



Inspiring Better Futures

2021 annual report





Inspiring Better Futures demonstrates our commitment, as a socially aware business, to improving the life chances and financial wellbeing of people from disadvantaged backgrounds alongside increasing their educational opportunities.

Welcome to our second **Inspiring Better Futures** report

A word from our CEO Teddy Nyahasha

Our focus is firmly on our social impact by building financial resilience, promoting life-long learning and championing financial inclusion. We achieve this through the products we offer and the ambitious projects we have underway to support others – bringing our Inspiring Better Futures vision to life.

It's been a tough time for everyone over the last couple of years and the financial, social and educational impacts of the pandemic are still being felt. We're now moving into a cost-of-living crisis that's already seen families having to choose between heating and eating. Our recent research found that just 22% of over 55s believe that today's young people will have the same life opportunities that they had. 84% pointed to the cost of property being much higher, 72% highlighted the rising cost of rent making saving for a deposit impossible and 53% were concerned about the effects of inflation on the real value of cash savings.

Our research also found worries about the impact of the climate crisis on the futures of the young and fears that lockdowns hit the educational outcomes and mental wellbeing of the next generation. Meanwhile, nearly one in three of those who expressed concern said that those from disadvantaged backgrounds would be especially impacted because they are not encouraged to aspire to more in life.

This isn't right. We have to do more to help those who are struggling, who are dispirited and think there's no hope. As a responsible business we're actively looking for ways to support those who need our help. At a very basic level, we're designing our products so that they are

accessible to everyone, regardless of their means. So, ordinary families can gain the benefits of investing in the stock market which, over the long term, will help them to beat the impact of inflation. Similarly, our whole of market equity release advice simplifies the process with a fixed fee and friendly support.

We're partnering with charities that look after people when they are most in need, these are long-term commitments that will see us providing funding, expertise, advice and staff time. We're not just throwing money at a charity and thinking 'job done', we're getting involved and doing whatever we can to help.

Standing up for the rights of others and using our voice to bring about change is another way that we're making a difference. We're supporting the young, the disadvantaged and the marginalised to help them towards the futures that they deserve.

As a member-owned organisation, we can reinvest our profits for good. And that's what we're doing. Please do read our update to find out more about our work and how we're creating value for you, our members.

We're proud to be here for you.

Teddy Nyahasha
Chief Executive



Inspiring Better Futures

Our Inspiring Better Futures vision underpins our commitment to doing the right thing at every level for our customers, colleagues and communities.

Our vision is built on 3 pillars

Members and customers

Building financial wellbeing through the provision of accessible and affordable products and services to help protect and save for the future

Colleagues

Supporting our colleagues' development and growth, and building their financial resilience

Communities

Creating a better future through supporting education and financial inclusion for all

We believe that what we do should have a positive and sustainable impact, which is why we've awarded over **£4.75 million in funding** since 2015, supporting **over 390 fantastic causes** and improving the lives of **over 3,200 people** through our individual grants.

This also means ensuring that we use our voice on key issues that affect our customers, stepping up to help the young, disadvantaged and marginalised in our society to reach beyond their expectations and have the same opportunities to access financial products.

In 2021 we focused on 3 key areas to support our Inspiring Better Futures vision:

- 1. Financial wellbeing** – Providing support and advice to those in financial hardship, supporting employment opportunities and championing good savings habits
- 2. Access to education and training** – Providing support, training and advice to help people develop their skills and unlock their potential
- 3. Improving life chances** – Helping people from disadvantaged backgrounds to escape or avoid poverty through providing support, advocacy and funding

Focusing on the 3 key areas above supports the sustainability of our business and our overall vision.

Members and customers

Being a member-owned organisation means that we can focus on reinvesting our profits for our members' benefit, not shareholders.

We aim to provide them with long-term value through our products, services and member benefits, as well as championing their needs.



How we support our customers

Hope for families whose children have mental incapacity

We led on an industry-wide solution to the difficulties faced by the families of teenagers with mental incapacity in accessing their child trust funds (CTF).

