



# Flying with Purpose

GOOSEHEAD 2023  
ESG REPORT

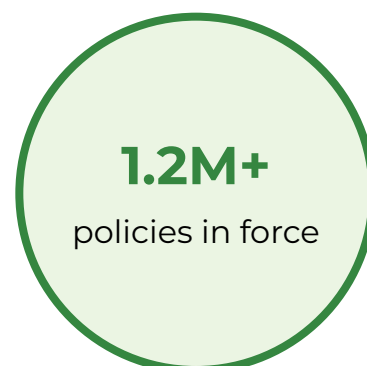
# **Environmental, Social and Governance Disclosure**

## Company Overview

In 2003, real estate investor Robyn Jones and her husband Mark Jones, a senior partner at Bain & Co., began transforming the insurance industry by founding Goosehead and providing clients unprecedented information, unleashing their power of choice. This means giving everyone the right to transparent pricing by shopping many insurance companies so clients can choose the plan that offers the right protection at the best value. The value and innovation we provide is significantly benefitting the industry across our clients, agents, and carrier partners.

Today, Goosehead is a rapidly growing independent insurance agency with over 1.2 million policies in force and over \$2.2 billion of premiums placed in 2022. The company partners with approximately 150 insurance carriers and our operations include 12 corporate sales offices comprising over 300 corporate sales agents. In addition, we have a network of 1,413 operating franchises across 47 states<sup>(1)</sup>.

Goosehead is reinventing the traditional approach to distributing personal lines insurance – offering clients a choice product platform, knowledgeable sales and service agents, and the benefits of leading proprietary technology. Our differentiated business model and innovative technology platform have enabled us to deliver insurance clients a superior experience with accurate and appropriate coverages through a quick and highly simplified process.



(1) As of December 31, 2022

## **Value of Personal Lines Insurance and Addressing Insurance Protection Gaps**

The overall insurance protection gap between economic and insured losses remains a significant risk for consumers and the overall insurance marketplace. In 2022, U.S. natural disaster losses were more than \$142 billion while insured losses were roughly \$88 billion<sup>(2)</sup>.

Personal lines insurance plays a critical role in protecting individuals' financial wellbeing from catastrophe and weather risk. The unfortunate reality is that the marketplace for shopping and purchasing personal lines insurance is broken, resulting in many buyers being not appropriately covered or underinsured for their risk exposure.

Our company is focused on providing sufficient and appropriate coverage for our clients in home and auto and making sure additional coverages such as flood, additional loss protection, liability and life insurance are presented, and the important value of these coverages is carefully explained.

(2) According to data published by Munich Re.

Our proprietary technology platform allows Goosehead agents to quickly identify referral partners, run quotes, and access all the analytics they need to help our clients make smart, data-informed decisions. This agent-driven technology drives our Digital Agent Platform — a direct-to-consumer insurance quoting platform launched in 2021. This unique technology provides a best-in-class way for consumers to shop for and buy the right personal insurance product and coverage at the right price, all while maintaining the critical value created by knowledgeable agents.

Providing a high level of service is central to our commitment to clients. All of our ongoing client service is provided through separate dedicated service centers staffed with knowledgeable licensed agents. With all policy fulfillment and servicing handled through the centralized service team, we have been able to deliver an unmatched service experience for clients with an industry-leading NPS score of 90 and client retention of 88%<sup>(3)</sup>.

As a company, we are committed to doing everything at the highest possible standards. We not only do insurance differently, we're also committed to "Uncompromising Integrity in All We Do." Sustainability is an important piece of our business and at the core of our culture. We recognize that to consistently deliver for clients we need to invest in relationships with our employees, franchises and carrier partners. This involves ongoing work in recruiting, training, mentoring and engaging our people and franchises, as well as continued focus on carrier relations and technology integrations, and active involvement in our communities. In line with these objectives, management regularly reports to our Nominating and Governance Committee, which oversees and helps set our ESG initiatives and related strategy. This report is intended to showcase how our values come to life through all the facets of our business and has been approved by the Nominating and Governance Committee pursuant to its charter.

(3) As of December 31, 2022



# Who We Are – Our Guiding Operating Principles

At Goosehead, our culture is defined by our Operating Principles, which inform everything we do.



## **Uncompromising Integrity**

“Uncompromising Integrity in All We Do” is a Goosehead mantra and guides our every move. We will not at any time, under any circumstances, compromise our integrity. Clear and complete honesty at all times is a requirement to work at Goosehead or operate a Goosehead franchise.



