

Environmental, Social and Governance (‘ESG’) report

About this report

Our 2023 Environment, Social and Governance (ESG) report is our third annual report, reflecting our ESG performance and steps we have taken towards becoming a more sustainable business. 2023 was a material year for Kooth, with the baseline calculation of our Greenhouse Gas (GHG) emissions providing insight into our measured impact on the environment. We are committed to embedding ESG practices and policies into all aspects of our Company and strive to continue learning and implementing new strategies.

Frameworks, guidelines and standards

The information contained in this year’s ESG Report has been structured around three main frameworks and guidelines: the UN Global Compact, the Sustainable Development Goals and the Task Force on Climate-Related Financial Disclosures (TCFD). We remain a participant of the UN Global Compact, committing ourselves to aligning our strategies and operations with the Ten Principles on human rights, labour, environment and anti-corruption.

Our participation in the UN Global Compact has given Kooth the tools and knowledge to further support the Sustainable Development Goals. The UN Sustainable Development Goals aim to build a more sustainable future for people and the planet by 2030.



ESG report: Continued

Below are the specific goals that are reflected in our work throughout this Report:

Goal 3



Ensure healthy lives and promote wellbeing for all at all ages

It is only in the last decade that mental health was added to the agenda, when the impact of mental illness on healthcare systems was identified. This gap in healthcare is where Kooth has its greatest impact.

Goal 5



Achieve gender equality and empower all women and girls

We are committed to our workforce diversity by building a culture that is inclusive and empowers our employees. We aim to increase female representation across all levels throughout the business. As a result, 76% of staff at Kooth are female and 33% of the board is female.

Goal 8



Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

As an employer of over 500 individuals worldwide, we support our staff by ensuring an excellent working environment and comprehensive benefits. We provide in-depth training to our people, as well as partner with universities to provide placement opportunities for students.

Goal 9



Build resilient infrastructure, promote inclusion and sustainable industrialization and foster innovation

Kooth's proprietary technology platform underpins everything we do. Our strategy is focused on three key areas:

1. Delivering a welcoming and engaging space.
2. Delivering clinically and cost effective access to mental health support.
3. Applying artificial intelligence to improve the efficiency and effectiveness of our service.

Goal 10



Reduce inequality within and between countries

We work with governments, healthcare systems, and businesses to provide individuals with access to mental health support with no barriers, thresholds, or waiting lists. By providing a stigma free, non-judgemental and safe space, we can help tackle health inequity among seldom heard groups that may not have access to existing services, or feel unable to use them.

Goal 13



Take urgent action to combat climate change and its impacts

In the last year, we have taken large strides towards understanding our impact on the environment by calculating our Scope 1, 2 and 3 emissions for the first time. Moving forward, this data will inform our strategies and policies to reduce our impact on the environment.

ESG report: Continued

A year in review



Environmental Pillar



Calculated our Baseline GHG Emissions.



Data Storage and Processors: Cloudflare (100% renewable).



Data Storage and Processors: Google Cloud (net zero).



Social Pillar



Published our first US Evidence Report.



Grew our global workforce by 27% (460 to 585).



73% of management is female.



Governance Pillar



33% of our board is female.



Awarded the ISO 27001:2022 certification.



Achieved SOC 2 Type II compliance post year end.



ESG: Environment

At Kooth, we are aware that a healthy planet is pivotal to both human health and business sustainability. In 2023 we made significant progress in understanding our role in climate change and our impact on the environment. In order to understand this and make positive changes, we calculated our baseline greenhouse gas emissions utilising FY 2022 as our baseline year.

Reporting boundary

An operational control approach has been selected for Kooth's carbon footprint assessment. This approach determines the Scope 1, 2 and 3 emissions for which Kooth is responsible. The emissions are as follows:

- Scope 1: Direct
- Scope 2: Indirect
- Scope 3: Indirect, Upstream and Downstream

Methodology

To calculate our emissions, Kooth employed the services of a consultancy specialising in the quantification of environmental performance and sustainability advisory services. The following methodology was applied in the preparation of this data:

- Where available, Kooth provided datasets from direct sources for Eightversa to utilise. These consisted of consumption data, primary activity data and spend-based data.
- Emissions factors for the dedicated reporting year have been applied to direct activity data to quantify total emissions from individual sources.
- Where consumption and primary activity data was not provided by us, EightVersa utilised robust assumptions to quantify total emissions.
- Emissions have been categorised according to Scope 1, 2 and 3 emissions following best practice guidance provided by the GHG Protocol.
- A quantification model was developed to quantify the GHG emissions. Credible quantification tools provided by the GHG Protocol have been used where applicable.

