

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:

<https://www.boozt.com/responsibility/sustainability-reports>

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LETTER FROM CEO HERMANN

In last year's letter to shareholders, I discussed why the "care-why" culture is instrumental to the success of our company. People who "care-why" demonstrate a passion for their profession, their customers and their company. Boozt has been built by people with this mindset. This mentality is also what enables us to lead the progress towards a more responsible industry. This is important to us, and this is important to our customers. Our customers should shop with us knowing they support a responsible company that takes real action towards contributing to a more sustainable future.

Local anchoring is key to minimise the footprint of an e-commerce business. This goes especially for fashion with the high return rates. Having a fulfilment centre located close to the customer and ideally in only one location to avoid intra-company shipments is instrumental for a low impact. As a result, we have been able to achieve an industry-leading low 300g CO2 distribution emission per distributed order including returns, which corresponds to driving 2.6 kilometres in a new car. In other words, our optimised business model shows that the "public transportation" of goods to the consumer is having a significantly lower impact than traditional brick and mortar stores.

Although we strive to minimise the impact of our operations through first-mover investments in innovative energy-efficient fulfilment solutions, the major environmental impact in our industry still lies within the production phase. As we don't produce ourselves, we focus on building relationships with high quality brands that focus on producing better quality and longer-lasting items, which we believe is the most sustainable solution.

At the end of the day, we just want to make sustainable choices easy. We want our customers to shop their favourite brands with no second thoughts as they know we take our responsibility very seriously. Whether that is buying a conventional brand or shopping in our rapidly growing sustainable fashion category. We cannot change the industry alone. However, we are committed to inspiring positive change through our actions such, as partners and by making it easier for our customers to find and choose sustainable fashion. We also welcome legislative action in the form of a CO2 tax to accelerate the drive towards a more sustainable industry.

Hermann Haraldsson, CEO

Hermann Haraldsson

OUR VISION

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 have a strong and well-established tradition of always striving to be a fair and responsible business. 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 impact. With the influence we have as a leading player on the market, we can push for a more sustainable industry by setting standards for more responsible practices. We must work together to improve the 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.

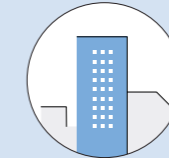
To achieve our vision we will act strategically, leveraging our leading position in the Nordics and strong local influence, along with our competence within technology and innovation. By making responsible choices in all areas of our business, we can reduce the direct footprint of our local operations, while also engaging our partners in the journey to becoming a more sustainable fashion industry.

Our responsibility vision is very much aligned with who we are as a business. We strive to take responsibility wherever and whenever it is possible in the supply chain while staying mindful of the challenges that come with being part of changing an industry. To help guide us on our journey, we have concentrated our efforts into four main focus areas: Our house, Our people, Our partners, and Our selection. Anchored in our 'care-why' culture and ethical standards, these areas allow us to adopt a holistic approach when taking responsibility for our direct and indirect impact on the fashion supply chain.

We are dedicated to delivering great fashion to our customers, through high-tech solutions and a curated selection of fashion 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 FOCUS AREAS

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.

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.

'CARE WHY' CULTURE

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

OUR SELECTION



We aim to make sustainable choices easy for our customers through transparency and technology.

We are building the largest Nordic sustainable fashion selection based on accredited certifications and industry standards.

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 2019 sustainability initiatives and this report serves as our Communication on Progress (COP).

Materiality assessment

Based on our materiality analysis, this report focuses on the most important sustainability issues and includes the economic, social and environmental topics we have prioritised. Within sustainability, materiality refers to the areas of heightened concern from internal and external stakeholders compared to relevant environmental, social and governance issues. Our material issues, viewed alongside our value chain, demonstrate focus areas where we can develop more programs directly targeting the areas of greatest impact.

In 2018, we undertook our first materiality analysis. This is reviewed and updated continuously through internal assessments and dialogues with partners, customers, and external stakeholders. Based on this analysis, 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) and upholding the Ten Principles that are most relevant and interconnected to our business in leading action towards more responsible and circular business models. 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.

HOW BOOZT GROUP AIMS TO ACHIEVE SUSTAINABLE DEVELOPMENT GOALS 9, 12 & 17.



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

- Power our operations with renewable energy
- Promote innovation and new technical solutions within our own operations
- Promote and engage in innovative distribution alternatives
- Upgrade and retrofit existing infrastructure to make the industry more sustainable.

Read more about our strategy with this principle on page 46-57



Goal 12. Ensure sustainable consumption and production patterns.

- Empower consumers to make more sustainable choices
- Work with brand partners to improve traceability in the supply chain
- Advocate for longevity by extending the lifecycle of products
- Responsible use of resources within our own operations

Read more about our strategy with this principle on page 46-57, 66-71, 72-77



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

- Use our position as a leading player in the Nordics to share best practices with the industry
- Engage in new partnerships from other industries
- Strengthen our collaboration with our brand and distribution partners to reduce environmental impact

Read about our strategy with this principle on page 46-57, 66-71, 72-77



United Nations
Global Compact

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.