## **Deliver the WOW!**

Delivering the WOW means more than just going above and beyond what our clients expect. To WOW, we must differentiate ourselves for being exceptional and innovative. Mediocrity is not our thing – we expect everyone at Goosehead to deliver the WOW with every single client interaction.



## **Teamwork**

We know that what we do collectively is more important than what any of us does individually. A Goosehead person works hard to never allow another Goosehead person to fail.



## **Confidentiality**

We maintain very high levels of professional confidentiality and respect individual rights to privacy. *Goosehead takes its clients' privacy seriously and will never sell their information without their consent.*



## **Be at Cause**

There are three kinds of people in the world: those who make things happen, those who watch things happen and those who are not sure what is happening. Goosehead people make things happen. Being “at cause” means finding solutions as opposed to just identifying problems. At Goosehead we make things happen!



### **Pull More than Your Weight**

At Goosehead we accept responsibilities that go beyond our normal workload. We are conscious of our contributions to the success of the business and strive to pull more than our own weight in the organization.



### **Honest, Open and Direct Communications**

Goosehead people strive to communicate honestly, openly, and directly with each other and to do so with an attitude of working together to solve problems, not with an intention to undermine or dominate.



### **Presume Trust**

We know that our people come to work with the intention of doing a good job. Unless someone has demonstrated otherwise, we trust each other's motives.



### **Hard Work**

We understand that creating an organization unlike any in our industry will not happen by accident – it will be the result of our hard work as a team. Maintaining a balanced lifestyle is also important to Goosehead. At Goosehead hours worked are much less important than the business results we generate; after all, we're building a world class business!



### **Meritocracy**

Pay for performance is a cornerstone of our business. We reward results, not activity. We do not cap individuals' compensation or financial upside. We strongly hold that people should be in jobs that facilitate the highest value and best use of their professional talents. One's value to Goosehead is not a function of their background or where they appear on the organizational chart; it is a function of their contributions to the success of the business. This principle is the foundation of our diversity strategy and has resulted in a highly diverse organization.



### **Our Assets are Our Clients and Our People**

Two simple factors drive the success of our business: high quality, enduring, client relationships and having the best people in our industry. Goosehead people strive for excellence. We treat our clients and our colleagues as the prized assets they are. We expect our customer service and professionalism to be among the best of any company in the world.



### **Team Member Ideas**

Each team member is a gifted individual. We encourage – we expect – each team member to actively contribute ideas to Goosehead to help us attract and serve our clients more effectively and to make Goosehead stronger.



### **Highest Quality and Service in the Industry**

We are in a client service business and the way we deliver that service has a huge impact on our ability to grow and prosper. We strive each and every day to give our clients the highest quality products and service in the industry.



### **Think Big**

Our objective is to be among the most admired companies in the U.S. and to create unique career and investment opportunities for our people. Goosehead people keep their eye on this vision and swing hard for the fence. We aggressively pursue our goals and believe in our ability to achieve them.



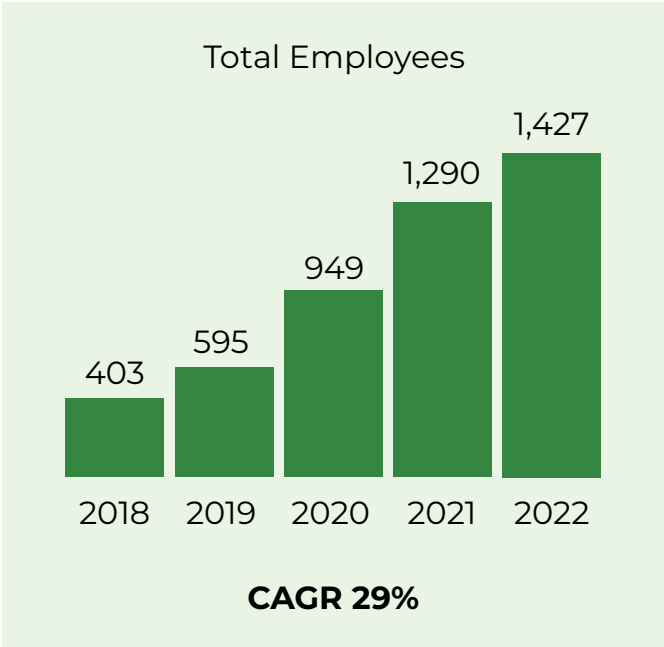
# **Employee Recruitment and Development**

