

Environmental, Social and Governance ('ESG') Report



At Kooth we acknowledge our responsibility to ensure Environmental, Social and Governance (ESG) practices and policies are embedded into all aspects of our company. As part of this commitment, we are working towards the Ten Principles of the United Nations Global Compact, specifically those relating to:

- **Environmental:** by reducing Kooth’s environmental impact through the energy we use, the movement of our people and the resources we consume.
- **Human and labour rights:** by ensuring diversity, equity, inclusion and wellbeing are embedded into working life.
- **Anti-corruption:** by adhering to secure and transparent governance policies.

Through our business model, which develops safe and confidential digital mental health services accessible for all ages (10 years+) Kooth is contributing to Goal 3 of the UN Sustainable Development Goals: Ensure healthy lives and promote wellbeing for all at all ages.

We will monitor and report on these values and principles in our next annual report. In addition, we will be formalising our commitment to the principles of the UN Global Compact over the next year by becoming a signatory. As part of this process we will commit to reporting our performance against the 10 principles of the UN Global Compact on an ongoing basis.

1. Social

Nature of Service

Kooth’s accessible digital services provide those aged 10+ (ages vary with each contract) with a safe and welcoming place to seek confidential and non-judgemental professional help for mental health concerns, as and when they need it. As a result, Kooth is contributing to Goal 3 of the UN Sustainable Development Goals: Ensure healthy lives and promote wellbeing for all.

It is only in the last decade that mental health was added to the agenda for the UN Sustainable Development Goals, when the impact it was having on health care systems was identified. This gap in health care is where Kooth has our greatest impact.

Reducing NHS and CAMHS waiting times is crucial to improving public health - it has been reported that those seeking help could experience up to an 18 weeks wait for a therapeutic referral. Kooth offers immediate digital support that is available 24 hours a day, seven days a week. Once registered, the service can be accessed using any internet connected device such as a laptop, smartphone or tablet. In 2021, Kooth services were accessible to over 10 million people and 219,000 users accessed our platform.

Accessibility

Accessibility is at the core of Kooth’s digital mental health services. There are no waiting lists, thresholds to meet, or professional referrals required, meaning that eligible individuals can sign up immediately.

Kooth is anonymous - when registering for the service individuals do not need to provide personal identifiable information, but may do so as they build their confidence and trust with practitioners. This helps Kooth reach individuals and communities who do not want to be identified. And the digital nature of the service ensures those in rural communities, who may not have counselling nearby, can seek immediate and accessible support.

Kooth's product team builds our platforms in-house with input from our communities and participation teams. Every new feature is designed to meet the Web Accessibility Guidelines (WCAG) 2.1 level AA.

Kooth's content and user interface is written in English, but our web pages are built to work with web browsers' translation features. All text can be read by a ten-year old (the youngest user that we engage with) and have been careful not to exclude people with visual or learning impairments.

Personalised Service

In February 2021, our research team published Kooth's Theory of Change for Adults, which provides extensive information around our person-centric approach. This online report gives an understanding of the similarities and differences between adult users on our Qwell platform, what they are using us for and what they hope to get out of the service. The aim is to explore our 'digital ecosystem' and detail what exactly adults need from mental health care. By publishing this online, we are inviting others to reflect on the value of this type of personalised service.

User Feedback

Our Participation team's 'You Say, We Did' feedback programme is proof of Kooth's commitment to continuously improving our service by listening to our users. In 2021, we collected extensive feedback from over 1,000 young people via our online forums and surveys. This included suggestions, compliments and complaints, and a clear indication of how they want to engage with us i.e., simple things such as users wanting to play games while waiting for a Live Chat with a counsellor.



"I love this website! I think it is a fantastic way to let people open up about their issues. The fact that it is all anonymous helps as well. I don't think I'd feel comfortable being on here if I had to state my name. I love Kooth, it is my safe space."

December 2021, **Anonymous Service User**

We respond to this feedback with action points and timescales, and we measure our success by evaluating the impact of these changes.

