

# Environmental, Social and Governance (ESG) report

## About this report

Our 2024 Environment, Social and Governance (ESG) report is our fourth report, reflecting our ESG performance and steps we have taken towards becoming a more sustainable business. In 2024 we developed and enhanced our ESG strategies and policies based on our first Greenhouse Gas (GHG) emissions calculated for 2022. 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. Kooth is committed to achieving Net Zero emissions by 2040.

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### Young person on Soluna

**I'm setting goals now that I can track, I have someone to talk to when necessary, and I've been more steady like I'm getting better I'm coming out of the dark place I'm using these tips and growing from them and I'm able to help my friend even more now.”**



## 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 empower women across all levels throughout the business and achieve gender equality across our team. As a result, 75% of staff at Kooth and 70% of managers are women.

### 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 a safe and healthy working environment and competitive benefits. We provide in-depth training to our people, as well as partner with universities to provide placement opportunities for students. As a provider, our work is crucial to supporting sustainable economic growth, recognising that poor mental health is a significant barrier to accessing fulfilling, high-quality employment.

### Goal 9



#### Build resilient infrastructure, promote inclusion and sustainable industrialisation and foster innovation

Kooth's proprietary technology platform underpins everything we do. Our strategy is focused on three key areas: delivering a welcoming and engaging space, delivering clinically and cost-effective access to mental health support and 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. Kooth actively shares its learning and contributes to the global evidence base to support other countries. By providing a stigma free, non-judgemental and safe space, we can help tackle health inequity among underserved 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 used our Scope 1, 2 and 3 emissions calculations from the prior year to develop and enhance our strategies and policies to mitigate our impact on the environment as we continue to expand and grow as a business.



## ESG report: Continued

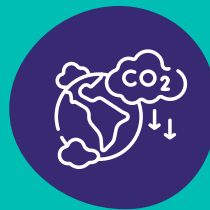
## A year in review



### Environmental Pillar



Prepared our first ESOS energy assessment



Reduced our emissions intensity ratio from 2023



Published our first carbon reduction plan



### Social Pillar



Shortlisted for the ACAMH\* award for Digital Innovation



43% of our Board are women



70% of management are women



### Governance Pillar



Achieved SOC 2 Type II compliance



Published our first Non-Financial and Sustainability Report



Improved on our DTAC (Digital Technology Assessment Criteria) accreditation score from 2023

\*The Association of Child and Adolescent Mental Health

# ESG: Environment

At Kooth, we are aware that a healthy planet is pivotal to both human health and business sustainability. In 2024 we used the greenhouse gas emission calculations from the prior year to develop and enhance our environmental strategies and policies. We have continued to calculate our emissions to understand our role in climate change and our impact on the environment.



## ESG: Environment Continued

### 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 (EightVersa) 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

|  | 2024                     |                                       | 2023                     |                                       |
|--|--------------------------|---------------------------------------|--------------------------|---------------------------------------|
|  | Tonnes CO <sub>2</sub> e | tCO <sub>2</sub> e/1,000 GBP turnover | Tonnes CO <sub>2</sub> e | tCO <sub>2</sub> e/1,000 GBP turnover |
| Total UK Energy Consumption <sup>(kWh)</sup> | 38,749                   | –                                     | 36,475                   | –                                     |
| Scope 1                                      | 1.9                      | 0.00                                  | 1.5                      | 0.00                                  |
| Scope 2                                      | 10.5                     | 0.00                                  | 6.2                      | 0.00                                  |
| Scope 3                                      | 3,621.8                  | 0.05                                  | 2,187.4                  | 0.07                                  |
| <b>Total emissions</b>                       | <b>3,634.2</b>           | <b>0.05</b>                           | <b>2,195.1</b>           | <b>0.07</b>                           |



ESG: Environment Continued

Benchmarking data<sup>3</sup>

| Organisation                            | 2024<br>Emissions Intensity<br>(tCO <sub>2</sub> e/1000 GBP turnover) |
|---|---|
| Kooth                                   | 0.05  |
| Company A: Healthcare Software Provider | 0.10  |
| Company B: Tech Platform Provider       | 0.17  |

Kooth’s absolute emissions have seen an overall increase due to the expansion of our services in the US and using location-based calculation methods. The focus of the increase was on Scope 3 emissions, in particular purchased goods and services and business travel. The increase in these two categories reflects the expansion of our US operations with a primarily remote workforce. The increase in Scope 1 and Scope 2 data is nominal, reflecting Kooth’s minimal direct emissions. Our emissions intensity ratio decreased from prior year when compared to revenue. This reflects the efforts we have made as a business to reduce our effect on the environment even as we expand and generate more business.

Carbon Reduction Plan

Kooth is aligned to supporting the NHS achieve their ambition of cutting carbon emissions and reaching net zero by 2040 in the NHS Carbon Footprint, and by 2045 across the NHS Carbon Footprint Plus. Kooth is committed to supporting the NHS to achieve the strategy laid out in the “Delivering a ‘Net Zero’ National Health Service” report on decarbonisation, carbon reduction, and a greener NHS. Kooth is a digital-first organisation, accessible from anywhere, avoiding unnecessary travel (both user and staff) and use of energy intensive premises. Accessible on all devices, it does not require additional hardware/device provision, saving supply efforts and energy costs.

