

Ninety CIC Ethics Board 2018 Status Report

Introduction from Ethics Board Chair

My name is Amy Brettell and it is a pleasure to be compiling this report as incoming Chair of the Ethics Board. I have worked for Zurich Insurance, who are long standing clients of Ninety, for over 11 years. During this time I have held a variety of actuarial roles, worked as a Strategic Assistant to one of the MDs, headed up several lines of business (Local Government, Charities, Health & Infrastructure), spent some time as Chief of Staff to our UK CEO and at present I am Head of Customer, and Market Insight in our Claims division. It is a credit to Ninety that they have given a client the opportunity to help shape their future, as well as allowing transparent access to all details regarding the business. I look forward to serving Ninety and all its stakeholders over the coming three years.

As incoming Chair, this was my first opportunity to chair this wonderful board. I'd like to formally thank Tom Hardcastle, outgoing Chair, for his support over the transition period and for building the Board into what it is today. I have big boots to fill!

Our Board meeting was an open, robust and challenging discussion. Overall I would characterise 2018 as a successful year and one of transition, focus and investment for Ninety. We discussed a number of areas, detailed below. Notably, we had a lengthy discussion about the donation amount. I am pleased that our Ethics Board was held ahead of the Ninety Board meeting so that input could be sought prospectively. I am further pleased to report that the recommendations of the Ethics Board were adopted at the Ninety Board meeting.

In summary the Ethics Board found the Ninety team to be true to their mission, passionate and found no areas of ethical concern.

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 Ninety's Management present evidence as to how the defined culture has been put into practice during the previous twelve months of operations
- Review the macro level of distributable profit and proposed donation amounts to ensure sustainability

- Review reports on business performance, approach and client/employee feedback
- Provide ethical advice and opinion on specific situations, sometimes on an ad-hoc basis outside of the Annual Board Meeting, at the request of business management
- Produce an annual report on findings
- Make recommendations to the Ninety Management Team on actions for the upcoming year which are presented to the Ninety Board for discussion and agreement, or otherwise

4. 2018 Review

4.1 Client

- Clarity of target market, proposition and focussed sales approach; now completely focused on innovation in the insurance industry.
- This focus is driving an increased number of clients and enabling growth into new areas of insurance, such as health and life.
- Ninety continue to turn down engagements where they do not believe that a project aligns with their ethical core.
- International expansion is on the horizon – Ninety set to transact first business in the US. The Board had a discussion around pricing varying in different territories. It was unanimously agreed this was fair and ethical due to varying costs and overheads, margin remains consistent.
- In the main, client feedback for the year has once again been overwhelmingly positive. A couple of specific projects did not go as Ninety would have liked. In the Board's opinion, Ninety went above and beyond to try to improve these situations. Specific lessons have been learnt and the findings embedded back in to the business, including the introduction of specific decision gates for continuing with projects and weekly sponsor review meetings.
- Ninety's reputation continues to grow; the team have been nominated for several awards and invited to speak at a number of conferences.

4.2 Employee

- 2018 has been a year of significant team expansion; it is now three times the size, role-specialised and better structured, in all areas of the business.
- The team is significantly more diversified and Ninety's first female Director has been appointed.
- Recruitment, particularly in delivery roles, is a key focus for 2019 in order to match business growth and ensure that team members do not burn out. Alignment to social mission will remain critical in hiring new employees.
- Ninety have a clear focus on their people as the team grows; the Board now have a specific lead for HR, training & culture.
- During the latter half of 2018 the whole Ninety team have joined discussions to help codify their culture, mission/vision and values. This will be developed into a playbook, staff handbook and policies.
- Employee feedback was very positive; areas for action were centred on holiday entitlement and ensuring that certain colleagues were not overloaded.

4.3 Financial

- Ahead of the Ethics Board meeting, the financial results were kindly reviewed in detail by a member of the Ethics Board who has relevant expertise.
- Approved proposed profit share amount, with 2/3rd to be allocated to the Ninety Foundation and 1/3rd to the Ninety Founder's Charitable Account.
- Approved proposed staff profit share amount and approach (to reward longevity and give additionally to those on lower salaries).
- Approved proposed remuneration of Directors.
- From Q1 2019 Ninety will be inviting external scrutiny of financial performance.

4.4 Process

- Largely, governance remains unchanged, with perhaps two notable exceptions; the introduction of the Ninety Founde's Charitable Account and the formation of the Ninety Foundation Advisory Working Group. Both were agreed by the Ethics Board to be a positive step; it was recognised that there could be improvements made to the Advisory Group to make this more effective.
- A new subsidiary of Ninety Consulting, Ninety Consulting LLC, has been formed to support the expansion in the US.
- Significant improvements have been made to delivery operations during 2018 enabling Ninety to have a better understanding of capacity, allocation and utilisation.
- As the Ninety team is growing, the Ethics Board has recognised the increasing importance of HR expertise and will be seeking a new Board member with this skill set.
- This year the Ethics Board are writing to the Regulator in order to let them know about the change of Chair and will provide a copy of the updated Terms of Reference, this is in addition to required submissions.

4.5 Impact

- The Board were delighted to see that Ninety had produced its first impact report (a copy of which can be found on the Ninety website).
- The Ninety team continue to be driven by their social mission and are making a significant difference to peoples' lives.
- The Ethics Board heard from the Ninety Foundation Chair via pre-recorded video. At the time of our meeting the Foundation had given away over £102k from prior year profits, with an additional £11k pending, in support of its charitable objects. Clients and Employees continue to help decide how money is distributed.
- During 2019, Ninety are planning to support an intern from a charity the Foundation has supported. They are acutely aware of their duty of care to this individual.
- More broadly, Ninety continue to operate with the highest level of ethical integrity.
- The team are conscious of their environmental impact through increased international travel.

5. Summary

- No 'red flag' concerns were raised as far as the Ethics Board were concerned.
- Ninety continues to thrive and make a significant difference to the lives of those it is able to support.
- Distributable profits continue to be donated on a sustainable basis and the cashflow position remains strong in support of the ultimate goal.
- The Ethics Board congratulate all those who are part of the Ninety team for all they have achieved, and are excited to see what 2019 brings.