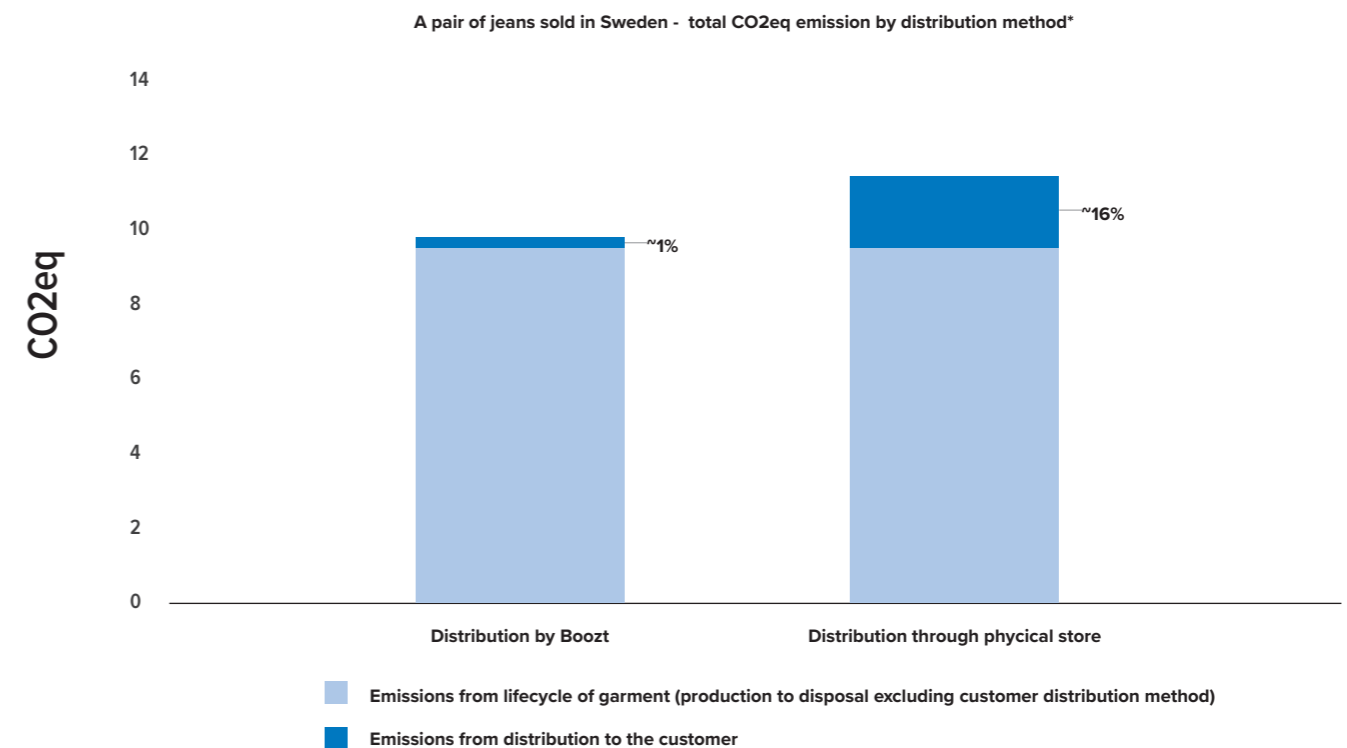
OUR ROLE IN THE FASHION SUPPLY CHAIN



Boozt Group makes up only a small part of the whole fashion supply chain. As a retailer without any own production, we do not have a direct impact on the production of the goods we sell. However, we proactively take responsibility for the indirect impact we have on our network of business partners that operate in other parts of the supply chain. Through our leading position in the market, we have the ability to inform, innovate, and communicate a strategy with our brand and distribution partners as well as educate and impart knowledge to our customers about the changing industry landscape.

We believe that on the journey towards reducing the impact of our operations and contributing to a sustainable supply chain, we need correct and comprehensive information about the ramifications of the e-commerce

model on the environment. New 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 ecommerce model, the carbon footprint is significantly lower than when shopping in a physical store in Sweden. 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. Therefore, we wish to 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.



*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)

Boozt Group value chain

Our value chain allows us to deliver great fashion and exceptional shopping experience for our customers. It outlines our three main business areas and the flow of products within the Boozt Group ecosystem. Although only a small part of the larger fashion supply chain, our Boozt value chain is where we have the most immediate direct impact on our footprint. This is where we can ensure that we are running a responsible and efficient business, one that leads by example and will hopefully inspire throughout the greater supply chain.

The Boozt Group is not a fast-fashion company. Our strategy is to offer a large curated selection of premium brands with a strong focus on quality products that are made to last. And we want to make sure that all items ultimately end up with our customers, who will prolong the lifespan of the item and minimise waste. Taking responsibility for the direct impact of our value chain, we extend the products' life cycle across all of our platforms. This means that products have multiple chances to sell,

both initially online and then offline. Any items that cannot sell are ultimately donated.

Our three business segments, Boozt.com, Booztlet.com and Other (physical stores), reflect the Nordic online apparel market growth opportunities while enabling 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 store. 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 their excess inventory.

In terms of our online platforms, they are all hosted on Google Cloud servers, run entirely on renewable energy from one of the world's most energy-efficient facilities in St. Ghislain, Belgium.



IN SEASON

Mid-to-premium fashion 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





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.

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 is 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 Boozt.com and Booztlet.com shipping bags and lowering CO2 emissions.

As a Nordic company with a leading position in the market, we believe that much of our success lies in keeping our operations local. Based on our location, we can optimise deliveries to customers, create strong brand networks and engage 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 0.3 kg/ CO2e. This low number is the result of our decision to handle shipping and returns locally.

Being innovative is essential to us. Innovation helps us to continue optimising our house to ensure the longevity of our business and the environment. The areas where

we have the greatest control to innovate smarter product flows while also having a direct impact on our footprint are with our head office in Hyllie and our fulfilment centre in Ängelholm. Whether its packaging materials, warehouse technologies or the way we transport our goods, we can seek more efficient and inventive use of resources through these two facilities. To further our focus on modernisation and development, we invested in the Boozt Innovation Lab in 2019. The Boozt Innovation Lab will allow us to stay at the forefront of cutting-edge innovation that can help transform our business and the industry.

