

The logo for Boozt, featuring the word "Boozt" in a bold, black, serif font. The background of the entire page is a repeating pattern of light green and dark green diamond shapes, creating a 3D effect of stacked cubes.

Boozt

SUSTAINABILITY REPORT

2020



SUSTAINABILITY REPORT

This report constitutes our GRI report and UN Global Compact Communication on Progress, as well as our statutory sustainability report.

The GRI Index can be found on:

www.booztgroup.com/sustainability-reports

Letter from CEO Hermann.....	3
Our role in the supply chain.....	4
Our value chain.....	8
Our vision & strategy.....	12
Our House.....	16
Our People.....	26
Our Partners.....	32
Our Selection.....	36
Auditor's report on the sustainability report.....	42

LETTER FROM CEO HERMANN

It has been a year full of unknowns. At the same time, this year has proven the strength in the care-why culture that is so instrumental to our company. I have seen how our people have gone above and beyond for our customers, the company, and each other. With a lot of determination and teamwork we have turned challenges into opportunities.

Throughout the year we have continued to drive our sustainability agenda forward and it has been rewarding to see the positive effects of our efforts. Our investments into our local environmentally optimised fulfilment centre, running on 100% renewable energy, means we are able to maintain an industry-leading low 300g CO2 distribution emission per order including returns. Furthermore, we have set responsible practices within our industry by eliminating extreme return behaviour with our Fair-Use Policy. As a result, we have lowered our total carbon emissions for the year by an amount equivalent to 25% of the returns CO2 footprint.

Our leading position and technology present a unique opportunity to push for a more sustainable industry. We want to accelerate our sustainability initiatives further and with this report, we are launching our Care-For strategy. This is our roadmap to becoming the leading responsible e-commerce company in the Nordics by 2025.

We want our customers to shop with us knowing they support a responsible company that takes real action towards contributing to a more sustainable future. As part of our Care-For strategy we have set actionable goals for the next five years that will keep us on track to reaching our vision and will concentrate our efforts on areas where we can have the most significant impact. Not only are we setting high goals for improving our own operations but we are also committing to partnering with organizations that are working towards improving environmental and social performance, such as the Sustainable Apparel Coalition and Higg Co, and the B Corp movement.

We run our business on responsible choices. Although we have minimized the impact of our own operations, lasting change will only be achieved through collaboration across the entire value chain. Caring for the change we want to see, we are committed to supporting our brand partners on their sustainability journey, making it easier for our customers to find and choose sustainable styles, and developing best-practices through strategic partnerships. When online shopping is done right it makes sustainable choices easier.

Hermann Haraldsson, Co-founder & CEO

OUR ROLE IN THE SUPPLY CHAIN

The fashion supply chain is complex, interlinking many different stakeholders across the product life-cycle. Using our market-leading position and strong relationships with customers and partners we can accelerate positive change across the whole supply chain through enabling collaboration, innovation and transparency. As a retailer without any own production, we do not have a direct impact on the production of the products we sell, but we do have the opportunity to have a large impact as the link between brands and the consumer.

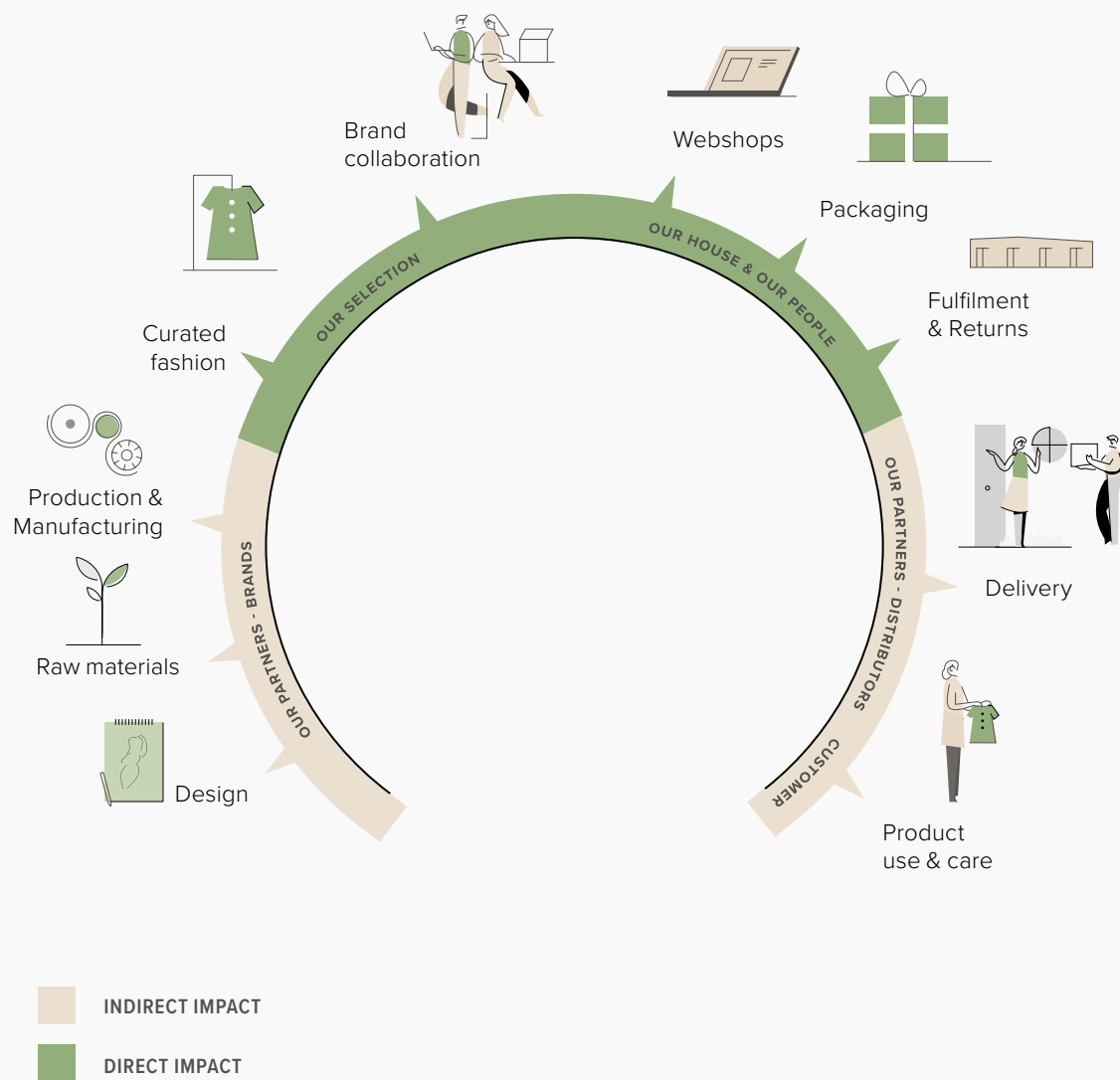
As our business evolves so does our role in the supply chain. New technology and tools help us better collect and trace data, stronger partnerships create opportunities to innovate, and new business areas mean we can

have an indirect impact on a wider supply chain. At the same time, external factors play a huge role in shaping the supply chain and constantly present new challenges. This makes it even more important for us to have an open dialogue with our partners, our customers and the industry.

To achieve meaningful and lasting change we want to bring our partners along on our sustainability journey; proactively informing, innovating, and communicating best-practices with them. This is why we continuously work to ensure that our partners understand and embrace our high environmental and social standards and sustainability commitments. By collaborating we can better understand where our influence will have the strongest impact and how to drive transformation.



THE FASHION SUPPLY CHAIN



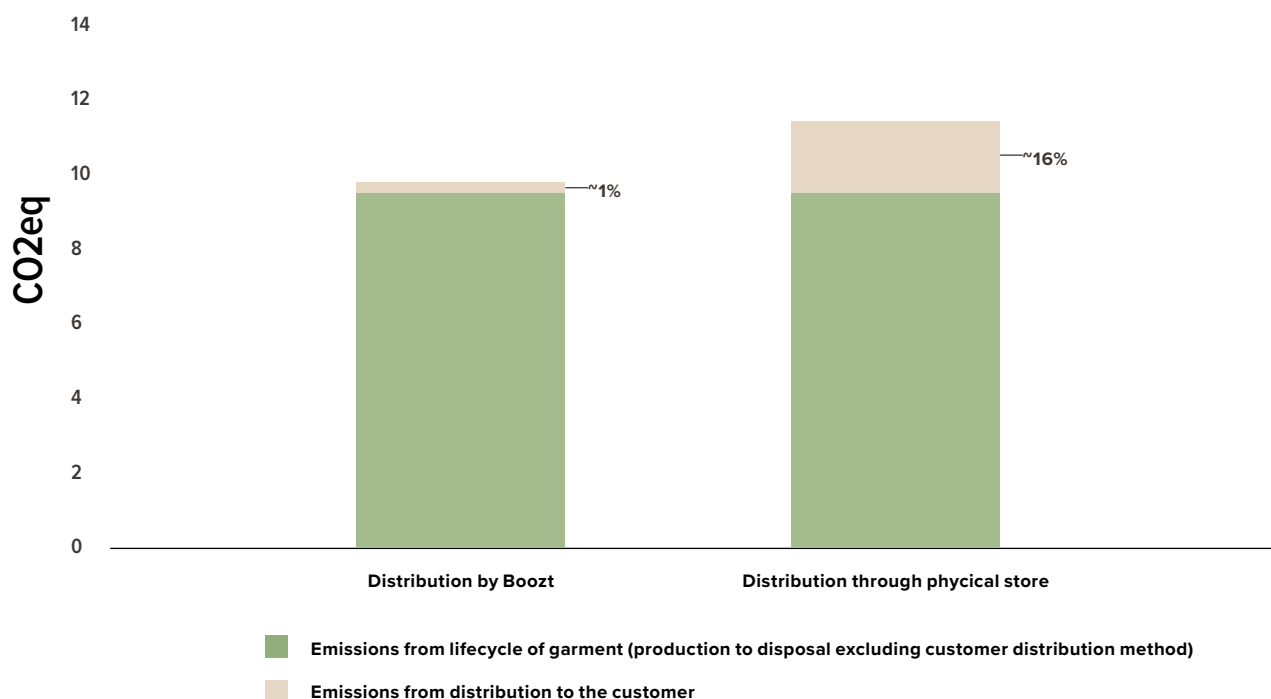


THE RAMIFICATIONS OF THE E-COMMERCE MODEL

As with all decisions we make throughout our business we want our sustainability efforts to be based on credible data, this includes correct and comprehensive information about the ramifications of the e-commerce model on the environment. While we will always strive to lower the footprint of our operations, the true environmental impact of the e-commerce model next to the brick and mortar shop is still hard to pinpoint and greater data should be collected and compared. We will use our positioning in the Nordic market to partner with researchers that can help provide a better understanding of this topic based on empirical findings.