Results

	2023		2022	
	Tonnes CO ₂ e	tCO ₂ e/FTE employee	Tonnes CO ₂ e	tCO ₂ e/FTE employee
Total UK Energy Consumption ^(kWh)	36,475	–	26,220	–
Scope 1	1.48	0.003	0.00	0.00
Scope 2	6.2	0.01	5.07	0.01
Scope 3	2,187.4	3.74	624.16	1.35
Total emissions	2,195.1	3.75	629.2	1.36



ESG: Environment Continued

Benchmarking data⁴

Organisation	2023 Emissions Intensity (tCO ₂ e/FTE)
Kooth	3.75
Company A: Healthcare Software Provider	7.12
Company B: Tech Platform Provider	23.66

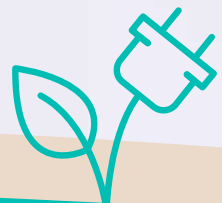
Kooth's absolute emissions have seen an overall increase due to the rapid expansion of our services in the US and using location-based calculation methods. The focus of the increase was on Scope 3 emission, in particular purchased goods and services and employee homeworking. The increase in these two categories reflects the expansion of our US workforce who are primarily remote and costs incurred on set up of the US business. The increase in Scope 1 and Scope 2 data is nominal, reflecting Kooth's minimal direct emissions.

Reducing our impact

Kooth is dedicated to understanding and reducing our impact on the environment. Having calculated our 2022 baseline and 2023 comparative carbon emissions, Kooth plans to outline a carbon reduction strategy. To date, we are committed to reducing our impact on the environment in the following ways:

- One of the largest sources of carbon emissions and energy usage from the digital healthcare industry is the collection and storage of data. Kooth uses two cloud providers to store and process our data: Google Cloud and Cloudflare. Google Cloud has been carbon neutral since 2007 and aims to run on carbon-free energy by 2030. Kooth has chosen two of Google Cloud's 'Low CO₂' host regions, including our US region operating on 97% carbon free energy consumption. Our other data processor, Cloudflare, powers its network with 100% renewable energy.
- Given that the majority of our workforce works from home, all employees have a company laptop. Kooth reduces the waste created by laptops by collecting, wiping and reusing old laptops for new starters. Kooth recycled 103 laptops in 2023.

⁴ Provided by EightVersa, our third-party environmental consultants



Social

As a provider

Today, 1-in-4 British adults⁵ are living with a mental health condition and 1-in-5 Americans⁶ are diagnosed with a mental health condition. Reducing wait times for treatment is therefore crucial to population health management. This year Kooth was accessible to 17 million people and had 1.5 million user logins across our platforms.

In the UK, the volume of people accessing our platform reduced pressure on the NHS, in particular on children and adolescent mental health services (CAMHS), which are seeing wait times of up to 13 weeks for treatment.

Expanding in the US addresses the shortage of mental health practitioners, where as many as 1-in-3 people live in federally designated practitioner shortage areas.

Accessibility is at the forefront of Kooth's mission. We have created our platforms to be accessible by removing potential barriers:

- **Confidentiality** is at the heart of design. Allowing users to access help while choosing their level of disclosure.
- **At no cost to the user:** healthcare can be expensive or stressful to deal with, this takes away those barriers.

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, as well as acknowledging health inequalities between communities.

In 2023, our marketing, engagement and content teams focused on strengthening relationships with certain ethnic minority communities. These partnerships enable us to create content with specific audiences, ensuring Kooth is a space where everyone is seen, heard and represented.

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5. <https://www.england.nhs.uk/mental-health/>
6. <https://www.nimh.nih.gov/health/statistics/mental-illness>



ESG: Social Continued

Two of our 2023 UK partnership highlights include:

The Muslim Community

We collaborated with Muslim teachers, mental health practitioners, young Muslims born in the UK or who had moved to the UK from other countries.

