic representation*

Senior management[1]

Ethnic group representation	2024	2023
Asian[2]	0%	0%
Black[3]	3%	3%
Mixed[4]	1%	3%
White[5]	93%	90%
Other[6]	1%	3%
N/A[7]	1%	1%

* The percentages above have been rounded. 6% of colleagues in senior management are ethnically diverse.

All colleagues

Ethnic group representation	2024	2023
Asian[2]	7%	6%
Black[3]	3%	3%
Mixed[4]	2%	2%
White[5]	85%	85%
Other[6]	1%	2%
N/A[7]	2%	2%

[1] Senior management is defined as the Executive Committee and their direct reports, excluding business managers and personal assistants.
[2] Colleagues who identified as belonging to one of the following ethnic groups: Bangladeshi, Chinese, Indian, Pakistani or Asian other.
[3] Colleagues who identified as belonging to one of the following ethnic groups: Black African, Black Caribbean, Black other.
[4] Colleagues who identified as belonging to one of the following ethnic groups: Mixed White/Asian, Mixed White/Black African, Mixed White/Black Caribbean, Mixed other.
[5] Colleagues who identified as belonging to one of the following ethnic groups: White British, White Irish, White Gypsy Traveller, White other.
[6] Colleagues who identified as belonging to one of the following ethnic groups: Arab, Any other.
[7] Colleagues who responded but opted not to disclose their ethnic group.

In accordance with section 414C(8)(c) of the Companies Act 2006 (the "Act"), Quilter is required to report the gender balance of our employees, our "senior managers" and the Quilter plc Directors. The breakdown by gender of our employees can be found above and that of our Board on page 49. For the purposes of the disclosure under the Act, the definition of "senior managers" adopted is the Executive Committee and the Directors serving on our consolidated legal entities but excluding the Directors of Quilter plc. Where these individuals hold multiple directorships, they are only counted once. As at 31 December 2024, there were 32 male and 9 female senior managers.

*Executive Committee and direct reports. Progress towards these targets is included in the Executive Directors' short-term incentive scorecards and reflected in remuneration outcomes. You can read more about this in the Remuneration Report on page 77.

Diversity disclosure

Endorsed by the Board and led by the Chief Executive Officer, the Inclusion and Diversity 2022 Action Plan sets out our belief in the importance of data in order to provide deeper insight into Quilter's progress.

Having data provides a firm foundation to identify areas for improvement and shape the strategy and action needed to achieve our goals. Our diversity dashboard informs our activity and allows us to monitor progress achieved. Whilst we have been reporting on ethnicity pay gaps for over three years, our data is now more robust, allowing us to assess pay and performance outcomes with greater confidence. Where appropriate, we share insights with managers to drive meaningful action.

Data disclosure response rates

Data disclosure response rates as at 31 December	2024	2023
Gender	100%	100%
Gender identity	63%	55%
Sexual orientation	81%	76%
Ethnicity	92%	91%
Disability	54%	56%
Age group	100%	100%
Religion	86%	83%
Socio-economic background	73%	65%

Gender and ethnicity pay gaps

Quilter has made steady progress in reducing the average gender pay gap over the past few years. The mean gender pay gap improved to 27% in 2024, down from 29% in 2023, while the median pay gap remained at 30%. Whilst it is positive that the trend is improving, the mean gap remains large and slightly above than the Financial Services industry average.

Quilter's mean ethnic pay gap increased to 18% from 15% in 2024, and the median ethnic pay gap rose to 15% from 8%. Given the smaller numbers involved – with colleagues from ethnically diverse backgrounds comprising 13% of the workforce – the pay gaps are more susceptible to larger swings from changes in the underlying population than in respect of gender. Moreover, we have made significant strides in hiring more ethnically diverse colleagues into entry and early professional level roles, which is crucial for building a diverse talent pipeline but has had an adverse short-term effect on the ethnicity pay gap, as a higher proportion of these hires are initially in lower-paid roles.

Quilter's pay gaps reflect the ongoing challenge for the industry as a whole to attract and promote more females and colleagues from ethnically diverse backgrounds into higher paid roles in revenue generating areas and senior management positions. The next phase of the Inclusion and Diversity Action Plan aims to address this challenge through key foundational actions for long-term, sustainable change.

Gender pay gap[1]

	2024	2023
Mean hourly pay gap	27%	29%
Median hourly pay gap	30%	30%
Mean bonus gap	55%	57%
Median bonus gap	45%	39%
Female colleagues receiving a bonus	94%	94%
Male colleagues receiving a bonus	94%	94%

Ethnicity pay gap[1]

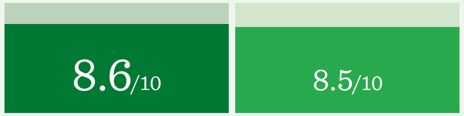
	2024	2023
Mean hourly pay gap	18%	15%
Median hourly pay gap	15%	8%
Mean bonus gap	47%	48%
Median bonus gap	38%	30%
Ethnically diverse colleagues receiving a bonus	89%	83%
White colleagues receiving a bonus	95%	94%

[1] The methodology for calculating our gender and ethnicity pay gaps follows UK government guidelines.

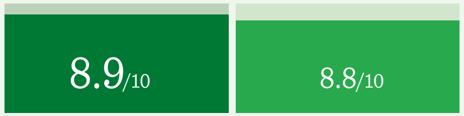
Diversity engagement

Scores from Quilter's employee engagement survey, Peakon, demonstrate that colleagues are showing high levels of satisfaction with our efforts to maintain a diverse workforce and create an environment where every individual feels included.

Diversity
A diverse workforce is a clear priority at Quilter (for example, in terms of age, gender, ethnicity, neurodiversity, disability, religion, sexual orientation, educational, social and cultural background).



Inclusiveness
At Quilter, people of all backgrounds are accepted for who they are.



2024 2023

Source: Quilter Peakon survey September 2024

Awards

Winner
Best DE&I Initiative
PIMFA DEI Awards 2024

Shortlisted
Best DE&I Initiative
Professional Adviser Awards 2025

Equipping our managers as inclusive leaders

Quilter's managers play a critical role in creating an inclusive workplace where talent from all backgrounds can thrive. To support them in driving equitable outcomes we ran a dedicated webinar with Suzy Levy, a specialist in social change and author of "*Mind the inclusion gap*", to equip managers with the knowledge and practical steps needed to foster inclusion within their teams and contribute to meaningful progress.

350+

Over 350 managers attended the "*Mind the inclusion gap*" webinar.

Networks and communities

There are established employee networks and communities which support colleagues and generate learning initiatives centred on inclusion and encouraging positive wellbeing practices within the organisation. The I&D forum is open to all colleagues and continues to play an active role, giving colleagues the opportunity to deepen their understanding and empathy around diverse people.

Topics discussed this year include Inclusive Skills for a Modern World and an exploration of Merit, Privilege and Fairness.

Wellbeing

An important part of culture is our wellbeing initiative: Thrive. We offer a wide range of resources, tools, and information to help colleagues take care of their physical, financial and mental health.

Our Code of Conduct

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

Our policies

Our policies support our aim to create an inclusive culture that embraces diversity and enables our people to thrive. They also reflect relevant employment laws, including the Universal Declaration of Human Rights and International Labour Organisation Declaration on Fundamental Principles and Rights at Work. All employees and suppliers providing onsite services in the UK are paid no less than the real Living Wage.

In October 2024, the Living Wage was increased to £12.60 within the UK and £13.85 in London. As a Living Wage employer, we ensured that all colleagues and contracted service providers earn in excess of these amounts.

Equal opportunities

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

"Speaking up" culture

At Quilter, we want to promote a culture of "speaking up", where colleagues feel able to raise any concerns they may have about acts of misconduct, malpractice or wrongdoing. Quilter's Whistleblowing Policy and channels provide colleagues with avenues to raise concerns in good faith without fear of retribution. Colleagues are able to raise such concerns anonymously via the confidential and independent ethics hotline or directly to their line manager, Human Resources or Risk & Compliance. All whistleblowing reports are treated confidentially, seriously and are fully investigated. A grievance procedure is available for colleagues to raise a complaint or problem about any issues relating to their work, working environment, pay and benefits, working hours or any other concern about employment issues.

Human rights and modern slavery

We are committed to respecting the rights and freedoms of our employees and those in the supply chain. Our human resource and supplier policies and processes prohibit Quilter from doing business with parties involved in modern slavery, forced labour, compulsory labour and child labour. These policies also promote equal opportunity and reject any form of discrimination or unfair treatment on the grounds of protected characteristics or personal factors. We respect the right of employees to associate for the purposes of collective bargaining and colleagues are free to join a union of their choice.

Responsible investment

Investing responsibly

The United Nations backed Principles for Responsible Investment ("PRI") define responsible investment as a strategy and practice to incorporate environmental, social and governance ("ESG") factors in investment decisions and active ownership. We believe that incorporating ESG factors into our investment decision-making processes and exercising active ownership through voting and engagement, helps mitigate risk and identify potential opportunities.

Within our investment management businesses, Quilter Investors and Quilter Cheviot, we have dedicated teams focused on ESG integration and active ownership, as well as investment teams who manage our responsible and sustainable investment solutions.

For more information on our approach please visit:

- quilter.com/investments/responsible-investment
- quiltercheviot.com/ri

UK Stewardship Code
Quilter is a signatory to the UK Stewardship Code. In order to be a signatory, we submit a report that outlines our stewardship activity on behalf of our customers. Stewardship includes engagement with the companies and funds we invest in, using our voting rights, and the consideration of environmental, social and governance factors within investment decision making. We retained our signatory status in 2024, and the next report will be submitted to the Financial Reporting Council by 30 April 2025.

Signatory to the PRI
Quilter is a signatory to the PRI, which is a global network organisation that works to:

- understand the investment implications of ESG factors; and
- support its international network of investor signatories in incorporating these factors into their investment and ownership decisions.

The annual assessment of how an organisation implements responsible investment was reinstated for 2022, and the Group completed this for the 2022 and 2023 financial years. The Assessment Reports*, which are produced using signatories' reported information, relate to the investment management activities within Quilter Investors and its investment solutions, and Quilter Cheviot. For the 2023 reporting period (completed in 2024) we achieved 42 Stars out of a possible 65, across 13 modules. In six of these modules our score was above the PRI median with the Policy, Governance and Strategy module receiving the highest score.

11

Across Affluent and High Net Worth we have 11 dedicated responsible investment professionals, working in collaboration with other teams within the businesses.

Progress update

Priorities 2022-4	Progress in 2024
Continue to support customers, advisers and colleagues to engage with and understand responsible investment	Ongoing programme of engagement with customers, advisers and colleagues. With the arrival of Sustainability Disclosure Requirements ("SDR") we provided anti-greenwashing training to our colleagues, with specific training for certain functions.
Embed responsible investment practices where relevant	Continued to evolve our responsible investment activities across the business. Quilter Cheviot increased its collaborative engagement activity focused on climate change and natural capital themes. The Affluent segment enhanced the systematisation of its ESG integration by onboarding a technical solution to capture manager and firm sustainability assessments.
Deliver reporting in line with regulatory change	Delivered the first Task Force on Climate-related Financial Disclosures ("TCFD") entity and product reporting for Quilter Investors Limited and Quilter Cheviot Limited. With the arrival of Sustainability Disclosure Requirements ("SDR") we ensured that products met the Naming & Marketing Rules, where relevant, and applied the anti-greenwashing rule across our investment activities.
Ensure our proposition caters to the responsible investment preferences of our customers	Continued to track the trend of customers' responsible investment preferences to identify the areas of interest to develop our proposition further.