Our approach avoided the need for families to have to undertake a lengthy and sometimes expensive court process since, in some circumstances, we could release funds against documentation and identification that they already held.

We have been told by parents and carers that this has enabled them to purchase specialist equipment for the young person.

However, we felt that the government should take action and, along with charities and other providers, have been lobbying Westminster for a change in legislation that would make accessing savings much simpler for these teenagers in the future. Our CEO, **Teddy Nyahasha**, has met with the **Ministry of Justice** and **OneFamily's** technical experience and knowledge of the market has been instrumental in shaping the government's proposed Small Payments Scheme.

The consultation on this proposed scheme has now ended and we hope to hear the outcome soon.

Helping our customers to access their money

OneFamily is the UK's biggest child trust fund provider (CTF), looking after the savings of more than 1 in 4 families.

It's estimated that 200,000 CTF account holders across the UK lack mental capacity and could need support to enable them to withdraw their own money.

We recognised that this could impact some of our CTF customers, so we immediately took steps to support them prior to the first CTF accounts coming to maturity in 2020. We have helped 426 teens to access their money so far, who might have otherwise had difficulty doing so*

*As at March 2022



Championing financial inclusion

OneFamily has always maintained that financial products should be accessible to everyone regardless of how much money they have to invest. That's why our products have low investment levels and minimum contributions, giving more people the opportunity to save regardless of their circumstance.

Nici Audhlam-Gardiner
Chief Commercial Officer at OneFamily

“Smaller savers have traditionally put money into cash accounts and relied on interest to build value. But in most cases a junior ISA (JISA) is for long-term saving – the majority are set up within the first year of a child's life, so they are entirely appropriate for investment.

“With the current low rates on cash accounts and rising inflation the risk is that these JISAs could have their value nibbled away over time. However, our stocks and shares JISA enables financial inclusion, by allowing smaller savers to benefit from the gains of the stock market, with a minimum investment of £10 per month.”

Being more financially inclusive

We believe that a crucial step towards financial inclusion is education, e.g. helping young people to feel confident in understanding their investment options.

In 2020 we spoke to 1,000 teens to see what their attitudes to savings were – 84% said that they thought that it was important to save money, but only 36% felt confident in investing and 55% said they didn't understand what stocks and shares were.

As a mutual, we're dedicated to removing barriers to investment, ensuring our products are accessible to all types of savers.

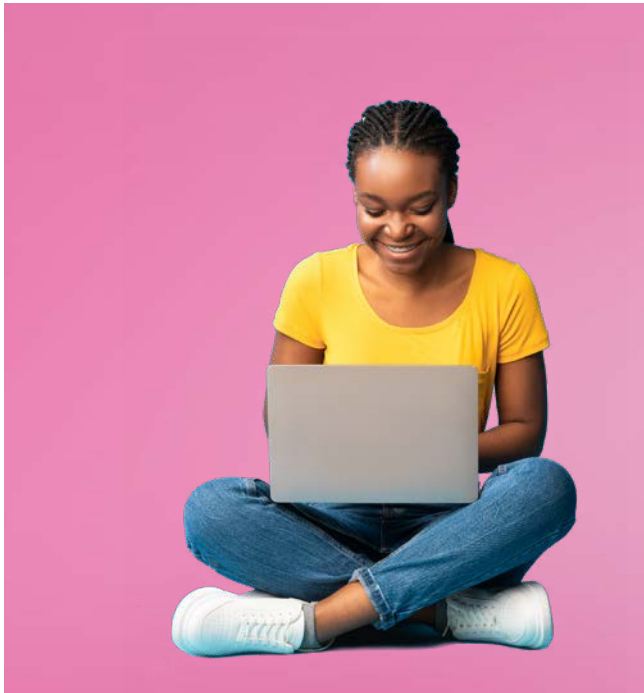
Lifetime mortgages 'keeping in touch' programme

We launched our 'keeping in touch' programme for our lifetime mortgage customers in 2021. This provides online educational, supportive materials to help them and their loved ones to manage their finances with confidence and improve their financial wellbeing.