Research from the 2019 report “Environmental assessment of Swedish clothing consumption” by RISE (Research Institutes of Sweden) shows the impact of the transportation of the customer back and forth from the physical store. When we compare this data with the impact of our e-commerce model, the carbon footprint is significantly lower than when shopping in a physical store in Sweden.

A pair of jeans sold in Sweden - total CO₂e_q emission by distribution method*



*Data sourced from the 2019 report “Environmental assessment of Swedish clothing consumption” by RISE (Research Institutes of Sweden)
 The distribution emission data for a physical store is based on the carbon footprint per item bought from the average user transportation to the store. This is a mix of non-emitting transportation, public transportation and personal car transportation. Emission from lighting and heating of the physical store is not included in the “distribution through physical store”.
 Emission per item from Boozt is derived by dividing the emission per order (314g) with average items per order (2.8)

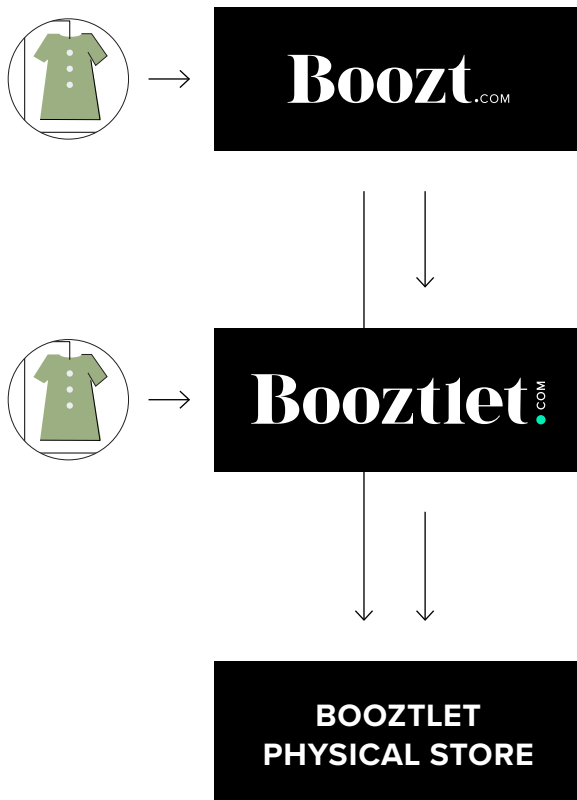
OUR VALUE CHAIN

Our value chain outlines our three main business segments and the flow of products within the Boozt ecosystem. This is where we have a direct impact on our footprint and can ensure that we are running a responsible and efficient business; one that leads by example to inspire progress throughout the greater supply chain.

Our strategy is to offer a large curated selection of mid to premium brands with a strong focus on quality products that are made to last. We extend the products' life cycle across our platforms, working to ensure that all items ultimately end up with our customers and that we minimize

waste. This means products have multiple chances to sell, both initially online and then offline. Any items that cannot be sold are ultimately donated.

Our value chain enables us to make responsible choices in the way we handle our inventory and claims. Excess stock from Boozt.com is given a new opportunity to sell on Booztlet.com and items with minor defects are being sold at high discounts in our physical Booztlet stores. We also partner with brands to support their inventory clearance which we purchase at discounted prices. This enables our brands to use our platforms as a responsible alternative for handling excess inventory.



IN SEASON

Mid-to-premium fashion and lifestyle for the Nordic customer

OFFPRICE

Responsible handling of prior season stock from brands and Boozt.com

LAST RESORT OUTLET

Items that did not sell online or goods with minor defects

Materiality assessment

Based on our yearly materiality analysis, this report focuses on the most important sustainability issues for our business and includes the economic, social and environmental topics we have prioritised. We take into account a combination of external and internal factors when considering whether a topic is material. Among other things, we have aligned with the overall mission and competitive strategy of Boozt, broader societal expectations and the business's influence on upstream entities, such as suppliers, and downstream entities such as customers. Our assessment also takes into account international and local standards and agreements the company is committed to.

In 2020 we conducted our materiality assessment using two complementary assessment tools; the SDG Action Manager and B Impact Assessment tool.

SDG Action Manager

The SDG Action manager is a tool developed by B Lab, the legal entity behind the B Corp certification and the United Nations Global Compact along with advisors such as The Danish Institute of Human Rights, GRI and the UNDP.

We have adopted the SDG Action Manager as an internal management tool to help us self-assess and improve. With it we identified the focus areas where we can make the biggest difference: Optimising our local operations, empowering our employees, engaging our partners, and curating our sustainable selection. This has served as our blueprint for adopting the Sustainable Development Goals (SDGs) While we feel many of the SDGs include important bearings for supporting our contribution to sustainable development, the most relevant development goals we have chosen to address are SDGs 9, 12 and 17.

The B Impact Assessment

The B Impact Assessment (BIA) is a comprehensive management tool developed by B Lab and UN Global Compact that assesses a company's performance against the highest standards in terms of environmental, social and governance performance. It focuses on Operational Impact i.e. how a company manages the day to day impact of running their business and the impact of their Business Model, i.e the design of the company that creates a specific positive benefit/outcome. Completing the BIA is the first step to becoming a Certified B Corporation.

WE AIM TO ADDRESS THE FOLLOWING SDGs:



GOAL 9. Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation

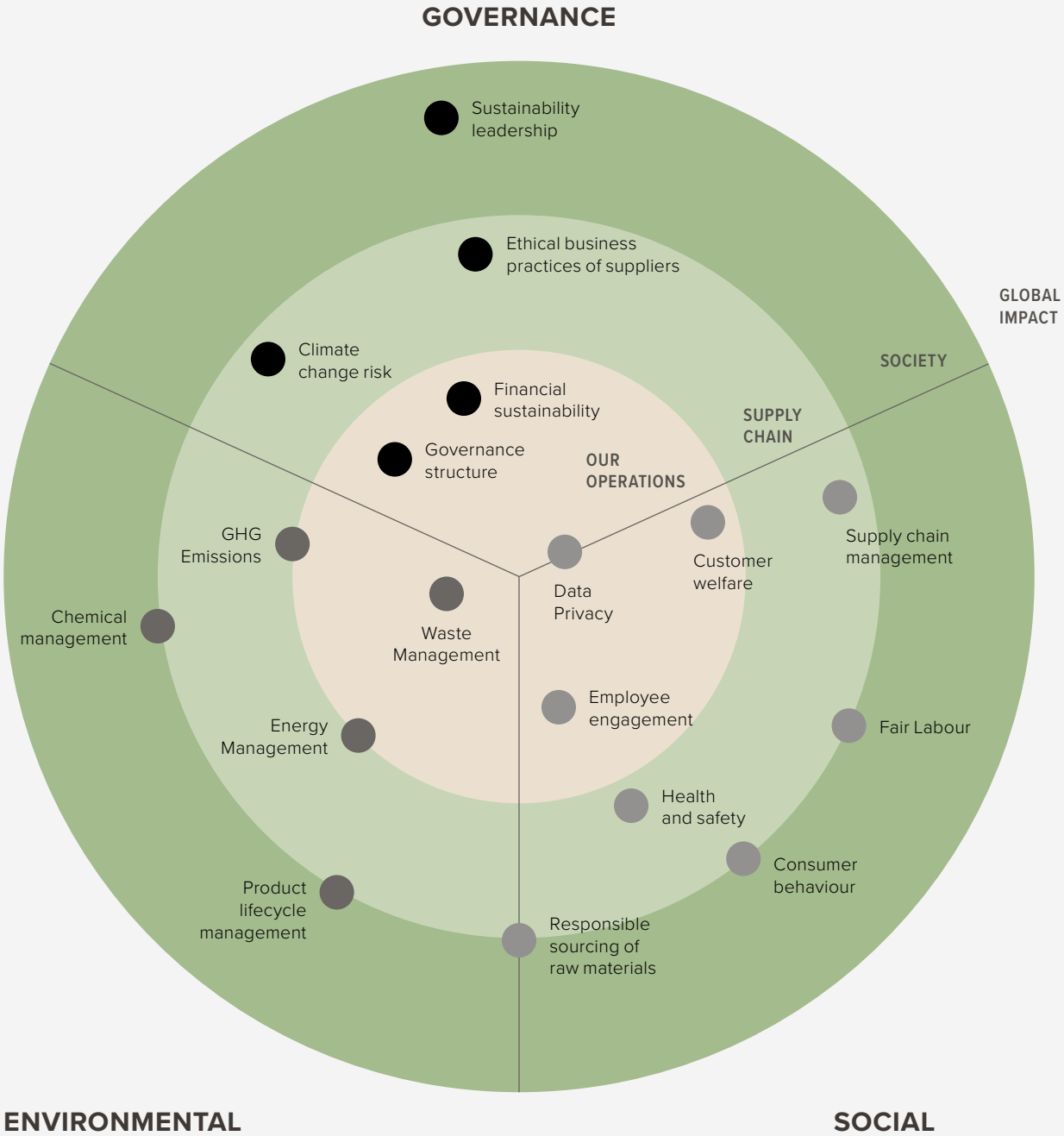


GOAL 12. Ensure sustainable consumption and production patterns.