Diversity and Inclusion

Kooth aims to remove barriers and ensure all individuals - regardless of race, age, gender, disability, sexuality or socio-economic background - have access to effective mental health services. We are aware that mental health affects different communities in different ways. Black and non-White communities face barriers to mental health care in the form of language, fear of stigma and a lack of cultural awareness.

This year 19% of our users were from Black and non-White backgrounds. For comparison, 14% of the British population is Black and non-White. As part of our participation work we are continuously improving our understanding of the mental health service needs of these communities. We are actively creating more content targeted towards all communities and promoting initiatives to increase usage by people from Black and non-White backgrounds.

In 2021, we developed partnerships with BlackOut UK and Unity FM to research mental health needs within specific communities. Our Unity FM partnership offered a week-long broadcasting workshop, free to males from underrepresented communities, to teach new skills and talk about experiences and identities. Initiatives like this enables Kooth to create content for specific audiences, ensuring everyone feels seen and heard and helps to shape our service to ensure that it meets the needs of the whole population.



"Staff are friendly and you can trust them. They are here to listen to what you have to say. They are free to talk at any time. You have activities to keep you busy and help take your mind off things. The website is free to use. It helps you to take good care of yourself. Thank you team for all your great help, and for everything you do."

January 2021, **Anonymous Service User**

0.4% of the British population identify as non-binary, while 7.2 % of Kooth users identify as a non-binary gender (agender or gender-fluid). In order to understand how best we can support our users, we launched our Inform, Support, Change & Celebrate campaign across our platforms, social media and in print.

We recruited five LGBTQIA+ influencers to work with us to talk about what pride means to them and how they have managed their mental wellbeing. Neil Young, a psychotherapist, who already provides D&I training to our practitioners joined our weekly town-hall to provide advice and support to our staff; we've delivered over 590 hours of training on diversity and inclusivity to employees. Members of the Kooth team produced their own personal content on growing up as LGBTQIA+ and how that impacted their own mental health which was shared with businesses and more widely.



“Kooth is so supportive of everyone, no matter their sexuality, religion, interests and gender. Kooth has given me the courage to finally come out to my parents. I just want to say thank you for everything. :)”

January 2022, **Anonymous Service User**

Kooth recognises that providing accessible and inclusive services starts before registering for the platform. Our promotional materials include graphics which do not represent any specific race or gender, promoting inclusivity to children, young people and adults alike. Additionally, our promotional materials are tailored to encourage participation by individuals who might otherwise be underrepresented.

Building an Evidence Base

Kooth is committed to developing the evidence base for mental health research as a whole. We are skilled in developing strong relationships between academia, industry, policy and commissioners. At the same time, we aim to align user needs and wants with an evidence base to ensure meaningful research and data.

Kooth is one of the UK Government’s largest contributors to mental health data. Our Kooth Pulse 2021 Report focused on the impact of COVID-19 on the nation’s mental health - looking at the clinical impact of the pandemic, as well as how individual users felt about their lives. The usefulness of this anonymised data continues to be far-reaching - and has been accessed by the NHS, policymakers and businesses alike.

Additionally, we have partnered with research institutions such as the London School of Economics (LSE) to produce third-party reports such as ‘Findings from the Kooth Evaluation’, which developed evidence for the cost effectiveness of online peer support. And continued to provide a clear understanding of how the Community uses our service through reports including ‘Supporting Parents: a personalised approach to Mental Health’. By using online survey responses from Kooth users who are parents we were able to collate insight from our platform, thus publishing information that can help the wider community talk about and understand mental health topics.

Employee Wellbeing

Kooth is committed to being a leading employer that cares for its employees, by providing an optimum work environment. After all, the skills and commitment of our employees play a major role in Kooth’s business success.

Our people team has developed and manages a wide range of policies, procedures and practices designed to support all employees. They are responsible for ensuring that each employee is aware of them, and that they are upheld.

Diversity, Equity and Inclusion

Diversity, equity and inclusion are central to Kooth’s core purpose.