Data-driven decisions

We work continuously to optimise our operations and improve efficiency. One of the main focuses of 2019 was to gather data about the impact of our operations. Creating a comprehensive overview of our business allows us to better understand where to focus our responsibility efforts. We partnered with a company that has developed a platform to collect and manage sustainability data to obtain an ongoing collection of metrics to deepen the insight into our footprint. Our goal is to make it easier for our customers and us to track progress and understand the areas to address and reduce our environmental footprint.

Through the system, we track the environmental performance of our facilities and have processes in place for a regular and ongoing collection of energy and emissions metrics. In



terms of greenhouse gas emissions, it can be broken down into three Scopes. Scope 1: Emissions are direct emissions from owned or controlled sources. Scope 2: Emissions are indirect emissions from the energy we use for our business operations, our headquarter and our fulfilment centre. Scope 3: Emissions are all indirect emissions (not included in scope 2) that occur in our value chain which include shipping to our customers including returns and business travels. Our scope 1 emissions amount to approximately 89 tons of CO2e from leased cars. Scope 2 emissions amount to 0 tons of CO2 e. For scope 2, all energy and heating used in our fulfilment centre and headquarter is from renewable sources, including the energy we do not produce ourselves. For example, the electricity we purchase at the fulfilment centre is from hydropower that is 100% renewable and environmentally declared according to the EPD R system*.

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. Scope 3 emissions relate to distribution partners and domestic and international business travel which collectively amounts to an estimate of 2,020 ton CO2 e for 2019. By implementing our new data collection system, we can continuously track and measure data to aid in understanding the footprint of our operations and give us tangible data to work with to reduce it. We are also on-boarding our distribution partners to use the system, allowing us to keep track of their development and push for positive change. In 2019, we received carbon data from our distribution partners representing 97% of our orders.

GREENHOUSE GAS EMISSIONS	METRIC TONS CO2 EQUIVALENT (T CO2E)
SCOPE 1	89
SCOPE 2	0
SCOPE 3	2,020

* Environmental Product Declarations (EPD) System is a global programme for environmental declarations based on ISO 14025 and EN 15804

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. 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 recently launched machine learning-based size recommendation tool. We also recently introduced a fair use clause which means that we can "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.

REDUCING RETURNS THROUGH MACHINE LEARNING

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. Our aim is to bring technology and fashion together to create the best customer experience and reduce size related returns.

Data privacy

To prepare for the EU's General Data Protection Regulation (GDPR) that was implemented in 2018, we rigorously combed through our data in 2017. With the introduction of GDPR, all systems were examined on top of the launch of processes to define data usage and procedures.

We sign data processing agreements (DPAs) with anyone we send any data to. This agreement stipulates how data is managed, stored and used. To this day, we also maintain our own rigorous security processes, transparency with our

customers and safe data storage has always been at the forefront of our platform department's agenda. Our data retaining time is between 3-7 years and is explained in the Terms & Conditions and Frequently Asked Questions (FAQs) on our webshops. To ensure our customers understand how their data is being used, they are able to access detailed information about how long we save data and for what specific purpose. Customers can also request a copy of their data. No substantiated complaints concerning breaches of customer privacy were received in 2019.





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 2019, attention was placed on further engagement with our distributors in new-energy-projects, greater investments in newer technologies and advancing the build-out of self-sufficient energy to optimise how we manage our energy consumption.

Our R&D partnership with AutoStore and automation service partner Element Logic safeguard our position at the forefront of warehouse automation. We have maintained our ambition to create an e-commerce supply chain cluster centred around our local operations in Ängelholm. The new R&D partnership represents an organic step as part of our combined journey to constantly improve warehouse

automation. It allows us to test the latest advancements and developments in robot technology in our facilities. The first example of this was the introduction of the new Blackline version of the AutoStore robots currently running on our grid as the first site of scale in the world.

We strive to keep our operations local and all our returns are handled in our fulfillment 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. Also, the implementation of a new prediction model 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.

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.

FULLY AUTOMATED WITH THE LARGEST AUTOSTORE INSTALLATION IN THE WORLD.

POSITIONED LOCALLY IN THE NORDICS TO MAXIMIZE SPEED OF DELIVERY AND MINIMIZE ENVIRONMENTAL IMPACT

Energy sourcing

A critical part of Boozt's goal has always been to scale up the use of renewable energy. At 42,000 m², our fulfilment centre remains the largest building within our operations and demands the highest energy consumption. We rely fully on clean energy sources to power our services to our customers. As a Green Building certified facility, our fulfilment centre operations are driven by energy-efficient and modern technology. The 2018 installation of solar panels on the roof brought us a step closer to being completely energy self-sufficient. The solar panels contributed 8% of the total energy consumption at BFC in 2019.

Total energy consumption for the BFC, our office in Hyllie and leased cars amounted to approximately 1500 MWh for 2018. In 2019, our total energy consumption increased to 1700 MWh. This energy increase can be explained by more output from our robots due to a higher number of orders. An increase of 13%, well below the net revenue growth of 23% compared to 2018, demonstrates the leverage on energy consumption from our business model and investments. Any energy we do not produce is from renewable sources such as wind, water and solar. Through studying our energy patterns, we are continuously improving and learning to optimise the efficiency of our operations to uncover energy-saving opportunities.

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 reached our goal of recycling 85% of our waste in 2018. In 2019, this close partnership enabled us to recycle 100% 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.

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 the Boozt Group. 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. Since the beginning, we have always sought more eco-conscious alternatives to plastic packaging (the preferred material within the industry).

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 the Boozt Group 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 will continue our long-term research for more circular and sustainable material for our Boozt.com bags. Our aim is to provide proof of concept for our industry partners when testing new packaging solutions. During 2020, we will shift 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% FSC certified paper to ensure full traceability and recyclability. We have been working with the packing material supplier on various projects around the circularity of our boxes. Our focus on circularity within our packaging integrates with our goals to meet SDG 12 and implement its targets to significantly reduce waste generation through

prevention, reduction, recycling and reuse by 2030. Based on the efforts previously described, we are already close to reaching this goal now. By sharing what knowledge we have learned across our industry, our partners can benefit from our experience which we believe can amplify the impact.