GOAL 17. Strengthen the means of implementation and revitalize the global partnership for sustainable development.

MATERIALITY MAP



DIRECT*



INDIRECT



INDUSTRY & SOCIETY

**Areas identified as primary for our sustainability efforts*



In reviewing our material issues, we make use of a wide range of insights and inputs, including:

Business developments

We review changes to our operations; changes in their strategic importance; existing markets and associated legal jurisdictions; and changes to the Group's governance and organisational structures.

Legislation across

We use insights into legislation across markets where we are listed, operate or sell our goods, that may affect our practices, and customer expectations.

Stakeholder views

To review stakeholders views and concerns, we have conducted assessments against the highest standards of environmental, social and governance practices.

Risks and opportunities

Discussion at Board level of risks and opportunities; annual process of updating the Group's sustainability risks and opportunities by the Sustainability Department. Global trends informed by research on global macro trends from credible sources and studies.

Operating responsibly

We aim to work openly and transparently with our stakeholders. Our management systems help us meet our commitments and guide our businesses to address the risks and opportunities we may face in the future.

OUR VISION & STRATEGY

Our vision is to use our local Nordic position and our technology platforms to make sustainable choices easy for our customers and our partners. By taking responsibility for our direct and indirect footprint on the value chain, and empowering people to act consciously, we strive to build a more sustainable future for fashion.

We are dedicated to delivering a great shopping experience to our customers, through high-tech solutions and a curated selection of fashion and lifestyle brands. In this pursuit, sustainability is a crucial building block for our long-term business success, ensuring that we meet the needs of our customers and the industry. Our aspiration is that our actions will always reflect our desire to do good. With the help of a clear vision and open communication, we intend to amplify our efforts and share best practices that can influence a more sustainable industry.

Our responsibility vision is very much aligned with who we are as a business and our well-established tradition of always striving to make fair and responsible decisions. We recognise the need to address the social and environmental challenges within the fashion industry, and that emphasis

must be on taking responsibility for our direct and indirect impact. With the influence we have as a leading player on the market, we can push for a more sustainable industry by setting leading standards for responsible practices. Collaborating with industry peers to improve quality and transparency in the supply chain, including respect for human rights, fair labour conditions, as well as reducing the environmental impact from production and operations.

To help guide us on our journey, we have concentrated our sustainability efforts around what we call our Care-For strategy. The strategy is anchored in the Boozt 'care-why' culture and means going beyond just knowing. We care why things are the way they are, care for the change we want to see and choose to act. This mindset is also what enables us to lead the progress towards a more responsible industry.

OUR COMMITMENTS

CARE-WHY CULTURE

A strong company culture that empowers our people



SUSTAINABLE CONSUMPTION

Facilitate responsible consumer behaviour



HIGHEST REQUIREMENTS

Industry leading criteria for sustainability category



RENEWABLE ENERGY POWERED

100% Renewable energy across all our operations



RESPONSIBLE PACKAGING

100% Recycled and recyclable packaging



LOWEST CO2

Industry leading low CO2 emission distribution per order

We have structured the Care-For strategy around four focus areas identified through our materiality analysis: Our house, Our people, Our partners, and Our selection. By making responsible choices in all these areas of our business, we can reduce the direct footprint of our operations, while also engaging our partners, our customer and our people on the journey to becoming a more sustainable industry.

Goals & commitments

With the challenges we as an industry face, especially with the effects of this unprecedented year, it has become even more apparent that collaborative action is key to finding scalable solutions to the many pressing issues throughout the supply chain. Our Care-For strategy is our roadmap to becoming the leading responsible e-commerce company in the Nordics by 2025, using our business as a catalyst for change. The foundation of our strategy is built upon our commitments which are the result of our sustainability

efforts over the years. These commitments have become integral to how we strive to run our business and where we continue to invest time and resources.

Still, we want to push further to accelerate the transition towards a more sustainable fashion industry. Caring for the change we want to see in the industry, we recognize that we are in a position to go beyond and set higher standards for responsible practices. Achieving this means setting actionable goals for the next five years that will keep us on track to reaching our vision. Our goals cover all four of our focus areas and are an extension of our already strong commitments. As part of our Care-For strategy, these goals will lead us in our decision-making and help us follow-up on our progress. The goals are reviewed annually to ensure they remain aligned with the strategic direction of the business and take into account external societal events.

OUR GOALS	
<p>OUR HOUSE</p> <p>2023 Become B Corp certified.</p> <p>2025 Be climate-neutral across our operations, including the impact of delivery and returns.</p>	<p>OUR PARTNERS</p> <p>2022 Offer tailored support and data to brand partners on their sustainability journey using the Boozt Media Partnership solution.</p> <p>2023 Ensure 100% of our apparel brand partners are committed to supply chain transparency and to working with the Higg BRM tool.</p>
<p>OUR PEOPLE</p> <p>2021 Continuously improve employee engagement through feedback and dialogue to reach top tier employee engagement benchmarked against our sector.</p>	<p>OUR SELECTION</p> <p>2022 Reach a 25% share of sustainable apparel products across our overall product assortment.</p>



BECOMING A B CORP CERTIFIED E-TAILER

By 2023 our goal is to become the first B Corp certified e-tailer in the Nordics. This means joining a global community of companies across industries focused on using their business as a force for good, balancing profit and purpose.

The B Corp certification is issued by the nonprofit organization B Lab led by business investors and attorneys to create a comprehensive set of legal and performance requirements. It is the only certification that measures the entire social and environmental performance of a company and includes having to meet requirements in three areas; verified social and environmental performance, legal accountability and public transparency.

To meet these requirements, Boozt must earn the verified score of 80 points or above on the B Impact Assessment, the tool that measures the company's overall impact on its workers, community, customers and the environment. B Corp Certification is a highly selective status. Companies must document their positive impact to qualify and undergo verification every three years to maintain their Certification.

This year we are starting the journey with a self-assessment to measure our current score and identify areas that we will need to focus on to become certified. We believe the process of certification and the interaction with the B Corp movement will help us scale our positive impact through the Boozt business model.



Energy sourced from own solar panels installed on the roof of our fulfilment centre.

Reporting requirements

Making responsible choices that have a positive impact on the industry requires a solid foundation in science-based research, strong partnerships and a clear understanding of where we can make the greatest impact. With this report, we use the Global Reporting Initiative (GRI) as a reporting guideline to improve the quality of our sustainability reporting. We believe the GRI standards provide a solid framework for analysing and focusing our sustainability efforts.

In 2018, we became a signatory of the UN Global Compact. With this commitment, we set the intention of adopting and adapting innovative ways to integrate the Ten Principles to establish a more sustainable business. This means operating in such a way as to promote and respect human rights and fair labour conditions, engage in the development of environmentally friendly technologies and prevent corruption in all forms. It also includes taking action to deliver on the Sustainable Development Goals (SDGs) and we are committed to aligning our business goals with them. This has been the focus of our 2020 sustainability initiatives and this report serves as our Communication on Progress (COP).

Managing sustainability

We are committed to conducting our business responsibly, with the highest possible standards of ethics, openness, and transparency to build trust with our stakeholders and establish accountability. The strategic responsibility for our sustainability strategy lies with Management which is then implemented by our Sustainability team. Through close collaboration between the Sustainability team and other departments across the Boozt Group, we work together to execute our sustainability efforts. Continuously reviewing our materiality analysis helps us to ensure that we act in an economically, socially and environmentally responsible way in all areas of business.

The greatest assets in our sustainability effort are our people. A strong company culture, based on the values of Trust, Freedom, and Responsibility, reinforced with intelligent investments, enables our people to contribute positively to the environment, the business and the community. By offering continuous training and professional opportunities, we want to provide opportunities for our employees to utilise their knowledge, passion, and skills to imagine new sustainable solutions and contribute to our vision



OUR HOUSE

We want to provide the best possible customer experience while conducting our operations in an economically, socially and environmentally responsible way. We are taking responsibility for the footprint of our operations. Reducing the footprint we have through our carbon emissions, energy, waste, and packaging.

2023

Become B Corp certified.

2025

Be climate-neutral across our operations, including the impact of delivery and returns.

At the core of everything we do is our house. Our house encompasses all parts of our business and enables us to deliver an outstanding shopping experience to our customers. As this is where we have the most direct impact on our footprint, it is essential we find smarter product flows in our operations. Smarter product flows are best articulated through the use and discovery of processes within our daily operations which are more effective, efficient and sustainable. For example, shortening processing times for customer orders, utilising renewable energy, finding the optimal solution for our shipping bags and lowering CO₂ emissions. In this endeavour being innovative is essential to us, staying at the forefront of cutting-edge technology that can help transform our business and the industry for a sustainable future.