Our priority for 2025

Producing and publishing Climate Action Plans for our investments while we continue to deliver our existing responsible investment activity across voting, engagement and ESG integration.

*The Assessment Reports present information reported directly by signatories. This information has not been audited by the PRI or any other party acting on its behalf.

Corporate sustainability

At Quilter, we recognise the importance of playing our part in the global effort to create a more sustainable world and our impact on the environment.

As a wealth management business, the environmental impact of our operations is centred around the carbon emissions from our offices, travel, and the goods we procure.

The focus of our Corporate Sustainability team in 2024 has been on improving our data capabilities to track and monitor our impact on climate change and the climate-risks faced by the business.

Quilter's sustainability and climate reporting

The disclosures in the corporate sustainability and responsible investment sections are made in accordance with the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022 and the Streamlined Energy and Carbon Reporting requirements. These sections constitute Quilter plc's non-financial and sustainability information statement.

To allow us to provide a more comprehensive insight into climate risks and opportunities across the Group, we have also published a separate Quilter plc TCFD Report dedicated to climate matters at Quilter which can be found on the TCFD section of our website.

In 2024 our Affluent Managed Solutions and High Net Worth business segments published Entity and Product reports in accordance with the FCA Environmental, Social and Governance ("ESG") Sourcebook. These reports provide more specific detail on the management of climate risks and opportunities as they relate to our investment management activities at the individual entity and product level.

Our TCFD Reports are consistent with the Governance, Strategy, and Risk Management pillars of the TCFD Recommendations and Recommended Disclosures of the TCFD Report. Whilst we have made good progress towards becoming fully consistent with the Metrics and Targets pillar of the TCFD Recommended Disclosures, we are not yet able to disclose the full Scope 3 (category 15) emissions for the entirety of the assets we manage on behalf of our customers due to limited data availability within certain asset classes.

This year we have significantly increased the coverage of our financed emissions disclosure and our Climate Value at Risk ("CVaR") scenario analysis to include assets managed by our Affluent segment and a wider range of asset classes within our High Net Worth segment. There are holdings within our universe for which we are unable to provide climate data. This is usually where there is no International Securities Number ("ISIN") as the holding is not listed. This will include cash, financial instruments, unlisted companies and physical property and infrastructure, leading to gaps in the data required to produce accurate Scope 3 financed emissions and CVaR analysis.

Our 2024 TCFD Report can be found here: **plc.quilter.com/tcfd**

For the Metrics and Targets disclosure, we also calculate the Scope 1, Scope 2, and applicable Scope 3 emissions categories resulting from our operations in line with the Greenhouse Gas ("GHG") Protocol and disclose these metrics on page 28. This year we have also refined our methodology to improve the accuracy of our operational emissions disclosure.

In producing our TCFD Reports, we have also considered the following guidance and applied where relevant:

- the TCFD Final Report and the TCFD Annex;
- the TCFD all sector guidance as well as the additional guidance for asset managers;
- the TCFD Technical Supplement on the Use of Scenario Analysis;
- the TCFD Guidance on Risk Management Integration and Disclosure;
- the TCFD Guidance on Metrics, Targets and Transition Plans;
- the Financial Conduct Authority's review of TCFD-aligned disclosures by premium listed companies; and
- the Financial Reporting Council's thematic review of TCFD and climate disclosures.

Our priorities for 2025

Delivering the first iteration of our Group Climate Transition Plan and exploring future sustainability targets aligned with the Paris Agreement.

Developing and implementing a supplier engagement programme aimed at understanding the climate-related risks and highest emitters across our supply chain.

Continuing to deliver energy efficiencies across our offices and incorporate sustainability considerations into our corporate standards.

Governance

Our governance structure and the role of the Board and its Board Committees in relation to corporate sustainability and climate-related risks are set out in the Governance Report which begins on page 44.

Responsible investment and corporate sustainability, including climate-related risks and opportunities, are integrated across our management structure. Information about our Executives and team responsible for this area are detailed below. Our Group TCFD Report outlines more detailed information about the Executive Committees and other colleagues that play a key role in the management and oversight of climate-related risks and opportunities.

Executive Leaders

Andrew McGlone
Chief Executive Officer of Quilter Cheviot and Quilter Cheviot Financial Planning
At the Group level, Andy is the executive sponsor for Quilter's Corporate Sustainability Strategy, ensuring an appropriate strategy is in place and driving delivery across the Group. He also oversees delivery of the Responsible Investment Strategy for the High Net Worth segment and owns the Level 2 Risk category. Andrew is a member of the Group Executive Committee and the TCFD Steering Committee and presents updates on Corporate Sustainability and Responsible Investment strategies, including our climate strategy and material developments in climate issues, to the Board and Board Committees on a regular basis.

Mark Satchel
Chief Financial Officer
Mark is responsible for the oversight of the management of financial risks arising from climate change, ensuring risks are appropriately identified and managed, including incorporation within the Group's Own Risk and Solvency Assessment ("ORSA").

Corporate Sustainability team

Our Corporate Sustainability team is responsible for our operational climate strategy which includes colleague engagement, calculating our operational emissions, collaborating with our property team to deliver sustainable upgrades to our offices, and engaging with our suppliers to better understand climate-related risk exposure and encourage change. The team provide quarterly progress updates to the Group Executive Committee and update the Board annually.

Climate-Related Risk Management

Our corporate sustainability reporting and operational climate-related risk management takes place at the Group level. This is due to the sharing of offices and operational resources across the Group. Information surrounding our wider risk management and reporting framework including our risk categories and corresponding risk appetite statements are explained on pages 37 to 41. Our Affluent and High Net Worth segments maintain individual processes for identifying and managing climate-related risks and opportunities within the investment portfolios they manage on behalf of our customers. We explain these processes in detail in the relevant TCFD Entity reports as they are unique to each business segment:

- For more please read our Affluent Managed Solutions TCFD Entity Report available at **plc.quilter.com/tcfd**
- For more please read our Quilter Cheviot TCFD Entity Report available at **quiltercheviot.com/tcfd**

Climate within our Risk Management Framework
Material climate-related risks are primarily tracked within the "Responsible Investment and Corporate Sustainability" Level 2 risk category, which forms part of our Level 1 Business Strategy and Performance risk. As climate-related risks are cross-cutting in nature, they may also feature within our other Level 2 categories, such as Regulatory Compliance, Investment Performance, Operational Resilience and Capital, Liquidity and Solvency Management.

Due to the uncertainty surrounding the short-term impacts of climate change, we consider this to be an emerging risk for Quilter, rather than a principal risk. The climate change emerging risk captures the transitional and physical impacts of climate change. Currently, emerging risks are reported to the Board on a quarterly basis via our Chief Risk Officer Report. We plan to review the processes surrounding emerging risks in 2025.

We employ both top-down and bottom-up risk identification processes across our Risk Management Framework. Through our bottom-up approach, climate-related risks identified by relevant business areas are captured in their respective Risk Control Self Assessments ("RCSAs") which are reviewed and updated bi-annually. Our Responsible Investment teams currently complete RCSAs and in 2025, our Corporate Sustainability function will complete a separate RCSA to capture climate-related risks resulting from our operations.

Top risks are identified by members of the Group Executive Committee and are monitored through regular engagement with the second line Risk function. In 2024, a climate-related reporting and disclosure risk was identified as a top risk for the business.

Standalone climate risk workshop
In 2024, we held cross-functional workshops to identify climate-related risks and opportunities, carry out materiality assessments, and determine how we manage and monitor risks going forward. Representatives from Responsible Investment, Corporate Sustainability, Finance and Risk teams attended the workshops. A subjective materiality assessment was conducted, using our operational risk matrix to determine likelihood, timeframe, potential for harm and magnitude of impact with our findings being presented to the Executive Risk Management Committee in the first quarter of 2025. Going forward, this process will take place on an annual basis to reassess our climate-related risks and opportunities and update the relevant stakeholders and committees on any developments.

Scenario Analysis

Operational climate scenario analysis

We undertake operational risk scenario analysis to measure the potential impact of the risks that we face, including climate-related risks, to our resilience and financial plans. This is a structured process by which a forward-looking assessment is made of our exposure to plausible but severe operational risk events. The scenario identification and testing process utilises the expert judgement of management and is designed to build on and complement the assessment of risks and opportunities. Examples of the scenarios we tested in 2024 are shown in the panel below.

The financial risks from climate change would lead to outcomes which could also be driven by other causes outside of climate change. We take a holistic approach to scenario analysis to consider the potential harms from a range of root causes and risks. In most cases, climate change is not the key driver of risks, but the scenario may implicitly cover climate risks.

Resilience of our business strategy

The output of scenario analysis is used to determine the level of capital and liquidity required to address the material harms to our customers and to Quilter's operating entities from ongoing activities. The result of the analysis demonstrates that Quilter's operating entities have sufficient capital and liquidity to withstand all the scenarios tested. The scenario analysis therefore indicates that Quilter's business strategy and financial plans are resilient to climate-related financial risks.

The analysis conducted is limited by a number of factors including data limitations and is not intended to be used as future predictions as, due to our robust control framework, the scenarios have a low likelihood of occurrence. We consider scenario analysis to be a useful input to decision making, coupled with other management information and it is used to help ensure business and operational resilience.

Examples of climate-related scenarios tested

These explicitly or implicitly cover the financial risks from climate change, as follows:

Climate-related disclosure: This scenario assesses the risk of our sustainable fund ranges inadvertently investing in assets which are excluded from fund mandates, leading to customer redress and related costs. This scenario explicitly covers the risk of breaching fund mandates for our investment solutions within sustainable investment mandates.

Operational resilience: This scenario assesses the potential impact of a disruption to service provided to customers due to an issue impacting our IT infrastructure. This scenario implicitly covers the risk of operational disruption due to lack of resilience to physical climate risks.

Third party risk: This scenario assesses the potential impact of failure of an outsourced service provider. This scenario implicitly covers the risk of failure of a third party due to lack of resilience to physical or transitional climate risks.

Advice risk: This scenario assesses the potential risk of advice provided by financial advisers being unsuitable. This scenario implicitly covers the risk of advice not adequately considering customers' preferences in relation to sustainable investments, leading to customer redress and related costs.

Investment portfolio scenario analysis

In addition to the operational analysis, we also conduct quantitative climate scenario analysis for the majority of investment portfolios that we manage on behalf of our clients. To do this we use a Climate Value at Risk ("CVaR") metric to assess the potential impacts on portfolio values under different climate scenarios. This aims to estimate the potential financial loss or gain from the underlying investments as a result of climate change. Our analysis examines the impacts across three key risk areas:

- climate policy (new regulations at national and international level impacting carbon activities);
- technology opportunities (increased demand for energy-efficient, lower-carbon products and services that disrupt existing markets); and
- physical risks (such as temperature increase, sea level rise, and associated business interruption and damage across operations and supply chains) on portfolio value.

To do this, we use climate modelling in the form of scenarios created by the Network for Greening the Financial System ("NGFS"). Each scenario makes different assumptions about how climate policy, physical climate events and the development of climate-related technology will impact the economy and therefore the value of our holdings. CVaR is presented as the percentage change in our holdings' value, for each risk type (policy, technology, physical impacts) in aggregate.