We will continue to challenge ourselves and explore smarter packaging solutions.

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 will shift 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

**color and design of the bag to be decided*

Distribution

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 2019, we worked with our distribution

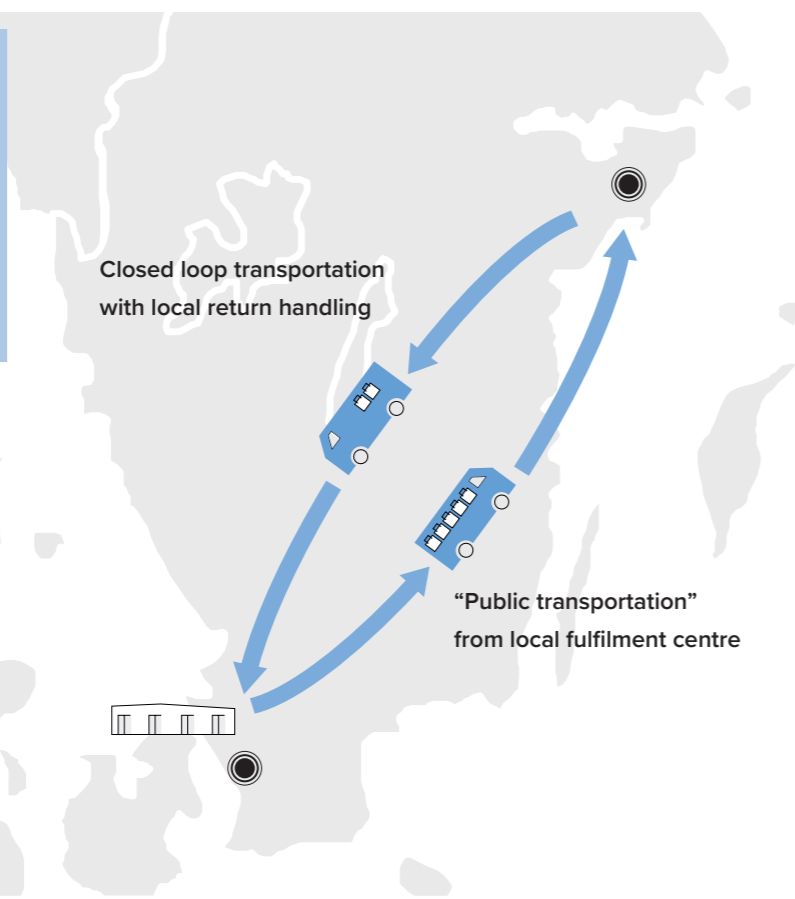
partners to measure the emissions from shipping to our customers. Regular reporting in collaboration with our partners provides us the opportunity to measure the impact of our operations as well as benchmark and set goals for continuous improvement.

Through this collaboration, we were able to calculate the estimated carbon emissions per order delivered including returns, which amounted to 0.3 kg/ CO2 e. The low result is only 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 to share this result as it reflects the value of investing in local operations and resource-efficient solutions.

INDUSTRY LEADING LOW CO2 EMISSION OF ~300G PER ORDER

This is equivalent to:

- Driving ~2.6 km in your new car*
- ~0.095% of the annual carbon footprint of clothing consumption for the average Swede**
- ~0.0029% of the annual carbon footprint for the average Swede***



*Source: https://www.eea.europa.eu/data-and-maps/daviz/average-emissions-for-new-cars-5#tab-chart_1 (0.314kg CO2 eq / 0.120 Co2 eq)

**Source: Environmental assessment of Swedish clothing assumption (0.314kg CO²eq/11,000kg CO2eq)

***Source: Environmental assessment of Swedish clothing assumption (0.314kg CO²eq/330kg CO2eq)



Headquarters

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.

OUR HOUSE AIMS 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.



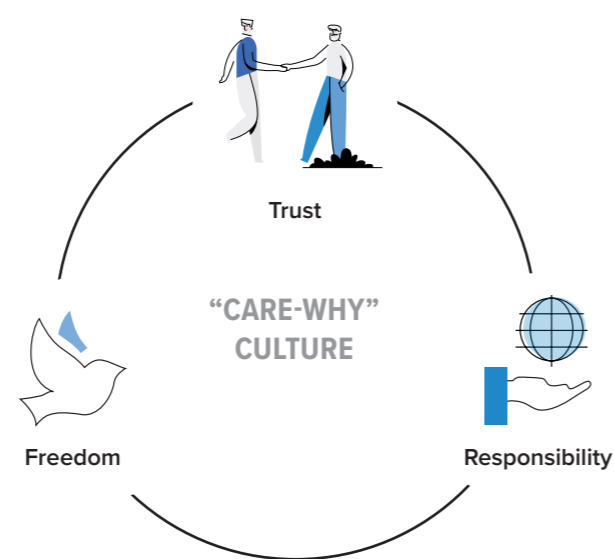

OUR PEOPLE

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.

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. Therefore, continuously improving the conditions for a healthy and efficient workplace is always a priority.

In 2018, we conducted our first annual company-wide employee survey. The results provided the basis for the new survey platform, BooztUs, which launched in 2019. The goal is to make it easier for employees to instantly and anonymously share their thoughts regarding the company culture, how teams are managed and the overall direction of the company. With questions now being sent on a monthly basis, the participation rate for the survey has increased to 80% (72%). Providing the opportunity for our people to frequently offer their feedback and opinions means they will have more of an immediate influence over the work environment. The answers serve as a basis for management to make informed decisions about our people's well-being 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.