# Employee Recruitment and Development

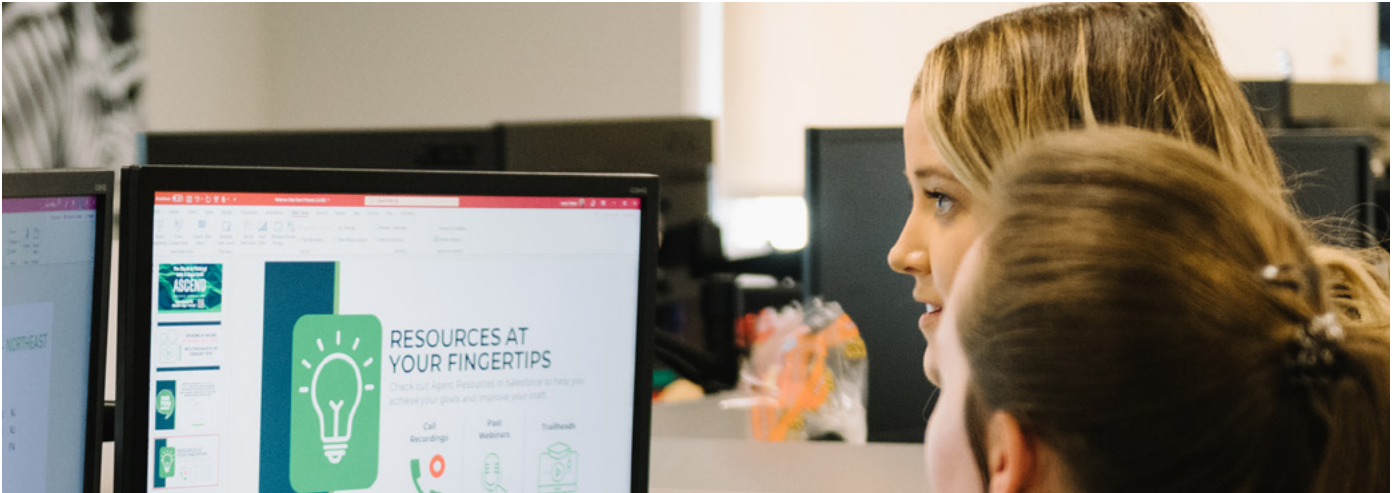
Given our high growth rates, recruitment and employee development are critical to driving our business. We have a team of over 125 individuals focused on recruiting agents and franchises to the organization.

## Building our Team

Since 2018 we have grown our workforce at a compound annual growth rate (CAGR) of 29% bringing our total employee count to 1,427 <sup>(4)</sup>. With this level of growth, we invest heavily in initial and ongoing training and professional development, utilizing both virtual and in person components.



(4) As of December 31, 2022



## Learning & Development

Goosehead utilizes a proprietary training curriculum for all incoming recruits and supports ongoing professional development of our employees. Continuing education is a large focus and highlight of our learning environment. We have developed advanced training programs for our agents so they can continue to improve in their careers as they reach tenure and production milestones. We've also created on-demand training resources available to anyone that would like to improve across a wide variety of topics and skillsets that allow our agents to constantly improve over the long-term of their careers.

As we have an increasing number of franchises with longer tenure that are beginning to scale their operations, we have implemented additional training for these business owners to leverage Goosehead's corporate experience and develop skills around recruiting and sales management to help these franchise owners build a larger sales force within their franchise operation. We also conduct weekly webinars for both our corporate and franchise agents to provide ongoing training and mentoring. Each week we highlight a key skill around our products, sales process, or professional development. Our organization also conducts regular in-person town halls across various geographic locations in the U.S. to provide updates on the organization, regional specific training and support, and collect vital feedback from our franchise network. This feedback often results in near real-time updates to our operating platform to deliver better service and business processes to our agent network!

We also kick off each year with Ascend, a two-day annual meeting in Dallas where Goosehead sales agents convene to learn tested skills, share new ideas, and network with fellow colleagues across the nation.

## Award-Winning Workplace

Goosehead has an incredible employee culture, which has led to several workplace awards and recognitions over the years, including:



## Rated as a Top Workplace in the Dallas-Fort Worth metro area

by The Dallas Morning News, where we are headquarterd and have three corporate sales offices.