The clinical content team helped to produce multiple articles and personal stories covering topics such as

- ‘Stigma and mental health and its effects in the Muslim community’.
- ‘Why wearing a hijab is important to me’.
- ‘Managing mental health through self-love and faith: a Muslim woman’s perspective’.

A podcast called ‘Role models and representation in the Muslim community’, reflects the views of a Muslim teacher on how faith and culture can impact mental health.

Mothers

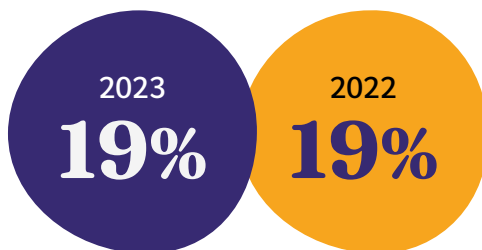
The team worked with teen and young mums, mothers who have experienced mental health difficulties during and after pregnancy and Black mothers (with a focus on Black maternal health).

The clinical content team collaborated with mothers to develop articles, podcasts and videos which acknowledge and address the experiences of new mums, giving both personal and clinical perspectives.

In Q4 of 2023, Kooth beta launched ‘Soluna’ in California — an app for youth, designed by youth. Before development, we recruited a panel of 13-25 year olds from intentionally diverse, intersectional and BIPOC communities. This panel of youth has helped to design elements of the app including the brand name, imaging, demographic categories and the sign up flow. The intention from the beginning was to build an app to be representative of those who will utilise it.

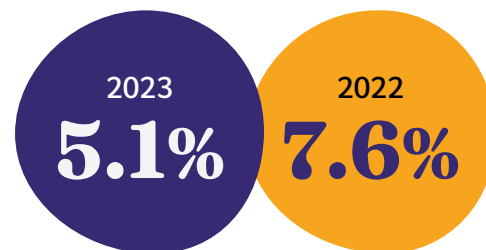
Ethnicity

Users from ethnic minorities



Gender

Users identifying as non-binary or gender fluid



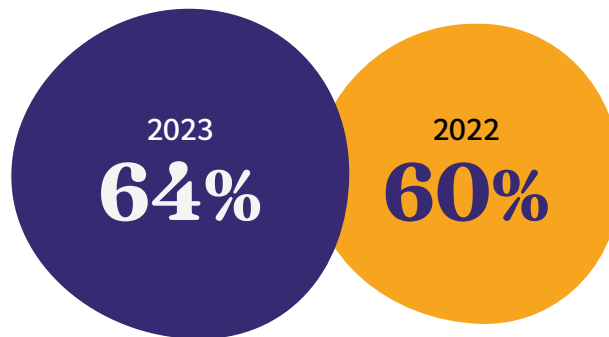
ESG: Social Continued

Personalised service

Providing a personalised experience is one of Kooth's biggest aims through person-centred care. This approach enables users to be the decision-makers in their Kooth journey. Giving users options allows them to be in control of their needs. 64% of our users in 2023 used 'self-directed therapy' indicating they chose to find their own blend of mental health support through our forums, articles and mini activities on the platform.

Comparatives

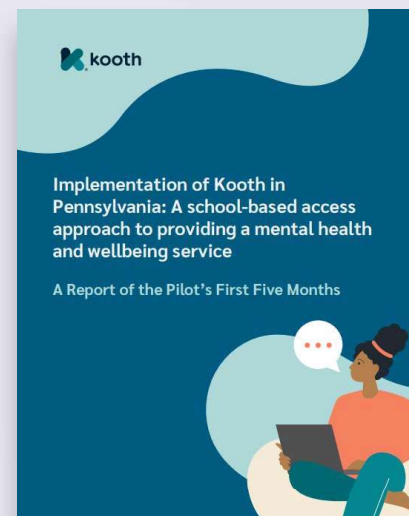
Self-directed therapy



Building an evidence base

Kooth is committed to developing the evidence base for mental health research. We continue to be skilled in developing strong relationships between academia, industry, policy and commissioners, and in aligning user needs and wants with an evidence base to ensure we are providing the best service possible.

In 2023, we published our first US Evidence Report of our service in Pennsylvania. This report provides an overview of the services we provide, with trends noted by users, highlighting the value of a whole-school approach to mental health.

