

Statement on the UK Stewardship Code

The UK Stewardship Code has been introduced by the Financial Reporting Council (FRC) with the aim of enhancing the engagement between institutional investors and companies, thereby improving governance in those companies and enhancing shareholder value.

We delegate management of our assets externally to State Street Global Advisors (SSGA) for all our collective investment schemes and some of our unit linked funds and the remainder of our unit linked funds to Santander Asset Management and EdenTree Investment Management, we are not involved ourselves with undertaking stewardship activity on a day-to-day basis and so do not have direct engagement with companies held within the portfolios managed by these third parties. We monitor the stewardship activities of our investment managers through regular meetings and reporting.

As responsible investor, we take seriously our role as an owner of the companies and endorse the UK Stewardship Code ('the Code') in which we are directly or indirectly invested. We expect all our third party investment managers to support and endorse the Code and its underlying Principles.

Our responses to the seven Principles contained within the Code are set out below in which we explain our approach to our stewardship responsibilities.

Principle 1: Institutional investors should publicly disclose their policy on how they will discharge their stewardship responsibilities

We delegate the management of the majority of our investment management to State Street Global Advisors Limited with the remainder to, EdenTree Investment Management Limited and Santander Asset Management Limited. We monitor their compliance with the Stewardship Code by:

- Ensuring all our investment managers support and endorse the UK Stewardship Code
- Regular reporting to us of voting activities on our funds
- Meeting with representatives from the investment manager to gain an understanding as to how the manager:
 - integrates stewardship into the wider investment process
 - prioritises its engagement on key issues
 - internal monitoring undertaken and activities monitored
 - use of proxy voting agencies
 - frequency of reporting to clients and what information is reported

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Principle 2: Institutional investors should have a robust policy on managing conflicts of interest in relation to stewardship which should be publicly disclosed.

We maintain detailed policies to manage potential conflicts of interest that may arise at scheme level between the management company, its customers and the funds.

A 'Conflicts of Interest Internal Procedures' is in place (available on OneFamily's website) and circulated to Non-Executive Directors, Executive Directors and Heads of Department, The Conflicts of Interests Internal Procedures combines the relevant areas within the Conflicts of Interest Policy, Personal Dealing Policy, Gift & Entertainments Policy/Register, Whistle-blowing policy, Purchasing and Supplier Selection Policy and puts into place clear procedures to identify and manage conflicts of interest. Policy adherence is maintained and monitored by the Board of Directors, Board Committees and HR. The Secretariat maintains a list of all potential or actual conflicts of interest and each conflict is assessed for materiality and risk to the business or individual concerned. Every reasonable effort is undertaken to avoid conflicts of interest arising, and to resolve any such conflicts that do arise. In the event that no reasonable resolution can be found, the existence of the conflict, and its potential or possible effects, will be fully disclosed to all parties affected, or potentially affected, by such conflicts.

Although we delegate investment management for our funds, we remain fully responsible for discharging all of our obligations under the regulatory system. Our investment managers have contractual obligations to act in accordance with the customers' best interest where a potential or actual conflict with the manager's duty to the customer may arise and these arrangements are reviewed as part of our oversight responsibilities. We expect our fund managers to manage conflicts of interest in accordance with the UK Stewardship Code.

Principle 3: Institutional investors should monitor their investee companies

Day-to-day responsibility for managing our funds holdings is delegated to external investment managers, and we expect them to monitor companies, intervene where necessary, and report regularly on activity undertaken.

Our funds are managed either 'passively' or 'actively' by our investment managers. As part of our oversight we will discuss with the managers around engagement and voting activities and the approach used, including:

- Number of attended meetings;
- Votes (%) against management and shareholder proposals;
- Company engagement successes and failures;
- Voting strategy;
- Use of third parties for research and proxy voting; and
- Other global and regional initiatives.

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Principle 4: Institutional investors should establish clear guidelines on when and how they will escalate their stewardship activities

As highlighted above, responsibility for day-to-day interaction with companies is delegated to the external investment managers, including the escalation of engagement when necessary. Their guidelines or such activities are expected to be disclosed in their own statement of adherence to the Stewardship Code.

Our external managers engage with company management in an open and constructive manner in order to understand the issues and to raise concerns. Escalation would normally occur if a request goes unanswered or is inadequately addressed. The usual method of escalating contact with investee companies is via senior management; the Chief Executive (for strategic and operational matters) or the Chairman and Senior Independent Non-executive Director (for governance and other issues).

Should such actions not result in a satisfactory outcome, they will consider on a case-by-case basis other approaches, including a formal written communication to the Company Secretary, additional meetings with management, collaboration with other investors and voting against relevant resolutions.

We expect our investment managers to report their stewardship priorities to us on a regular basis.

Principle 5: Institutional investors should be willing to act collectively with other investors where appropriate

We recognise the value of collective engagement and expect our investment managers to act collaboratively with other investors whenever possible, in accordance with the UK Stewardship Code. This would be particularly the case if it was felt that management are acting in their own personal interests not for the shareholders.

Principle 6: Institutional investors should have a clear policy on voting and disclosure of voting activity.

Funds are not currently involved in stock lending and have no immediate plans to do so.

In respect of shareholder voting we expect our investment managers to actively vote on every resolution for all UK equities held on behalf of investors. These should be reported on a quarterly basis and the voting reports are made public through publication on the managers' website. If an investment manager has abstained or voted against a resolution an explanation is provided as to why they have done so. Should the investment manager not wish to publish this level of information then they must clearly state why they have not done so. The manager's approach to voting is reviewed as part of our oversight.

Regular reports are received from investment managers on how votes have been cast, including where oppose or abstain action was taken. The manager's approach to voting is reviewed as part of our oversight.

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The addresses below, will direct you to our external investment manager websites, where you can find details of their policy on voting and disclosure of voting activity:

www.ssga.com (State Street Global Advisors)

www.edentreeim.com (Edentree Investment Management)

www.santanderassetmanagement.co.uk (Santander Asset Management)

Principle 7: Institutional investors should report periodically on their stewardship and voting activities

We expect our managers to provide transparency of their stewardship activities through regular reporting to us in accordance with the UK Stewardship Code and other information reported publicly online.

As part of our oversight of the manager we will discuss their stewardship approach, engagement and voting activities undertaken during the year.