

Ninety CIC - Ethics Board

2014 Status Report

1. Purpose of the Board

- Ensure that ethics and a principled way of doing business is intrinsic and central to how Ninety operates under the framework of a Community Interest Company (CIC)
- Provide advice to the Directors on matters of an ethical, social and environmental nature as it relates to the company and its business dealings
- Review and make recommendations on the distribution of profit to employees and on the remuneration of Directors

2. What We Do

- Hold management accountable to ensure that the ethical principles are adhered to
- Review and challenge business strategy, business content and ways of working
- Receive feedback from clients and employees on matters pertinent to ethical behaviour and distribution of profits

3. How We Do It

- Annual Board meeting where management present on the previous twelve months of business evidencing how the defined culture has been put into practice
- Receive reports on business performance, approach, and client/employee feedback
- Produce an annual report on findings and make recommendations to the Ninety management team on actions which the Board agree should be taken

4. 2014 Review

4.1 Client

- Only limited client feedback was received directly by the Ethics Board in 2014
- Management confirmed that client satisfaction was high in relation to business output
- Unclear how clients view the ethics of the business when choosing to engage Ninety

4.2 Employee

- Ethics Board received, reviewed and approved the employee handbook which outlines how employees and associated are expected to behave and the values of Ninety
- Profit share proposal for 2014 was approved by the Board as being fairly distributed based on the principle of the amount received by each being directly related to the value contributed in the year
- Proposed remuneration of the Directors was approved as being appropriate for the level and type of roles when compared with equivalent remuneration in other organisations

4.3 Financial

- Proposed profit share amount was approved subject to Ninety management being confident that it was affordable and did not impact cash-flow or ongoing sustainability
- Board requested that the donation approach for the 90% and the inter-relationship between the Ethics Board and the Ninety Foundation be reviewed so the Board could be clear on remit and oversight in relation to the donations
- Pipeline of new business in 2015 indicated that there was the opportunity to grow both profit share and donation amounts

4.4 Process

- Board requested that the role of each of the Directors be more clearly stated and that the structure of their remuneration and company status be reviewed to ensure that it was fair and transparent
- The governance structure was reviewed and management were challenged to reappraise how the entities interact to ensure that there was the appropriate transparency and clear ways of working
- Environmental impacts and engagement with appropriately ethical third parties appeared satisfactory although management were challenged on the amount of flights being taken when working with clients in the UK rather than making more use of trains

5. Summary

- 2014 performance and the way Ninety conducted business during the year has not raised any 'red flag' issues for the Board where there would be serious concern of misalignment
- There are recommended steps which management need to take in order to clarify the governance structures, the relationship between entities and the basis on which each Director legally relates to the organization
- Board have requested that the strategic narrative on what the company is there to do be articulated more clearly and that a set of ethical principles be produced
- It was disappointing that Board did not receive more client or employee feedback during the year, despite the request going out, and will be looking to increase this for 2015
- Inaugural Board meeting has established the foundations on which we will be reviewing Ninety's performance and holding management to account against the purpose of the company and the way its business should be conducted