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3. Provided by EightVersa, our third-party environmental consultants



## ESG: Environment Continued

### Current projects

One of the largest sources of carbon emissions and energy usage from digital healthcare is collection and storage of data. Kooth uses two cloud providers (suppliers) 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 (currently our US region is operating on 95% carbon free energy consumption). Our other data processor, Cloudflare, powers its network with 100% renewable energy. We also utilise branding suppliers ad-hoc and select these based on environmental credentials.

We implemented a travel booking system, which carbon offsets travel, and a mileage expense system supporting Kooth/employees to make climate positive decisions on travel and car sharing as well as efficiency calculations.

A common presentation amongst young people's mental health issues is climate anxiety. To support this, the Kooth platform contains content that discusses how one can support their local environment, safely promote a climate positive agenda, and discuss the news in a safe moderated environment. This includes content:

- Kooth's Sustainability Podcast episode: 'Plastic Free Week'
- Articles e.g. 'Hot and Bothered: Managing Eco Anxiety'.

The health and wellbeing of our staff is critical to our green plan, and is implemented through a range of initiatives:

- Cycle-to-work scheme in place for staff
- Hybrid working (~75% of Kooth employees work from home)
- Laptop recycling scheme: we recycled 178 laptops in 2024
- "Donate-to-own" scheme: staff can donate to charity to purchase company laptops, 57 laptops were 'donated' in 2024
- Minimise printing (and associated waste/environmental impact) by using electronic document sharing (Google Suite and Docusign)



## ESG: Environment Continued

### Our future reduction plans

- Implement a Supply Chain Engagement Strategy which sets out how the organisation will seek to engage and work closely with selected suppliers. As part of a longer-term strategy, we plan to, where possible, identify and work with companies who have already begun their sustainability journey and set organisational-level net zero targets. Working with Net Zero certified organisations will significantly aid in becoming a Net Zero company, as the majority of carbon emissions arise from the supply chain.
- Prioritise the collection of more accurate datasets for Scope 3 reporting. A key area of focus for the organisation is to improve the quality of datasets used to track emissions from remote workers, emissions which fall into category 3.7 Employee Commuting. Working closely with suppliers to improve the quality of data being provided for these assessments will also provide the organisation with a more detailed and reliable understanding of where key emissions hotspots are.
- Develop a green procurement framework for new suppliers.
- For existing suppliers across the organisation, we plan to develop specific supplier engagement targets to work towards.





# ESG: Social

## 1. As a provider

The number of people with mental health needs continues to grow across all age groups, with around 1 in 5 children and young people, and 1 in 4 adults across the US and UK living with a mental health need.

Although growing awareness of mental health and reduced stigma is enabling more people to seek support when they need it, many are not able to access high-quality, timely support because capacity is too limited and waiting lists are too long, or because they face systemic, cultural or structural barriers to care. This growing gap between demand and supply has real-world consequences for individuals, for wider society, and indeed for the achievement of the UN Sustainable Development Goals with poor mental health holding people from learning, developing skills, working and contributing to the economy.

Widening access to timely, proven, evidence-based support is critical, and at the core of our mission at Kooth. This year Kooth was accessible to 20 million people and had 0.3 million users across our platforms, with our anonymous, on-demand approach reducing barriers to access that inhibit many from seeking help.



## ESG: Social Continued

### Diversity and inclusion

Access to mental health services is often unequal based on wider social determinants of health, including race, gender and sexuality. As such, we work hard to ensure that our services reach minoritised and underserved communities, where people are more likely to live with mental health needs but are less likely to seek support.

This includes collaborative working alongside experts and people with lived experience to help us develop therapeutic content and expand the reach of our services, including organisations such as:

- Grief support charities, Winston's Wish and Seesaw
- Self-harm charities, Alumni and Harmless
- Rape and Sexual Abuse Service Highland
- YANA (rural mental health charity)
- LGBT Youth Scotland

We also drew on lived experience, collaborating directly with individuals who were happy to share their stories, focusing on key themes such as chronic conditions, maternal mental health, being safe, eating difficulties and anxiety.

We also work closely with local community partners, such as schools in deprived areas, faith groups, and other agencies, to ensure that we can reach those in need.

In comparison with other services, we are therefore able to reach a larger proportion of traditionally underserved communities, with 56% of Soluna service users identifying as Black, Indigenous, or people of Colour, and 19% of UK service users identifying as an ethnic minority.