As a Nordic company with a leading position in the market, we believe that much of our success lies in keeping our operations local, allowing for optimised deliveries to customers, strong brand networks and engagement with our local community. Our investments to handle

all shipments and returns in our local fulfilment centre in Ängelholm, Sweden has also contributed to more environmentally-friendly delivery patterns. It enables us to keep the carbon emissions per distributed order at an industry-low 0.3 kg CO₂e.

Impact Management

Carbon emissions

We work continuously to optimise our operations and improve efficiency and have created a comprehensive overview of our business through data collection allowing us to better understand where to focus our responsibility efforts. In 2020 we improved the accuracy of our emissions data by building upon our calculation methodology and reporting our emissions according to the Greenhouse Gas Protocol. This data will be used as a base for our Carbon Disclosure Project (CDP) reporting. Therefore for our analysis of the impact of our operations, we are using the scope definitions according to the Greenhouse Gas Protocol with 2019 as the base year.

In 2020 we have reduced Scope 1 emission for our leased cars by reducing the amount of petrol-fueled cars and choosing diesel, hybrid and electric cars. Our Scope 2 emissions continue to be zero as we only source 100% renewable energy for our fulfilment centre and headquarter. The digital footprint of our business is offset as all servers are hosted via the Google Cloud Platform, which is run 100% on renewable energy.

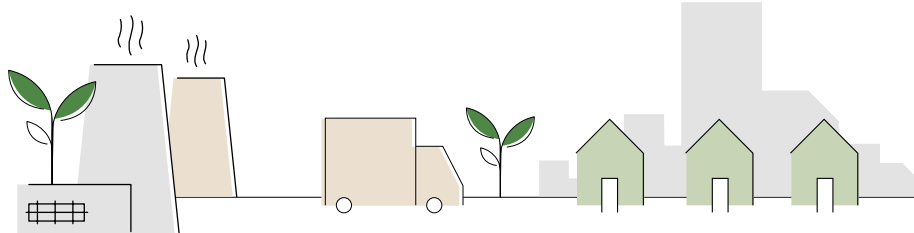
Business travel reduction due to the covid pandemic has reduced our travel emissions from 170 ton CO₂ in 2019 to 22 ton of CO₂ in 2020.

GHG Emissions

IN METRIC TONS CO ₂ E	2020	2019
Scope 1	11	89
Scope 2*	0	0
Scope 3**	2,265	2,030
Carbon intensity kg CO ₂ e/order	0.30	0.31
Total (Scope 1,2,3)	2,276	2,119

*Scope 2 emissions calculated using Grexel national residual mix for Sweden, Scope 2:E.ON hydro powered electricity, Renewable district heating and cooling E.ON.

**99% of which from Transport of goods, 1% Including Upstream electricity emissions. Does not include downstream emissions.



Scope 1

Direct emissions of greenhouse gases from sources owned by us that are not connected to electricity delivery. This includes company vehicles and company facilities (included in the graph).

Scope 2

Indirect emissions of greenhouse gases as a result of the consumption of purchased electricity, heating and cooling. Indirect refers to emissions that occur as a result of activities/consumption by the reporting organization, but at sources owned by another organization.

Scope 3

Other indirect emissions of greenhouse gases that result from the consumption of materials, goods, fuels, transport with vehicles that are not owned by the organization (not included in Scope 2).

Energy consumption and production

In Mwh	2020	2019
Electricity from renewable hydropower (total) *	2,206	1,931
Purchased energy**	1,979	1,800
Produced solar energy	227	131

*BFC and Boozt HQ including renewable district heating and cooling

**Hydropower from Skanska energi and E.ON

Energy sourcing

A critical part of Boozt's goal has always been to scale up the use of renewable energy. We rely fully on clean energy sources to power all areas of our operations. The electricity we purchase to operate our local and automated fulfilment centre is hydropower produced in facilities certified according to the international EDP (Environmental Product Declaration), a system that offers objective and quality information based on ISO 14025.

This energy increase can be explained by more output from our robots due to a higher number of orders. An increase of 14%, well below the net revenue growth of 27% compared to 2019, demonstrates the leverage on energy consumption from our business model and investments.

Facilities

Headquarter

In the spring of 2019, our head office moved to Eminent, the first building in the Nordics to be certified by WELL. The International WELL Building Institute (IWBI) is a globally recognised building standard focused on human health and wellness in workplaces. This new facility fosters a positive working environment including features such as a massage room and a play area for parents to bring their kids when needed. Eminent is also environmentally certified with Miljöbyggnad Gold level, a Swedish environmental

certification for sustainable buildings by the Sweden Green Building Council. This certification guarantees a reduction of energy consumption by 25% compared to conventional buildings.

Fulfilment Centre

Local and innovative, the Boozt Fulfilment Centre (BFC) represents one of the most significant stops on a product's journey to our customer's door. Since the BFC became operational, we have continued to optimise the quality, reliability, and sustainability of our fulfilment centre. In 2020, we further invested in advancing the BFC operations, expanding with a second warehouse building and new warehouse automation technologies in partnership with AutoStore, to optimise our product flows.

As a Green Building certified facility, our fulfilment centre operations are driven by energy-efficient and modern technology. The solar panels contributed 13% of the total energy consumption at BFC in 2020, that is an increase from 8% in 2019. With the completion of the second warehouse more solar panels have been added to help power our services. The energy generated from these will be included in the 2021 energy consumption calculations.





THE BOOZT FULFILMENT CENTRE

Key features of our environmentally optimized facility

Runs On 100%
Renewable Energy,
Including Energy
Sourced From Own
Solar Panels.

Green-building
Certified by the Sweden
Green Building Council
'Miljöbyggnad Silver'.

Automated With
The Largest
AutoStore Installation
In The World.

Positioned In
The Nordics With
Local Order and Return
Handling Minimizing
Environmental
Impact

Distribution & Returns

We aim to optimise the efficiency of our distribution in various ways, not only for customers to receive their orders in a timely and reliable manner, but also to reduce our environmental impact. Many of the sustainability issues that we prioritise at Boozt are enhanced through partnerships and collaborative initiatives that minimise CO₂ emissions in the supply chain and other local impacts.

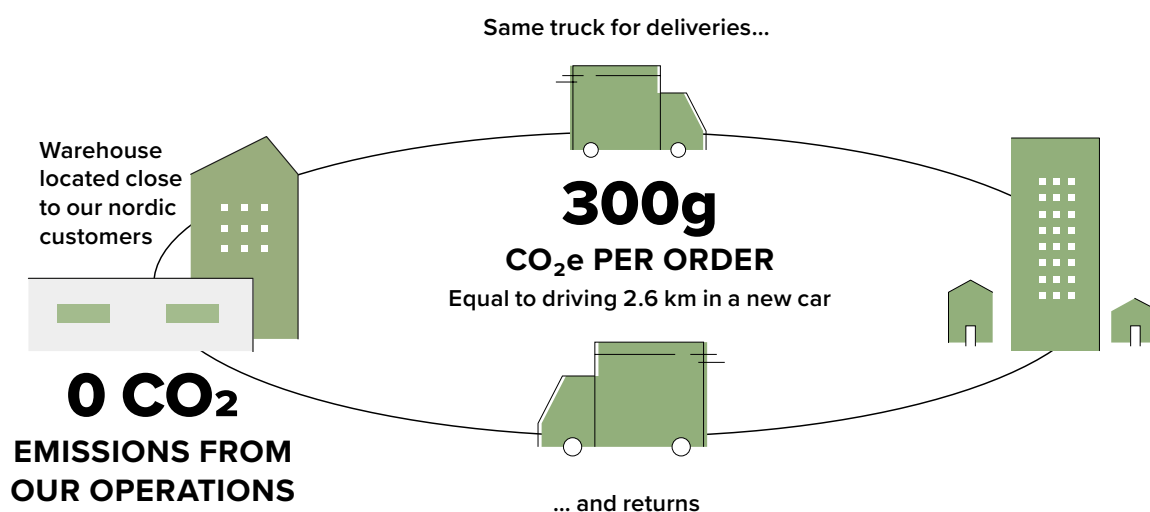
We work with a variety of vendors to provide our customers with distribution alternatives that satisfy each delivery need. We strive to give customers the ability to select more environmentally-friendly alternatives, such as electric car delivery and climate compensated options. Despite being dependent on the progress within our distribution partner's operation, we endorse this agenda and share it with our partners. In 2020, we continued our work with our distribution partners to measure the emissions from shipping to our customers on a quarterly basis. Regular reporting provides us with the opportunity to measure the impact of our operations as well as benchmark and set goals for continuous improvement.

We received carbon data from our distribution partners representing 97% of our orders.

Through our close collaboration, we are able to calculate the estimated carbon emissions per order delivered including returns, amounting to 0.3 kg CO₂ e. The low result is possible due to investments in the optimisation of our local distribution patterns. This involves a selection of climate compensated delivery options and efficient returns transportation in a closed-loop centred around our one local fulfilment centre. We are proud of this result and we have been able to maintain the industry low emissions also from 2020. Thus, confirming the value of investing in local operations and resource-efficient solutions.

Returns

One of the afflictions of running an e-commerce business is handling returns. A key focus for us has been to decrease the number of unnecessary returns to lower the CO₂ emissions from transportation pick-ups and deliveries as well as the amount of materials used for repackaging items. Lowering returns will also support the sustainability of the business model from an economic perspective.