Culture and values



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.

“In our view it is the ‘care-why’ that marks the difference between the ordinary and the exceptional” - Hermann Haraldsson

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 in our HR policy, emphasised during employee onboarding and remain available on our online learning management system to all staff.

- **TRUST.** Be it financial or other non-financial prosperity measures, there is a direct correlation between the level of trust in a society and the amount of wealth – be it financial or other non-financial prosperity measures. We believe the same holds true for companies. 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 the customer's interests, Boozt's interests, and for each other. In our experience, by acting responsibly and with accountability, we can achieve the kind of freedom to which we aspire in our daily lives.

Business ethics – anti-corruption & bribery

Our anti-corruption, insider and procurement policies guarantee that 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 a 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. 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 2019.

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 2019.

Employee growth

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

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.

To improve internal systems and initiate further activities for employee development, we deployed an online learning management system (LMS). By making learning tools easy and accessible, we empower our people to constantly seek new knowledge and self-development opportunities. We believe this is the key to employee satisfaction.

Talent outreach

During 2019, we focused on expanding and improving current activities such as people development, community outreach, and future talent. These activities included speaking at various career and networking exhibitions and hosting tech events at our head office to foster and inspire the future growth of IT students. Other events included local tech talks and network events open to the public in both Denmark and Sweden. Our HR department has also taken part in local mentoring programs for career development as well as talent outreach.

Employee onboarding

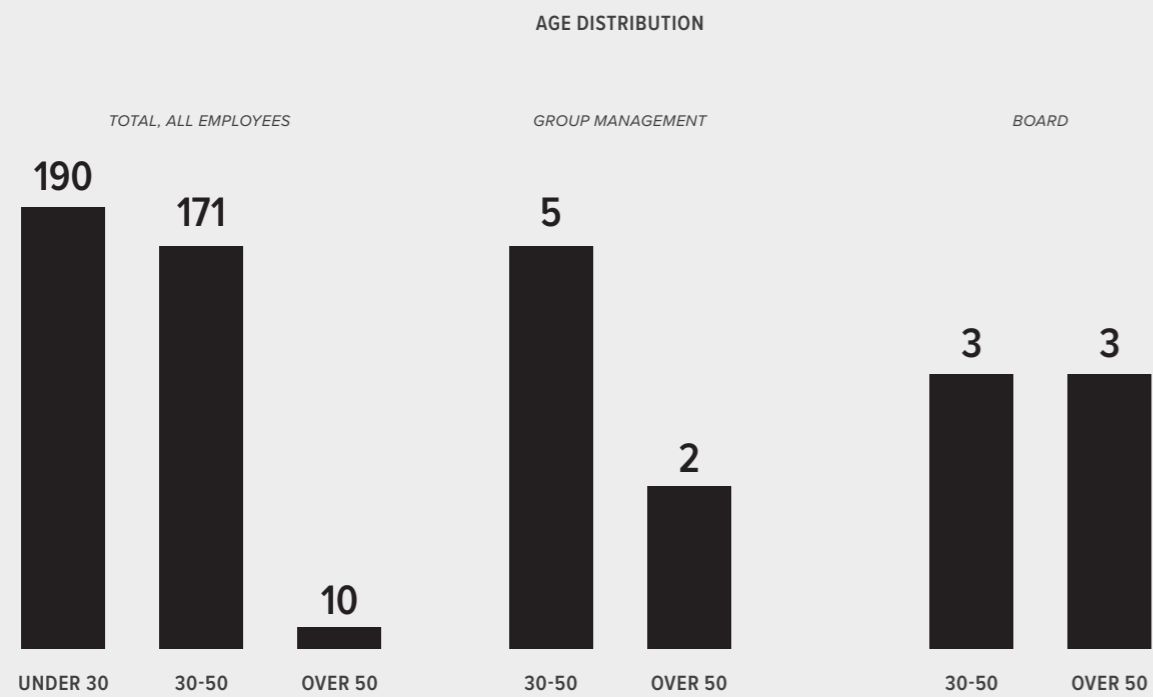
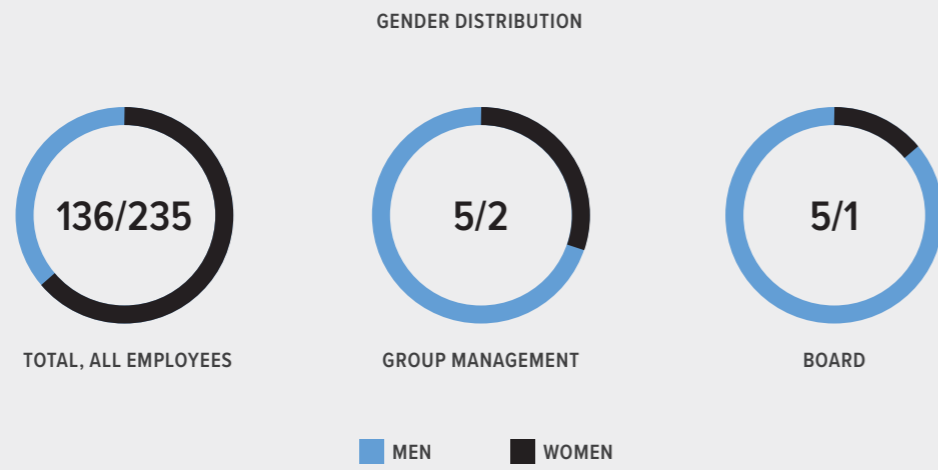
We believe integration is a key component to employee retention. All new hires undergo an 18-module digital onboarding program to get a basic understanding of policies and procedures within the company. For additional onboarding support, half-day orientations are hosted by members of senior management and HR. During these sessions, new employees get an introduction to the Boozt Group, our culture and values, and an introduction to our departments. This is also an informal space for our new employees to meet each other and for candid discussions on any questions from the onboarding program.