We established the Kooth Diversity and Inclusion Council in June 2020 and appointed Steve Gilbert OBE as its Chair. The purpose of the Council is to ensure we continue to do everything we can to reach Black and non-White communities and to expand our Black and non-White workforce.

We have also established the Kooth Employee Voices Group. This group has established weekly 'Let's Talk' sessions. This is an opportunity for employees to discuss any issues/concerns that they would like to raise and would like Kooth to discuss or address further.

It is our collective responsibility across the company to ensure a strong and diverse pipeline of talent. Kooth is fully committed to promoting gender and ethnic balance across the company. We consider our first annual Gender and Ethnicity Pay Gap piece to reflect these commitments.

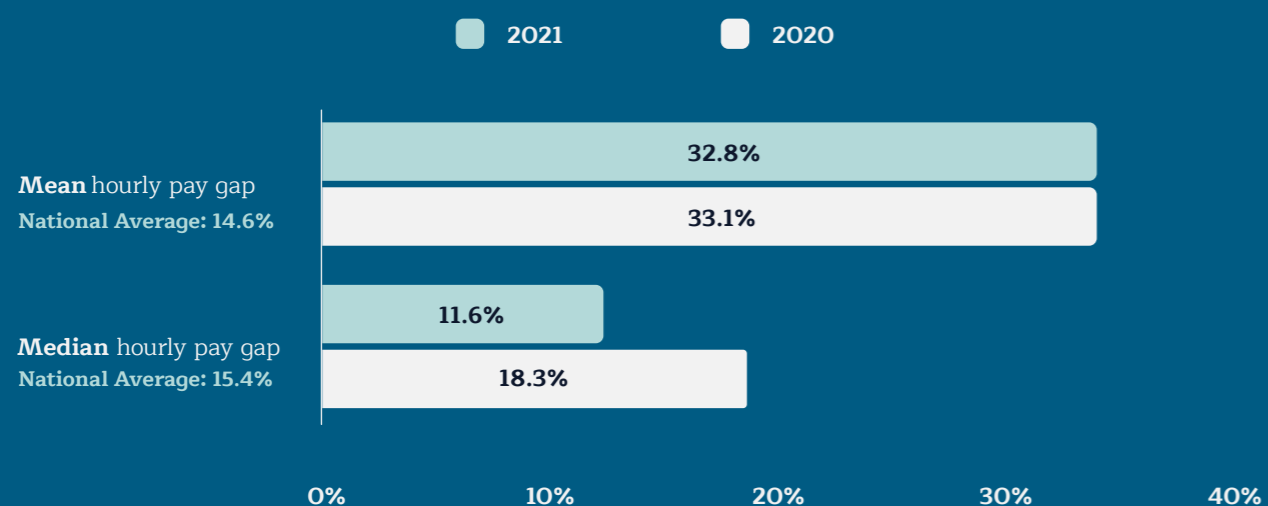
Gender Pay Gap

This year marks the first Gender Pay Gap review at Kooth. Our 2021 gender pay gap (GPG) analysis shows our statutory gender pay gap in response to Government legislation introduced in April 2017. It also provides insight into how we are addressing our gender balance.

What is our 2021 hourly gender pay gap?

Our median hourly pay gap has decreased from 18.3% in 2020 to 11.6% in 2021. This is better than the national median of 15.4% as reported by the Office for National Statistics and more specifically, we are 7.2% better than the median of the human health services industry (18.8%). Nevertheless we acknowledge there is further progress to be made, and the work we are doing is noted below.

