

Ninety CIC Ethics Board

2017 Status Report

1. Purpose of the Board

- Ensure that ethics and a principled way of doing business are intrinsic and central to how Ninety operates as a socially-responsible organisation
- Provide advice to the Directors on matters of an ethical, social and environmental nature as it relates to the Ninety ecosystem and its business and charitable dealings within the Group and the Ninety Foundation which is within the scope of the Board
- 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
- Safeguard the definition of distributable profits to balance the protection of Ninety's social purpose with ensuring the sustainability of the future business
- 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 during the previous twelve months of operations evidence how the defined culture has been put into practice
- Review the macro level of profit and donation amounts to ensure sustainability
- Receive reports on business performance, approach and client/employee feedback
- Provide ethical advice and opinion on specific situations from time-to-time at the request of business management
- Produce an annual report on findings and make recommendations to the Ninety management team on actions which the Board agree be taken over the following year

4. 2017 Review

4.1 Client

- Much clearer view of target client and offer through focus on innovation in insurance
- Has meant that certain opportunities are now being declined when non-core
- Opportunities also being declined where not confident of the ethical fit of the core products/services of a client (out of insurance sector) with clear rationale as to why
- More balanced mix of clients with less dependency on specific ones with recognition that while progress has been made, more work is required here to ensure sustainability
- Recommended that a pro-active client selection process be established to filter going forward
- Client feedback for the year has been overwhelmingly positive and intention is to share more of this publicly on Ninety's website

- Intention is for client feedback to become more specific in order to substantiate more Ninety's ethical purpose with clients providing independent validation of the ethical agenda

4.2 Employee

- Organisation now better structured to sell and get new business following a restructure
- Specific redundancy situations appear to have been handled fairly and cleanly
- Greater emphasis on alignment to social mission in recruiting new team members
- Emphasis placed on ensuring consistency in all policies and terms for all staff as organisation grows and to move away from any personalised tailoring
- Agreement that all team members including associates should be paid promptly for work billed
- Encourage continued greater diversity amongst the workforce with the opportunity to widen through new recruitment

4.3 Financial

- Approved proposed profit share amount
- Approved proposed remuneration of Directors
- Recommended look at optimal approach to distribution of profit share among employees and whether linking this to longevity of tenure was most appropriate
- Recommended that develop a clear definition for the profit share element which can be used with all stakeholders
- Obtained clarity on the process and approach to Director and Non-Executive remuneration
- Noted intention of the Foundation to focus on building deep impact in certain social cause areas rather than being spread too thinly
- Noted determining approach to maximise wider social benefit of investments held in cash
- Development of innovation fund encouraging to support wider innovation growth and this funding to be kept separate from more general business investment growth

4.4 Process

- More simplified governance structure now in place which is clearer and better controlled
- Social narrative implementation strong with recommendation to develop out the impact report so evidence is in one place and measurable
- Recommended that an independent trustee be appointed to the Ninety Foundation at the appropriate time
- Change of Ninety Board Chair which is maintaining transparency through being chaired by one of Ninety's prime clients
- Positive that clients are continuing to play a role in selecting donation causes
- As with previous years, there was no regulator (CIC) engagement in the year out-with of the required submissions

5. Summary

- 2017 position has not raised any 'red flag' concerns from an Ethics Board viewpoint
- Ninety now has a much clearer business growth strategy and focus which is enabling the business to be much more 'laser focused' on the type of work it does and with whom
- Distributable profits continue to be donated on a sustainable basis and the cashflow position remains strong in support of the ultimate goal

- Changes to the team structure and a greater diversity of clients are helping Ninety to thrive
- The Board will continue to recommend improvements to governance and ways of working where these are identified but note the strong progress made in this area which gives the Board clearer oversight
- A strong level of openness and transparency to tackle any issues head on
- Credit to the management team for continuing to pursue the vision with complete dedication and energy, helping insurers prosper and reducing global poverty