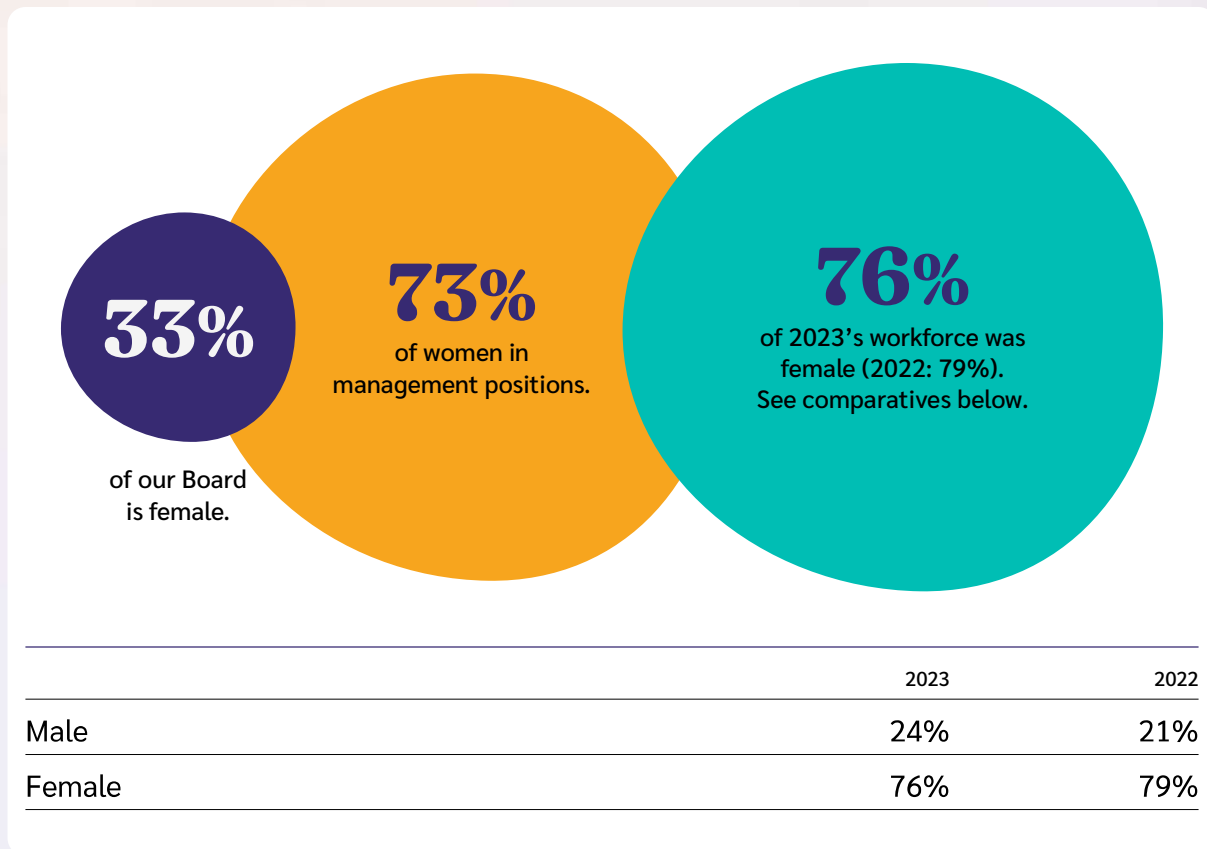


ESG: Social Continued

As a Employer

Diversity and inclusion

- **Diversity Working Groups** were set up for Menopause, LGBTQIA+, Neurodiversity and Race. Employees across the UK and US are invited to join and discuss these topics.
- At Kooth, we are proud of the female representation throughout our business:
 - Board Level: 33% of our Board is female.
 - Management Level: 73% of women in management positions.
 - Workforce Level: 76% of 2023’s workforce was female (2022: 79%).



ESG: Social Continued

Company culture

- UK and US **Koolaboration Groups** are in place to provide feedback and employee representation on company projects and increase communication around all areas of the business. These meetings are held monthly and minutes are shared more widely.
- **Company All Hands:** Company wide meetings are held on average twice a month to foster transparency and engagement across the business.
- **Department Town Halls** are held to understand the departments and how they function collectively.
- **Regular department bulletins** are sent to ensure ongoing communication around achievements and celebrations.