## 2022 Top Workplaces USA: Financial Services

## Fortune Best Places to Work in Texas - #25



# Entrepreneur

#1 in Insurance Category (2023)

#4 Top Franchise for Less Than \$50,000 (2022)

#5 Fastest-Growing Franchises 2022 (U.S. & Canada)

#9 Fastest-Growing Franchises 2022 (Worldwide)

# Diversity, Equity and Inclusion



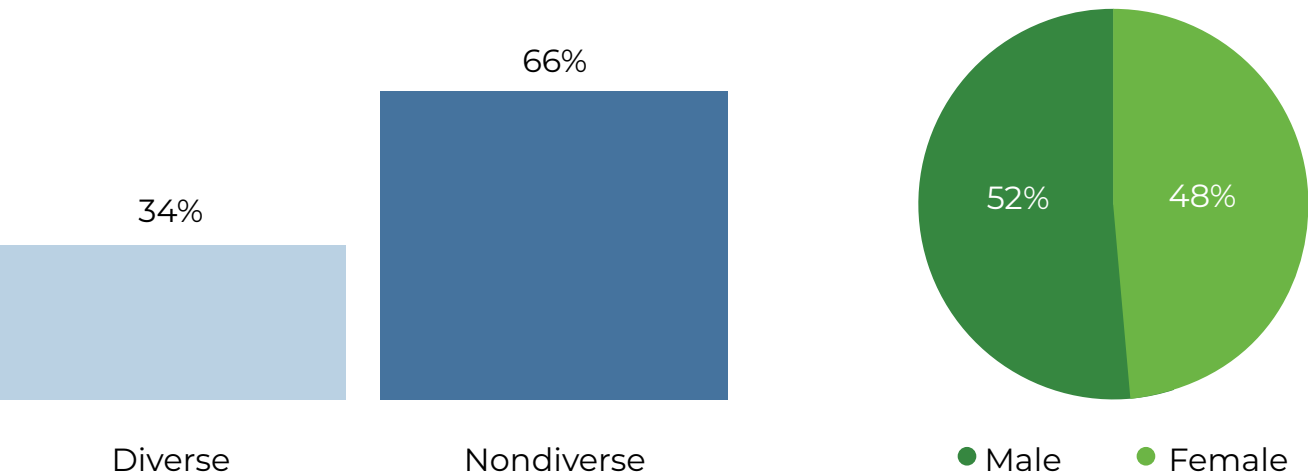


**At Goosehead, we are proud of our diverse and inclusive culture that results from our principles of meritocracy and servant leadership. All of our management, internal committees, and groups value our diversity and promote inclusion and belonging across the organization.**

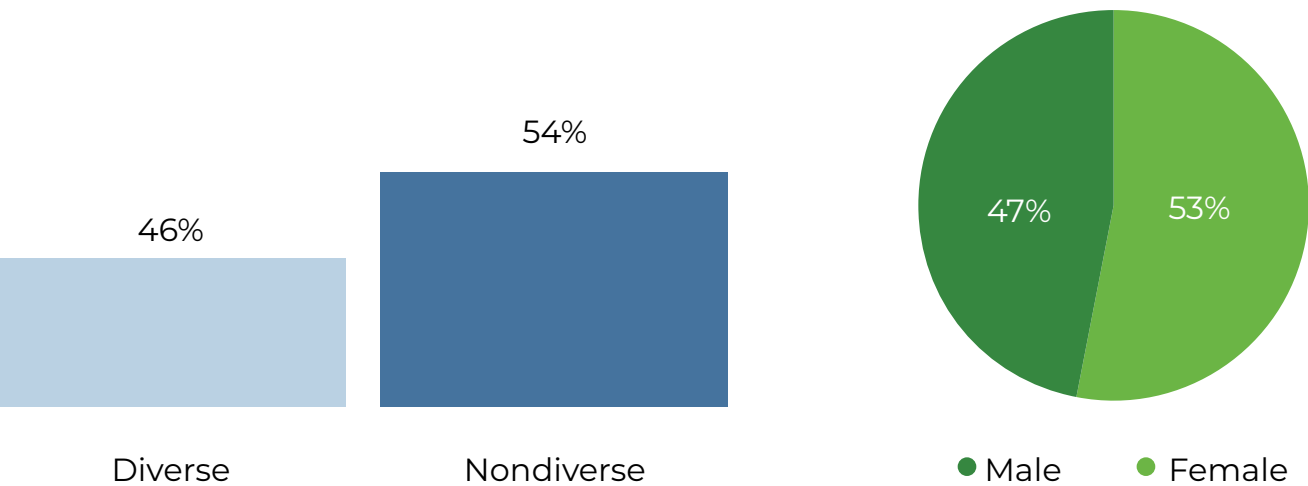
More than half of Goosehead's employees are women and almost half of our workforce identify as racially diverse. We strive to have a meritocratic and inclusive culture of growth and advancement that is informed by our Operating Principles. Goosehead has strong Equal Opportunity and Anti-Harassment policies in place, and we are committed to the principles of openness, empathy and respect in our workplace.

