

Interim Financial Report Q3 2023

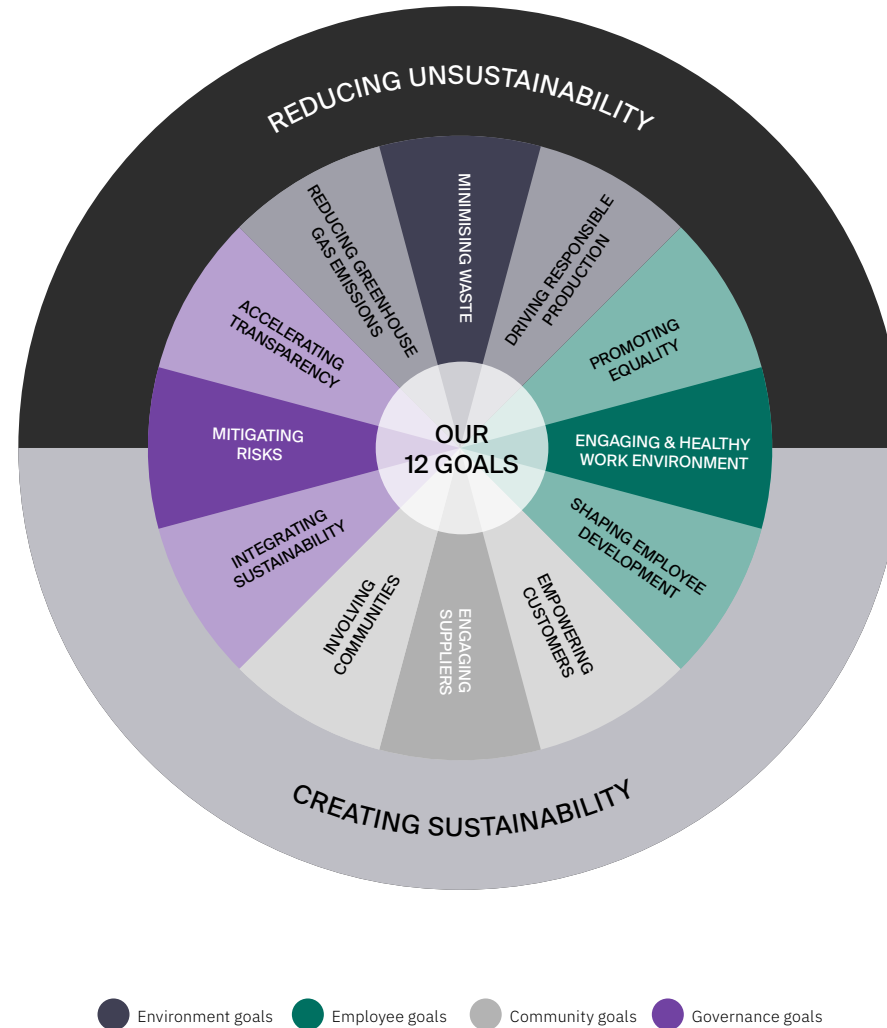
January 1 - September 30, 2023

Group Development - ESG Highlights

As the Nordic Department Store, we are dedicated to delivering a great shopping experience to our customers. In this pursuit, sustainability is a crucial building block for our long-term business success, ensuring that we meet the needs of our stakeholders. With the help of a clear vision and strategy, we intend to amplify our efforts and share best practices that can influence a more sustainable industry.

Care-For strategy

The sustainability Care-For strategy is the roadmap for how to become the leading e-commerce company in the Nordics. As part of this, Boozt has updated its Care-For strategy and goals to ensure they align with the strategic direction of the business and take into account external trends and overall development in society. To cement our efforts across the relevant areas in alignment with our commitment to the ongoing B Corp certification, Boozt's efforts are focused on four dimensions: Environment, Employees, Community and Governance. Within each dimension, Boozt is working with goal areas and has set 15 targets to support the sustainability Care-For strategy. Status on the relevant goal areas and targets can be found under the section below 'Development per goal area'.