The three scenarios selected (see panel below) address the uncertainty inherent to any modelling, as they cover a range of variation in both the physical impacts of climate change and societal responses to these impacts. We have retained a 1.5°C aligned scenario as the most optimistic outcome, despite the acknowledged challenges to achieving this given recent geopolitical back-pedalling and the higher than anticipated emissions baseline. The Below 2°C scenario is included as an additional 'orderly' transition scenario, reflecting heightened risks of delay or inaction in the near term. We have removed the '1.5°C Disorderly' scenario we included last year, which was demised by NGFS. The Nationally Determined Contributions ("NDC") scenario was included for a few reasons: (1) the significance of the Paris Agreement as the only binding global agreement committing nations to decarbonise; and (2) the forthcoming round of new NDC commitments due in early 2025 (against which this will form a good benchmark, for whether these new commitments influence the next iteration of this climate model in a positive or negative fashion).

Within our High Net Worth segment, this analysis is carried out across our centrally monitored holdings which accounts for 93.2% of Quilter Cheviot's AuM. For our Affluent segment, all portfolios are covered by this analysis. Our findings are included in our Group TCFD Report on an aggregated basis for all covered portfolios and disaggregated in the TCFD product reports for specific portfolios.

Examples of investment portfolio scenarios tested

Net Zero 2050: An orderly transition scenario that assumes climate policies are introduced early and become gradually more stringent, limiting the global temperature increase to 1.5°C by 2100.

Below 2.0°C: An orderly transition scenario that limits the increase to 2°C by 2100.

Nationally Determined Contributions ("NDC")
A 'hot house world' scenario that assumes that climate policies are implemented in some jurisdictions, but global efforts are insufficient to halt significant global warming and the global temperature increases to 3°C by 2100.

Climate-related risks

Type of risk	Risk description	Potential impacts	Mitigating actions, controls, and monitoring	Time horizon
Policy and legal (Transitional)	Emerging regulatory requirements – risk of changes in climate-related policies or regulation which have an adverse impact on Quilter's proposition or operations. This includes risk of non-compliance with regulatory requirements.	Unbudgeted costs to implement systems and comply with new regulatory requirements. Potential costs of inadvertent non-compliance due to volume of global regulation.	Regulatory horizon scanning and engagement through regulatory consultation. Engagement with industry bodies.	S M
Market (Transitional and Physical)	Portfolio climate risk – risk of investment market underperformance caused by a disorderly transition or physical climate related events.	Potential for reduced market return for clients, resulting in reductions in the value of assets under management and revenues.	Investment in diversified multi-asset portfolios. Consideration of climate risks and opportunities in investment research and due diligence. Climate metrics used to monitor climate-risk exposure.	S M L
Market (Transitional)	Consumer sentiment/demand – risk that we fail to align our product offering with customers' responsible or sustainable investment preferences and general market demand for responsible and sustainable investment related mandates.	Reduction in demand for Quilter's products and services resulting in reduced revenues.	Monitoring of customer and adviser preferences as part of development of product strategy. Integration of ESG factors into our investment processes. Integration of responsible investment preferences into our financial advice suitability processes.	S
Reputational (Transitional)	Misrepresentation risk – risk that clients, advisers, and other stakeholders act on the basis of misleading or incorrect information relating to the environmental or sustainability attributes of our investment products and our business operations.	Reduced demand for Quilter's products and services due to damage to Quilter's brand. Potential cost of redress where clients have taken action based on misleading or incorrect information.	Management review and approval of published information. Data validation for the calculation of climate metrics. Greenwashing training for all staff, as well as targeted training for specific functions.	S M
Reputational (Transitional)	Climate strategy risk – risk that Quilter's Climate Action Plan, covering both Quilter's operational emissions and the investment solutions provided to clients, is not perceived to be sufficient.	Negative publicity leading to loss of existing or potential clients. Reduction in market share resulting in loss of revenues over the long term. Increased operational costs due to failure to transition to new technologies.	Climate Transition Plan and Climate Action Plans for investments. Annual reporting on progress against Climate Action Plans. Progress against operational emissions target contributes to executive remuneration.	S M
Physical (Acute and Chronic)	Physical risk crystallisation – increased severity or frequency of extreme weather events, or chronic changes such as rising mean temperatures and sea levels, effecting our buildings, employees, or our third-party suppliers.	Unbudgeted costs to recover or maintain services to customers. Costs associated with damage to infrastructure and technology.	Physical climate risk assessment carried out across our property portfolio. Business continuity planning allowing for physical risks. Insurance provisions reflect climate-related matters. Supplier engagement to manage exposure to climate disruption.	L

Time Period Key: S Short term 0-3 years M Medium term 3-10 years L Long term 10+ years

Climate related opportunities

Type	Description	Potential financial implications	Actions to capitalise
Products and Services	As we transition to a low-carbon climate resilient economy and younger generations enter the investment market, we expect an increase in demand for responsible and sustainable investment solutions.	This requires investment in resources and systems to deliver our responsible investment strategy and offer products aligned with customers' responsible or sustainable investment preferences. In the medium- to long-term we may experience 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.	Continue to develop and deliver our responsible investment strategy and Climate Action Plans. Monitor consumer demand to ensure our responsible and sustainable product offering meets the needs of the market.
Resource Efficiency	The transition has led to increased innovation and availability of energy efficient products and facilities for use in our buildings, such as energy efficient lighting and HVAC systems.	Over the long-term operational costs may reduce due to energy cost savings as a result of the use of more energy efficient systems.	Explore the feasibility and impact of energy saving opportunities raised in our Energy Savings and Opportunities Scheme ("ESOS") report and implement those with the most significant cost/benefit ratios. Consider resource efficient options when replacing or upgrading building assets.
Markets	The transition presents investment opportunities and growth opportunities as companies enter new markets for sustainable products/services and generate additional revenue streams.	Potential for higher investment performance for clients in the long term through investment in new technologies and growing markets. Higher investment performance for clients would drive increased revenues to Quilter.	Continue to invest in assets that financially benefit from the transition to a low carbon, climate resilient economy. Continue to engage with the companies and funds we invest in to monitor how they intend to capitalise on climate-related opportunities.

Corporate sustainability *continued*

Quilter's operational emissions target

We consider emerging climate-related regulatory requirements in all of the jurisdictions in which we operate. Our operations and business activities are focused primarily in the UK, where the Government has set a legally binding target to achieve net zero emissions by 2050. We regularly review proposals to change climate-related requirements, or introduce new ones, to ensure that we remain compliant, and we set appropriate targets.

Having considered the UK legal requirement to be a net zero business by 2050, we have set an interim operational emissions target to reduce our Scope 1 and Scope 2 (location-based) emissions by 80% from a 2020 baseline by 2030.

In setting our location-based target, we considered the UK Government's ambition to decarbonise the UK Power Grid and have therefore factored this into our calculations. Should the Government not achieve this, our ability to meet our location-based target may be impacted. We will continue to review this target on an annual basis and, as part of our 2025 Climate Transition Plan, we will consider setting additional targets aligned to the Paris Agreement where appropriate.

Progress against our target

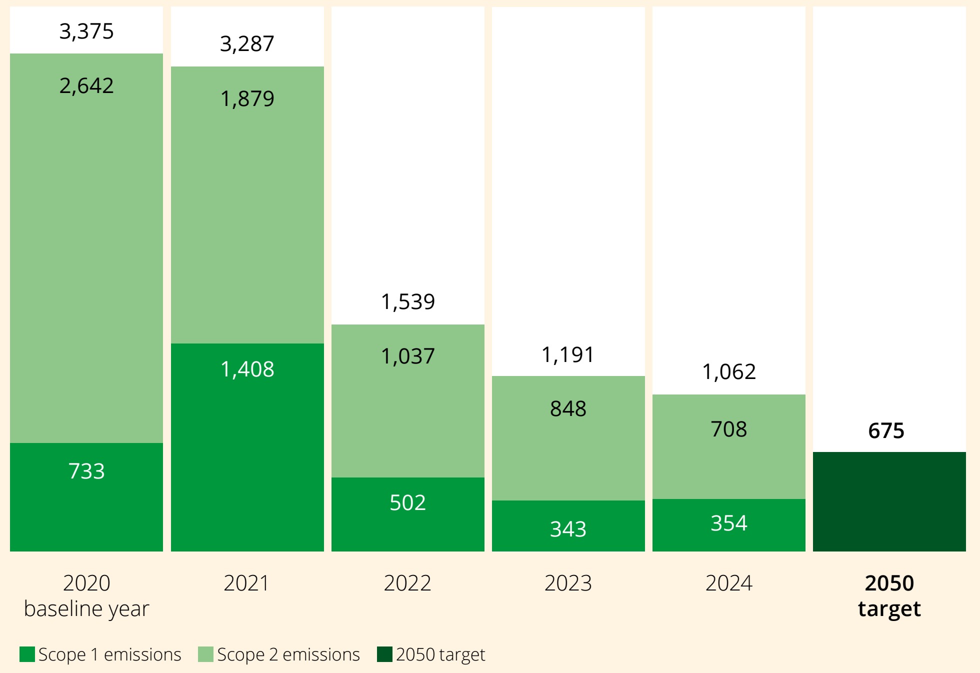
Since 2020, we have achieved a significant decrease in our operational emissions. Our 2024 Scope 1 and 2 emissions were 69% lower than the 2020 baseline, demonstrating good progress towards our 80% reduction target by 2030. The primary driver of this was the delivery of our Workplace Strategy which considers our office footprint in relation to changing workspace demands.

Going forwards, we anticipate a continuation of incremental reductions each year as we implement energy saving opportunities across our offices and source renewable energy contracts where we control the office energy procurement. Details of the energy saving opportunities we are currently pursuing and considering are outlined on page 29.

We consider our Scope 1 and Scope 2 emissions as a combined total to be a more representative Key Performance Indicator ("KPI") than Scope 1 or Scope 2 alone. This is because the vast majority of our Scope 1 emissions result from our natural gas consumption and Scope 2 comprises purchased heat and electricity, which means any significant reductions in Scope 1, by moving away from gas heating, would likely be offset by a slight increase in our Scope 2 emissions. Therefore, to properly assess our performance in reducing our direct energy consumption emissions, Scope 1 and Scope 2 emissions should be considered together.

We have seen an increase in our total Scope 3 emissions, largely due to our increased spend on purchased goods and services and an increase in the amount of estimated proxy data we have had to use in our calculations. As part of our Climate Transition Plan, that we will be developing in 2025, we will be engaging with our suppliers and exploring the use of KPIs and targets with the aim of reducing our Scope 3 emissions.

Our Scope 1 and 2 emissions (measured in tCO_2e)



Quilter's operational greenhouse gas emissions

Our operational greenhouse gas emissions (tCO_2e) and energy consumption data (kWh)

Greenhouse gas emissions as at 31 December		2024	2023	Baseline
Scope 1 emissions	UK	384	338	–
	Offshore	7	5	–
	Global total[1]	**354**	**343**	**733**
Scope 2 emissions (location-based)	UK	662	788	–
	Offshore	46	60	–
	Global total[1]	**708**	**848**	**2,642**
Scope 2 emissions (market-based)	UK	558	783	–
	Offshore	72	84	–
	Global total[1]	**629**	**867**	**1,995**
Total Scope 1 & 2 emissions (location-based)	UK	1,010	1,126	–
	Offshore	52	65	–
	Global total[1]	**1,062**	**1,191**	**3,375**
Scope 3 emissions (excluding investments)	UK	28,358	24,742	–
	Offshore	18	23	–
	Global total[1]	**28,376**	**24,765**	**79,679**
Total operational emissions	UK	29,368	25,868	–
	Offshore	70	88	–
	Global total[1]	**29,438**	**25,956**	**83,054**
Operational Carbon intensity				
tCO_2e per Full Time Equivalent (FTE)	UK	10.1	8.9	–
	Offshore	1.0	1.4	–
	Global total	9.9	8.7	–
Energy consumption				
Energy consumed (kWh)	UK	6,950,491	7,542,659	–
	Offshore	238,297	236,961	–
	Global total	7,188,788	7,779,621	–

[1] UK and offshore figures may not sum to the global total due to rounding.