Goosehead co-founder Robyn Jones established Goosehead's Women's Initiative Network (WIN) in 2015 (previously the Women's Professional Development Program) to provide a place of connection and support for the women leaders of Goosehead to grow personally and professionally. The program is open to all female employees and franchise agents and consists of live webinars, an engaging Teams channel and networking events. WIN exists to increase performance and employee retention by facilitating meaningful opportunities for networking, professional training, and organic connections that lead to mentorship and growth. It also offers Goosehead women an opportunity to interact with Goosehead's rising and longer-tenured female leaders and organically establish and enhance our mentorship culture.

Executive Management and Managers<sup>(5)</sup>



Non-Management Employees



(5) As of December 31, 2022 and based on the diversity guidelines of the Nasdaq Global Market

# **Employee Benefits, Engagement and Workplace Safety**



## Employee Compensation and Ownership

At Goosehead we believe in a holistic and competitive compensation package that includes opportunities for bonus and equity compensation, as well as access to our stock ownership program. Our employees are also eligible to be awarded incentive stock options under our Omnibus Incentive Plan, designed to motivate and reward employees to perform at the highest level and contribute significantly to our success, thereby aligning our employee incentives with the best interests of our shareholders.

**Our ESPP currently permits participating employees to purchase shares of our common stock through payroll deductions of between 1% and 5% of the employee's compensation.**

Goosehead encourages employees to participate in our employee stock ownership program, which allows non-management employees to purchase Goosehead stock at a discount by electing to allocate a percentage of their paycheck toward buying Goosehead stock in accordance with our Employee Stock Purchase Plan (ESPP). Our ESPP currently permits participating employees to purchase shares of our common stock through payroll deductions of between 1% and 5% of the employee's compensation. Our executive management team is not eligible to participate in our ESPP.

We also understand that in a commission-based business, there can be a natural tendency to focus on individual successes; however, we believe that our compensation structure is designed to provide flexibility to differentially reward teamwork, thereby aligning our employees' economic interests with the success of the team and organization overall.

(6) As of December 31, 2022



## Employee Benefits

Goosehead also offers corporate employees a competitive health benefits package, including medical, dental and vision insurance, as well as flex and health savings accounts, company sponsored and voluntary life insurance plans, short term disability insurance, long-term disability insurance, accident insurance and critical illness insurance, identity theft protection, and the opportunity to participate in our 401(k)-retirement savings plan. Under our 401(k) plan we match participants' contributions, which become vested over four years. While our franchise agents do not participate in our corporate health plans, we have developed a benefits structure that allows franchise agents to access competitive health insurance and related benefits.

In addition to voluntary health benefits, Goosehead offers corporate sponsored programs which focuses on employees physical, financial, mental, and emotional wellness. Goosehead offers a financial solutions program to help employees create financial confidence: our goal is to help employees reach a successful and financially sound life through education and guidance. We equip our employees with a know-how-to plan for their retirement and achieve their long term and short-term goals. Goosehead also offers free one-on-one meetings with a financial advisor, workshops, and additional resources to provide a means to our employees to reach one of their largest life goals –owning a home.

Our people are our biggest asset, and because we know life doesn't always go as planned, we offer free professional support and guidance through one of the nation's premier providers of Employee Assistance Program Services. Employees have access to convenient and confidential advice by connecting with a licensed professional to assist with work, life, and their emotional well-being, at no additional cost. Goosehead has also taken strides to prioritize and encourage physical wellness by implementing a Wellness Week to bring awareness to our employees' physical health. Through wellness health expos, providing free health screenings and follow up care, employees are educated on the importance of nutrition and being active. In addition, employees are given the resources and guidance to continue their healthy lifestyle journey.



