

## **Ninety CIC Ethics Board 2019 Status Report**

### **Introduction from Ethics Board Chair**

It was a pleasure to Chair the 2019 Ethics Board Meeting. We were joined by a new member this year; Gudrun Evans, who has spent the latter part of her career in various senior HR roles, after being a nurse in the army. Last year the Board recognised that we were increasingly speaking about people related matters, and therefore actively sought expertise in this area. I would like to express my thanks to Gudrun for joining the Board, and the significant impact she is already having.

It is with sadness, that the Board also accepted Meg Pickard's resignation. Meg was a founding member of the board and has been instrumental to its success for over five years. Her contributions have been invaluable not just during my time as Chair, but for the years preceding this. Both Ninety, and the Ethics Board extend a huge thanks to her and we wish her every success in her future endeavours. We know she remains a friend to and committed supporter of Ninety, and I am sure she won't be a stranger.

Once again, our board meeting was an open, robust and challenging discussion. Overall, I would characterise 2019 as a strong year and one which saw Ninety have a more strategic focus, making some bold and positive steps forward. Ninety has remained absolutely focused on its purpose during this exciting time and has enabled the Ninety Foundation to contribute to causes aligned to its objectives in new ways. As in previous years, the Ethics Board found the Ninety team to be true to their mission, passionate and found no areas of ethical concern.

We discussed a number of areas, which are detailed below. Notably, we had lengthy discussions about culture, remuneration and sustainability. Following the changes made in 2018, we once again held the Ethics Board meeting ahead of the Ninety Board meeting in December, so that input to the latter could be sought prospectively. I am further pleased to report that the recommendations of the Ethics Board were adopted at the Ninety Board meeting.

### **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, including 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. 2019 Review**

##### **4.1 Client**

- A number of new clients have come on board this year (including in the US) and been impressed with what Ninety do and the people they have in the team.
- The onboarding process for clients has been refined to ensure a smoother transition to the Delivery team.
- Ninety have delivered a significant number of projects of varying scales across a range of organisations.
- Most projects have gone well, and client feedback has been overwhelmingly positive.
- We discussed a particular project which had not gone to plan. In the Board's opinion, Ninety did all they could to get this back on track, at significant financial cost to the business. There are lessons to be learnt in terms of onboarding new Associates.
- Ninety continue to turn down engagements where they do not believe that a project aligns with their ethics.
- The team continue to invest in their own product innovation have expanded their offering for clients, including innovation training programmes, an innovation health-check and primary research.
- Excitingly, Ninety are also looking at how they can help clients tackle major societal issues such as climate change.
- The whole team should be very proud of beating much larger firms to win Consultancy of the Year at the Insurance Choice Awards, especially as it was voted for by those in the industry.

##### **4.2 Employee**

- Ninety has continued to expand during 2019 and has doubled in size during the year; alignment to social mission has remained critical, and new hires continue to be culturally and socially matched.
- Tom Hardcastle (previous Ethics Board Chair) has joined the team as a Senior Partner. A Delivery Director has also been hired, and between them they have reshaped the Delivery Team, bringing greater support and improved delivery.
- At the time of our meeting, there were several vacancies within the team. Whilst recruitment may have been slower than the Ninety Directors may have liked, the Board was pleased to see that they were resolute on holding out for individuals with the right experience and social/cultural alignment.
- Recruitment will continue to be a key focus during 2020.
- Excitingly, during 2019, the Ninety team collectively codified that company culture, vision and values. This resulted in the "Ninety Playbook". Members of the Ethics Board were given a copy of this, and unanimously agreed it was excellent.
- The staff handbook and organisational policies have been reviewed and aligned with the playbook.
- The Board were really pleased to see examples of staff positively dealing with ethical dilemmas without the need to refer to senior leaders, showing that the culture is well embedded and lives beyond words on a page.