BOOZT CODING ACADEMY

As a technology company, it is critical for every employee to feel comfortable and confident using our IT systems. We rely on systems that have been developed solely in-house, therefore granting us the ability to change and modify our technology to accommodate our needs. As everyone is not comfortable or confident in programming, we offer the Boozt Coding Academy. The Boozt Coding Academy is an opportunity for employees to enrol in a two-month course to learn the basics of coding. We know not everyone wants to become a programmer, but we still aspire for our employees to be curious, challenge themselves and always strive towards professional growth.



OVERVIEW OF BOOZT NUMBERS



371
TOTAL NUMBER OF
EMPLOYEES

34
AVERAGE AGE

33
NUMBER OF
NATIONALITIES



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 emphasise the work/life balance at Boozt. Parental leave for both men and women is an intrinsic part of our company. Our people have the ability to combine part-time parental leave with part-time work. Even though we prefer people to be in the office to nurture our company/family bond, we support if our staff want to occasionally work from home or if they need time off to recharge.

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.

Health and safety

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.

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.

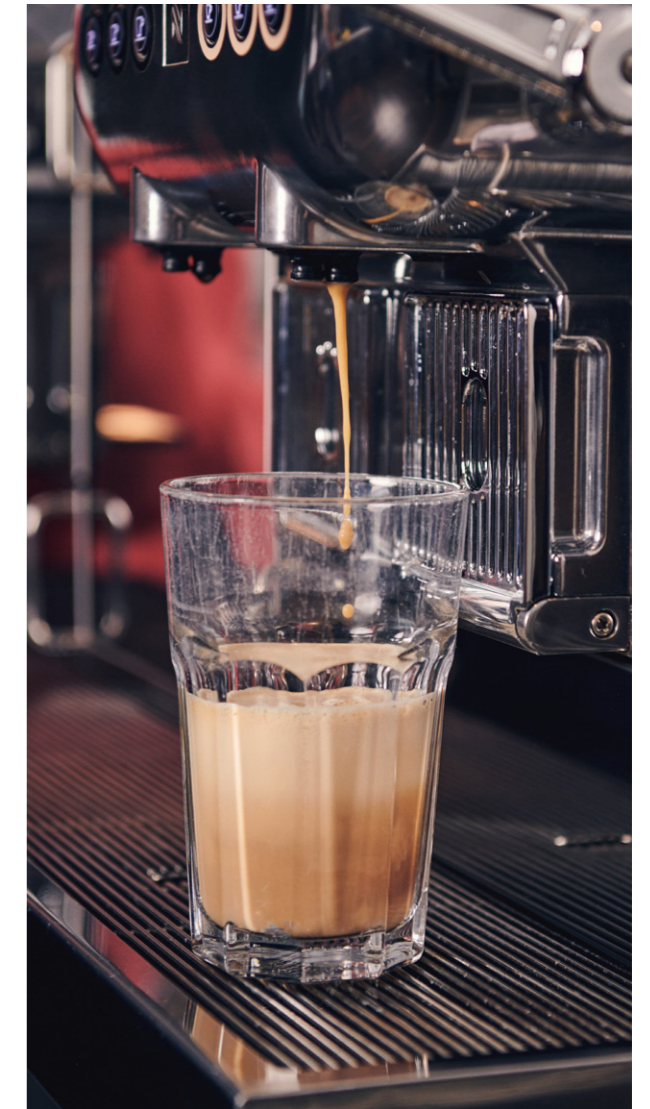
The purpose of our occupational health and safety (OHS) management system is to identify, assess, follow-up and develop working environmental goals to mitigate risks for all workers. Risk assessments are documented and assessed by management. A review of the Boozt OHS system is also conducted on an annual 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 2019.

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. In 2019, no injuries were reported in the fulfilment centre.

Employee health & wellbeing

The aim is to reduce sick-leave and loss of revenue caused by reduced productivity, while also encouraging health and improving the quality of life for the company's employees. In 2018, 18 employees (7.2%) were on sick leave for more than 14 days. In 2019, 22 employees (6.5%) were on sick leave for more than 14 days, a slight decrease in percentage compared to 2018. In 2019, our employees



were able to get medical evaluation and advice, including occupational health, on a weekly basis from an inhouse primary care doctor. Employees also have the opportunity to get company-supported massages at the head office. We believe this has helped us to detect more cases and offer approved rehabilitation plans and/or dedicated arrangements for any employees in need of extra support. The Boozt Group is then informed and advised on the necessary steps that should be taken to modify any stressors within the work environment. This external company is responsible for maintaining the confidentiality of any disclosed information.






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.

Collaboration across the value chain is key to achieving industry-wide transformation in sustainability. Our teams work to develop partnerships with our brands and distributors to communicate our standards and help our partners build their capacity. We also believe in the opportunities they present to improve and build a competitive advantage.

In 2019, we have expanded on our effort from 2018 to promote sustainable fashion. This year, we reviewed and updated our strategy, created stronger partnerships and focused on curating our selection of Nordic brands leading with sustainability. Our aim is to support brands that focus on sustainable materials, quality production and design for the longevity of products. As part of our responsibility vision, we will maintain support for our brand partners on their sustainability journey, helping them set milestones and track their progress.

From the initial design stage to the creation of the final product, our buying and merchandising teams work closely with our brands to source better materials. Aligned with our core business, we collaborate with local Nordic brands to create sustainable collections exclusive to Boozt Group. These collections concentrate on sustainable materials and production. Our first collections launched in AW 2019, with upcoming collections for 2020.