## **Equal Opportunity and Anti-Harassment Policies**

Goosehead's Equal Opportunity and Anti-Harassment policies are codified and strictly enforced. We contracted with a third-party solutions team to encourage and facilitate independent and timely reporting and investigation of policy violations. Goosehead does not tolerate any form of discipline, reprisal, threats, intimidation, or other retaliatory conduct against an employee for making a good faith complaint of a perceived incident of discrimination or harassment or for cooperating in an investigation by the company or any federal, state, or local agency of such a complaint. Our third-party solutions team ensures that a prompt, thorough investigation is conducted and that any necessary and appropriate remedial action is taken.

# **Environmental & Community Involvement**



Goosehead and our employees work together toward a common goal of helping within the environment and the communities in which we live and work.

The following is a summary of some of our philanthropic and volunteer efforts.

## Paperless Mindset and Workflows

Goosehead is a completely cloud-enabled business. We adopted a paperless mindset in 2010 when we implemented DocuSign for all new business applications. Paperless processes were continually expanded to all other parts of our business (recruiting, HR, service, etc.) through 2015, and we now maintain a fully paperless client experience and operational environment. The environmental impact associated with Goosehead's reduced paper use through DocuSign alone (and based on their calculations and methodology) is illustrated by the graphics to the right.

Furthermore, our CEO is committed to supporting the environment. Goosehead's Chairman and CEO recently purchased 125,000 acres of forest in Montana and is committed to maintaining the forest's certification under the [\*\*Sustainable Forestry Initiative\*\*](#). Based on the current forest inventory, this forest is storing approximately 2.2 million metric tons of carbon in its living trees and could sequester an additional 100,000 metric tons of carbon next year.

### Goosehead's Environmental Savings



7.5 million gal of water



6 million lb of carbon



2.5 million lb of wood



415,525 lb of waste





## Community Involvement

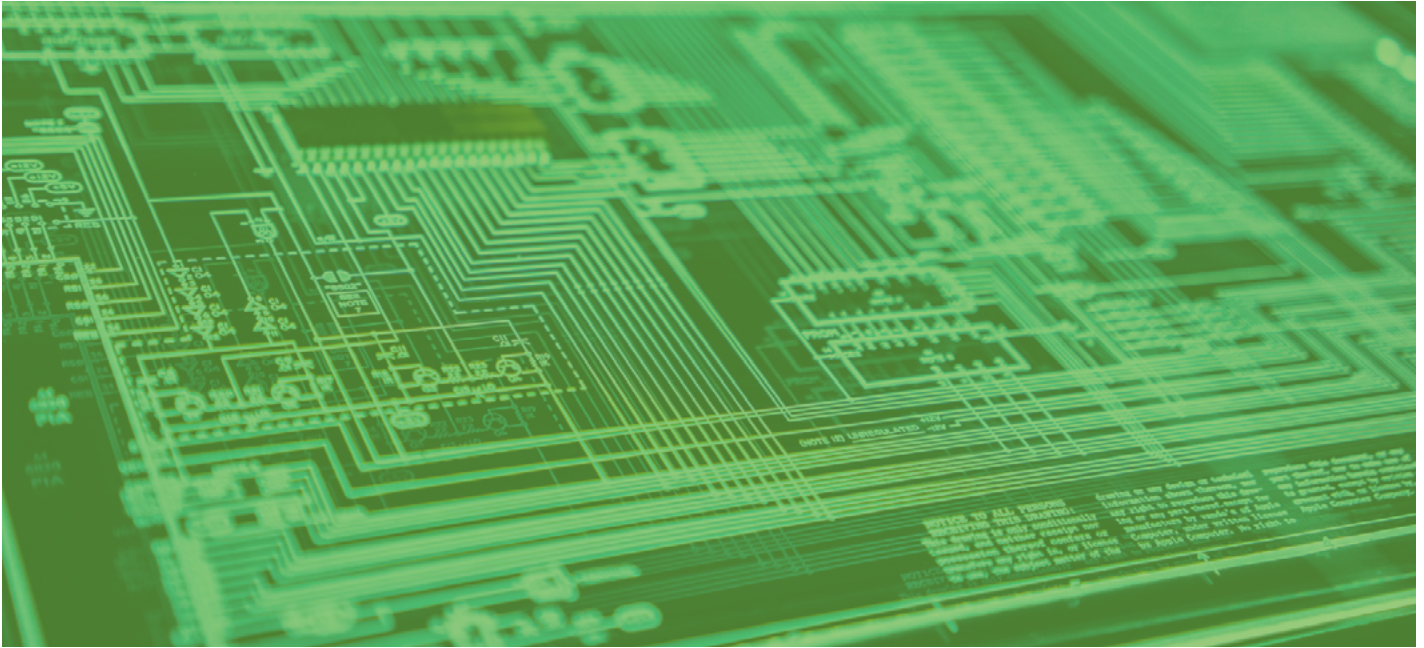
Goosehead's executives are firm believers in having a strong philanthropic culture and they support various community organizations, including: Genesis Women's Shelter, North Texas Food Bank, Family Place, Juvenile Diabetes Research Foundation, Naomi's Village, Family Legacy, A21, GRACE, Boys & Girls Club, Equal Justice Initiative, Feed My Starving Children, ProLiteracy's Women's Empowerment Fund and Dallas Volunteer Attorney Program. Goosehead is also proud to support Folds of Honor North Texas, an organization that supports military families that have made the greatest sacrifice with scholarships for their surviving children.