Supporting access to education

Educational resources for young savers

It's important that we bring our child trust fund (CTF) communications and content to life in a way that our younger audience can really engage with. So, we created videos to explain some of the more complex topics around investing, such as different ISA products, to help our customers make an informed decision about what to do with the money in their CTF at maturity.



Young Person's Education Grants

In 2021 we awarded £110,000 to 229 young people for laptops, travel expenses, uniforms and much more

The costs of further education and training can be a barrier to many young people and their families. Research by the Sutton Trust¹ found that 40% of young people worry about the cost of higher education, with the average debt for students from the poorest 40% of households being £52,000.

We offer OneFamily customers the opportunity to apply for a Young Person's Education Grant for those aged 15-19 years-old to help with essential costs such as technology, travel and equipment.

"The grant will make such a huge difference to me. I can now purchase a laptop to do my college work on, as we have been having to share one between the whole family. Thank you so much."

Ben, Sheffield

"This is a great opportunity for any young student who needs a boost in funding towards their education and I'm very grateful for this."

Savanah, London

¹ Sutton Trust Research www.suttontrust.com/our-priorities/higher-education/2022

Our research found that 39% of respondents aged under 40 were not optimistic that today's younger generation (18-24 year-olds) will have the same life opportunities overall (e.g. job progression, owning their own home, gaining a good education, seeing the world, feeling fulfilled) as those from previous generations.

Furthermore, 34% of those respondents felt that the increased cost of education means it will be harder to pursue higher education.

Opinium research of 2,000 adults undertaken for OneFamily in February 2022

Making our products accessible to our members

Our friendly customer service team is always on hand to offer helpful telephone support and guidance, using straightforward language and avoiding jargon when talking to our customers about our products.

This helps to increase the accessibility of the products we offer, fostering our inclusive approach for all types of savers.

Our dedication to support our customers is demonstrated by our 4.2 star Trustpilot score

(as at 24 February 2022)



We're proud of our customer satisfaction rating of 87%**

**Customer research carried out October through December 2021)

Member benefits

Our new member benefits were launched at the end of 2021, and we'll continue rolling them out to our members in 2022.

We've focused on offering resources that align with our key aim to support access to education and training, which includes apprenticeship funding, advice, training discounts, savings on books and IT equipment, our established education grants and everyday savings.

We also continued to pay independent lifetime mortgage advice fees on behalf of our members, their friends and families through our OneFamily Advice service.

24 members took advantage of this benefit during 2021 and saved a combined total of over £20,000 in advice fees.

LOOKING FORWARD >>

We will continue to roll out our new member benefits to our wider member-base. We'll be actively listening to member feedback, offering more benefits that will add value to them.



Colleagues

We're committed to running our business in the right way – prioritising our colleagues' wellbeing and promoting a diverse and supportive culture in our workplace.

We believe this provides a broader perspective, and means we're better able to support our members from all walks of life.

"Towards the end of 2021, I started a two-year apprenticeship to develop and enhance my skills as a Data Analyst.

This has given me the opportunity to learn new tools, new ways of working and collaborate with both a tutor and colleagues.

It's a challenging programme, but already I've learned new skills that I can bring back to OneFamily whilst also developing personally."

Adam, OneFamily colleague



Colleague development

Over 10% of employees benefited from formal career development in 2021, including promotions, secondments and apprenticeships:

- Four of our colleagues are being supported with internal apprenticeships in: Software Development/ Learning & Development/ IS Business Analysis/ Data Analysis
- We delivered a leadership development programme to encourage and broaden the scope of commercial, strategic and creative thinking/problem solving
- A group of our managers benefitted from a coaching and feedback training pilot in 2021. We plan to roll this out to all line managers in 2022 - to ensure regular, quality feedback and coaching conversations at all levels



Colleague engagement

We achieved a very high response (81%) to the **Best Companies** colleague engagement survey in 2021 and gained 1 star (very good to work for) rating overall, out of a maximum 3 stars. This was an increase from the previous 'One to watch rating' indicating very good levels of engagement and was a significant achievement, especially given the pandemic.