We strive to keep our operations local and all our returns are handled in our fulfilment centre in Ängelholm, Sweden. In 2019, we further optimised our processes in the return area at the fulfilment centre supported by best practice process optimisation from new management. This contributed to us being able to compete with outsourcing options for return handling by lowering the costs associated with returns. Strategic partnerships have also continued to keep us competitive. Many of the staff at the fulfilment centre, for example, are employed through our immigration integration project which helps refugees enter the Swedish job market.

We also recently introduced a Fair Use policy that allows us to “pause” customers who show no intention of keeping the items they purchase. These customers have repeatedly placed unusually large orders, only to return all or almost all items or return several times on a large scale. With this effort, we aim to contribute and encourage more responsible shopping behaviour within e-commerce and encourage our industry peers to take real actions towards reducing returns. In 2020, we have seen the results of our various actions with the return rate declining approximately three percentage points.



REDUCING RETURNS THROUGH MACHINE LEARNING

Decreasing the number of returns is tricky, however, we've established that a large percentage of returns is often due to the unpredictable sizing of a brand's collection. We strive to eliminate the obvious mistakes when selecting a size by improving our size guide. An example of this is our machine learning-based size recommendation tool. Through system developments and partnerships with our brands, we are working on creating size predictions for our customers. Using machine learning technology, we have been able to collect information about customer size choices and returns to suggest the best size option available. This will help customers make the right sizing decision, independent of whether they have made previous purchases in this category. We aim to bring technology and fashion together to create the best customer experience and reduce size-related returns.

Data privacy and security

Data security and integrity is a strategic priority for us and is at the forefront of our platform department's agenda. With the introduction of the EU's General Data Protection Regulation (GDPR) in 2018, all our systems were examined to define data usage and procedures. As part of our compliance work, we have processes in place to meet EU laws and local law frameworks on data protection.

In 2020, we began an external review of these processes to ensure they meet the latest regulatory requirements, such as stipulated in Swedish, national, supplementary provisions and the EU ePrivacy Directive. Boozt continues to strengthen its data security and privacy procedures. Based on a risk-based approach, as advocated by GDPR, we will especially focus on high impact areas such as further improving our data breach management, internal training, and Boozt's transparency towards our data subjects.

The Boozt privacy policy gives our data subjects updated and relevant information on how, why and for how long personal data is processed, and how we sometimes share data with subcontractors and partners to better our services. It forms an important part of the transparency toolkit, together with direct control over many data subject rights through easily accessible settings in the Boozt account. Boozt is continually auditing and updating any processing taking place on Boozt's behalf (through DPA:s) or shared with partners, to make sure that any processing of personal data entrusted to Boozt from its customers and employees is both transparent, secure and necessary in relation to its purpose. Boozt retains personal data only for such time as necessary for a specific processing and justified by its legal basis, or for as long as it has valid consent. Both in compliance with GDPR, for the trust of our customers and employees, and for efficiency. We have put controls in place (and are continually improving) for data subjects to exercise their rights under GDPR, such as the right to erasure, the right to object and the right of access, in a way where this is done automatically where appropriate and by manual assistance where needed or of extra value to the data subject.



Established data infrastructure ensures that we stay informed about notifiable IT vulnerabilities and can combat these at an early stage. Our IT systems are regularly tested, both internally and through third party penetration testing, to keep abreast with security threats. During 2020, most of our employees worked remotely following local government restrictions and recommendations. We quickly adapted to this new operational environment by moving all of our IT systems and services to a cloud based infrastructure, granting a higher level of flexibility. Boozt has closely followed guidance and best practice after the CJEU "Schrems II" case in July 2020 and is making an ongoing effort to ensure transfer mechanisms needed for subcontractors outside of EU/EEA are meeting GDPR requirements even after the Privacy Shield certification system was annulled, both for new and old suppliers of infrastructure and data processing services.

Material Management

Packaging

Our customers want to receive the right-sized, recyclable packaging materials that minimise waste and ensure damage-free and intact delivery. As we look for more circular options for packaging solutions, the impact of packaging is a core area of focus for Boozt. The conversation about what constitutes an environmentally better option remains complex. However, the role of packaging remains relevant to online businesses. Despite it constituting a small part of the overall impact of a garment's lifecycle, packaging provides opportunities to discover more sustainable alternatives.

The first Boozt.com bag in 2012 was made from 50% recyclable plastic. Over the years we continued to improve the composition of the bag. First, by increasing the percentage of recycled plastic and then in 2018 we set an ambitious target to introduce bags composed of fossil-free material. In collaboration with a packaging supplier, we developed Boozt.com bags made of 100% biodegradable food waste. Unfortunately, there were challenges with recycling, as the adoption of recycling opportunities for bio-degradable bags progressed slower than anticipated. Currently, the industrially compostable facilities in the region which Boozt operates lack the proper infrastructure, including the necessary structures for proper post-consumer collecting, sorting and composting. Therefore, compostable material may end up in the recycling stream of plastic, decreasing the quality and recyclability of the end product. Due to this, we have decided to suspend the use of biodegradable bags and hope to reintroduce them once the proper handling facilities become available.

In 2019, we addressed the issues with the biodegradable bag and during 2020, we shifted to 100% recycled, Blue Angel certified, plastic material for our shipping bags. We have also maintained the dialogue with our partners searching for possible ways to reduce the use of polybags and the need to utilise new raw materials. Our shipping

boxes are also made of a single material from 100% certified paper to ensure full traceability and recyclability. We will continue our long-term research for more circular and sustainable material for our packaging alternatives. We aim to provide proof of concept for our industry partners when testing new packaging solutions, sharing what knowledge we have learned across our industry, which we believe can amplify the impact.

Waste management & recycling

For both our business and customers, we are persistent in our effort to eliminate waste across our operations. The recycling process of all packaging material from inbound deliveries is handled through efficient sorting systems at the Boozt Fulfilment Centre. Recycled materials consist mainly of paper, wood, and plastic. Thanks to a close partnership with a local waste management facility, we recycle 80% of our waste. However, not everything can be recycled. Any remaining non-recyclable materials are burned for energy recovery in one of two certified centres in Sweden. Looking ahead, we know this is not our final stop. We will continue to explore ways to reduce and reuse our material resources before recycling to extend a material's life cycle and close the loop on the waste within our operations.

HISTORY OF THE BOOZT BAG

2012



From the start we have made responsible choices about how we choose to package our products. The first Boozt.com bag was made from 50% recyclable plastic - a decision taken back when recycling options for packaging were still not part of the conversation.

2017



We improved the composition of the material used in the Boozt.com bags. The recyclable material increased from 50% to 80% recyclable plastic and resulted in less waste and lighter weight during transportation.

2018



We introduced our 100% biodegradable bags. In collaboration with a packaging supplier, Boozt.com bags were made completely from biodegradable food waste. The material used was MATER-BI from the international leader in bioplastic NOVAMONT and biodegradable and compostable according to European standard EN13432.

2020



During 2020, we shifted to 100% recycled, Blue Angel certified, plastic material for our shipping bags. We are also in dialogue with our packaging partners to explore possible ways to reduce the use of polybags and the need to utilise new raw material.



OUR PEOPLE

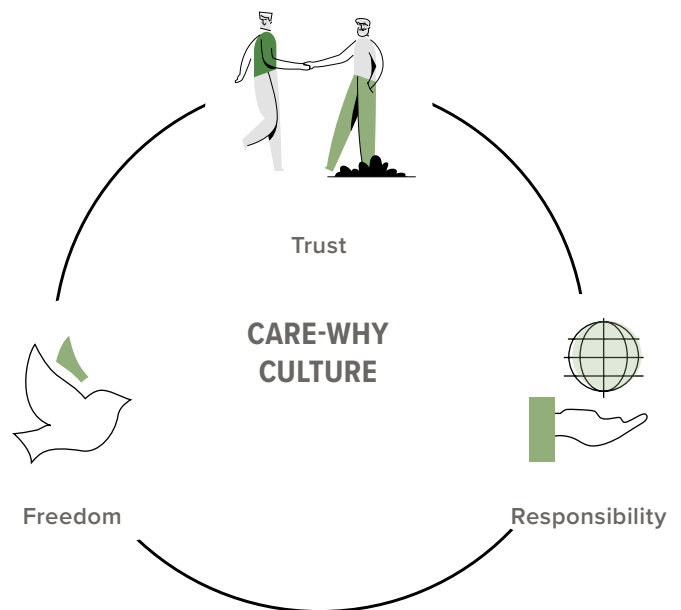
We want to make it easy for our people to do good. A strong company culture and intelligent investments enable our people to contribute positively to the environment and the community

2021

Continuously improve employee engagement through feedback and dialogue to reach top tier employee engagement benchmarked against our sector.

An organisation is only as great as the people that work within it. Our people have a central role in our responsibility efforts. It is through their passion, hard work, and creative thinking that our responsibility vision comes alive. We will continue to support and create opportunities for our people's development, and continuously improving the conditions for a healthy and efficient workplace is always a priority.

Our company culture lays the foundation for everything we do and all the decisions we make. Central to our culture is the care-why mindset. It is not only about knowing, but also caring. Being curious about why things are the way they are, choosing to act and going the extra mile for the customer, the company, and each other. We believe a strong company culture enables our people to contribute positively to the environment and the community.



The three pillars of trust, freedom, and responsibility make up our fundamental beliefs and provide the core values that we measure ourselves against in our daily work. These pillars are explained and emphasised during our employee onboarding program and remain available on our online learning platform to all employees.