Goosehead also hosted its 4th Annual Back to School Drive & Backpack Stuffing Event in 2022 in partnership with Hope Supply Company, and provided more than 500 backpacks filled with school supplies for children in north Texas.

Additionally, in 2021, Goosehead founders Mark and Robyn Jones made a philanthropic gift of \$101 million to Montana State University to be used for training nurses and expanding access to healthcare in the state's underserved rural areas. The gift was the largest donation ever to a nursing school in the U.S.



# Cyber, Data Security and Governance



Goosehead is committed to protecting the security of client and consumer information and maintains very high levels of professional confidentiality. We use a variety of data security procedures and techniques to protect our client's information and our cybersecurity program is based on recognized data protection principles, including the National Association of Insurance Commissioners (NAIC) Data Security Model Law and the National Institute of Standards and Technology's Cybersecurity Framework (NIST CSF).

Our management team understands the importance of information security and is committed to protecting the confidentiality, integrity, and availability of all sensitive data we maintain, including information about individuals who work at or do business with Goosehead.

We do not sell customer data and protect personal information and our information systems by maintaining controls and technical safeguards. Goosehead requires multifactor authentication to access our information systems and has a third-party security operation center conducting ongoing and continuous system security monitoring. We also conduct regular security testing and employee training as part of our cybersecurity program. Goosehead believes it is compliant with applicable privacy and data security regulations and obligations and maintains incident response and business continuity plans to resolve incidents with the potential to disrupt operations.



## Governance

Uncompromising integrity is our first operating principle and a cornerstone of our corporate values and governance. Our Board of Directors satisfies the diversity guidelines set by the Nasdaq Global Market and meets all board independence and other applicable corporate governance standards. Goosehead has a fully independent Audit Committee and a dedicated Internal Audit team that reports directly to the Audit Committee. Our Code of Business Conduct and Ethics Policy applies to all of our employees, officers and directors and is designed to deter wrongdoing and to promote honest and ethical conduct.

Goosehead's Board of Directors has a fully independent Compensation Committee which makes recommendations to the Board in accordance with our Compensation Committee Charter. Our fully independent Nominating and Governance Committee operates under a written charter and provides oversight of director nominations and is responsible for overseeing the Company's policies and performance on matters relating to ESG risks and opportunities and assisting management in setting ESG related strategy and the oversight of human capital, information security and other ESG initiatives and business risks. Our governance committee charters are available in the "Corporate Governance" section of Goosehead's investor relations website. Our governance structure and culture empower our people to prevent any compromise of integrity that may risk the reputation of our company, damage our business relationships, or jeopardize our people's wellbeing and livelihood.

## Executive Compensation

The Board's Compensation Committee is responsible for our overall compensation philosophy, including our stock and equity incentive plans, and reviews and approves our executive compensation. We utilize a "pay-for-performance" philosophy as the foundation for all decisions regarding compensation of Goosehead's executive officers, which has been central to our ability to attract talent. Our compensation program is designed to attract, motivate, reward, and retain the management talent required to achieve our corporate objectives and create long-term value for our stakeholders, while at the same time making efficient use of our resources. The compensation of our executive officers is designed to reward financial and operating performance, to align their interests with those of our stakeholders, and to encourage steady, long-term leadership at Goosehead. Additional executive compensation information can be found in our annual proxy statement available on our investor relations website at [ir.gooseheadinsurance.com](https://ir.gooseheadinsurance.com).