Restatements

In 2024 we carried out an in-depth review of our policies and processes for calculating our operational emissions. We refined and enhanced the methodologies we use to ensure we are delivering complete, consistent, and comparable emissions reporting in accordance with the GHG Protocol. As a result, we have materially restated the majority of our previous year's emissions, including our baseline year, to ensure comparable reporting. The majority of the changes have arisen from one of the following:

- Improved reliability and accuracy of raw data sources.
- Application of consistent estimation methodologies.
- Implementation of data quality controls and hierarchies.

Breakdown of our operational Scope 3 Emissions (excluding investments)

Greenhouse gas emissions as at 31 December	2024	2023	Baseline
1. Purchased Goods and Services	24,516	20,808	75,878
3. Fuel and energy related emissions	275	320	809
5. Waste	4	6	10
6. Business travel	1,570	1,516	330
7. Employee commuting (including working from home)	1,877	1,882	2,357
8. Upstream Leased Assets	134	234	297

As a service-based business Scope 3 Categories 9-14 (downstream value chain emissions) do not apply to Quilter. The majority of our Scope 3 emissions are as a result of the goods and services we procure as a business. In 2025, we will begin our supplier engagement programme, with a view to understanding the emissions and climate risks posed by our suppliers.

Please see our Group TCFD Report available at **plc.quilter.com/tcfd** for a breakdown of our Category 15 (financed emissions) across our Affluent and High Net Worth business segments.

Our reporting boundary

Quilter plc reports emissions on a consolidated group basis, incorporating all subsidiaries, and has set reporting boundaries based on financial control. This includes all offices occupied by Quilter or any of its subsidiaries for the period in which we are financially responsible, Quilter and subsidiary employees for the period covered by their employment contract, Quilter owned and leased assets where we are contractually or financially responsible for maintaining the asset, and colleague business travel for which Quilter is financially responsible. Office space subleased to other parties and advisers that operate as appointed representatives of Quilter but are not part of the Quilter plc Group are outside of our reporting boundary.

Methodology

Our emissions data is calculated in accordance with the GHG Protocol guidance. We aim to source as much actual data as possible, however, where data is not available, we have estimation methodologies in place to ensure complete and consistent reporting. For more information on how we calculate our operational emissions see our emissions methodology document appended to our Group TCFD Report.

The baseline year for our Scope 1 & 2 emissions is 2020 and our Scope 3 baseline year is 2021, as this is when we began capturing Scope 3 emissions data.

Energy savings and decarbonisation across our offices

Workplace projects and change strategy
Climate impact has been a key consideration of our workplace strategy and change projects in recent years and can be seen both in the rationalisation of space (reducing overall usage) along with improving efficiency within offices.

In 2024:

- The Glasgow office refurbishment, completed in Q3, involved a full modernisation of the mechanical heating, ventilation and air-condition ("HVAC") and electrical systems (including LED lighting) in the office, providing an improved energy profile, as well as an improved working environment.
- We have commenced the refurbishment of three floors in our Southampton office and the fit out of a new office in Birmingham (consolidating two offices into one). These projects are progressing in line with the SKA Gold accreditation criteria. The SKA rating is an accreditation scheme established to help businesses prioritise sustainability in a quantifiable way.
- We have incorporated climate and emissions considerations in our Facilities and Programme Management Standard which governs all office upgrade and refurbishment works, furniture procurement, and planned maintenance. The following requirements have been written into the Standard:
  - All major works will be aligned to relevant and appropriate Environmental Assessments, for example, SKA Gold.
  - For office closures all furniture removed from the site should be re-utilised or recycled.
  - Where furniture is replaced, old furniture should be recycled or donated where possible.
  - All new furniture must comply with the appropriate ESG certification standard.

Looking forward:

- Our current Workplace Strategy, focused on optimising our workspaces in line with colleagues' needs, will conclude in 2025. We have capitalised on climate opportunities by rightsizing our office space which has led to a significant reduction in our carbon emissions and cost saving.
- Our 2025 workspace and real estate strategy will build on the momentum achieved in 2024 and we will continue to embed sustainability into these key activities.
- We are working closely with our IT Infrastructure and Operations colleagues to explore the possibility of incorporating sustainability considerations into our IT Procurement Standard. As part of the refurbishment works at our Southampton office, we have introduced single large monitors on desks to remove the need for a separate docking station, thus reducing energy consumption and we are currently exploring options to reduce on premise computer power in data centres and shift to better utilise cloud computing.

Energy Savings and Opportunities Scheme
In 2024, we engaged with a third party to conduct energy audits at our Southampton and Newcastle upon Tyne offices as part of the Government's Energy Savings and Opportunities Scheme ("ESOS"), Through our ESOS report we have identified a series of opportunities to increase energy efficiencies across these offices. Our Southampton office is the largest in our estate and the office in which we have the most control with regards to building refurbishments and upgrades. The opportunities we are considering at our Southampton office, and the projected energy savings, are in the table outlined below:

Opportunities at Quilter House	Our progress	Projected annual energy saving[1]
Replace the existing gas boilers used to heat our Southampton office with more energy efficient gas boilers or air source heat pumps to reduce our gas consumption and related carbon emissions	As we have recently refurbished the existing boilers, we are considering this as a long-term future opportunity that we will look to capitalise on when our current boilers reach end of their useful life.	246,000 – 356,000 kWh
Upgrade the Building Management System which controls the heating, ventilation, and air-conditioning	This is an ongoing project as part of the refurbishment works taking place at our Southampton office.	182,000 kWh
Replace the existing lighting with LED lighting on the remaining floor that has not yet been refurbished	This is also currently underway as part of the refurbishment works at our Southampton office.	18,000 kWh
Install variable speed drives on our heating, ventilation, air-conditioning, and heat pumps that control the flow of energy to the source and improve energy efficiency	We are currently exploring the feasibility with our facilities management partner, and we will decide whether to take this forward in 2025.	8,600 kWh
Install solar photovoltaic devices to act as a source of renewable energy produced directly by Quilter and reduce the energy we consume from the local grid	We are currently exploring the feasibility with our facilities management partner, and we will decide whether to take this forward in 2025.	16,000 kWh
Initiate a colleague awareness campaign to encourage colleagues to reduce energy consumption and form sustainable habits	This is an ongoing project that we intend to further develop as part of our climate transition planning in 2025.	63,000 kWh

[1] The projected annual energy savings are estimates calculated by our third-party ESOS Auditor and have not been verified by Quilter.

Being a responsible business

Our policies

Customer policies
Our Product Governance Policy sets minimum standards for manufacturing and distributing financial products to meet customer needs, ensuring compliance with regulatory frameworks, including the Markets in Financial Instruments Directive, the underlying regulation on markets in financial instruments, and the Insurance Distribution Directive. It includes an annual attestation process managed by the Risk Function. The policy mandates fair and appropriate charging structures for target market and requires marketing materials to help customers make informed financial decisions. All communications must consider our customers' information needs and comply with applicable regulations, including the FCA's Consumer Duty requirements.

Working with suppliers
Our Third-Party Risk Management Policy outlines the requirements for procurement, outsourcing and supplier management. Our Supplier Code of Conduct applies to all suppliers and their sub-contractors, setting out minimum standards we expect our suppliers to adhere to when doing business with Quilter.

These standards cover areas such as legal and compliance, ethical behaviour, conflicts of interest, anti-bribery and corruption, brands, intellectual property, data protection, labour standards, living wage, discrimination, health and safety, and environmental management. We also expect our suppliers to promote these standards in their own supply chain where practical.

Data privacy and IT security
The collection and use of customers' and advisers' personal data is governed by our Privacy Policy and supporting standards and overseen by a Group Data Protection Officer ("GDPO") with the support of formal committees.

The Board oversees Quilter's technology strategy, including our approach to information and data security. At an executive management level, the Group Chief Operating Officer is responsible for the Technology strategy and is supported by the Group Chief Information Officer and their team, with input also from the GDPO and Data Guardians embedded in our businesses.

All colleagues are required to complete mandatory training on data privacy and IT security.

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

Financial crime, anti-bribery and corruption
As a financial services company, we recognise the potential risk of being a target for financial crime, including money laundering, terrorist financing, tax evasion and fraud. We also acknowledge the potential risk of bribery and corruption which could result in financial loss, regulatory fines and/or censure and damage to reputation.

We have zero tolerance for financial crime, bribery or corruption and have a framework in place including the following policies:

1) Anti-money Laundering and Counter Terrorist Financing Policy;
2) Anti-bribery and Corruption Policy;
3) Fraud Prevention Policy; and
4) Sanctions Policy.

Policies are reviewed annually to ensure that they remain current and compliant with relevant legislation.

All colleagues are required to complete mandatory training on these topics to ensure that they understand their role in preventing financial crime, fraud, tax evasion and bribery and corruption, as well as reporting suspicious activity.

Our Anti-bribery and Corruption Policy sets out an appropriate definition of bribery, in accordance with the UK's Bribery Act 2010. Quilter conducts its business fairly and lawfully and will not tolerate:

- The giving or receiving of improper monetary or other inducements in commercial relations;
- Any other inappropriate practice which might be perceived to influence improperly a person's conduct in their professional or public duty.

We provide guidance to colleagues on how they should manage gifts and entertainment, including how this should be recorded. Our Risk Function performs routine compliance monitoring on adherence with the policy.

Quilter have a central financial crime function led by the Money Laundering Reporting Officer. Reporting of any irregularities is overseen and managed through the Financial Crime function. The arrangement ensures accountability and effective oversight of financial crime risk on an ongoing basis. A Financial Crime Investigations team conduct investigations into any material financial crime incidents.

Non-financial and sustainability information statement

The responsible investment and corporate sustainability sections from pages 21 to 30 constitutes Quilter's non-financial and sustainability information statement which complies with sections 414CA and 414CB of the Companies Act 2006.

The table below sets out where to find more information on specific matters relevant to these requirements within this section and elsewhere in our Annual Report. The information listed is incorporated by cross-reference as follows:

Reporting requirement

	Page number(s)
Anti-bribery and corruption	30
Business model	8
Climate-related financial disclosures (covering s414CB(2A)(a)-(h))	22 to 29
Colleagues	13 and 16 to 20
Environmental matters	21 to 29
Human rights	20
Non-financial KPIs	11
Principal Risks	39 to 40
Social matters	14

Financial review

Mark Satchel
Chief Financial Officer

Review of financial performance

Overview

The Group delivered strong growth in 2024, with record adjusted profit before tax of £196 million, an increase of 17% on the prior year (2023: £167 million). This was driven by higher average AuMA supported by strong net inflows and positive markets, together with higher interest rates benefitting investment returns on shareholder cash, and continued delivery of our Simplification programme. The Group's reported closing AuMA was £119.4 billion, a 12% increase on the opening position (2023: £106.7 billion).

