

Ninety CIC Ethics Board

2015 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 including the five current companies within the Group and the Ninety Foundation which is now 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
- 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
- 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 be taken over the following year

4. 2015 Review

4.1 Client

- Board viewed it as positive that a growing client base is being exposed to the values, principles and social good of Ninety
- Client satisfaction being demonstrated through the growing number of client 'strategic partner' relationships in place which has developed from the previous year
- Credibility of the Ninety offer appears to be the prime rationale for clients with the ethics of the business/social good an additional consideration where values alignment is important
- Disappointing to not have had further direct client feedback and recognise that Ninety management is looking at how to increase engagement/involvement with clients

4.2 Employee

- Stronger representation of senior management at the 2015 Ethics Board with three Directors present along with engagement with the Ninety Foundation Chair providing a more rounded view
- Discussed the need for Ninety's mission, vision, values and policies to be codified as part of the overall value package in order that future recruitment and those already working for Ninety are clear on the social enterprise they are joining and future recruits to self-select
- Recommendation that Ninety's partnerships and suppliers are chosen based on the social good they can create through the relationship wherever possible e.g. to support reducing inequality, support growth in developing nations
- Recommendation that Ninety look at opportunities to diversify the workforce and increase social good in the process e.g. apprenticeship schemes, access to the profession, work experience
- Positive to see the involvement of a number of Directors in visiting some of the charities in Africa which the Ninety Foundation has already funded and are planning to fund in order to further engrain the vision among the leadership team

4.3 Financial

- Approved proposed profit share amount
- Approved proposed remuneration of Directors based on targets achieved
- Recommendation that introduce a minimum expectation of donation to the Foundation

- Ninety should continue to ensure that all tax arrangements are fair to society, individuals (employees) and the Foundation
- Request early sight of agreed 2016 targets and approach / principles to remuneration to review at outset

4.4 Process

- Noted the inclusion of the Foundation in the scope of the Ethics Board so the Board now has clearer oversight and is presented with an outline of what has been invested in to date
- Recommendation that Ninety look to create as much social good through how it runs and not solely the financial output which then gets invested to create the same through the Foundation
- See a positive desire for clients and employees to become more engaged in where the Foundation invests, including a proposed voting process
- Board was pleased to see that entity interactions are more clearly presented and recommend that Ninety ensure clarity on roles and accountability of management and non-executive positions now that the organisation has further grown and developed
- There was no regulator (CIC) engagement in the year out-with of the required submissions

5. Summary

- 2015 position has not raised any 'red flag' concerns and the organisation has continued to develop and grow in line with the core strategy
- The Board acknowledges the management actions that have been taken following the 2014 report recommendations including on governance structure, tax position and organisational narrative
- Management are working on how to build meaningful client engagement, feedback and involvement which the Board looks forward to seeing the results of
- The formal governance framework put in place from the inception of the Ninety organisation has enabled the Ethics Board to maintain ongoing oversight as the organisation has grown in both value and people terms
- The interaction with the Foundation and with management has been positive and the Ethics Board looks forward to ongoing oversight