---

*In preparing this report, we sought to align our disclosure with the Professional Commercial Services industry standard established by the Sustainability Accounting Standards Board (SASB). The enclosed Appendix provides disclosures specific to Goosehead's SASB industry standard.*

## Sustainability Accounting Standards Board<sup>(7)</sup>

Goosehead's responses to SASB's reporting recommendations for Professional Commercial Services are set out in the tables below. SASB identified data security, workforce diversity and engagement, and professional integrity as the topics most material to our industry.

| Data Security |   |
|---------------|---|
| SASB Code     | SASB Metric and Goosehead Response  |
| SV-PS-230a.1  | <b>Description of approach to identifying and addressing data security risks.</b> Ongoing and continuous security monitoring is conducted using a third-party security operation center. Penetration testing of our information systems is performed annually, and vulnerability assessments are conducted periodically. Multifactor authentication is required to access our information systems and we have a written information security program and incident response protocols and procedures in place.   |
| SV-PS-230a.1  | <b>Description of policies and practices relating to collection, usage, and retention of customer information.</b> Goosehead does not sell customer data and complies with applicable privacy and data security regulations. Our privacy policy is designed to ensure proper handling and use of personal information. We employ the principle of least privilege (restricting access permissions to those necessary to accomplish assigned tasks and business functions) and personal information is stored on secure servers behind firewalls and encrypted at rest using SSL technology. |
| SV-PS-230a.3  | <b>(1) Number of data breaches (2) percentage involving customers' confidential business information (CBI) or personally identifiable information (PII), (3) number of customers affected.</b> None.  |

(7) As of December 31, 2022

## Workforce Diversity & Engagement

|                      |   |      |         |            |         |            |                      |     |     |     |     |           |     |     |     |     |
|----------------------|---|------|---------|------------|---------|------------|----------------------|-----|-----|-----|-----|-----------|-----|-----|-----|-----|
| SV-PS-330a.1         | <p><b>Percentage of gender and racial/ethnic group representation for (1) executive management and (2) all other employees.</b></p> <table><tr><td></td><td>Female</td><td>Male</td><td>Diverse</td><td>Nondiverse</td></tr><tr><td>Executive Management</td><td>37%</td><td>63%</td><td>26%</td><td>74%</td></tr><tr><td>Employees</td><td>53%</td><td>47%</td><td>46%</td><td>54%</td></tr></table> |      | Female  | Male       | Diverse | Nondiverse | Executive Management | 37% | 63% | 26% | 74% | Employees | 53% | 47% | 46% | 54% |
|                      | Female  | Male | Diverse | Nondiverse |         |            |                      |     |     |     |     |           |     |     |     |     |
| Executive Management | 37%   | 63%  | 26%     | 74%        |         |            |                      |     |     |     |     |           |     |     |     |     |
| Employees            | 53%   | 47%  | 46%     | 54%        |         |            |                      |     |     |     |     |           |     |     |     |     |
| SV-PS-330a.2         | <p><b>(1) Voluntary and (2) involuntary turnover rate for employees.</b> During 2021, Goosehead’s voluntary turnover rate was approximately 69% and our involuntary turnover rate was approximately 19%.</p>  |      |         |            |         |            |                      |     |     |     |     |           |     |     |     |     |
| SV-PS-330a.3         | <p><b>Employee engagement as a percentage.</b> Except as it relates to workplace ratings, Goosehead does not disclose this information.</p>   |      |         |            |         |            |                      |     |     |     |     |           |     |     |     |     |

## Professional Integrity

|              |   |
|--------------|---|
| SV-PS-510a.1 | <p><b>Description of approach to ensuring professional integrity.</b> Our Code of Business Conduct and Ethics and Insider Trading policies are regularly communicated to employees. Our disclosure committee conducts quarterly reviews of financial metrics, public disclosures, significant and non-recurring transactions, related party transactions, active and pending litigation, and subsequent events. Internal audit testing is performed regularly to evaluate key controls and to communicate deficiencies to management and the Audit Committee. Our whistleblower policy was adopted by the Audit Committee and is managed by our legal department.</p> |
| SV-PS-510a.2 | <p><b>Total amount of monetary losses as a result of legal proceedings associated with professional integrity.</b> None.</p>  |