Recognition and feedback

- **Appraisals:** We conduct mid-year and annual appraisals allowing us to focus on career development and training on a greater holistic level. It enables us to share feedback, offer a clear career pathway, discuss training and development objectives and ensure everyone is aware of how their goals fit with the broader aims of the business.
- **Officevibe:** We utilise an online tool to capture anonymous feedback from our people across the business, on a regular basis.
 - 97% say the work they do is impactful on Kooth’s mission (2022 was 96%)
 - Score of 8.5/10 for relationship with manager (8.2 in 2022)
- **KooMA (Kooth management):** Training was launched to support and empower our managers. This streamlined training gives clarity on roles and expectations of a manager and clearer processes to help guide employees.
- **Long Term Incentive Plan:** All employees are annually awarded nominal cost share options. These options can be exercised after three years of service.



ESG: Social Continued

Physical and mental health

- **Wellbeing Champions:** This initiative, started in 2023, is run by employees who have received mental health training. These volunteers are there to lend an ear and support to any other employees who are going through a rough time or simply want to chat.
- **Healthcare schemes:**
 - Kooth is committed to supporting our people with their physical and mental health. We subsidise membership for all employees to a healthcare scheme once they successfully pass their probation period.
 - Our healthcare 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 healthcare 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, which gives staff peace of mind.
 - Staff 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.
 - All staff also have access to an Employee Assistance Programme (EAP). 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 EAP also provides mental health support, offering up to eight counselling sessions for employees who require it.
- **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.



ESG: Social Continued

Gender pay gap

Our 2023 gender pay gap (GPG) analysis shows our statutory gender pay gap in comparison to our 2022 GPG. It also provides insight into how we are addressing our gender balance. Please refer to the definitions below when reading about our pay gap metrics:

Median GPG: the difference between the median hourly rate of pay of male full-pay regular employees and that of female full-pay relevant employees.

Mean GPG: the difference between the mean hourly rate of pay of male full-pay relevant employees and that of female full-pay relevant employees.

	Mean	Median
2021	32.8%	11.6%
2022	34.8%	15.4%
2023	31.8%	30.5%

This year our female workforce, as a proportion of total employees, decreased 3.5% to 75.7%. Kooth employs more women than men, which reflects the gender imbalance in the healthcare sector. We are aligned with the high percentage of female employees in the NHS (69% as of 2022⁷) and in the US healthcare sector (76%).

In 2023, our mean gender pay gap decreased 3% to 31.8% and our median pay gap widened to 35%. The decrease in mean indicates that the average pay of men and women has become more aligned, reflecting the increased female pay across the business.

As expected, the median pay gap widened as a result of a large increase in practitioner hiring due to our US expansion, with the largest proportion being female, reflecting the industry in both the UK and the US.

7: <https://www.england.nhs.uk/long-read/gender-pay-gap-report-2022/#:~:text=As%20of%2031%20March%202022%2C%20NHS%20England%20and%20NHS%20Improvement's,compared%20to%20the%20previous%20year.>

ESG: Social Continued

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 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. Men and women are paid equally for doing equivalent jobs across the firm and we continue to monitor this regularly to ensure that this remains the case.

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

- Offering flexible working policies.
- Company-wide campaigns to ensure employees feel informed and connected.
- Our counsellors are paid the same regardless of gender within the industry; this is also true of our management team.
- We make an effort to understand our gender gap to analyse and assess where more focus is required.
- We partake in blind recruitment of our practitioners and our recruitment process includes panel interviews to ensure a more inclusive approach to hiring.
- Our Diversity and Inclusion Council and Kooth Employee Voice Group ensure employees have an outlet to raise concerns and give feedback.



ESG: Social Continued

Ethnicity pay gap

Of our 423 employees who have disclosed their ethnicity, 64.5% were white and 35.5% were from ethnic minorities. Our employees from ethnic minorities increased 20% throughout 2024, reflecting the strong efforts to recruit a diverse workforce at Kooth.

In 2023, our mean ethnicity pay gap widened to 3.1% and our median ethnicity pay gap shrank to -12.5%. Fluctuations like these are not unexpected, particularly in a rapidly growing company like Kooth.