Based on our colleagues' comments about wanting more opportunities for personal growth, we've provided further internal training and have developed additional online resources. Alongside this, we've also introduced initiatives such as apprenticeships, mentoring and volunteering.

This ensures that **Inspiring Better Futures** is a vision for colleagues as well as for our members, providing opportunities to develop and grow.

Sustainable employee benefits

Our **Inspiring Better Futures** vision encompasses the legacy we leave for future generations. That's why we're committed to do the right thing in a sustainable and responsible way, including the employee benefits we offer:

- o **Electric cars and bikes** – we launched a car salary sacrifice scheme for our colleagues, enabling them to purchase electric vehicles. We also increased the loans available for e-bike purchase
- o **Employee Pension** – we took the decision to set the default investment fund to the Legal & General Future World Multi-Asset Fund, which has a sustainable focus on ESG at the heart of the investment approach
- o **Colleague Family Bond** – in 2021 we made a change to our Family Bond policy so colleagues would be eligible to receive one at the end of their probation period – making them members of the Society earlier in their career

We provide impartial representation for colleagues through our internal employee forum. **Talking Family** helps to support and offer guidance to all employees on a wide variety of issues as well as being a voice for communication and consultation at all levels across the business.

During 2021 Talking Family supported colleagues:

- o By encouraging open and honest feedback across the business
- o Through representation during individual and collective consultation as well as disciplinary and grievance proceedings
- o By providing support to individual colleagues on a one-to-one basis

Diversity and inclusion

Embracing diversity and promoting an inclusive workplace is at the core of our values - we want colleagues of all backgrounds, identities and circumstances to thrive and reach their full potential.



In 2021 we built on our successful Diversity and Inclusion programme that was launched in 2020.

We've continued to focus on creating the right environment for our colleagues to feel like they truly belong, and we've done this in a number of areas:

Gender

As signatories to the **Women in Finance Charter**, we launched the Women in Finance Mentor Programme in 2021. Our objectives were to support females at middle management and professional level within the business to realise their talents and aspirations, as well as maintaining a minimum of 30% female representation within Senior Leadership roles by the end of 2021.

42% of those eligible within the business took up the opportunity to participate in the programme. Mentees were matched with a mixture of mentors from leadership, Executive and Non-Executive Director roles.

Forums were run to offer networking opportunities, share experiences and advice and we aim to enable more colleagues to benefit from this development opportunity in future.

Disability

During 2021 we developed education pieces around neurodiversity and colleagues have also shared their life experiences to encourage more open discussions and awareness.

Gender pay gap report 2021

Our gender pay gap has reduced to 14.6%, down from 19% last year, and at the end of 2021 our Board and Executive comprised 50% female and 50% male directors. The national median gender pay gap average in 2021 was 15.4% (ONS, 2021) and we are pleased to see our median is well below the national average.

At the senior management level, we have 31% females and 69% males, and we are continuing to work to address the proportion of women in senior roles through our recruitment practices and leadership progression.

The full report can be found here:

onefamily.com/company-information



LGBTQ+

OneFamily is a Diversity Champion member of Stonewall - a UK based LGBTQ+ charity. In 2021 we launched an LGBTQ+ allyship group, which colleagues have been able to sign up to. An ally is someone who believes in and acts to advance LGBTQ+ equality. Allies may typically be straight and/or cisgender, but members of the LGBTQ+ community can also be allies to each other.

In June 2021 we celebrated Pride for the sixth year running and have shared colleague experiences through blog posts and webinars on a number of subjects, including coming out as LGBTQ+ and being a trans man.