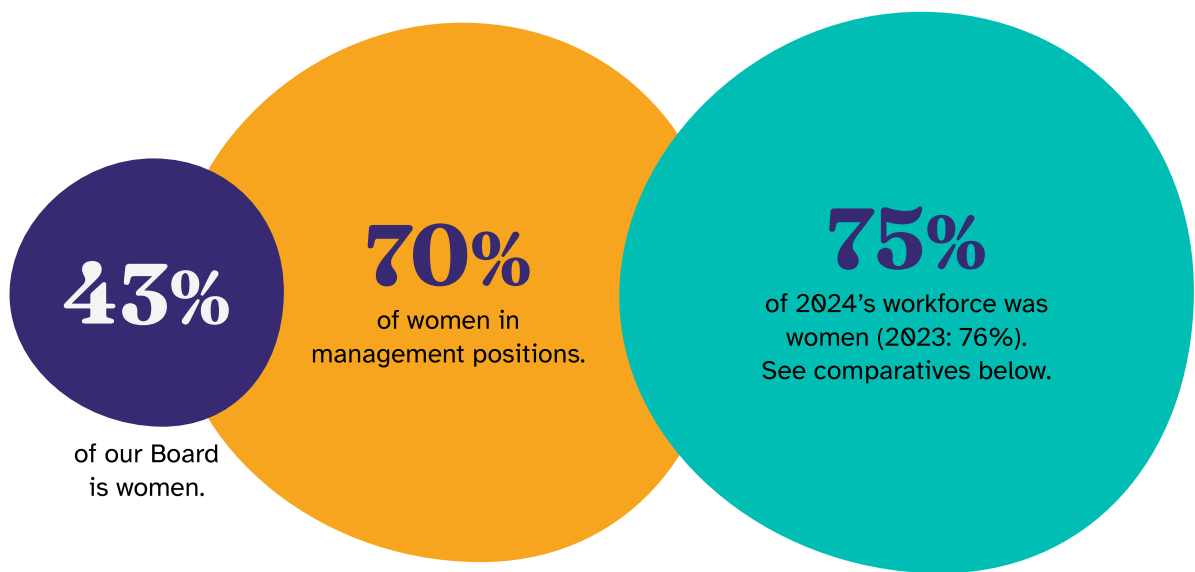


ESG: Social Continued

2. As a Employer

Diversity and inclusion

- At Kooth, we are proud of the equitable representation throughout our business:
  - Board Level: 43% of our Board are women, an increase from 33% in 2023
  - Management Level: 70% of women in management positions (73% in 2023)
  - Workforce Level: 75% of 2024’s workforce were women (76% in 2023)



|       | 2024 | 2023 |
|-------|------|------|
| Men   | 25%  | 24%  |
| Women | 75%  | 76%  |



## ESG: Social Continued

### Physical and mental health

- **Healthcare:** Kooth is committed to supporting our people with their physical and mental health. The UK and US businesses subsidise healthcare schemes/plans. 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. 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 in the UK and US also benefit from a range of free and low-cost physical health, mental health, and wellbeing services including telehealth options
- **Employee Assistance Programmes:** All staff in the UK and US 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 counselling sessions for employees who require it
- **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

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**Adult on Qwell**

**Hi, I managed to go into work today to speak to my manager. I've been trying to take little steps, like I did with opening the door...I just wanted to share the progress and thank you for the information and help in taking things a little bit at a time”**



## ESG: Social Continued

### Gender pay gap

Our 2024 gender pay gap (GPG) analysis shows our statutory gender pay gap in comparison to our 2023 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 mean hourly rate of pay of men full-pay relevant employees and that of women full-pay relevant employees

**Mean GPG:** the difference between the median hourly rate of pay of men full-pay regular employees and that of women full-pay relevant employees.

|      | Mean  | Median |
|------|-------|--------|
| 2021 | 32.8% | 11.6%  |
| 2022 | 34.8% | 15.4%  |
| 2023 | 31.8% | 30.5%  |
| 2024 | 32.7% | 40.3%  |

This year our workforce who identify as women as a proportion of total employees decreased 1% to 75%. Kooth employs more women than men, which reflects the gender imbalance in the healthcare sector. We are aligned with the high percentage of women employees in the NHS (69% as of 2022<sup>4</sup>) and in the US healthcare sector (76%).

In 2024, our mean gender pay gap increased 0.9% to 32.7% and our median pay gap increased to 40.3%. The mean and median pay gaps widened as a result of changes in our workforce across the UK and US regions.

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 men and women 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 remains the case.

4. <https://www.england.nhs.uk/long-read/gender-pay-gap-report-2023-for-nhs-england>



ESG: Social Continued

Ethnicity pay gap

Out of the 398 employees who have shared their ethnicity, 43% belong to ethnic minorities (2023: 36%).

In 2024, our mean ethnicity pay gap widened to 11.0% and our median ethnicity pay gap remained in a negative position, at -4.7%. 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% |
| 2024 | 11.0% | -4.7%  |

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

- All employees are paid the same regardless of gender and ethnicity; this is also true of our management team.
- We share salaries and salary ranges in all job adverts in the UK and US regardless of whether it is required by the local jurisdiction
- We try to understand our gender and ethnicity pay gaps to analyse and assess where more focus is required
- We promote a structured hiring process that includes partaking in blind recruitment of our practitioners and our recruitment process includes panel interviews to ensure a more inclusive approach to hiring
- We develop competency-based job descriptions and job adverts and define qualifications carefully to not arbitrarily exclude individuals with non-traditional education or lived experience that would add value to a position

