

Ninety CIC Ethics Board 2020 Status Report

Introduction from Ethics Board Chair

As always, it was a pleasure to Chair the 2020 Ethics Board Meeting. We had an apology from one Board member; Ruth Kyle as, almost at the same time as we were meeting, Ruth was giving birth to a gorgeous baby girl! We send them both our very best wishes.

Before reflecting on the organisational impacts of Covid-19, I would like to acknowledge the profound societal and human impacts of the last year. On every level 2020 has been tough for us all. However, there have also been moments of determination, lessons in resilience and adaptability, innovation and indeed finding ourselves connected as a single human race and a togetherness that perhaps the like of which we have never seen, and may never see again in our lifetimes. Personally, there are some things that I hope far out last this moment in history; the compassion and kindness we've shown for each other most notably.

Compassion and kindness have always been in the DNA of Ninety, and this has remained utterly steadfast this year – the fact that they have still made a donation, albeit smaller than they would have liked, despite a challenging financial year, is testament to this. The agility and innovation experienced up and down the country has also long been just how the team at Ninety do things. The Board expressed their respect and admiration for all at Ninety for the resilience and determination they have shown. Surviving one of the toughest years in recent history is not to be underestimated.

With this background, it is an even stronger endorsement of Ninety that the Ethics Board found the team to have remained true to their mission and acting with the utmost ethical integrity.

The impact of Covid-19 understandably dominated the discussion, however a number of areas were discussed, which are detailed below. I am 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. 2020 Review

4.1 Client

- The year started well but unfortunately Covid19 and the economic impact hit hard with a decline in revenue and a prolonged period of challenge.
- The positives were a sense of togetherness in the team and the adoption of the innovative “Ninety Flow” way of working
- Despite the challenging circumstances, Ninety onboarded a slew of new clients with a much greater regional spread.
- The biggest change was for Ninety to offer a virtual-first approach to all regardless of location. This has been very well received and likely to prevail.
- Most projects have gone well, and client feedback has been overwhelmingly positive. The main feedback from clients was that they felt that Ninety had high integrity and everything was very ethical.
- Take up for the new Virtual Innovation Training Programmes, including Innovation Bootcamps, was good and received some of the most positive feedback ever from clients.
- The team continue to invest in research and data and new propositions like Disruption Squads and Innovation Stack.
- Ninety have launched “Zerocubator”, experimental testing of an environmental sustainability incubator. This is a brilliant opportunity to use the company methodology to help with global challenges and to get Ninety even closer to its values.
- The whole team should be very proud of beating much larger firms to win Consultancy of the Year at the Insurance Choice Awards again, especially as it was voted for by those in the industry.

4.2 Employee

- The personal and professional impacts of working from home were discussed at length. Many team members had been impacted by isolated environments and things such as home schooling. Understandably during this year, one of Ninety’s main focuses was its people.
- Ninety Flow was launched encouraging a combination of remote working mixed with meaningful collaboration time, and the trial of a four-day working week.
- Pre-covid, the Delivery Team expanded with a 2nd Delivery Director, Client Partner and Engagement Lead. Owing to covid further recruitment was paused and one redundancy unfortunately had to be made.
- The more structured approach to personal development, feedback and training had continued following the investment in it in 2019.
- Mental Health week and the importance of having a good work/life balance continued to be highlighted.
- The team continue to virtually socialise, with bi-weekly virtual coffees with a colleague.
- Once again, direct feedback from employees was collected by Gudrun Evans on behalf of the Ethics Board. There were many fantastic and positive comments as to how the Directors had innovated and adapted to the Covid pandemic.

- Most notably the individual who had been made redundant redundancy could not speak more highly about Ninety and it being the best and most considerate company they had worked for.

4.3 Financial

- Financial planning, operations and strategy were stronger than ever and the appointment of the new accountants in 2019 has helped the team navigate through the challenges of Covid.
- An application for R&D tax credits covering 2019 had been successful with a reduction in the Corporation Tax.
- 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.
- Danny kindly presented a simple and easy to understand financial model, which allowed scrutiny of the proposed profit share.
- Cashflow remains a critical factor to ensure stability for Ninety, its clients and those it supports.
- With the impact of Covid19 no staff profit share was recommended.
- The Board agreed that the remuneration of Directors would remain unaltered.
- Whilst the new performance related pay structure was no in place, it did not trigger for this financial year.
- A donation within this financial year had been made. No further donation was recommended. Whilst the Ninety Management Team were disappointed that donation levels did not match previous years, the team should be incredibly proud of the £500,000 they have given over the last six years.

4.4 Process

- No notable changes have been made to the governance structures surround Ninety.
- Ninety remains a founder-managed business with consistent support from a Board of Directors.
- Governance of the Ninety Foundation remains broadly unchanged.

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.
- This year the Ethics Board were pleased to have Jon White, Ninety Foundation Chair, in attendance. At the time of the meeting, over £127,000 had been given away to charitable causes which meet the aims and objectives of the Foundation, over the last 12 months.
- Clients and Employees continue to help decide how money is distributed.
- The Foundation continue with the investments in Olivink Healthcare and Oikocredit and have added a third investment with Ibex International.
- Feedback from the charities supported by Ninety has been very positive, and particularly welcome during the pandemic. The Foundation were able to make snap decisions and when Covid hit they were able to help the financing of washing stations in the Nairobi within 36 hours.
- The idea of the Foundation exploring ideas to use funds to create systemic change by encouraging others to innovate with an insurance prize has been put on hold due to Covid19 and changes in the DFID.
- Whilst Ninety had explored options to use an ethical/impact banking mechanism, this was proving hard to implement owing to the unique pressures of 2020. The team will continue to explore this as the situation stabilises.
- "Impact Dinners" had been unable to take place but Virtual Impact Teas are to be introduced with representatives from the Foundation charities and employees.
- More broadly, Ninety continue to operate with the highest level of ethical integrity.

- The team are very conscious of their environmental impact and have taken action to be more sustainable, resulting in them now being carbon neutral. Practices implemented off the back of Covid-19 have been maximised in this regard, with the lessons learnt being taken forward.
- During 2020 Ninety had been able to further embed sustainability in business as usual, with a number of projects having a sustainable core. For example, Ninety had worked with AXA re vaccine distribution, and the challenge that temperature control posed within much the developing world. They had worked with Gates and Gabi to find a solution which allowed the risk to be insured for the last part of the journey. This has obviously become very topical and has now been launched as a mechanism in Lloyds of London.

5. Summary

- No 'red flag' concerns were raised as far as the Ethics Board were concerned.
- Ninety had a financially and emotionally challenging year but have innovated and adapted to the Covid pandemic.
- The Ethics Board congratulate all those who are part of the Ninety team for all they have achieved in an extremely challenging year.

Amy Brettell
Ethics Board Chair