LOOKING FORWARD >>

From April 2022 we will be moving to a hybrid working model in our Brighton office, based on consultations with colleagues. The aim of the new way of working is to allow staff to get back into the office, while maintaining a degree of flexibility to juggle their home and work life. We also plan to broaden our Women in Finance Charter mentor programme, in order to benefit more colleagues.

Race

In October we celebrated Black History Month with a range of activities, including:

- Sharing stories from our colleagues on what makes them 'proud to be'
- Providing links to resources, as well as sparking some great debate and conversation
- Welcoming a guest speaker - social commentator and campaigner, Patrick Vernon, who has been at the forefront for several high-profile campaigns on cultural heritage

We are signatories of the Race at Work Charter and have signed up to **#10,000 Black Interns**.

10,000 Black Interns seeks to offer 2,000 internships each year for five consecutive years. Each internship presents the opportunity to change a life and each training session can genuinely change an individual's trajectory.

We'll be offering 3 internships at OneFamily in 2022.

We'll be evaluating how successful this initiative is and aim to replicate the programme with local universities in the future.

Communities

We believe in playing an active role in our communities through supporting financial wellbeing, access to education and helping improve life chances.

We do this by providing much needed funding and assisting colleague fundraising, volunteering, and mentoring.

Charity partnerships New for 2021

We created new, ongoing partnerships with charities whose aim is to support access to education and improve life chances for people from disadvantaged backgrounds.

We're providing each charity with financial assistance, advice and hands-on support.

Supporting our communities has been a key focus of ours for many years and is at the core of our mutual values. This ethos has continued with the introduction of our new charity partnerships in 2021.

Supporting national charities



IntoUniversity

IntoUniversity provides local learning centres where young people are inspired to achieve.

They offer an innovative programme that helps young people to raise their ambitions, improve attainment, develop soft skills and gain experience of the world of work, ultimately supporting them in attaining a university place or another chosen aspiration.

intouniversity.org

Elderly Accommodation Counsel (EAC)

EAC is a national charity that encourages whole family conversations with the aim of helping older people to live safely and well at home, with any care or support they may need.

eac.org.uk

Citizens Online

Citizens Online is passionate about digital skills and access. They work towards an inclusive society where everyone can benefit from digital connections by assisting people and organisations to get online and learn digital skills.

citizensonline.org.uk

Supporting local charities

Our colleagues voted to select 3 Brighton-based charities for OneFamily to build long-lasting partnerships with. The charities are working within our three focus areas of providing access to education and training, fostering financial wellbeing and improving life chances.



Spear Brighton Trust

Spear Brighton Trust inspire and help unemployed young people overcome disadvantage by focusing on the key issues that empower them to succeed in work: attitude, confidence, and qualifications.

spearbrighton.org



Team Domenica

Team Domenica is a social enterprise charity. Their mission is to help people with learning disabilities discover their career potential, to create employment opportunities and remove barriers to work in local communities.

teamdomenica.com



The Clock Tower Sanctuary

The Clock Tower Sanctuary work with young homeless people to give them space, support & stability. They provide a space for homeless 16-25 year-olds where they can feel safe and 'just be', whilst also getting access to services and support.

thects.org.uk

Community Grants

Our Community Grants have enabled our customers to give back to 221 great causes since 2018, through nominating them for a grant to support their work.

21 groups benefitted from our funding in 2021, including a charity for disabled children, a food bank, schools and many more.



Action For Kids (AFK) Charitable Trust

AFK supports disabled young people to live independent and fulfilling lives, helping them to find paid employment and providing mobility equipment.

They received a Community Grant in 2021 to fund careers insight sessions for pupils with special educational needs.

“Children and young people with special educational needs and disabilities (SEND) experience many inequalities accessing good healthcare, appropriate equipment, high quality education and meaningful employment opportunities. Sadly the pandemic has exacerbated these barriers.

“We are delighted to be working with OneFamily to support the life and work skills, of children and young people with SEND. Your extremely generous grant of £2,500 will enable us to deliver a schools employability skills support service, which will help to increase pupil’s awareness and understanding of career/work opportunities and engage parents/carers and professionals to change their perceptions which is simply vital at this time.”