- Once again, the Board sought feedback direct from employees. This was extremely positive; one area highlighted by current staff was the importance of retaining the current culture as Ninety grew.
- Ninety has significantly invested in its team during 2019, with a more structured approach to personal development, feedback and training.
- A specific discussion was had on workplace mental health; this is something that Ninety will have a focus on next year.
- The team continue to socialise regularly, including with family members.

#### **4.3 Financial**

- New accountants have been appointed which will bring a more structured, reliable and up to date approach to accounting.
- Ahead of the Ethics Board meeting, the financial results were kindly reviewed in detail by Danny Leitch, a member of the Ethics Board who has relevant expertise.
- Cashflow remains a critical factor to ensure stability for Ninety, its clients and those it supports.
- Danny kindly presented a simple and easy to understand financial model, which allowed even greater scrutiny of the proposed profit share.
- The Ethics Board approved the proposed profit share amount, which represents a significant increase on previous years. 2/3<sup>rd</sup> will be allocated to the Ninety Foundation and 1/3<sup>rd</sup> to the Ninety Founder's Charitable Account.
- The proposed staff profit share amount was also approved.
- The Board approved the proposed remuneration of Directors.
- A new Bonus Policy was tabled. This was discussed in some detail, with the key factor being agreed that it must not detract from Ninety's ability to distribute its profits to good causes. With Gudrun's help and expertise, this was subsequently finalised and approved.

#### **4.4 Process**

- Ninety remains a founder-managed business with consistent support from a Board of Directors
- During 2019, Geoff Knott resigned as a director. Tom Hardcastle and Nkechi Langley have joined the Ninety Consulting Board.
- The board is now made up of directors who are more active in the day to day running of the business.
- Ninety are seeking to recruit a part-time non-exec Financial Director.
- Following discussions at the Ethics Board, Andrew Davies has been formally appointed as a Non-Exec Director, giving greater clarity to his role.
- Governance of the Ninety Foundation remains broadly unchanged, with Geoff remaining a Trustee. The Advisory Working Group that was trialled in 2018 didn't work as intended, and has been discontinued, in favour of more adhoc input from staff and clients. This is working better.
- The Ethics Board will be seeking to recruit a new member during 2020 to fill the position left vacant by Meg's resignation.
- This year the Ethics Board are writing to the CIC Regulator in order to let them know about the changes to the Board membership.

#### **4.5 Impact**

- The Board were delighted to receive an updated copy of the Impact Report, which contains some impressive statistics.
- It is clear that 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 £75k from prior year profits in support of its

charitable objects, with an additional £41k in funds, as a social investment that was being pursued did not work out. Clients and Employees continue to help decide how money is distributed.

- The Foundation model is maturing and getting more sophisticated in its delivery. This has resulted in bolder activity with scale impact. Examples include direct impact investment in a clinic in Nairobi slums, and exploring inclusive/micro-insurance in Sub-Saharan Africa.
- The Board discussed the terms on which Ninety has engaged with loan and direct impact investment activity, and were confident that these were fair and ethical.
- The Foundation is also exploring ideas to use funds to create systemic change by encouraging others to innovate, with a focus on increasing penetration of insurance for low-income families in a country in Sub-Saharan Africa.
- A discussion was held regarding the use of ethical/impact banking mechanisms which may help Ninety do even more social good with the cash reserves it holds. This is something that the team will be exploring in 2020.
- Ninety continue to host “Impact Dinners” for clients to showcase how their contributions are spent. This year, the charities have also been going in to the office beforehand so that staff can share in the experience.
- More broadly, Ninety continue to operate with the highest level of ethical integrity.
- The team are increasingly conscious of their environmental impact and taking positive action, at both a macro and micro level.

## **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 can support.
- Distributable profits continue to be donated on a sustainable basis and the cashflow position remains strong in support of Ninety’s ultimate goal.
- The Ethics Board congratulate all those who are part of the Ninety team for all they have achieved.
- 2020 looks set to be an exciting and impactful year.

Amy Brettell  
Ethics Board Chair