TRUST

Trust at Boozt is based on mutual respect and confidence, having the same goals, sharing the same motivations and ultimately, sharing common interests. Therefore, a core belief at Boozt is that by relying on each other, we make everyone stronger. Trust means that everyone feels secure and when we feel secure, we can unfold our creativity and competencies.

FREEDOM

Individuals can reach their fullest potential when they have the freedom to act and solve daily tasks in their own, unique way. Our people don't really like being told what to do, and they want the freedom to make their own decisions, to learn, to be themselves and to suggest new ways of thinking and doing. We believe in having full freedom as long as we act in Boozt's best interest.

RESPONSIBILITY

Freedom comes with responsibility. We want our people to take responsibility for customers', Boozts', and colleagues' interests. In our experience, by acting responsibly and with accountability, we can achieve the kind of freedom to which we aspire in our daily lives.

Employee empowerment

Our success at Boozt is a product of our talented, hard-working people and the array of skills and knowledge they bring to the table. Knowing this, we strive to create a work environment that provides opportunities for their continuous development and satisfaction to amplify our business and sustainability goals. To continue growing as a company, we must invest in the growth of our employees.

Health & wellbeing

The outbreak of Covid-19 at the beginning of 2020 affected all aspects of daily life, including our ways of working. The health and safety of our employees is our main priority and we quickly acted to ensure that our people had the tools and resources to work from home. The added distance requires new solutions to enable everyone to stay connected with the business and each other. We increased the internal communication with frequent updates from our CEO and monthly live-streamed 'All Staff' meetings with updates from around the business. Work equipment was delivered home to the teams that required specific/stationary equipment, such as customer service and platform, and all physical events were moved online. Thanks to the commitment of our people we have

stayed fully operational under these trying circumstances. Our values; Freedom, Trust and Responsibility will continue to be the drivers for our approach for a healthy work/life balance, even after the pandemic and restrictions.

Our employees have access to medical evaluation and advice, including occupational health, on a weekly basis from an inhouse primary care doctor. During 2020, the doctor also offered voluntary tests for Covid-19. This, along with stricter hygiene measures and physical-distancing procedures, has enabled us to have a small number of our people working safely from the office. We believe that having access to a medical professional, especially during this year, helps us tend to the wellbeing of our people and reduce sick-leave. In 2020, 30 employees (6.8%) were on sick leave for more than 14 days.

Professional growth and job satisfaction

We believe in giving freedom and responsibility for personal career development by offering our people opportunities to develop themselves professionally within the company. We promote internal hires and encourage individuals to apply for internal positions when they feel ready to take the next step in their career or to explore

other areas of the business. In this way, we can retain critical talent and skills in the business while allowing our people to evolve and challenge themselves.

In 2019 we introduced our employee engagement survey platform, with the goal to make it easier for our people to instantly and anonymously share their thoughts regarding the company culture, how teams are managed and the overall direction of the company. Questions are sent out to all employees on a monthly basis, providing the opportunity for our people to frequently offer their feedback and opinions. This allows them to have more of an immediate influence over their work environment. The answers serve as a basis for management to make informed decisions about our people's work satisfaction and take the necessary actions to ensure that we are providing a healthy company culture that stimulates the effectiveness and motivation of each team and individual.

In 2020 the aggregated participation rate for the survey was 74% (80%). The platform also uses an employee Net Promoter Score (eNPS) to benchmark employee engagement with others in the same sector. This year the eNPS score was 40, which puts us just below the top 25% for the consumer sector. By 2021 our goal is to continuously improve employee feedback and dialogue to reach top tier employee engagement benchmarked against our sector. We can see that the teams who have worked actively with employee feedback in 2020 have also seen a significant improvement throughout the year on the eNPS. We will continue working with the survey tool, investing more time and resources to improve engagement in the coming year.

Fostering diversity & equality

We believe that the core strength of our company is the diversity of our backgrounds. At 33 nationalities, we acknowledge our differences but still share the same goals. Additionally, we strongly believe in and actively support women's and men's equal rights in terms of employment, working conditions and professional development. There are no differences in terms of professional roles, recruitment, training and remuneration levels which can be explained by gender or ethnicity.

Parental leave for both men and women is an intrinsic part of our company and our people have the ability to combine part-time parental leave with part-time work. In 2020, 48 of our employees (11%) were on parental leave.

Business ethics

Anti-corruption & bribery policy

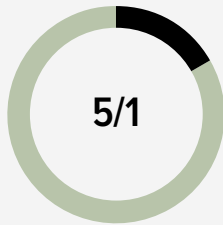
Our anti-corruption, insider and procurement policies are there to ensure that the business is conducted ethically. These policies outline our various positions on preventing and prohibiting corruption and bribery in accordance with local legislation where we operate as well as significant international regulatory regimes and laws with extraterritorial reach such as the UK Bribery Act and the US Foreign Corrupt Practices Act. These policies include never-acceptable practices and monitoring activities to support the prevention of corruption, bribery, and conflicts of interest.

We are aware of the inherent risk that individuals in our operations or through interaction with us may breach legal requirements and our ethical principles related to anti-corruption and business ethics. Anti-corruption policies are communicated to all brands and business partners through our buying and merchandising department. Amongst the never accepted practices is the strict prohibition to accepting or offering purchase discounts, commissions, bonuses or kickbacks from our brands for personal gain. The policies also detailed specific restrictions regarding private purchases by employees from our suppliers/ brands for private use or consumption, at below-market prices. Likewise, our anti-corruption policy establishes that our employees must not accept gifts or any other compensation as there is a possibility that these may be perceived to improperly influence business decisions. The anti-corruption policy also expresses typical situations in which gifts from suppliers can be considered to be a means to influence business decisions.

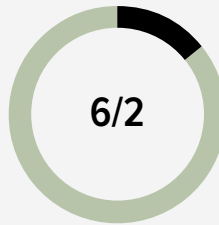
Our position on corruption is conveyed through our learning management system. To ensure communication of the internal code of conduct to all levels of the company, all employees sign a document acknowledging its receipt.

OVERVIEW OF BOOZT NUMBERS

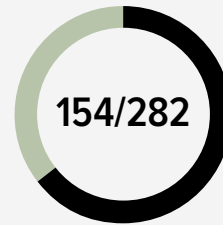
GENDER DISTRIBUTION



BOARD



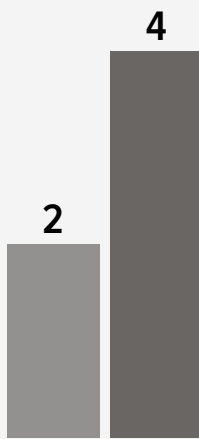
C-LEVEL*



GROUP OVERALL

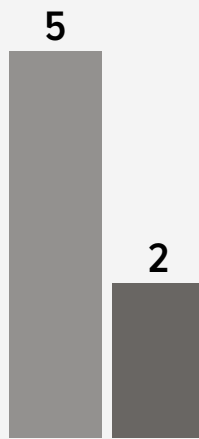
MEN  WOMEN 

AGE DISTRIBUTION



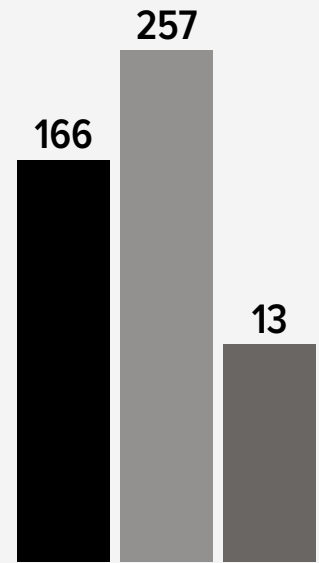
30-50 OVER 50

BOARD



30-50 OVER 50

C-LEVEL



UNDER 30 30-50 OVER 50

GROUP OVERALL

436

FULL TIME
EMPLOYEES

34

AVERAGE AGE

33

NUMBER OF
NATIONALITIES

**Sandra Joy Sahlertz resumed the position as CHRO in January, 2021*

To further emphasise the code of conduct, staff are given a learning module within the LMS accompanied by a quiz. No substantiated complaints of corruption or anti-competitive behaviour were reported in 2020.

Whistleblower policy

Our whistleblower policy was adopted with the aim of encouraging a transparent business environment where we operate profitably while maintaining good ethics. We are committed to the handling and reporting of any wrongdoing. The whistleblower channel is available to all employees to report any illegal activity or violations to the code of conduct or other policies we have. Beyond communicating our policies to our staff through learning modules via the LMS, all documents are readily available via an online employee folder. Extra training material on how and when to use the whistleblower channel has been included in our new employee training programs. The whistleblower channel supported by an external supplier is used to support such reporting, and all cases are reported to the Chairman of the Board of Directors. No cases were reported in the whistleblower channel in 2020

Incident management

Boozt is committed to contributing to the creation of healthier and happier employees. We feel investing in the wellbeing of our people will lead to more positive and sustained work output and retention. Our HR-policy covers occupational health and safety, as well as employee wellbeing. To cultivate and maintain a nourishing working environment, we perform continuous risk assessments and use experts in the field to help evaluate risks and set plans. We support the right to freedom of association for all our employees as stated in our Code of Conduct. We have collective bargaining agreements for employees at our offices and the Boozt Fulfilment Centre.

Occupational safety at our headquarters

Healthy and safe workplaces are a top priority. Any assessed risks related to the working environment are managed through a systematic approach to occupational health and safety (OHS). Risks at our head office include health risks due to poor ergonomics, lighting or ventilation,

and also psychosocial risks, such as from stress. All employees who manage personnel are required to go through OHS training by external facilitators. The training includes work environment regulations, systematic occupational health and safety, organisational and social work environment and rehabilitation.