The process of becoming more involved with our brands involves addressing many of the issues within the fashion industry. There is a need for quality and transparency in the supply chain, including respect for human rights and fair labour conditions, and addressing the environmental impact from production. In 2018, we initiated a brand partner survey to understand the environmental and social issues our brand partners are facing. The objective of the brand partner survey was to open a channel of communication with our targeted partners to address both the environmental and social issues in their supply chain. During 2019, we optimised the way we systematically collected information from brands.

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. We adopted a supplier code of conduct in 2017 with the purpose to state and communicate minimum requirements for suppliers, including respect for human rights and decent working conditions. In 2019, we updated the Boozt Group Code of Conduct for Suppliers to increase the focus on our brand partners' compliance. 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 chain transparency

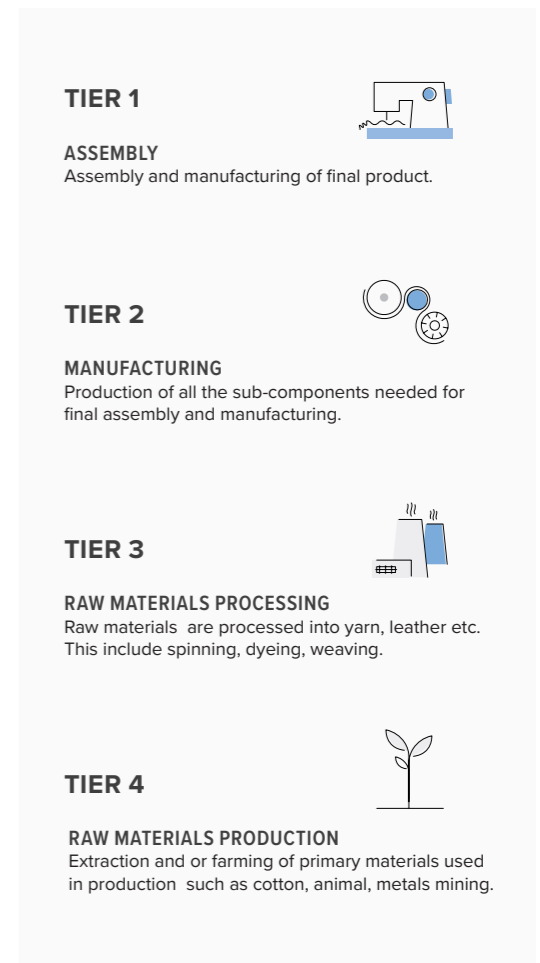
We believe the greatest challenge and opportunity for change in the fashion supply chain is within data. The information we are able to share with our customers is only as good as the data we can gather from our brand partners. As consumer behaviour changes and the demand for better-made products in terms of environmental and social impact increases, so does the need for relevant and transparent information. 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.

Our 2018 brand questionnaire has evolved into a more systematic way of collecting and analysing information at both the brand and product level in terms of responsible business practices and supply chain transparency. In 2019, we worked with more than 200 brand partners to develop dedicated data templates that would make it easier to share information about materials certifications as well as supply chain transparency through Tier 1-2-3-4.

Our business processing management team, in partnership with our sustainability team, collect and process this information to share it with our customers. We asked brands to supply the names and addresses of the factories they were using for the different production stages, encouraging accountability as well as traceability of their products. While information regarding Tier 1 is somewhat easier to collect, only a limited amount of our brands have been able to provide information about their Tier 2 and only a few were able to share full traceability.

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 information about the supply chain in 2020, 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.



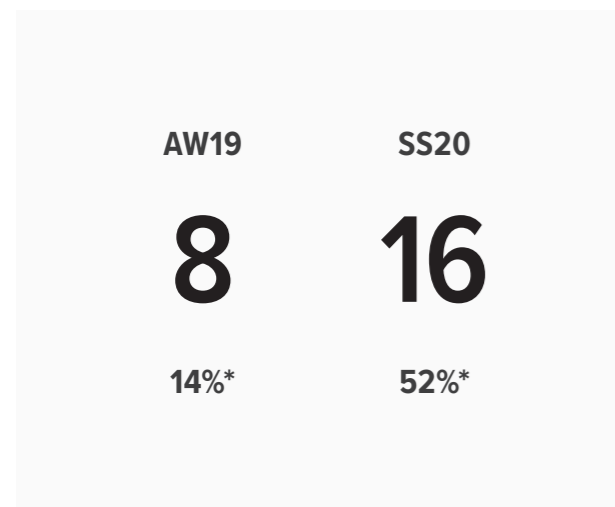
Partnerships

We achieve many of the sustainability issues 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.

Brand collaborations

Our buying and merchandising teams collaborate with Nordic brands to create sustainable collections. This provides a unique opportunity to work closely with our brand partners to develop proof of concept for sustainable materials and motivating brands to incorporate sustainability in their collections.

DOUBLING THE NUMBER OF SUSTAINABLE BOOZT COLLABS



*percentage of Boozt Collabs for season fulfilling our sustainability criteria

One of the results of our strengthened partnerships with our brands has been the launch of our Boozt Collabs. The Boozt Collabs present an opportunity for us to collaborate on exclusive or limited collections for our customers. This gives us a powerful tool to create a positive impact, encourage behavioural change and push the sustainable agenda forward. In AW2019, the percentage of sustainable

Boozt Collabs reached 14% and will increase to 52% in our SS20 collection. We strive to provide knowledge and exposure to brands that may be at the beginning of their journey, motivating them to work more actively with sustainability. For this reason, we do not solely collaborate with sustainable brands. We put a lot of focus on brands that are interested in exploring how they can work more actively with sustainability and believe we can provide a meaningful positive influence here.



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. For the fifth year in a row, Boozt Group has brought together a strong team to raise awareness about cancer prevention and research. Since 2015, our brand collaborations have raised SEK 4.5 million through the sale of the official Knæk Cancer t-shirt. In 2019 alone, we have raised SEK 1 million for this important. All monies raised go 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 Knæk Cancer campaign.