Lyn Prodger
Corporate Partnerships Manager



“I volunteered for the Clock Tower Sanctuary bucket collection because it is a brilliant charity doing great work for young people. On the day it was lovely to realise how generous people are, the very first person we approached contributed £20! I would thoroughly recommend getting out there and doing something positive to help people who need that extra boost.”

Louise, OneFamily employee

Giving back through volunteering

We continued to bring our vision and mutual values to life through re-invigorating our volunteering activities in 2021. Our new charity partnerships have provided fresh volunteering opportunities and we've been building further new connections for our colleagues to support our local communities.

We increased the number of paid volunteering days colleagues can take from one to three, which will allow them to provide even more support to great causes in the area.

Other improvements we've made include:

- More focused volunteering partnerships linked to education, financial resilience and improving life chances
- Linking volunteering to the personal development of our colleagues
- Encouraging colleagues to support their local schools – becoming school governors and providing mentoring

We got involved in a range of volunteering and fundraising activities in 2021, from supporting Spear Brighton Trust in carrying out mock interviews with young people to a Christmas collection for the Clock Tower Sanctuary.

In 2021 we donated £25,173 in support of colleague nominated causes, Brighton Pride and our OneFamily charity matching initiative.

LOOKING FORWARD >>

In 2022 we'll be partnering with a national charity that is focused on providing access to financial education. Members will be given an opportunity to have their say through voting for their favourite charity out of a shortlist of three. We plan to build a meaningful relationship with the charity partner, supporting them not just financially but in a more hands-on way as well.