In the core business, net inflows of £5.2 billion increased by 525% (2023: £0.8 billion) in 2024. This reflected an improvement in the macro environment and investor sentiment, as well as the effectiveness of building out our distribution capabilities and enhancing our proposition.

Gross flows of £16.0 billion (2023: £11.1 billion), reflects continued strong flows in the Quilter channel and a significant increase in IFA channel flows onto the Platform, due to increased new business levels and improved market share from IFA firms. Productivity, representing Quilter channel gross sales per Quilter Adviser, increased by 14% to £3.2 million (2023: £2.8 million).

Alternative performance measures ("APMs")

We assess our financial performance using a variety of measures including APMs, as explained further on pages 186 to 187. In the headings and tables presented, these measures are indicated with an asterisk: *.

Key financial highlights

Quilter highlights	2024	2023
Assets and flows – core business		
AuMA* (£bn)	**116.3**	103.4
Gross flows* (£bn)	**16.0**	11.1
Net inflows* (£bn)	**5.2**	0.8
Net inflows/opening AuMA*	**5%**	1%
Productivity: Quilter channel gross sales per Quilter Adviser* (£m)[1]	**3.2**	2.8
Asset retention*	**90%**	89%
Assets and flows – reported		
AuMA* (£bn)	**119.4**	106.7
Gross flows* (£bn)	**16.0**	11.2
Net inflows* (£bn)	**4.8**	0.1
Net inflows/opening AuMA*	**4%**	0%
Profit and loss		
IFRS (loss)/profit before tax attributable to shareholder returns (£m)	**(60)**	12
IFRS (loss)/profit after tax (£m)	**(34)**	42
Adjusted profit before tax* (£m)	**196**	167
Operating margin*	**29%**	27%
Revenue margin* (bps)	**44**	47
Return on equity*	**10.0%**	8.5%
Adjusted diluted earnings per share* (pence)	**10.6**	9.4
Recommended total dividend per share (pence)	**5.9**	5.2
Basic earnings per share (pence)	**(2.5)**	3.1
Non-financial		
Total Restricted Financial Planners ("RFPs") in both segments[2]	**1,440**	1,489
Discretionary Investment Managers in High Net Worth segment[2]	**176**	174

[1] Quilter channel gross sales per Quilter Adviser is a measure of the value created by our Quilter distribution channel.
[2] Closing headcount as at 31 December.

In the **Affluent** segment, we experienced strong contributions from both the Quilter and IFA channels:

- Quilter channel: Gross flows of £4.1 billion were 14% higher than the prior year (2023: £3.6 billion), whilst net inflows of £2.3 billion were 43% ahead (2023: £1.6 billion). As part of our continued strategic objective of aligning our Advice business, back book transfers of c.£800 million of assets under advice by Quilter Financial Planning were transferred onto our Platform from external platforms. Net inflows as a percentage of opening AuMA for the Quilter channel were 13% (2023: 10%).

- IFA channel: Gross flows of £8.8 billion onto the Quilter Platform increased by 68% (2023: £5.3 billion), demonstrating our continued strategic initiatives in building out our distribution and improving our market share of new business. The Platform continues to maintain the leading share of gross flows against our retail advised platform peers, based on the latest Fundscape data (Q4 2024). Net inflows were £3.0 billion (2023: £0.2 billion net outflow) representing a significant improvement on the prior year, as we continued to win flows from competitor platforms. Net inflows as a percentage of opening AuMA for the IFA channel onto the Platform were 5% (2023: nil).

- Funds via third-party platforms reported net outflows of £400 million, compared to £316 million in the previous year.

Asset retention of 89% for the Affluent segment remains stable compared to the prior year (2023: 89%).

Within the **High Net Worth** segment, gross flows of £3.1 billion were 42% higher than the prior year (2023: £2.2 billion), whilst net inflows of £0.6 billion were also up (2023: £0.1 billion net outflow). Whilst both the Quilter channel, and the IFA and direct channel, recorded net inflows for the year, the latter experienced a loss of a large value low margin account during the first half of the year. Asset retention of 91% for the High Net Worth segment remained in line with the previous year (2023: 91%).

The Group's core business AuMA of £116.3 billion is 12% ahead of the opening position (2023: £103.4 billion) reflecting positive market movements of £7.7 billion and net inflows of £5.2 billion. The Affluent segment AuMA increased by 14% to £88.5 billion (2023: £77.5 billion) of which £29.5 billion is managed by Quilter, versus the opening position of £25.5 billion. The High Net Worth segment AuM was £29.5 billion, up 9% from the opening position of £27.0 billion, with all assets managed by Quilter.

In total, £58.5 billion, representing 50% of core business AuMA, is managed by Quilter across the Group (2023: £52.2 billion, 50%).

The Group's revenue margin of 44 bps was 3 bps lower than the prior year (2023: 47 bps).

In the Affluent segment, the administered revenue margin was 25 bps, 2 bps lower than the prior year (2023: 27 bps). This is primarily the result of reduced Platform administration fees charged to clients in the second half of 2023 and all of 2024 following the Platform repricing undertaken during 2023, and the impact from our tiered pricing structure. The managed revenue margin decreased by 5 bps to 36 bps (2023: 41 bps) following the reprice of the Cirilium Active range in 2023 and the introduction of AuM scale discounts. Within our Managed Solutions, as previously guided, the proportion of total client assets invested in the Cirilium Active range, our highest revenue bps contributor, remained in net outflow during the year. Within our MPS range, WealthSelect remains one of the largest MPS offerings in the industry and continues to grow with AuMA of £18.4 billion at the end of 2024 (2023: £13.7 billion), reflecting the shift towards managed portfolios on platforms.

The revenue margin in the High Net Worth segment decreased by 1 bp to 70 bps (2023: 71 bps).

Adjusted profit before tax increased by 17% to £196 million (2023: £167 million). Net management fees of £502 million increased 5% (2023: £477 million) primarily due to an increase in reported average AuMA year-on-year of 11% to £113.2 billion (2023: £102.1 billion) partially offset by the planned reductions in net management fee margins that were implemented during 2023 and asset mix shifts.

Interest revenue generated from client funds included within net management fees were £31 million (2023: £23 million) reflecting the increased interest rates year-on-year and the changes made to the Platform charging structures in 2023. Other revenue of £97 million, which mainly comprises our share of income from providing advice, was up 13% on prior year (2023: £86 million) reflecting higher average levels of assets under advice. Investment revenue, predominantly interest income generated on shareholder cash and capital resources, of £71 million increased by £9 million (2023: £62 million) due to higher average interest rates in 2024 compared to the prior year.

Operating expenses of £474 million increased by 3% on the prior year (2023: £458 million) as a result of inflationary increases and planned business investment, partially offset by Simplification cost savings. The Group operating margin improved by 2 percentage points to 29% (2023: 27%).

The Group's IFRS loss after tax was £34 million compared to a £42 million IFRS profit after tax for 2023. This reflects the variances in policyholder tax outcomes due to market gains in the year, the customer remediation exercise provision and the cost of the Skilled Person Review. This is partially offset by an improvement in the adjusted profit result.

Adjusted diluted earnings per share increased 13% to 10.6 pence (2023: 9.4 pence).

Financial review *continued*

Total net revenue*

Total net revenue 2024 (£m)	Affluent	High Net Worth	Head Office	Quilter plc
Net management fee*[1]	304	198	–	502
Other revenue*	84	21	(8)	97
Investment revenue*	36	7	28	71
Total net revenue*	**424**	**226**	**20**	**670**

Total net revenue 2023 (£m)	Affluent	High Net Worth	Head Office	Quilter plc
Net management fee*[1]	292	185	–	477
Other revenue*	70	20	(4)	86
Investment revenue*	31	6	25	62
Total net revenue*	393	211	21	625

[1] Net management fee includes the interest earned on client holdings in Quilter Cheviot and Quilter Investment Platform.

Total net revenue for the Affluent segment was £424 million, an increase of 8% from the prior year (2023: £393 million). Net management fees were £304 million, £12 million ahead of the prior year (2023: £292 million). Within net management fees, £19 million (2023: £10 million) relates to interest sharing arrangements on cash balances held on the Platform. This was offset by changes to the mix of assets and planned changes to the margins generated in 2023, predominantly the Cirilium Active reprice and the new Platform pricing policy.

Other revenue within the Affluent segment, mainly consisting of our share of income from providing advice within Quilter Financial Planning, was £84 million, 20% more than the prior year (2023: £70 million). This includes higher recurring charges from higher average levels of assets under advice. Investment revenue of £36 million (2023: £31 million) represents interest earned on shareholder capital held to meet the regulatory capital requirements of the business.

Total net revenue of £226 million in the High Net Worth segment was 7% higher in the year (2023: £211 million). Net management fees were £13 million ahead of the prior year at £198 million (2023: £185 million) largely due to higher average AuM, partially offset by changes to fee structures introduced in 2023. Net management fees include interest margin earned on client cash balances of £12 million (2023: £13 million). Investment revenue, representing revenue earned on regulatory capital to support the business, of £7 million was £1 million higher (2023: £6 million) due to higher average interest rates. Other revenue of £21 million, predominantly reflecting revenue generated in Quilter Cheviot Financial Planning, was marginally higher than the prior year (2023: £20 million).

Operating expenses*

Operating expenses increased by 3% to £474 million (2023: £458 million). This increase reflects our planned investment in the business and inflationary increases, whilst focusing on our continued sustainable cost savings through Simplification activities.

Operating expenses (£m)	2024 Operating expenses	2024 As a percentage of revenues	2023 Operating expenses	2023 As a percentage of revenues
Support staff costs	110		115	
Operations	20		21	
Technology	31		32	
Property	28		30	
Other base costs[1]	33		29	
Sub-total base costs	**222**	**33%**	227	36%
Revenue-generating staff base costs	101	15%	96	15%
Variable staff compensation	82	12%	74	12%
Other variable costs[2]	51	8%	45	7%
Sub-total variable costs	**234**	**35%**	215	34%
Regulatory/Insurance costs	18	3%	16	3%
Operating expenses*	**474**	**71%**	458	73%

[1] Other base costs includes depreciation and amortisation, audit fees, shareholder costs, listed Group costs and governance.
[2] Other variable costs includes FNZ costs, development spend and corporate functions variable costs.

We announced at our 2023 half-year results, a further £50 million of annualised run rate savings from Phase Two of the Simplification programme with this anticipated to be delivered on a run-rate basis by the end of 2025. At 31 December 2024, the programme had delivered £35 million of these savings, on a run-rate basis, largely through the continued rationalisation of the Group's technology and property estate, IT and operations efficiencies from our investment in Advice technology, and a reduction in support costs as we continue to simplify our governance and internal administration processes. These benefits were partially offset by the impact of inflation on our cost base during the year. As a result, base costs as a percentage of revenues reduced 3 percentage points to 33% (2023: 36%).

Revenue-generating staff base costs increased by 5% to £101 million (2023: £96 million) and remains at a similar proportion of revenues as we continue to invest in our people and proposition across our business segments to drive growth.

Variable staff compensation of £82 million (2023: £74 million) increased by 11%, driven by an increased share price impacting the cost of deferred awards, National Insurance changes and improved business performance. Other variable costs of £51 million (2023: £45 million) were above that of the previous year, mainly driven by the increase in the average AuMA experienced over the year and increased business investment including M&A activity.

Regulatory and insurance costs increased by 13% to £18 million (2023: £16 million) reflecting increased Regulatory fees.