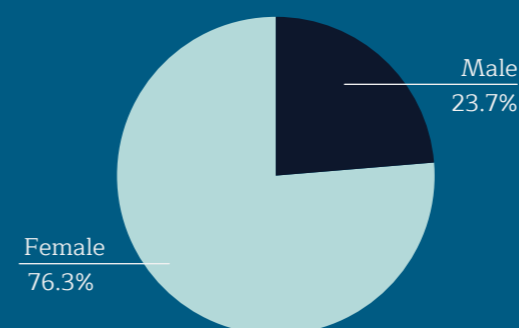
Gender Pay Gap Metrics 2020 vs. 2021



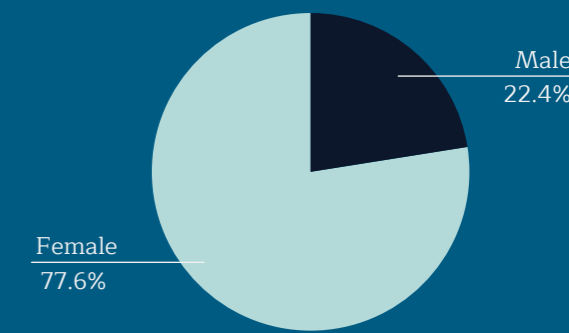
The mean captures the effect of a small number of high earners. With a large number of female practitioners, our mean pay gap has remained broadly in line with 2020. Men and women are paid equally for doing equivalent jobs across the firm and we continue to monitor this regularly to ensure that remains the case.

Kooth employs more women than men. This is a mirror of the high percentage of female employees in the NHS (75%), as well as the overall percentage of female workers in the public sector (66%).

2020 Workforce by Gender

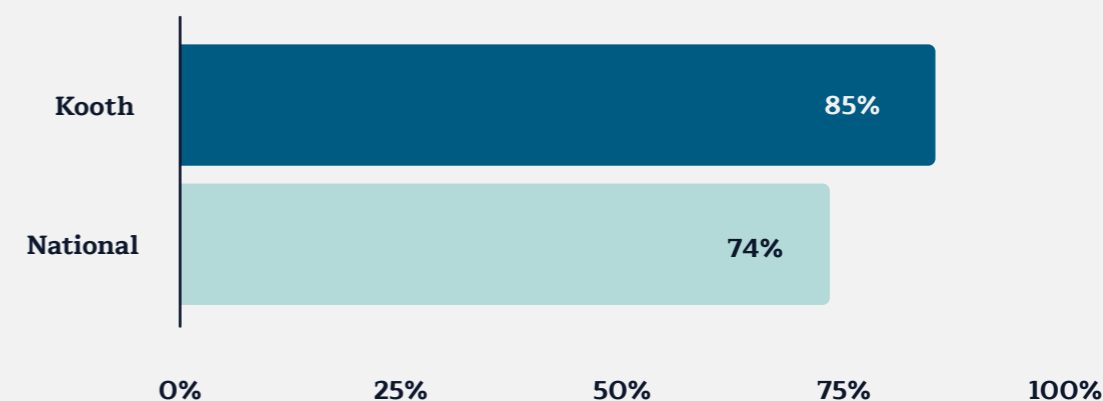


2021 Workforce by Gender



The largest employee group at Kooth are practitioners, of which 85% are female. This reflects that the majority of practitioners in the wider UK population are female (74%).

Female proportion of counsellors Kooth vs. General UK Population



The gender pay gap shows the difference in pay between men and women across the business, irrespective of job similarities and seniority. It is not necessarily symptomatic of unequal pay, as a number of complex factors play a role. The distribution of male and female employees across the business and the type of roles they fill are both key contributors to the gender pay gap.

What are we doing about our gap?

We are committed to reducing our pay gap in the following ways:

- Offering flexible working policies
- Implementing company wide campaigns to ensure employees feel informed and connected
- Ensuring our pay ranges are determined by skills and experience, and are benchmarked against industry averages, excluding gender as a factor
- Analysing and assessing gender and ethnicity data, to understand where more focus is required
- Ensuring a more inclusive approach to hiring. From partaking in blind recruitment of our practitioners to including panel interviews during the process for wider feedback and decision-making