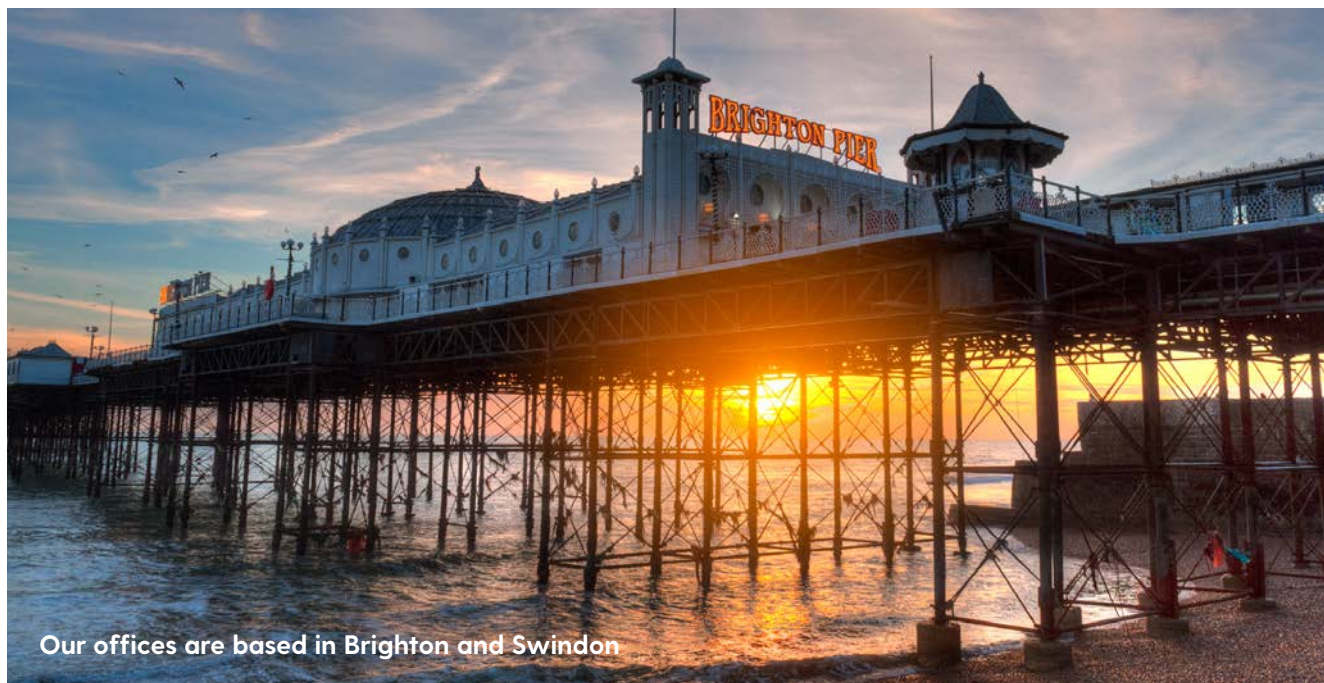
Environment

The environment is important to us too. We're committed to doing the right thing at every level – sustainably and responsibly – reducing our carbon footprint and playing our part in preventing climate change.

Our offices

At OneFamily we have taken steps to reduce our impact on the environment, ensuring that we're all working together to create a better future.

We are committed to continually improving our operations and regularly review our practices.



We currently implement the following in our offices:



Recycling initiatives: centralised collection points on all floors to encourage and enable efficient recycling



Motion sensor LED lighting installed in the Brighton office to reduce electricity consumption



A 'no waste goes to landfill' policy and we purchase products made from recycled materials wherever possible



Participation in an environmental initiative which benefits a non-profit organisation called CoolEarth, who work alongside rainforest communities to halt deforestation and its impact on climate change



Compliance with the Energy Savings Opportunity Scheme, where we assess our energy use and identify efficiencies, and with Streamlined Energy and Carbon Reporting, where we measure our carbon footprint and look at ways to reduce / offset this

Climate-friendly investments




Through clear and defined strategies, we're working towards providing responsible investment opportunities, while supporting businesses striving to be better for the environment – benefiting both our members and the environment.

We launched our new climate-friendly investment funds in 2020, which enable us to invest in shares in companies that have set an agenda to help tackle climate change.

During 2021 we launched our new ISA and Lifetime ISA products that enable us to use these same climate friendly investment funds to provide further options for our customers to invest more sustainably.

The way we invest our ISA Funds is based on aligning with the United Nations Paris Accord **limiting change 2°C above pre-industrial levels.**

Our targets for our ISA and Lifetime ISA investments

-  Make the carbon intensity of the companies in our fund 70% lower than the average score of the 1,600+ companies we assess
-  Make the fuels/brown revenues of the companies in our fund 90% lower than the average score of the 1,600+ companies we assess
-  Make the green revenues score of the companies in our fund 300% higher than the average score of the 1,600+ companies we assess

To qualify as deserving to sit within our Climate Change fund, each organisation is ranked on 5 different factors



1. Green revenues

What percentage of the company's overall revenue comes from "green" business activities, such as low-carbon technology and "clean" energy production.

The more, the better.



2. Adaption score

The companies are also assessed on their climate change preparedness, such as their greenhouse gas emission targets and plans.

The more focused on a greener future, the better



3. Carbon intensity

How much carbon emission the company is responsible for, from creating themselves to relying on a supply chain that creates it.

The less, the better.



4. Fossil fuel reserves

How much greenhouse gas emissions result from the company's fossil fuel reserves.

The less, the better.



5. Brown revenues

What proportion of the money the company makes is made through "brown" sectors like drilling, mining and other extractive activities.

The less, the better.



We've built Inspiring Better Futures into the heart of what we do as a company.

Our vision remains true to our mutual purpose of creating and protecting value for our members.

Our focus is on long-term sustainability, so we can continue to be relevant and impactful for our members and customers, colleagues and communities.

OneFamily **Inspiring Better Futures**

OneFamily is a trading name of Family Assurance Friendly Society Limited (registered and incorporated under the Friendly Societies Act 1992, registered number 939F). Registered in England & Wales at 16-17 West Street, Brighton, BN1 2RL, United Kingdom. Family Assurance Friendly Society Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential

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