Taxation

The effective tax rate ("ETR") on adjusted profit before tax was 24% (2023: 23%). The Group's ETR is broadly in line with the UK headline corporation tax rate of 25%. The Group's ETR is dependent on a number of factors, including tax rates on profits in jurisdictions outside the UK and the value of non-deductible expenses or non-taxable income.

The Group's IFRS income tax expense was a charge of £69 million for the year ended 31 December 2024, compared to a charge of £46 million for the prior year. The income tax expense or credit can vary significantly year-on-year as a result of market volatility and the impact that this has on policyholder tax. The recognition of the income received from policyholders to fund the policyholder tax liability (which is included within the Group's income) has historically been volatile due to timing differences between the recognition of policy deductions and credits and the corresponding policyholder tax expense, resulting in the need for significant adjustments to the adjusted profit to remove these distortions. The Group has made changes to its unit pricing policy during 2024 relating to policyholder tax charges which will reduce future volatility in these timing differences. These changes are expected to reduce the value of adjustments made to future periods adjusted profit, set out in note 7(b)(vii) in the consolidated financial statements.

Reconciliation of adjusted profit before tax* to IFRS result

Adjusted profit before tax represents the Group's IFRS result, adjusted for specific items that management considers to be outside of the Group's normal operations or one-off in nature, as detailed in note 7(a) in the consolidated financial statements. The exclusion of certain adjusting items may result in adjusted profit before tax being materially higher or lower than the IFRS profit or loss after tax.

Adjusted profit before tax does not provide a complete picture of the Group's financial performance, which is disclosed in the IFRS consolidated statement of comprehensive income but is instead intended to provide additional comparability and understanding of the financial results.

Reconciliation of adjusted profit before tax to IFRS (loss)/profit after tax (£m)	2024	2023
Affluent	**148**	124
High Net Worth	**48**	41
Head Office	**–**	2
Adjusted profit before tax*	**196**	167
Adjusting items:		
Impact of acquisition and disposal-related accounting	**(40)**	(39)
Business transformation costs	**(26)**	(28)
Skilled Person Review	**(10)**	–
Customer remediation exercise	**(76)**	–
Other customer remediation	**3**	(6)
Exchange rate movement (ZAR/GBP)	**1**	(2)
Policyholder tax adjustments	**(90)**	(62)
Other adjusting items	**–**	1
Finance costs	**(18)**	(19)
Total adjusting items before tax	**(256)**	(155)
(Loss)/profit before tax attributable to shareholder returns	**(60)**	12
Tax attributable to policyholder returns	**95**	76
Income tax expense	**(69)**	(46)
IFRS (loss)/profit after tax	**(34)**	42

The impact of acquisition and disposal-related accounting costs of £40 million (2023: £39 million) includes amortisation of acquired intangible assets and acquired adviser schemes.

Business transformation costs of £26 million were incurred in 2024 (2023: £28 million). During 2024, the Group spent £24 million on delivering Simplification initiatives (2023: £25 million). The implementation costs to deliver the remaining £15 million of annualised run-rate savings for the programme are estimated to be £40 million. Investment in business costs of £2 million (2023: £1 million) were incurred as the Group continues to enable and support advisers and clients and improve productivity through better use of technology.

Skilled Person Review costs of £10 million (2023: £nil) include the estimated external cost and direct cost of internal resources to support and perform the Skilled Person Review of historical data and practices across the Quilter Financial Planning network of Appointed Representative firms. This cost is excluded from adjusted profit as management considers it to be outside of the Group's normal operations and one-off in nature.

Customer remediation exercise costs of £76 million (2023: £nil) include the estimated redress payable to customers, comprising a refund of ongoing advice charges and interest payable for customers impacted, and administrative costs, which represents the costs to perform a potential customer remediation exercise across the Quilter Financial Planning network of Appointed Representative firms (see note 30 of the consolidated financial statements). This cost is excluded from adjusted profit as management considers it to be outside of the Group's normal operations and one-off in nature.

For 2023, the other customer remediation expense of £6 million reflected £4 million of legal, consulting and other costs and a £2 million provision increase related to non-British Steel Pension Scheme redress payments. This was the result of the Group-managed past business review of defined benefit to defined contribution ("DB to DC") pension transfer advice suitability by an independent expert. For 2024, the provision for redress decreased by £3 million as a result of the redress calculations performed for customers being lower than forecast in 2023 due to the changes in assumptions used to perform the calculations and market movements of the pension scheme values during 2024. Further details of the provision are provided in note 30 in the consolidated financial statements.

In 2024, income of £1 million was recognised (2023: £2 million expense) due to foreign exchange movements on cash held in South African Rand in preparation for payments of dividends to shareholders. Cash was converted to South African Rand upon announcement of the dividend payments to provide an economic hedge for the Group. The foreign exchange movements are fully offset by an equal amount taken directly to retained earnings.

Policyholder tax adjustments to adjusted profit were a credit of £90 million for 2024 (2023: £62 million credit). Adjustments to policyholder tax are made to remove distortions arising from market volatility that can, in turn, lead to volatility in the policyholder tax adjustments between years. The recognition of the income received from policyholders to fund the policyholder tax liability (which is included within the Group's income) can vary in timing to the recognition of the corresponding tax expense, creating volatility in the Group's IFRS profit or loss before tax. During 2024, the Group made changes to its unit pricing policy relating to policyholder tax charges which will reduce the value of these timing differences in future years. These changes, together with current year market movements, have resulted in the unwind of most of the opening timing difference.

Review of financial position

Capital and liquidity

Solvency II

The Group's solvency surplus is £851 million at 31 December 2024 (31 December 2023: £972 million), representing a solvency ratio of 219% (31 December 2023: 271%). The solvency information for the year to 31 December 2024 has been prepared based on the PRA rules and policy material that replaced Solvency II assimilated law on 31 December 2024 ("UK Solvency II"). Comparative figures for regulatory capital for 2023 are presented on a Solvency II basis. The solvency information for the year to 31 December 2024 contained in this results disclosure has not been audited.

The Group's solvency capital position is stated after allowing for the impact of the foreseeable dividend payment of £57 million (31 December 2023: £50 million).

Group Solvency II capital (£m)	At 31 December 2024[1]	At 31 December 2023[2]
Own funds	**1,566**	1,540
Solvency capital requirement ("SCR")	**715**	568
Solvency II surplus	**851**	972
Solvency II coverage ratio	**219%**	271%

[1] Filing of annual regulatory reporting forms due by 27 May 2025.
[2] As reported in the Group Solvency and Financial Condition Report for the year ended 31 December 2023.

The Group solvency surplus decreased by £121 million from the 31 December 2023 position primarily due to the customer remediation exercise provision and costs relating to acquisitions, business transformation and financing, partly offset by the net profit recognised in the year.

The Group's own funds include the Quilter plc issued subordinated debt security which qualifies as capital under the UK Solvency II rules. The composition of own funds by tier is presented in the table below.

Group own funds (£m)	At 31 December 2024	At 31 December 2023
Tier 1[1]	**1,366**	1,336
Tier 2[2]	**200**	204
Total Group Solvency II own funds	**1,566**	1,540

[1] All Tier 1 capital is unrestricted for tiering purposes.
[2] Comprises a UK Solvency II compliant subordinated debt security in the form of a Tier 2 bond, which was issued at £200 million in January 2023.

The Group SCR is covered by Tier 1 capital, which represents 191% of the Group SCR of £715 million. Tier 2 capital represents 23% of the Group solvency surplus.

Final Dividend

The Quilter Board recommended a Final Dividend of 4.2 pence per share at a total cost of £57 million. Subject to shareholder approval at the 2025 Annual General Meeting, the recommended Final Dividend will be paid on Tuesday 27 May 2025 to shareholders on the UK and South African share registers on Friday 11 April 2025 (the "Record Date"). For shareholders on our South African share register, a Final Dividend of 99.18040 South African cents per share will be paid, using an exchange rate of 23.61438.

Financial review *continued*

Holding company cash

The holding company cash statement includes cash flows generated by the three main holding companies within the business: Quilter plc, Quilter Holdings Limited and Quilter UK Holding Limited. The flows associated with these companies will differ markedly from those disclosed in the statutory statement of cash flows, which comprises flows from the entire Quilter plc Group including policyholder movements.

Holding company cash (£m)	2024	2023
Opening cash at holding companies at 1 January	**349**	392
Share repurchase and Odd-lot Offer	**–**	(14)
Single Strategy business sale – price adjustment provision	**–**	(4)
Debt issuance costs	**–**	(2)
Dividends paid	**(73)**	(65)
Net capital movements	**(73)**	(85)
Head Office costs and Business transformation funding	**(34)**	(43)
Net interest received	**18**	13
Finance costs	**(17)**	(18)
Net operational movements	**(33)**	(48)
Cash remittances from subsidiaries	**325**	176
Capital contributions, loan repayments and investments	**(102)**	(86)
Other net movements	**(4)**	–
Internal capital and strategic investments	**219**	90
Closing cash at holding companies at the end of the year	**462**	349

Net capital movements

Net capital movements in 2024, totalled an outflow of £73 million (2023: £85 million) relating to dividend payments to shareholders in the year.

Net operational movements

Net operational movements were an outflow of £33 million in 2024 (2023: £48 million). This includes £34 million (2023: £43 million) of corporate and business transformation costs, finance costs of £17 million (2023: £18 million) relating to coupon payments on the Tier 2 bond and non-utilisation fees for the revolving credit facility, and £18 million (2023: £13 million) of net interest income on money market funds, intragroup loans and cash holdings.

Internal capital and strategic investments

The net inflow of £219 million (2023: £90 million) is principally due to £325 million (2023: £176 million) of cash remittances from the trading businesses, which includes a remittance of £80 million as a result of a change in the Solvency II calculation methodology in 2023. This is partially offset by £102 million (2023: £86 million) of capital contributions to support business operational activities and further investment in the underlying business, including strategic acquisitions.

Mark Satchel
Chief Financial Officer

Risk review

Introduction

The external economic environment benefitted Quilter's business model in 2024, supporting growth in net flows. Nonetheless, continued geopolitical tensions and tax changes implemented in the UK budget, create uncertainty for the year ahead. Effective risk management remains key for generating value safely.

Quilter remains focused on its strategic priorities and in support of their safe delivery, the effective management of risk, in line with risk appetite.

Quilter's risk appetite statements, key indicators and thresholds were reviewed during 2024 with changes made to reflect the evolution of the business.