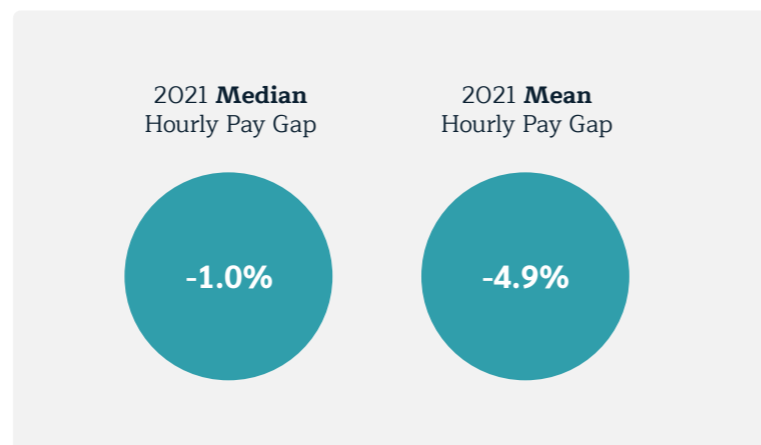
Ethnicity Pay

Kooth believes in creating and nurturing an inclusive culture where all our people can feel they belong. Part of this is analysing and reporting on ethnicity pay, and using this data informs business decisions relating to remuneration.

Of the 117 employees who disclosed their ethnicity - 82% were White and 18% were Black and non-White. The National average of Black and non-White employees in the Health and Social Sector is 13%.

Our analysis shows that Black and non-White employees are paid higher average

hourly earnings than White employees. Our next step is ensuring we have ethnicity data recorded for most, if not all, of our people so we can conduct a full, meaningful analysis on pay distribution across different cohorts.



Physical and Mental Health

Health care schemes

Kooth is committed to supporting our people with their physical and mental health. We subsidise membership for all employees to a health care scheme once they successfully pass their probation period.

Our health care schemes help with budgeting for everyday health needs, give people access to a range of treatment and provide cover for the unexpected. Eligible employees can use the scheme to access health care services such as osteopathy, chiropody and counselling, as well other specialist consultations. Employees can also extend cover to additional family members. There are no referrals needed to receive treatment and pre-existing conditions are covered, this gives staff peace of mind.

All staff have access to an Employee Assistance Programme. This service is available 24 hours a day, 365 days a year to offer practical, impartial support on everyday matters. This ranges from financial and legal matters (such as debt, buying a house and consumer rights) to home and family issues (for example finding childcare, divorce and coping with elderly relatives). The Employee Assistance Programme provides mental health support as well, offering eight counselling sessions for employees that meet a threshold of need.

Staff also benefit from free access to virtual GP services through Doctor@Hand, an online, private GP that people can access at their convenience and outside of usual working hours.

Wellness days

Kooth recognises that providing support for wellness is a key part of caring for our people. For every year of service, our front-line staff gain one wellness day (up to a maximum of five) annually for use when they please. These days are designed to be flexible and support employees in managing their own wellbeing, energy levels and work-life balance. Wellness days are exempt from the standard leave request process, which means they can be taken with a minimum of two hours' notice.

Recognition and Feedback

Learning & Development

Kooth continues to invest in the development of our people. We allocate a yearly Learning & Development budget to departments to spend on the training that matters most to them. In addition, our learning management platform hosts learning content and assigns training modules to employees. This makes the management and delivery of online training courses easy and supports the roll out of all our training and development needs; from compliance courses to new modules on safeguarding and recruitment.

In 2021 one of our key Learning & Development initiatives was a Management Development Programme. This was custom designed and focused on values-based leadership skills and behaviours to support our people managers in developing the key skills they need to guide, develop and motivate their teams.

Employee Engagement and Feedback

In August 2021 we introduced an online tool from Officevibe that allows us to capture anonymous feedback from our people across the business, on a regular basis. Feedback indicates that the majority of employees are aligned with the Kooth vision with 92% of employees saying the work they do is impactful to deliver on Kooth's purpose.