	Mean	Median
2022	-9.2%	5.8%
2023	3.1%	-12.5%

We are committed to understanding and addressing our ethnicity pay gap by increasing focus on diversity and inclusion efforts across the business. We do this in the following ways:

- A specific diversity working group on race, supporting employees to meet on a regular basis to discuss ideas for projects and initiatives and to build on policies and guidelines for the whole company.
- Our Diversity Council has representatives from all departments to ensure policies and initiatives are embedded across the company.
- The Kooth Employee Voice Group ensures employees have an outlet to raise concerns and give feedback.
- Within hiring, we have launched an Equality, Diversity and Inclusion monitoring form through our Applicant Tracking System so we can make sure we are visible to minority groups.



ESG: Governance

The Board provides oversight while ensuring decisions are made to promote Kooth's success for the long term benefit of its shareholders. It does this while preserving the interests of its other key stakeholders — our service users, customers, colleagues and the communities in which we operate. Effective governance facilitates the delivery of Kooth's mission and strategy.

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 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 at 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 Susan 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 Susan Bailey and is chaired by Simon Philips.



ESG: Governance Continued

Our business ethics

In 2023, Kooth remained a UN Global Compact Signatory, ensuring that our business ethics align to the Ten Principles of the United Nations Global Compact (UNGC) in the following areas: human rights, labour, environment and anti-corruption. This commitment involves an independent Commitment of Progress to the UNGC annually.

Kooth's learning and development platform, Litmos, holds mandatory training and voluntary guides for all employees to access. We have materials on Safeguarding, GDPR policies, and mandatory training on Cyber Security. Our training platform offers content to support 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 and equality and diversity, alongside a robust programme of ongoing clinical training and development.

We have specific staff policies in the following areas: Health & Safety, Information Security, 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.

Non-Financial and Sustainability Report (TCFD aligned) acknowledgement

The TCFD was established in 2015 and is based on a set of 11 recommendations from the UK Financial Stability Board (FSB) detailing how organisations should disclose their climate-related financial risks and opportunities in a clear and consistent way.

During 2023, Kooth did not meet the threshold required to make Non-Financial and Sustainability reporting disclosures. We do believe we will meet the disclosure requirements during 2024 and we will fully report against these in our 2024 Annual Report at the group level. While our impact on the environment is minimal due to the size, scale and nature of our operations (see "Environment"), we are committed to mitigating any long-term climate-related risks in line with emerging climate science as our business continues to expand.

Modern slavery

We recognise that all businesses have a key role to play in preventing all types of modern slavery in their own business and supply chains. We have published a Modern Slavery Statement on our website. This statement sets out our commitment to improving our practices to ensure that slavery and human trafficking are not taking place in any part of our business or supply chain. We circulate and share our Modern Slavery Statement with employees. We do this to make sure everyone understands the risks of modern slavery and human trafficking in our business and supply chain. In addition, we require all new starters to review and confirm their understanding of our Modern Slavery Statement as part of their online induction process.



ESG: Governance Continued

Bribery and corruption

Our Anti-corruption and Anti-bribery Policy sets out our responsibilities in observing and upholding a zero-tolerance position on bribery and corruption. The policy applies to all employees who work for Kooth. We require all team members to read, understand and comply with the information contained within the policy.

Accreditations

Kooth's CYP platform has recently become DTAC (Digital Technology Assessment Criteria) Compliant. The DTAC is a framework for assessing digital health tools built by NHS England and conducted for Kooth by ORCHA. The DTAC consists of five components: Clinical Safety, Data Protection, Technical Security, Interoperability and Usability and Accessibility. Additionally, Kooth is the longest standing digital mental health provider to hold a UK-wide accreditation from the British Association of Counselling and Psychotherapy (BACP). 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. 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. It also enhances recognition and credibility with employers and funding bodies as well as helping with the acquisition of new contracts and supporting our recruitment and retention programmes.

Information security

We have a Data Protection Office, headed up by the Data Protection Officer and Head of Information Security, which monitors our compliance with international data, security and privacy standards such as SOC 2 and ISO 27001. Kooth was awarded the ISO 27001:2022 certification in October 2023 and has successfully renewed the Cyber Essentials certification. Kooth has successfully completed a rigorous audit process covering security and has received a SOC 2 Type II attestation report. Management carries out diligence 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.