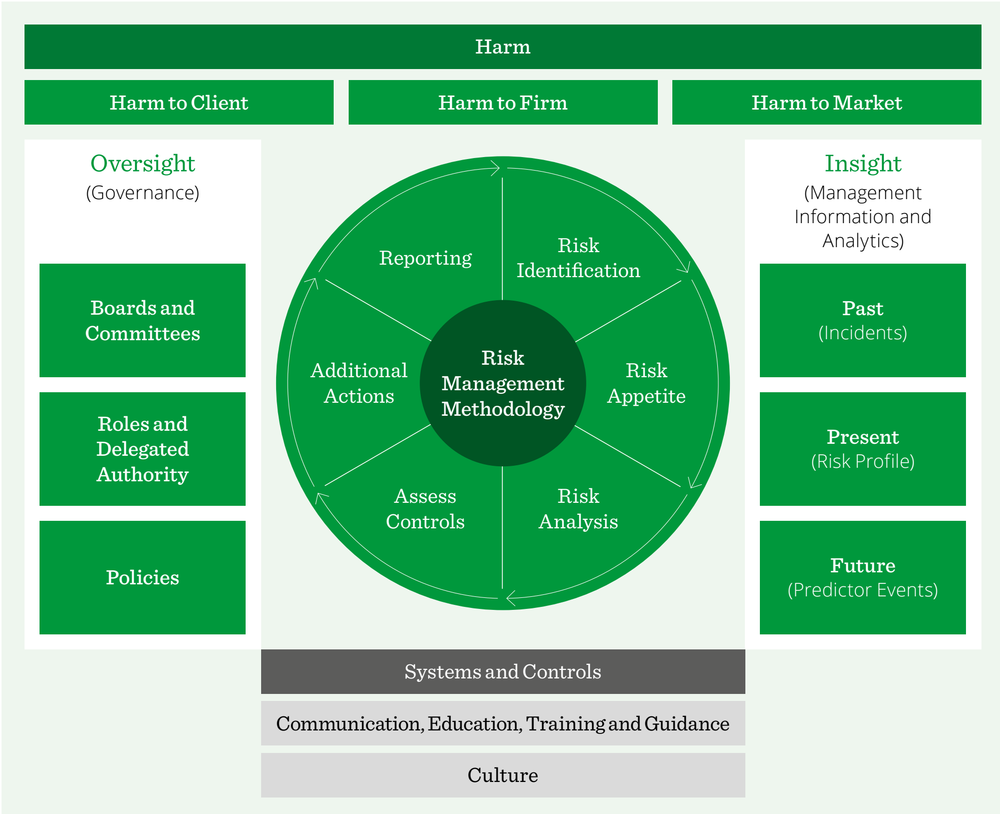
Quilter links risk management to performance and development, as well as to the Group's remuneration and reward schemes. An open and transparent working environment which encourages employees to embrace risk management and speak up where needed, is critical to the achievement of the Group's objectives.

The work performed in 2024 to embed our target culture, including the value to "do the right thing", supports good risk management behaviour across the business.

The delivery of ongoing advice services and the Skilled Person Review has also been an area of focus in 2024. You can read more about this work in the Chief Executive Officer's statement on pages 3 and 4.

Risk management framework

Quilter's Risk Management Framework is designed to provide a qualitative and quantitative approach to the understanding and management of risks. The framework supports the evaluation and management of business opportunities, uncertainties, and threats in a structured and disciplined manner.



Oversight
Quilter's governance structure is designed to facilitate risk-based discussions and decisions and to support the effective management of risks across the business. Senior Manager Function roles have defined responsibilities for risk management. Quilter's policies define the minimum required standards for the management of risks.

Insight
Quilter uses key risk indicators and risk data to understand trends in risk exposures and to identify risks which could move outside of appetite, to support timely management action. Stress and scenario testing is performed to assess potential plausible but severe events, in order to assess Quilter's resilience and to test contingency plans.

Risk management methodology

Risk identification

The Quilter plc Board have carried out a robust assessment of the principal and emerging risks facing Quilter, including those that would threaten its business model, future performance, solvency, and liquidity, as well as the risks that could lead to potential harm to customers. Risk identification is carried out throughout the business, through regular reviews, and when changes to operating model, or new products and services are introduced, or a significant internal or external event is experienced.

Risk appetite

Our risk appetite statements define the amount of risk that the Board is willing to take in pursuit of Quilter's strategic priorities. High level risk appetite statements are set against Quilter's Level 1 risks (see table on the right) and are supported by more granular appetite statements and measures linked to the Level 2 risks. Quilter's position against risk appetite is measured on a regular basis through the monitoring of key indicators and management information reported to the Board. The risk appetite statements, key indicators and thresholds were reviewed and refreshed by the Board during 2024. The Board expects management to maintain controls to ensure that risk exposures remain within appetite, or where indicators show Quilter is outside of risk appetite, to put in place actions to reduce risk exposure to acceptable levels.

Risk analysis

All material risks are assessed to consider their likelihood of occurrence and potential impact on Quilter's business. This includes the assessment and quantification of potential harms to customers, the firm or the market. This analysis informs Quilter's capital and liquidity requirements through the Internal Capital Adequacy and Risk Assessment ("ICARA") and Own Risk and Solvency Assessment ("ORSA"). We perform a range of stress tests and scenarios, covering a broad spectrum of potential events, including market stresses and operational risk events.

Assess controls

Effective controls are essential for either supporting prevention of risks or mitigating their effects once a risk has crystallised. We assess the effectiveness of our controls through Risk and Control Self Assessments which are facilitated by our risk management system and challenged by the second line.

Additional actions

Where there are differences between the residual level of risk (after controls) and our risk appetite and it is not possible to further mitigate the risk, we take appropriate action to either accept, transfer, or avoid the risk, or will reassess the risk appetite if appropriate. Remedial action tracking is facilitated and monitored through our risk management system and is regularly monitored and reported.

Reporting

Quilter's various management risk committees consider risk matters relevant to their business area and escalate as required to the Quilter Group Executive Risk Management Committee ("ERMC"), with escalation, as appropriate, to the Quilter plc Board Risk Committee and to the Quilter plc Board. The ERMC is the most senior executive committee responsible for reviewing and monitoring the risk profile of the Group. This includes coverage of all Level 1 and Level 2 risks and any other material risks, to which Quilter is exposed. The ERMC reviews and recommends the proposed risk appetite to the Board Risk Committee. The Board is responsible for approving the Enterprise Risk Management Framework, and for setting risk appetite. It receives regular information on the Group risk profile and has ultimate responsibility for risk appetite and capital plans.

Risk appetite statements

Business strategy and performance	We aim to ensure the business pursues sustainable and responsible growth and profitability in line with strategic priorities to enhance shareholder value.
Business operation	We aim to maintain an appropriately controlled and resilient operating environment, both internally and through our critical outsourced service providers, which is proportionate to the nature, scale and complexity of our business to ensure good customer outcomes.
Technology and security	We aim to manage the availability, integrity, functionality and security of our critical business processes, supporting systems and data, both internally and where managed by third parties. We acknowledge that moderately disruptive business or technology/security events will occur but aim to minimise their impact within pre-agreed thresholds designed to protect our customers.
Customer and product proposition	We aim to avoid foreseeable harm to clients, reputational issues and financial loss through ensuring that products and services are appropriately designed and maintained. We ensure that our advice proposition and the way that products and services are distributed is aligned to their target market, suitable to customer needs and deliver good customer outcomes.
Regulatory, tax and legal	We aim to maintain appropriate relationships with our regulators, comply with all relevant rules and legislation, and adopt a proportionate approach to the interpretation of rules and guidance that reflects the intent of the rules and protects against foreseeable harm to clients, the firm and the wider market.
People	We aim to attract and retain sufficient competent and diverse resource which is aligned to the business strategy. We aim to foster a positive and open culture where staff feel supported and able to speak up.

Principal risks and uncertainties

During 2024, the Quilter plc Board Risk Committee has overseen the organisation's risk profile, focusing on the Level 1 risk categories, which describe the principal areas of risk exposure for Quilter. The table below sets out Quilter's principal risks and uncertainties, including Executive Committee member ownership and key mitigants being implemented by management. The risk trend noted is the overall residual risk trend (after the application of risk controls) throughout 2024.

Risk trend key
- Stable
- Decreasing
- Increasing

Risk	Description	Primary risk owner	Mitigation and activity	Risk trend
Business strategy and performance	Quilter's principal revenue streams are related to the value of assets under management and, as such, Quilter is exposed to the condition of global economic markets. Geopolitical risk remains elevated due to ongoing conflicts in Ukraine and the Middle East. These risks have the potential to impact the global economy through increases in inflation, impacting economic growth and equity markets. Throughout 2024, external economic conditions benefitted Quilter's business model, reflected in improved flows over the year. The changes implemented by the new Labour Government in the October 2024 Budget to taxation, spending, borrowing, and fiscal rules are being monitored for their effect on Quilter's forward strategy. Quilter has continued its transformation journey during 2024, through strategic initiatives relating to business efficiency, cost reduction and proposition enhancement. Quilter's focus is to maintain the pace of strategic delivery and agility in order to continue to provide a compelling proposition in a rapidly changing industry.	**Primary risk owner:** Chief Financial Officer	**Mitigation in 2024** – Continued successful cost reduction and maintenance of operating margin within target. – Continuation of Wealth and Advice transformation programmes. – Implementation of the Quilter Partners initiative and onboarding of initial partner firms. – Relaunch of the Financial Adviser Academy. **Planned and ongoing activity** – Activities to support adviser and Investment Manager retention. – Ongoing management and delivery of business transformation programmes. – Integration of NuWealth.	**Risk trend** Stable
Business operation	Operational complexity and the efficacy of controls and processes related to the day-to-day running of the business pose an inherent risk to Quilter. This includes those processes which have been outsourced to third parties and where oversight is critical for Quilter to gain assurance over activities delegated outside of its direct control. Quilter's operations provide services to customers and, as such, need to be effective and resilient to ensure that good customer outcomes are delivered and maintained. Quilter has continued to progress the enhancement of its operational environment and improving resilience across the business to ensure compliance with our operational resilience obligations.	**Primary risk owner:** Chief Operating Officer	**Mitigation in 2024** – Ongoing business simplification activity. – Enhancements to root cause analysis reporting, supporting improvement activity. – Enhancements to customer servicing workflow tools. **Planned and ongoing activity** – Operational transformation programme to further align and streamline operational processes across the Affluent segment. – Stress-testing activities and further development of playbooks for significant resilience events. – Maintenance and review of operational resilience arrangements, including our Important Business Services, to ensure continued alignment with regulatory requirements.	**Risk trend** Stable
Technology and security	A stable, reliable, and up-to-date technology environment underpins the delivery of Quilter's services to customers and advisers and ensures that Quilter has technical resilience proportionate to its risk appetite. Disruption to the stability and availability of Quilter's technology, or that of its third parties, could result in damaging service outages and a potential breach of impact tolerances for Quilter's Important Business Services. The risk of an information security incident is a constant and evolving risk which has the potential to impact Quilter's reputation, regulatory standing, and the services it provides to customers.	**Primary risk owner:** Chief Operating Officer	**Mitigation in 2024** – After migrating the International business to Utmost in late 2023, Quilter decommissioned related IT assets in early 2024, reducing the organisation's risk profile. – A threat-led security testing approach was implemented which simulates real-world cyber attacks. Key parts of the Security Operations Centre were brought in-house for better control and deeper understanding of Quilter's IT infrastructure and business model. **Planned and ongoing activity** – Continuous evolution of controls to prevent and detect incidents. This ongoing effort, driven by a threat-led capability, enables Quilter to keep ahead of emerging threats and maintain robust security measures.	**Risk trend** Stable