Annual appraisals

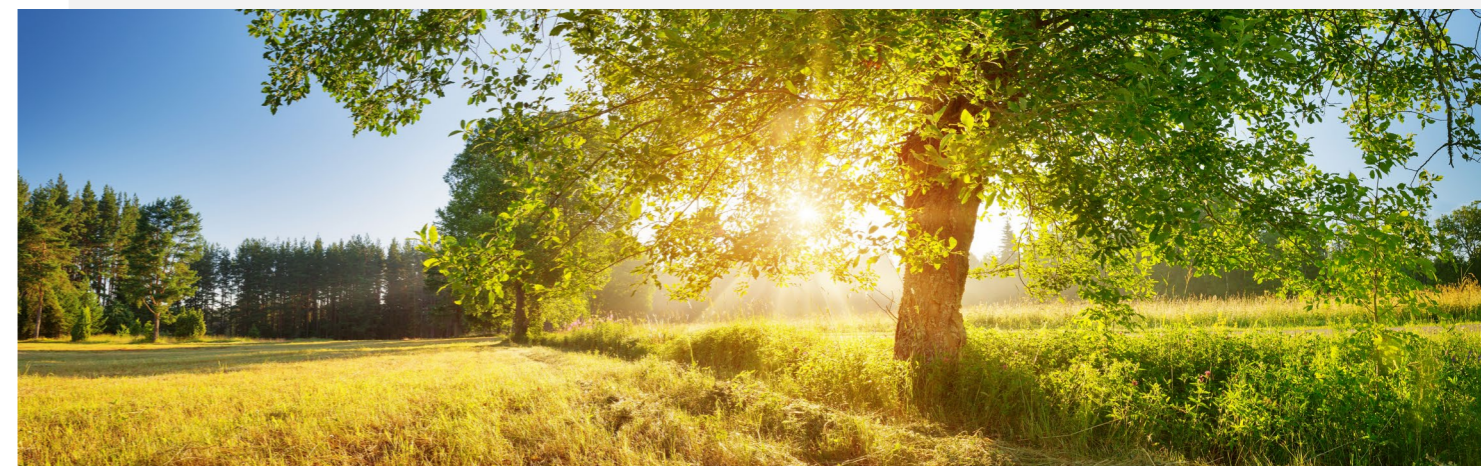
Kooth recognises the importance of establishing a culture of feedback and development, as well as, aligning employees' individual objectives to the company vision and Objectives and Key Results (OKRs). All employees have regular review meetings - this starts three months after an individual joins Kooth. Performance appraisals happen annually between December and January with regular monthly/ quarterly reviews and at least a mid year review completed. Kooth provides training and detailed guidance for managers and direct reports on how to approach the appraisal process.

Company awards

Recognition within the company is important for our culture and morale. In our company-wide, quarter-end meetings, peer-nominated employees are awarded one of five awards based on our company values. These awards are: Alongside You, Compassionate, Flexible, Committed and Safe.

Long-Term Incentives

Kooth operates an annual Long Term Incentive Plan (LTIP), which gives all employees, with more than three months' service, share options of 5-8% of their earnings. The LTIP scheme allows employees to share in the success of the Company at nominal cost to them.



2. Environmental

Energy Usage and Carbon Footprint

In 2021, the number of employees working from home increased as a result of COVID-19, with 83% of our workforce currently working remotely. With the exception of a small number of face-to-face contracts, our counsellors work from home and do not travel. When it comes to office based employees (17%), they are, on average, present in the office two to three days a week. We expect to continue this hybrid way of working for all our office based team.

As a digital mental health service we have a low carbon footprint. Kooth uses cloud storage from Amazon Web Services (AWS) across all aspects of the business. AWS is working to achieve Amazon's goal of 100% renewable energy by 2025. Google (a Carbon Neutral company since 2007) provides all hosting services. Our users can access services from wherever they are located and are not required to travel.

We will continue to seek to minimise our environmental impact, reduce our carbon footprint and ensure we implement best practices to reduce energy consumption in readiness to report against the requirements in the Taskforce on Climate-related Financial Disclosures (TCFD).

Office facilities

Kooth encourages remote working, but ensures the centralisation of environmental practices through offices in Manchester and London. Both offices are easily accessible by public transport. For those travelling into the office by bike, the office facilities in London include showers and storage, both free of charge for employees.

The landlord at Kooth's London office is addressing environmental and health impacts associated with energy, materials and products it uses, for example it has eliminated single-use plastics from its facilities and has publicly committed to achieve carbon neutrality by 2023.