GOAL AREA	TARGET
Reducing Greenhouse Gas Emissions	By 2024: Set science-based targets and submit them to the Science-based targets initiative
	By 2026: Disclose 100% of relevant Scope 3 emissions categories
Minimising Waste	By 2026: Increase the share of recycled waste to 80%
Driving Responsible Production	By 2024: Develop a scorecard to assess ESG Performance in purchasing decisions for at least 60% of our partner brands
Promoting Equality	By 2024: Identify opportunities to further support the governmental parental leave policy for all Boozt Fashion AB employees to continue to promote equality
Engaging & Healthy Work Environment	By 2024: Reach above 77% of the aggregated participation rate in our internal employee survey
	By 2024: Increase eNPS score to reach the TOP 10 placement in the consumer industry
Shaping Employee Development	By 2023: Implement a regular career development review process that includes all Boozt Fashion AB employees
Empowering Customers	By 2024: Extend ReBoozt's presence across our markets
Engaging Suppliers	By 2026: Provide semi-annual events for our brand partners
	By 2023: Ensure 100% of our apparel brand partners are committed to supply chain transparency and to working with the Higg BRM tool
Involving Communities	By 2024: Increase collaboration with relevant universities and research institutions to share and learn best practices
Accelerating Transparency	By 2024: Increase engagement with third-party ESG rankings and ratings
Mitigating Risks	By 2026: Request at least 80% of our brand partners to identify, map and share with us their Tier 1 and 2 suppliers
Integrating Sustainability	By 2026: Increase participation to internal training on Sustainability

ESG KPIs

ESG KPIs	Jul 1 - Sep 30, 2023	Jul 1 - Sep 30, 2022	Jan 1 - Sep 30, 2023	Jan 1 - Sep 30, 2022
CO ₂ e intensity per order (kg)	0.40	0.38	0.44	0.43
Share of renewable electricity (%)	98.2	97.8	98.2	98
Share of recycled waste in the Fulfilment Centre (%)	75.3	51.9	74.2	56.6
Employee Net Promoter Score (eNPS)	58	35	58	41
Average aggregated participation rate of the employee survey (%)	86	69	88	71

Notes to the ESG KPIs

CO₂e intensity per order (kg)

The CO₂e intensity per order is calculated by dividing the emissions of deliveries and returns (category Scope 3 Upstream transportation and distribution emissions) by the number of orders shipped. Emissions are reported in Well-to-Wheel (WtW). The reported value covers 99% of the order volume in Q3 2023 (Q3 2022: 99%).

Share of renewable electricity (%)

The share of renewable electricity is calculated by dividing the total renewable electricity consumption by the total electricity consumption. Renewable electricity is powered by hydropower, solar energy and wind. In Q3 2023, the solar panels installed on the roof of the Fulfilment Centre generated a total of 157,531 kWh of electricity.

Share of recycled waste in the Fulfilment Centre (%)

The share of recycled waste is calculated by dividing the total recycled waste by the total waste generated. The treatment method for the remaining waste is waste-to-energy (WtE) in certified centres in Sweden, close to the Fulfilment Centre. In the third quarter, 500 tons of waste were recycled, which is about 75.3% of the total waste generated (Q3 2022: 51.9%). The increase in the share of recycled waste is due to a higher amount of sorted and recycled plastic packaging and an increase in sold and reused wood.

Employee Net Promoter Score (eNPS)

The Employee Net Promoter Score (eNPS) measures Employee Engagement at Boozt. The eNPS is calculated by subtracting the percentage of Detractors from the percentage of Promoters, the final value can range anywhere from -100 to 100. The value is calculated as the average of the quarter.

Aggregated participation rate of the employee survey (%)

Calculated as the average of the quarter, the aggregated participation rate demonstrates a significant increase in Q3 2023, reaching 86% compared to 69% in Q3 2022.