The purpose of our occupational health and safety (OHS) management system is to identify, assess, follow-up and develop working environmental goals to mitigate risks for all workers. Risk assessments are documented and assessed by management. A review of the Boozt OHS system is also conducted on an annual basis by the management and board. These results form the basis for the yearly OHS plan. We register the occurrence of any and all accidents. For severe accidents, which need to be reported to authorities in accordance with regulations, no incidents or accidents were reported in 2020.

Occupational safety at the Fulfilment Centre

The safety of the working staff at the fulfilment centre is essential to our operations, and we aim for zero occupational injuries. All working conditions and environmental hazards are carefully considered. The fulfilment centre encompasses the most modern standards for excellent air quality, lighting, safety and cleanliness. The greatest threat posed at the fulfilment centre is the risk of fire. Fire prevention is managed systematically, with documented continuous safety rounds being performed and worker training. Other risks related to the work environment include physical risks, mainly in the handling of products and product returns, and also psychosocial risks, such as stress-related to repetitive tasks and prolonged standing. The most common work-related injury is shoulder pain from recurring work. To prevent the high potential for work-related incidences, we conduct frequent risk analyses and have been focusing on rotating the type of work the staff operates daily. This includes the addition of new routines and processes, integrating new equipment and making adjustments to static tasks. For severe accidents, which need to be reported to authorities in accordance with regulations, no incidents or accidents were reported in 2020.



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BEAUTY SPORTS FASHION TY KIDS SERVICES

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#BYBOOZT

#BEAUTYBYBOOZT



OUR PARTNERS

We want to inspire our partners to make a positive impact on the value chain. By partnering with key stakeholders, sharing our knowledge and best practice, we aim to encourage a more sustainable industry.

2022

Offer tailored support and data to brand partners on their sustainability journey using the Boozt Media Partnership solution.

2023

Ensure 100% of our apparel brand partners are committed to supply chain transparency and to working with the Higg BRM tool.

The industry faces many challenges on the road to implementing more sustainable practices across the supply chain. Collaborative action is needed in accelerating change and finding scalable solutions that drive lasting improvements. Using our position and size, we aim to investigate and share best practices with our partners and peers to be the catalyst for defining the new norm for a sustainable e-commerce business operating in the fashion industry. Our teams work to develop partnerships with our brands and distributors to communicate our standards and help our partners build their sustainability capacity. It is through our partnerships that we can have an indirect impact on environmental and social performance in the supply chain.

As consumer behaviour changes and the demand for better-made products in terms of environmental and social impact increases, so does the need for relevant and transparent data. As part of our responsibility vision, we want to support our brand partners on their sustainability journey, helping them set milestones and track progress using measurable and comparable data. With improved transparency we can ensure that our partners share our sustainability values and that our customers can make informed purchasing decisions.

Supply chain transparency

We believe the greatest challenge and opportunity for change in the fashion supply chain is within data. The information we are able to share with our customers is only as good as the data we can gather from our brand partners. For us, this means taking proactive approaches to improve product data, developing sustainability guides for customers and increasing targeted communication. To achieve full transparency of the whole supply chain requires close collaboration with our brand partners.

Human rights risks in the apparel and fashion industry have been well documented over the years. There has been growing pressure on brands and manufacturers to improve control of their supply chain. As a retailer, we strive to ensure that any products and goods sold have

been produced under safe and fair working conditions. Our Boozt Group Code of Conduct for Suppliers aims to outline minimum requirements for suppliers, including respect for human rights and decent working conditions. The standards set out in the document are based on the UN Universal Declaration of Human Rights and the conventions of the International Labour Organization (ILO). Suppliers must meet all legal requirements and regulations in operating countries.

Supply chains are complex and difficult to trace. We will continue the dialogue to locate the easiest and best way to use our technology expertise to systematically collect, review and share information. Transparency in the supply chain is a long-term commitment. Recognising this commitment, we will continue pushing for more transparency in the supply chain in 2021, including facilitating data. We remain dedicated to working with our brand partners to create the most efficient way to gather information and work across the fashion supply chain.

SAC and Higg Membership.

In 2020 we took an important step towards transparency in the apparel, footwear and textile industry by joining the Sustainable Apparel Coalition (SAC). The SAC is the fashion industry's leading sustainability alliance committed to full environmental and social transparency. Boozt has joined the more than 250 global brands, retailers, and manufacturers, as well as government, non-profit environmental organisations, and academic institutions, which are collectively committed to improving supply chain sustainability in the apparel, footwear, and textile industry.

As members, we will have access to standardized tools to measure environmental and social impact to continuously set high standards for our business and the industry. With our position as the leading multi-brand retailer in the Nordics, Boozt can positively impact the fashion industry by driving transparency through the value chain and product lifecycle at scale. That is why, by 2023, we have set a goal to only work with brands that are committed to providing comparable supply chain data through our sustainability assessments.



We will use the Higg Brand & Retail Module (Higg BRM), a tool developed by the SAC together with Higg Co, to better identify improvement areas and help our brands move forward in their sustainability journey while also providing our customers with detailed and data-based information about a product's sustainability performance.

Industry collaboration

We achieve many of the sustainability efforts we prioritise at Boozt through collaborations where we seek mutually beneficial partnerships. In 2019, we focused on taking strategic steps to support our data collection from brands with the aim of motivating brands to become more engaged with sustainability. This was a continued focus for 2020 as well as partnering with researchers and experts within the field of e-commerce and sustainability to gain better insights as to the real impact of the business model. That way we can find effective solutions that the industry can collectively take to lower the impact on the environment.



Hållbar e-handel (Sustainable E-commerce)

We believe that sharing best-practices, data and insights around how to build a more sustainable future for e-commerce is the way to develop lasting solutions to the industry's most pressing issues. We want to lead by example in the areas we are strong and learn from experts and peers when we can. In 2020 we became members of the Hållbar E-handel, an initiative that brings together industry stakeholders in Sweden to set measurable standards for sustainable e-commerce. We also have a seat in the Board. As members of the Hållbar E-handel initiative, we collaborate with peers and academics to better understand the impact of the e-commerce model on the environment. During 2020 we have been leading a research project, together with the University of Gothenburg, on the topic of responsible return handling within e-commerce. We hope the results of the research will present tangible examples of sustainable solutions for returns.

The Danish and Swedish Fashion Ethical Charter

As a supplier of fashion, we acknowledge our role in the fashion industry as it relates to the treatment of models used in our campaigns. In 2018, we became a member of the Danish Fashion Ethical Charter and the Swedish Fashion Ethical Charter. The purpose of these charters and our commitment is to ensure the well-being of the models within the Danish and Swedish fashion industry. The charters require the adherence of rules in the form of health checks, age limits, healthy diets and wages for the models and are signed by a broad coalition of stakeholders within the industry. As a signatory, we are committed to abiding by these rules to ensure the wellbeing of models. As we work with many models, Boozt seeks to contribute to raising awareness of mental illnesses and influencing positive attitudes in fashion, media and society.



Community engagement

We use our size and reach as one of the leading online retailers in the Nordics to support a number of charities and causes within society that have a positive social impact. The contributions we made in 2020 have gone into helping important causes on their mission to make a difference. As our business grows we aim to invest more in giving back to our local community the coming year.


5-skoler

This year we have worked in close partnership with the charity 5-skoler to support their efforts to help children in areas of war, conflict and disaster. The Danish led program builds life-education-centres for children in Syria, giving them the opportunity for an education and a more secure future. Our donations have gone towards the girls' empowerment project that focuses on creating a safe and equal environment for the young girls in Syrian refugee camps, as well as helping provide school uniforms for the children in the life-education-centres.

Knæk Cancer

For the seventh year in a row, Boozt has brought together a strong team to raise awareness about cancer prevention and research. Since 2015, we have through our brand collaborations raised SEK 5.5 million which have been donated to Knæk Cancer. In 2020 alone, we have raised more than SEK 1 million for this important cause. The full amount raised goes toward the prevention, research, and support for patients and relatives. We are grateful to everyone that has been involved in the project and appreciate the sustained support. We will continue to partner with well known Nordic fashion brands to bring greater awareness and support the Knæk Cancer campaign.





Influencer Susan Stjernberger
photographed by Adam Katz Sinding
at Stockholm Fashion Week.

TAKING AN ACTIVE ROLE IN THE NORDIC FASHION ECO-SYSTEM

We take our leading role in Nordic fashion seriously. Our ambition is to make the fashion world accessible for all, which is why we in 2020 partnered with the first-ever digital edition of Stockholm Fashion Week. Sharing our values of sustainability and innovation, the new format means more of the community can tap into an inspirational experience that highlights Nordic fashion and design. On the same note, we also want to provide upcoming local brands with a platform to reach the Nordic customers. An example is the New Talent Award that Boozt hosted in partnership with Stockholm Fashion Week. The award highlights and rewards emerging designers and brands that display a unique design aesthetic as well as a sustainability commitment and a clear business strategy.



OUR SELECTION

We aim to make sustainable choices easy for our customers through transparency and technology.
Building the largest Nordic sustainability selection based on accredited certifications and industry standards.

2022

Reach a 25% share of sustainable apparel products across our overall product assortment.

We aim to keep the customer front and centre of everything we do. Hence our goal to provide effortless user experience combined with relevant and reliable information about products. Thanks to our local position in the Nordics and the market where we operate, we partner with local brands that are driving the movement within the fashion sector. Through brand and industry knowledge partners, we can build a framework to better navigate our changing industry.