Waste management

Kooth's waste management practices encourage and enable the recycling of paper, cardboard, plastics, glass, and empty printer cartridges and the re-use of packaging materials. Our Manchester office uses a local recycling charitable organisation called Emerge.

Kooth is a digital service and the majority of our work is online - therefore, we do not produce a significant amount of waste. Kooth's platform requires our counsellors to make digital case notes. And all employees are advised that documents and emails should not be printed, instead accessed via that Google shared drives. If needed, all printers are set to double-sided and black and white, the aim being to reduce the use of paper and toner.

Promotional Materials

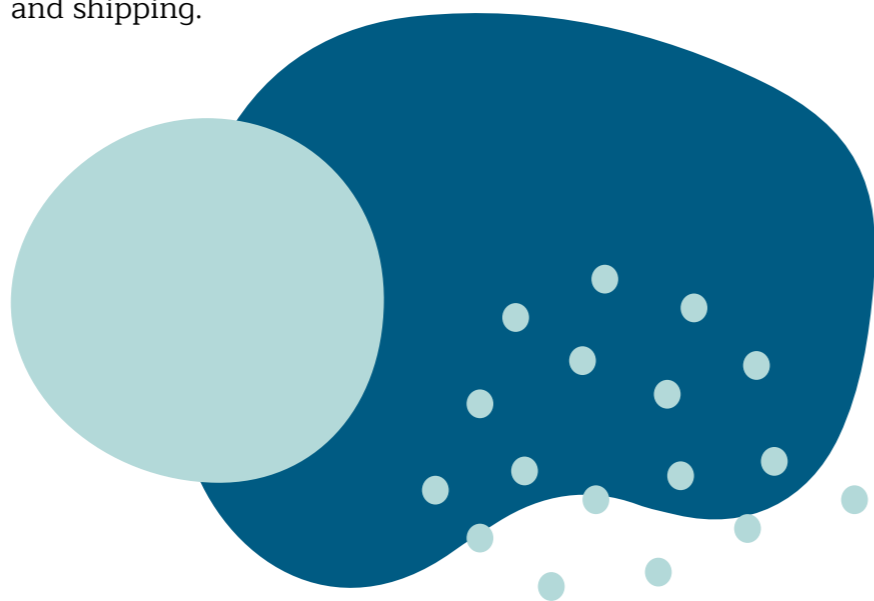
Kooth is investing in reusable marketing materials and reduced the amount of one-use signage. In 2022, Kooth plans to reduce the amount of paper used for promotional activity, focusing instead on digital marketing initiatives. When print is needed, Kooth only works with printers with ISO 14001 environmental management accreditation.

This year, 85% of our investors will receive a digital-only copy of our Annual Report. We aim to achieve close to 100% in future, reducing printing and shipping.

Travel

Kooth is a digital-first company. Any travel for work purposes - including internationally - is limited. Where possible the use of video conferencing is either mandatory or recommended.

Our face-to-face counsellors and engagement staff who are required to travel for their work represent less than 20% of our workforce and only travel within the region they are assigned to and where possible, use one location (such as a school) for multiple appointments.



3. Governance

The Board believes that governance is central to the effective delivery of Kooth's mission and strategy. With this in mind, the Board is committed to ensuring that all decision-making and the oversight it provides promotes Kooth's success for the long term benefit of its shareholders, while being respectful of the interests of other key stakeholders. This includes Kooth's service users, customers, colleagues and the communities in which we operate. Kooth seeks to conduct all of its operating and business activities in an honest, ethical and socially responsible manner. These values underpin our business model and strategy. We are committed to acting professionally, fairly and with integrity in all of our business dealings and relationships, with consideration for the needs of all of our stakeholders, including service users, investors, suppliers and employees. Kooth endeavours to conduct its business in accordance with established best practice, to be a responsible employer and to adopt values and standards designed to help guide staff in their conduct and business relationships.

Our Governance Framework

Kooth is a growing organisation. The Board is committed, through its governance model, to driving purpose-led decision-making and to delivering accountability to our stakeholders.