Risk review *continued*

Customer and product proposition	Quilter's purpose is underpinned by having a suite of product propositions which drive good customer outcomes and processes in place to ensure that foreseeable harm is identified and addressed. Oversight and reporting of customer outcomes has evolved and been enhanced in 2024, following implementation of the Consumer Duty in 2023. Delivery of quality advice and a high level of adviser conduct and competency, is essential. A lack of robust oversight by Quilter could lead to delayed identification of unsuitable advice or products resulting in poor outcomes for customers. As such, Quilter continually looks to improve its control environment in relation to the oversight of advice and remains focused on ensuring that products and services are designed and maintained in line with the Consumer Duty.	**Primary risk owner:** Chief Distribution Officer	**Mitigation in 2024** – Evolution and enhancement of the oversight and reporting of customer outcomes. – Introduction of a customer roadmap to drive improvements in customer experience. – Vulnerable customer training rolled out to all staff. – A number of propositional developments including implementation of CashHub on Platform and continued alignment of investment proposition across multi-asset funds. **Planned and ongoing activity** – Continue to strengthen financial advice processes and supporting controls. – Continued evolution of Quilter's products with a focus on retirement and protection propositions.	**Risk trend**
Regulatory, tax and legal	Quilter is subject to conduct and prudential regulation in the UK, provided by the FCA and PRA, and by local regulators in the other jurisdictions in which it operates. This includes the Consumer Duty, which sets a higher standard of consumer protection in financial services. Quilter is also subject to the privacy regulations enforced by the Information Commissioner's Office and international equivalents. Quilter faces risks associated with compliance with these regulations, and changes to regulation or regulatory focus in the markets in which Quilter operates and other statutory requirements. Failure to manage regulatory, tax or legal compliance effectively could result in censure, fines or prohibitions which could impact business performance and reputation.	**Primary risk owner:** Chief Risk Officer	**Mitigation in 2024** – Activity underway following delivery of the first Consumer Duty Board report and the mitigation of risk associated with the Ongoing Advice Review. **Planned and ongoing activity** – Further process and control enhancements in association with the Skilled Person Review. – Ongoing regulatory engagement and regulatory horizon scanning. – Development of implementation plan for the upcoming changes to the UK Corporate Governance Code.	**Risk trend**
People	Quilter relies on its talent to deliver service to customers and to progress strategic initiatives. Quilter's talent pool is key to the ongoing progress of the Company by having a diverse range of staff and views that will provide the senior management of the future. We seek to proactively identify talent gaps to support the future capabilities required to implement Quilter's strategy. Ensuring that staff and management stand behind Quilter's values which underpin the culture of the firm is fundamental to a proactive, risk aware firm which values its people and the need to uphold its regulatory obligations. Negative management culture and a lack of accountability can lead to inertia and a deterioration in control which puts both customers and the firm at risk.	**Risk owner:** HR Director	**Mitigation in 2024** – Dependency and resource mapping to support strategic initiatives to identify and retain key capabilities. – Development of Talent Strategy to support longer-term strategic ambition/initiatives. – Culture and value transformation, including refreshed purpose and values. – Segment-specific and Quilter-wide communication to support greater employee engagement. **Planned and ongoing activity** – Ongoing talent management and succession programme. – Ongoing regular employee engagement surveys. – Ongoing all-employee conferences.	**Risk trend**

Emerging risks

Within Quilter, we monitor risks which are less certain in terms of timescales and impacts. This assessment is carried out regularly and the emerging risk profile is subject to regular review by management committees and the Board. The identification of these risks contributes to our stress and scenario testing, feeding into our strategic planning process. The table below sets out the most significant emerging risks to Quilter.

Geopolitical landscape Conflicts and political instability impact market risk, client sentiment and strategic direction	Following elections in many parts of the world in 2024, governments will need to respond swiftly to mounting economic, social, security, environmental and technological challenges. Their ability to do so and the nature of the response is likely to have an impact on customers' circumstances and may therefore affect attitudes toward financial investments. Geopolitical risks are considered to remain elevated and increasing with the ongoing Russia/Ukraine war and renewed conflict in the Middle East, creating the potential for further macroeconomic destabilisation.
Cyber threats Malicious attempts to access, damage or disrupt networks	We have observed increased cyber activity in conflict zones and around global elections. Adversaries continue to use advancements in technology to increase the likelihood of success in attacks and this has also lowered the barrier to entry for conducting criminal cyber activity. The rapid growth of AI is likely to continue to increase the nature and sophistication of attacks; and we continue to monitor the evolution of quantum computing and its potential impact on cyber security.
Disruptive competition New technologies and changes in the competitive landscape increases margin pressure	The potential entrance of "big tech" firms into financial service delivery, coupled with the white labelling of platforms and alignment of private equity firms could see competitors acquire skills and technology, accelerating their digital capabilities. This, alongside advancements in digital/hybrid advice, could see new players in the already highly competitive market having the potential to erode Quilter's market share and increase fee pressure across the value chain. The evolution of digital assets as an increasingly prominent asset class, and the implications of associated infrastructure development present a more distant potential risk to Quilter's business model and operations.
Generational shifts Ageing population and intergenerational wealth transfer is likely to change customer expectations and demands	A significant proportion of UK household wealth is held by the over 45s. The likelihood of intergenerational inequality increases as this population engages in inheritance planning and institutions (employers, the State and financial services providers) transfer pensions risk to individuals. Attitudes towards wealth management are shifting, with younger generations being attracted by digital propositions and by funds with greater positive social and environmental impacts. These trends present both opportunities and threats to Quilter in the form of changing consumer demands and expectations.
Advice evolution Technology advancements in advice market impacting margin risk	There are a number of factors contributing to an evolving advice market. These include: both a shortage and ageing demographic of financial advisers, an increased demand for digital propositions, and regulatory activity designed to bridge the advice gap, including the Advice Guidance Boundary Review. These developments present opportunities and threats which Quilter will need to respond to.
Climate change Transition and physical risks	The UK Government has committed that the UK will reach net-zero by 2050. The speed of this transition to a greener economy impacts certain sectors and financial stability. For Quilter's customers, this is likely to impact the desirability of investment in sectors such as coal, oil, gas, and manufacturing. Physical climate risks continue to crystalise and are expected to become more extreme and more frequent in future, threatening the stability of the UK's infrastructure, including energy supplies. This poses challenges to both Quilter's and its critical third parties' operations which must be considered as part of operational resilience planning.

Viability statement and going concern

Risk management and internal control

Quilter is committed to operating within a strong system of internal control that enables business to be transacted and risk taken without exposing the Group to unacceptable potential losses or reputational damage.

The Directors are responsible for ensuring that management maintains an effective system of risk management and internal control and for assessing its effectiveness. Such a system is designed to identify, evaluate and manage, rather than eliminate, the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Quilter Group Governance Manual supports the maintenance of a sound system of internal control by setting out the Group's approach to governance and the policies, standards and processes by which it operates, ensuring that all relevant statutory, regulatory and governance matters affecting Quilter are taken into account. The Board Audit Committee and the Board Risk Committee have a joint responsibility for reviewing and monitoring the effectiveness of Quilter's internal control framework.

The Risk Management Framework is overseen by the Board Risk Committee and aims to align strategy, capital, processes, people, technology and knowledge in order to evaluate and manage business opportunities and threats in a structured and disciplined manner. The Group's principal risks and uncertainties are set out on pages 39 to 40.

Further information on the oversight of risk and internal control at Board level can be found on pages 72 to 76.

Quilter's principles of internal control (covering financial, operational and compliance areas) are to maintain:

- clearly defined delegated authorities;
- clearly defined lines of responsibility;
- robust recording and reporting of transactions to support the financial statements and other reports;
- reporting controls procedures and systems which are regularly reviewed;
- protection of assets;
- compliance with laws and regulations; and
- financial crime prevention and detection.

Viability statement

In accordance with provision 31 of the UK Corporate Governance Code 2018, the Directors have assessed the prospects of the Group for a period longer than the 12 months required in the Going Concern Statement.

Quilter's Risk Appetite Framework supports the delivery of Quilter's strategy and Business Plan with risk appetite playing a central role in informing decision making across the Group.

Every year, the Board considers the longer-term viability of the Group by reviewing the three-year Business Plan, the Own Risk and Solvency Assessment ("ORSA") and the Internal Capital Adequacy and Risk Assessment ("ICARA") for the Group. The three-year planning period is considered appropriate because it aligns with the timeframe focused on for the annual strategic review exercise conducted within the business and reviewed by the Board. The Business Plan makes certain key assumptions in respect of the competitive markets and the economic and political environments in which the Group operates, the level of support provided to companies within the Group and the impact of key strategic initiatives. This year, the Business Plan assumptions have been set with due consideration of the prevailing economic and geopolitical climate, and the risks and challenges this presents to the Group. In particular, the Business Plan includes a range of downside and upside sensitivities which consider variances in equity and bond values and net flows which would impact the Group's forecast AuMA, revenue and profitability.

The first year of the Business Plan has the greatest certainty and is used to set detailed budgets across the Group. Although three years is regarded as an appropriate period for the assessment of the Group's viability, the Board also regularly considers other strategic matters that may affect the longer-term prospects of the Group. This includes the Board's assessment of the principal risks and uncertainties facing the Group in the longer term, including climate change, and emerging risks, such as evolving cyber threats and disruptive competition and technology. The Board's longer-term view is that the Group will continue to grow as a wealth manager, serving clients throughout their lives encompassing their accumulation and decumulation phases.

The Board's assessment included reviews of capital and liquidity and an assessment of the principal risks over the three-year planning period. The majority of the Group's revenue is correlated to the Group's AuMA, which can move materially when there is significant volatility in global financial markets. In addition, the Board's assessment also considered the potential financial and regulatory implications of the Skilled Person Review which include the potential payment of remediation and associated administrative costs. Further information on the Skilled Person Review is contained in note 30 to the Group's financial statements.

The ORSA and ICARA processes include an assessment of a range of stresses and scenarios. These are performed in order to assess capital and liquidity requirements and to test the impact of severe stresses on the Group. Certain stresses are tested at severity levels which would be expected to occur once in every 50 years and once in every 200 years. These stresses are tested in order to confirm whether the Group and underlying operating entities have sufficient financial resources to meet their financial risk appetites.

Quilter has a documented recovery plan which sets out the management actions and recovery options available to manage the impacts of severe stresses.

Viability statement and going concern *continued*

In all the severe but plausible adverse stresses tested, the Group had sufficient capital and liquidity after allowing for management actions. This demonstrates the Group's resilience to adverse conditions. The management actions which were assumed included the suspension of dividend payments in the most extreme stresses, deferral of strategic initiatives and actions to reduce costs, including reductions in variable compensation and discretionary spending, and staff recruitment freezes, similar to the tactical cost savings made during 2020.

Reverse stress tests have been performed to identify idiosyncratic and market events which would make the current Business Plan unviable. The results of these tests indicate that the stress events which could make the current Business Plan unviable are extreme events which would be expected to occur less frequently than once in every 200 years. Therefore, the Group can reasonably expect to have sufficient capital and liquidity to be able to meet its liabilities over the planning period.

The Board regularly monitors performance against a range of predefined key performance indicators and early warning thresholds, which will identify if developments fall outside of the Group's risk appetite or expectations, allowing timely management action to be taken.

The Strategic Report, on pages 1 to 43, sets out the Group's financial performance, business environment, outlook and financial management strategies. Details of the Group's principal risks and Risk Management Framework are set out on pages 37 to 41.

Conclusion on viability

Having given due consideration to the Group's current capital and trading position, principal risks and the three-year Business Plan, as well as the impact of the current economic climate, the Board has a reasonable expectation that the Company and the Group can continue in operation and meet their liabilities as they fall due over the period to 31 December 2027.

Going concern

The Directors have considered the resilience of the Group, taking into account its current financial position, the principal risks facing the business and the effectiveness of the mitigating strategies which are or will be applied. As a result, the Directors believe that the Group is well placed to manage its business risks in the context of the current economic outlook and has sufficient financial resources to continue in business for a period of at least 12 months from the date of approval of these consolidated financial statements, and continue to adopt the going concern basis in preparing the consolidated financial statements.

This Strategic Report was approved by the Board on 5 March 2025.

Ruth Markland

Ruth Markland
Chair
On behalf of the Board

Governance Report