Doing good and making responsible choices lies at the heart of our organisation. We want our customers to feel confident that when they buy from us, knowing that they are shopping with a responsible business. From the investments taken to run on 100% renewable energy in our environmentally-friendly fulfilment centre to working with our brands to ensure transparency, fair treatment and responsible production in the supply chain, we want our customers to rest assured.

More and more of our customers are becoming curious about sustainable fashion and how they can contribute to making a positive impact on the environment. As a part of the fashion industry, together with our brands, we strive to take our consumers on a journey towards more sustainable fashion consumption. We have curated one of the largest sustainability selections in the Nordics, with products that meet our industry-leading standards of sustainability. It is important to us that shopping sustainably is made easy for our customers and that they can trust that the products we have curated have a positive impact on the environment and community.

Sustainable fashion

With our sustainable category, we highlight brands that emphasise sustainability and support those at the beginning of their journey. Thanks to our local position in the Nordics and the market where we operate, we partner with brands that are driving the movement to produce more responsibly within the fashion sector. Through the selection and content available, we can offer customers high-quality, timeless designs and reliable information to shop with confidence according to the values that matter the most to them. In 2020, we have updated the category in terms of filtering options and information on a product level. This has made it easier for customers to identify and discover sustainable alternatives. Our focus is to improve the user experience for our consumers when shopping for our sustainable selection.



A strong focus on quality exists in all that we offer to our customers and is no less true for our sustainable selection. More than 350 brands are part of the sustainability category and in 2020 we increased the composition of the sustainability selection across our overall assortment to 17%. As we are further committed to promoting sustainable fashion across our platform our goal is to reach 25% of our stock apparel composition to be a more sustainable alternative by the end of 2022.

We have set industry-leading standards as the foundation for our sustainable category in terms of material composition and better manufacturing processes. All selected products must fulfil our criteria* for what constitutes a sustainable product. Each product must be made of either sustainable materials or have sustainable certifications. This means all styles are made from more than 50% organic, recycled or low environmental impact materials, and/or accredited by internationally recognised certifications. Having a minimum requirement

of 50% sustainable material content in the products is one example of where we are leading in our criteria. Requirements for the sustainable category and guidelines for data sharing are available in our B2B platform to ensure transparency with all of our brand partners. Knowledge sources that have been used in setting our requirements are according to industry benchmarking and standards provided by already existing guidelines, industry standards, and research*.

Our sustainability requirements are being constantly reviewed to inspire change and to keep updated with the latest research. We want to increase traceability and promote consciously made products. With our partnership with the Sustainable Apparel Coalition, we will work towards building a new product transparency and performance Standard leveraging the industry-leading Higg Index tool and data. Through our collaboration and contribution, we aim to reach a higher level of on-product transparency based on industry verified data.



ORGANIC

Less synthetic fertilizers used in farming and chemicals during production



LOW-IMPACT

Smarter use of resources through production of the garment



RECYCLED

Reduces the need for new raw materials. And upcycling as creative recycling of unconventional products.



FAIRLY MADE

Respectful of human rights and animal welfare issues.

*Boozt current sustainability criteria: fabrics included in our sustainable category are according to Textile Exchange Preferred Fabrics list with our 50% requirement for material composition (minimum 50% material content lyocell, flax linen, hemp, Lenzing Viscose, Lenzing TM Ecovero, Lenzing Tencel, Birla Viscose, Econyl, FSC Viscose, paper), organic cotton (minimum of 50%), recycled material (minimum 50% polyester, cotton, nylon, wool, down feathers, rubber), Better Cotton (minimum of 50%), eco-processing (Bluesign, OEKO-TEX Made in Green) Certifications we currently include: Nordic Ecolabel, Fairtrade, Global Organic Textile Standard (GOTS), Global Recycled Standard (GRS), EU Ecolabel, Responsible Down Standard (RDS), Responsible Wool Standard, Leather Working Group

*Textile Exchange "Preferred Fibers & Materials Benchmark Report 2018"; Higg Materials Sustainability Index (MSI); G. Sandin "Environmental assessment of Swedish clothing consumption - six garments, sustainable futures." Mistra Future Fashion 2019.

Setting industry standards

Fair Use policy

As part of our efforts to lead the change towards a more responsible industry, we have taken a stand against unnecessary returns. In 2019, Boozt introduced the Fair Use policy to our Terms & Conditions as a way to eliminate unnecessary returns and establish more sustainable business practices. Returns are an integral part of shopping online and we want to make it as easy as possible for our customers to return. However, Fair Use helps us have a transparent and honest dialogue with, and possibly pause, customers that repeatedly exploit our high service levels of free shipping and returns at the expense of our business, other customers and the environment.

Around 13,000 customers, or 0.25% of the total customer base, have been paused through the Fair Use policy. This is a small part of the more than 2 million active customers on Boozt and Booztlet, yet these customers represent around 15% of our total return volume. This includes orders not shipped and returned due to Fair Use customers. By pausing these accounts and reducing unnecessary returns Boozt has eliminated the need for approximately 130 delivery trucks during one year and lowered the total carbon emissions by an amount equivalent to 25% of the returns CO₂ footprint.

The vast majority of our customers, 99.8%, shop thoughtfully and only ship goods when needed. However, we have seen a significant increase in extreme return behaviour within the last few years. This behaviour is not sustainable for the environment or the business and is not fair to other customers as their shopping experience is compromised - either through a lesser service, smaller selection or higher prices. We hope to influence our industry peers to similar solutions to this increasing issue for the e-commerce business model.

One year of the Fair Use Policy

0.25%
of the customer base paused

15%
decrease in the total return volume

Total
carbon emissions lowered by an amount equivalent to 25% of the returns CO₂ footprint

Eliminated
the need for approximately 130 delivery trucks

Freed up
approximately 4,500 hours in customer service

FASHION KIDS SPORT BLASTY
BOOZY
.COM



Animal welfare policy

As sellers of animal-derived products, we have a responsibility to uphold animal welfare within our supply chain. Since 2016, Boozt is a fur-free company and a signatory of the Retailer Commitment Against Fur Agreement in cooperation with Swedish animal rights organization Djurens Rätt. The Fur Free Retailer program is recognized by the ISO 26000:2010 Guidelines to Corporate Social Responsibility as an example of sectoral initiatives.

In 2020 we have further developed our Animal Welfare policy by updating our principles with specific banned materials and the responsible treatment certification we prefer. Boozt does not permit the use of any fur, feathers or any skins of snake, crocodile, alligator or any species specified in the IUCN Red List of Threatened Species in any of our products.

We are aware of the challenges the fashion industry faces with regard to animal welfare and the ethical issues surrounding the well-being and treatment of animals. Our product management team methodically inspects all materials when product data is received from the brands. We have not sold any goods which violate our fur policy on our sites, nor have we sold any items with prohibited materials. The inspection controls are therefore considered to be effective. We are working on strengthening systematic preventive controls to further strengthen internal control.

Environmental policy

We conduct a yearly follow-up of our direct environmental impact and have initiated mapping and measuring of indirect impacts. Through our environmental policy, we aim to reduce our direct environmental impact and raise awareness among vendors and partners of our existing policies concerning any environmental impacts and to encourage them to adhere to these principles. In 2020 we have updated our environmental policy by committing to work proactively and continuously to identify challenges, set priorities and report on our progress through well-established standards such as the Greenhouse Gas protocol and GRI (Global Reporting Index).

Shopping with confidence

Part of our responsibility vision is to use our position and competences to make sustainable choices easy for our customers. Our customers should feel confident that through their Boozt purchase, they are supporting a business that makes responsible choices in all parts of the value chain. Providing information about the impact of materials and production processes, empowers customers to make more educated decisions about the products they buy. This means actively informing our customers of the latest initiatives that promote a sustainable fashion industry and sharing any knowledge that we acquire through research, materiality analysis, and best practices.

In 2020, we created greater awareness of our sustainable products and the new sustainable edit. Dedicated marketing email campaigns and onsite placements were aimed to inspire customers toward more sustainable choices. These emails also included information about the different sustainable materials, internationally recognised certifications and better manufacturing process that serve as the criteria for our sustainable edit.

Going forward we will work on crossover communication to all of our platforms to increase customer awareness and inspire interest in sustainable fashion. In 2020, we have extended our communication reach to social media via weekly sustainability posts. This has been an opportunity to engage with our customers on a valuable topic as well as to facilitate engagement. We also launched our Sustainability focused content page online focused on educating customers on how to best care for their products to both lengthen the lifespan of a garment while also having a positive impact on the environment. As part of our efforts to educate consumers, we have elevated our Boozt Care concept by including information about more sustainable alternatives as well as insights into the sustainability journeys of our leading Nordic brand partners. We will further develop our efforts using our newly launched online magazine 'The Edit' ensuring that we reach our large customer base across all platforms.

AUDITOR'S REPORT ON THE STATUTORY SUSTAINABILITY REPORT

To the general meeting of the shareholders in Boozt (publ), corporate identity number 556793-5183

This is a translation of the Swedish language original. In the events of any differences between this translation and the Swedish original the latter shall prevail.

Engagement and responsibility

It is the Board of Directors who is responsible for the statutory sustainability report on the pages 36-75 for the year 2020 and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit

Our examination has been conducted in accordance with FAR's auditing standard RevR 12 The auditor's opinion regarding the statutory sustainability report. This means that our examination of the statutory sustainability report is substantially different and less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

Opinion

A statutory sustainability report has been prepared.

Malmö at 16 April 2021

Deloitte AB

Signature on Swedish original

Didrik Roos

Authorized public accountant





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