Environmental

Reducing GHG Emissions

- Boozt submitted for the second time the extended version of the Climate Change Questionnaire of CDP (Carbon Disclosure Project). The questionnaire is available [here](#).
- Boozt conducted an energy mapping of three main sites in Sweden, as required by Swedish regulations and in line with our commitment to improving energy efficiency.
- Boozt developed a Supplier Code of Conduct - Distribution outlining expectations for distributors concerning environmental, social, and governance matters, including CO₂e reporting. The new document will be signed for new distributors and in all future negotiations.

Minimising Waste

- Boozt attended the kick-off event of the RE-ZIP - EU Circular Packaging Infrastructure. The EU LIFE RE-ZIP is an EU-funded project from the Programme for the Environment and Climate Action (LIFE) and is focused on a waste-free E-commerce Future. Boozt is delighted to participate in this relevant project focused on seamless infrastructures for the efficient processing of circular packaging, aimed at eliminating single-use plastics.

Driving Responsible Production

- Boozt and partners are assisting the Sustainable Apparel Coalition in developing the Brand & Retail Foundation module, which defines a basic standard for sustainability in the textile and footwear industry. The pilot project to develop this module has been temporarily put on hold, as SAC and its members' efforts shift towards aligning Higg BRM with CSRD regulation.

Employees

Promoting Equality

- As part of our sponsorship for the Nordic Women in Tech Awards, Boozt hosted a panel discussion focused on the experiences of women in the tech industry and their journeys into this field.

Engaging & Healthy Work Environment

- High employee engagement with an aggregated participation rate of 86% in Boozt's monthly employee survey. The resulting Employee Net Promoter Score (eNPS) has improved significantly to a score of 58 (Q3 2022: 35). Boozt continues to maintain leadership trainings across the organization, which we believe will have a long-term positive impact on the eNPS.
- Boozt is supporting equality and inclusion by providing free menstrual products to Boozt Fulfilment staff in collaboration with RedLocker, a local Swedish company appointed as Årets Framtidslöfte 2022 (Rising Star of the Year 2022).

Community

Involving Community

- Boozt is collaborating with the Stockholm School of Economics by providing a business case as part of the involvement in the EU LIFE RE-ZIP project focused on consumer behaviour change towards circular practices.

Engaging Suppliers

- Higg BRM joint effort: Boozt has nominated and contacted 147 brands representing 68% of our business volume to complete the Higg BRM 2022. At this stage, Boozt received data from 43 brands, equivalent to 30% of Boozt's business volume.
- Boozt has strengthened the internal knowledge of our brand partners by developing a knowledge page in our partner portal including information on different processes; from having their products featured in our category Made With Care, to taking the yearly Supplier Survey.

Governance

Accelerating Transparency

- Update of the [Corporate Website](#), including a new page for ESG Recognitions
- Boozt has submitted data to the S&P Global Corporate Sustainability Assessment (CSA), a leading sustainability assessment that reviews the environmental, social, and governance practices of more than 11,000 companies globally. The CSA serves as the basis for S&P Global ESG scores, used by investors and other stakeholders to make informed decisions about their investments and business practices.
- Boozt has shared its 2022 data with the ESG database of the Nasdaq ESG Portal. In return for participation, Boozt has been certified as a 'Nasdaq ESG Transparency Partner'. By being part of the Nasdaq ESG database, investors are enabled to integrate this data into their screening process and investment decisions.

Mitigating Risks

- As part of the CDP submission, Deloitte verified Boozt's 2022 GHG emissions through a limited assurance process in accordance with ISAE 3000. The limited assurance process included Scope 1, 2, and all relevant Scope 3 GHG emissions. More information is available [here](#).

Integrating Sustainability

- Boozt conducted a comprehensive internal training on the EU Corporate Sustainability Reporting Directive (CSRD) and its impact on the Group's reporting obligations, engaging key stakeholders across the organization.

Boozt

GROUP

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