We have established an Audit Committee and a Remuneration Committee with formally delegated duties and responsibilities and with written terms of reference. Each of these committees meet regularly on the frequencies set out below. From time to time, separate committees may be set up by the Board to consider specific issues when the need arises.

Audit Committee: The Audit Committee has the primary responsibility of monitoring the quality of internal controls to ensure that the financial performance of Kooth is properly measured and reported. It receives and reviews reports from Kooth's management and external auditors relating to the interim and annual accounts and the accounting and internal control systems in use throughout Kooth. The Audit Committee meets a minimum of three times in each financial year and will have unrestricted access to Kooth's external auditors. The Audit Committee comprises Simon Philips and Dame Sue Bailey and is chaired by Peter Whiting.

Remuneration Committee: The Remuneration Committee reviews the performance of the Executive Directors and makes recommendations to the Board on matters relating to their remuneration and terms of service. The Remuneration Committee meets as and when necessary, but a minimum of three times each year.

In exercising this role, the Directors have regard to the recommendations put forward in the QCA Code and, where appropriate, the Remuneration Committee Guide for Small and Mid-Size Quoted Companies published by the QCA and associated guidance.

The Remuneration Committee does, where possible, adhere to the Remuneration Committee policy document which includes, inter alia, a requirement for executive directors of the Company to hold shares with a value at least equal to their annual salary, with a tapering post-employment shareholding requirement. The Remuneration Committee comprises Peter Whiting and Dame Sue Bailey and is chaired by Simon Philips.

Business ethics

The Board promotes an ethical corporate culture by having a documented Code of Ethics, with any areas of non-compliance to be reported. Kooth’s employment policies, including those applying to equality, diversity and dignity, anti-fraud and anti-bribery assist in embedding a culture of ethical behaviour for all employees. Kooth’s commitment to upholding the human rights of all individuals is clearly documented in its Modern Slavery Act 2015 statement.

Kooth ensures that all business areas work to the Ten Principles of the United Nations Global Compact in the areas of human rights, labour, environment and anti-corruption.

Kooth’s learning and development platform, Litmos, holds mandatory training and voluntary guides for all employees to access. We have materials on Safeguarding for Non-Delivery, Adults and Children, GDPR policies, and mandatory training on cyber security. Our training platform offers content targeted to Kooth employees, for example bullying and harassment in the workplace, anti-fraud, bribery and corruption and diversity and inclusion. We also offer content aimed at those working directly with our users, such as recognising child abuse, sexual exploitation, equality and diversity.

We have specific staff policies in the following areas: Health & Safety, GDPR and Environmental. Each policy has an individual owner and is revised annually. Every change to a policy is tracked to ensure transparency and accountability.

Accreditations

We continue to be a BACP (British Association for Counselling and Psychotherapy) accredited service and indeed are the only nationwide digital mental health service to hold this accolade. This demonstrates that we offer an accountable, ethical, professional and responsive service to all of our stakeholders as assessed by the BACP through the submission of evidence via annual review. Specifically, there are a number of benefits to this accreditation, many of which are particularly pertinent to the current post-COVID landscape. For example, in the

face of a growing number of new digital service providers, our accredited status with the UK’s leading governing body provides reassurance for new and existing users of Kooth that we are safe; enhances recognition and credibility with employers and funding bodies; helps with the acquisition of new contracts and supports our recruitment and retention programmes.

Cyber Security

Kooth has been awarded Cyber Essentials certification. Management carries out diligence to seek to ensure that third party suppliers are maintaining good standards of security. Kooth continues to ensure that all members of staff receive annual mandatory cyber security training. Kooth takes the threat of a cyber incident very seriously and endeavours to mitigate the risk wherever possible, although it is recognised by the Board and management that it will never be possible to fully mitigate cyber risk. Kooth maintains a business continuity plan and reviews this plan annually.



2022 is an exciting year for Kooth. Our focus is two fold, further expanding our provision of free, safe and anonymous mental health support across the UK and penetrating internationally.

Kate Newhouse
Chief Operating Officer