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 well-being of models. As we work with many models, Boozt Group seeks to contribute to raising awareness of mental illnesses and influencing positive attitudes in fashion, media and, society.

OUR PARTNERS AIMS TO ADDRESS THE FOLLOWING SGDS:



GOAL 12. Ensure sustainable consumption and production patterns.



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

TAKING AN ACTIVE ROLE IN THE NORDIC FASHION ECO-SYSTEM

We take our role leading role in Nordic fashion seriously. We want to help innovative and upcoming brands with a platform to reach the Nordic customers. An example is our participation in the Next Level Award from the Danish industry organisation for fashion, Dansk Mode & Textil, where an upcoming brand or designer is awarded with a prize and an order from Boozt.com. Another ambition is to make the fashion world accessible for all people, exemplified by our open-for-all opening show of the Copenhagen Fashion Week, which is the largest event during the week. We have a longstanding partnership with Copenhagen Fashion Week and in 2019, we participated in the sustainability fashion talks during the AW19 fashion week, highlighting brands and issues focusing on sustainable fashion innovation. We have also become part of Copenhagen Fashion Week's newly appointed Sustainability Advisory Board, supporting the change towards a more sustainable industry. Together with other experts from the industry, Boozt will act as a knowledge partner and sounding board to help determine how the fashion week can drive change and motivate brands to work more actively with sustainability.



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.

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, they know 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 2019, we 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.

We have a curated selection of products from more than 160 brands as part of our sustainability category. All selected products must fulfil our criteria* for what constitutes a sustainable product. A strong focus on quality exists in

*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



all that we offer to our customers and is no less true for our sustainable selection. We have set industry-leading standards as the foundation for our sustainable category in terms of material composition and better manufacturing processes. We are continuously working on improving our criteria according to the evolving industry standards. Data transparency is a challenge for all multi-brand retailers. Through automating processes, strong relationships and ongoing communication with our brand partners, we strive to improve the quality of data and information accuracy to better capture what is needed.

Requirements for the category were set in 2018 and further developed in 2019. Our sustainability requirements are being constantly reviewed to inspire change. We want to increase traceability and promote consciously made products. 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

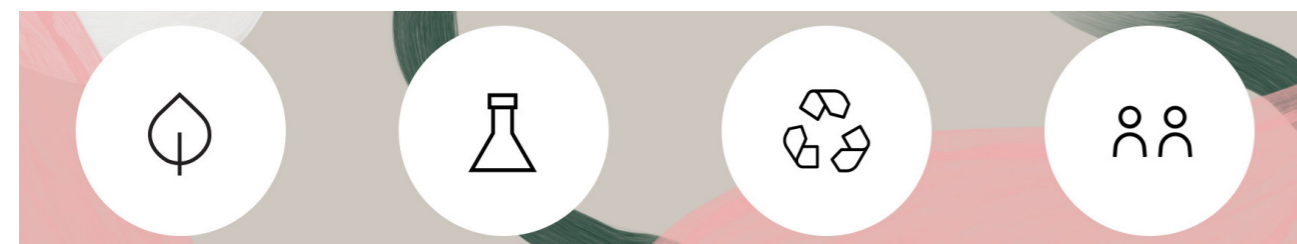
standards provided by already existing guidelines, industry standards, and research*.

Animal welfare policy

As sellers of animal-derived products, we have a responsibility to uphold animal welfare within our supply chain. Since 2016, we have declared ourselves fur-free in cooperation with Swedish and Danish animal rights organisations, Djurens Rätt and Anima. 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.



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.

* 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.



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 2019, 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 cross-over communication to all of our platforms to increase customer awareness and inspire interest in sustainable fashion. In the first half of 2020, we will extend our communication reach to social media via weekly sustainability posts. This is an opportunity to engage with our customers on a valuable topic as well as to facilitate engagement. During 2019, we laid the groundwork for our Boozt Care Guide initiative that will launch in 2020. We aim to guide our 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. The Boozt Care Guide will be communicated through various channels ensuring that we reach our large customer base across all platforms.



Fair use

As part of our efforts to lead the change toward a more responsible industry, we have updated the Boozt Terms & Conditions regarding returns with a fair use clause. The fair use clause allows us to pause those customers we suspect have no intention of keeping the (often many) items they purchase and thus exploit our high service levels of free shipping and return. This is a first important step in eliminating unnecessary returns, which we have seen significantly increase over the last two years.

This update is in line with our aspirations for more sustainable business practices, both in relation to environmental impact and in terms of longevity of the business so we can continue offering our customers the best shopping experience and outstanding customer service.

A Boozt cornerstone is our 30-day offer of free returns. The vast majority of our customers shop thoughtfully and only ship goods when needed. We fully understand that a product may have a different size/fit than expected or that a customer changes their mind and therefore wants to return a purchase.

The fair use clause, however, helps us engage in a dialogue with the few of our customers who for example, repeatedly place unusually large orders and return all or almost all items.

We take a co-responsibility to look after the environment and reduce our environmental impact whenever possible. We hope to influence our industry peers to similar solutions to this increasing issue for the e-commerce business model.

OUR SELECTION AIMS TO ADDRESS THE FOLLOWING SDGS:



GOAL 12. Ensure sustainable consumption and production patterns



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

WHAT IS "FAIR USE"

Background:

- Significant increase in extreme return behaviour with little or no intention to keep items from a small group of customers
- 1% of customers represents 12% of returns

Implementation:

- "Fair use" policy implemented in November 2019 based on an algorithm assisted by a fair use "task force"
- Some 9,000 customers put on pause corresponding to less than 0.5% of customer base

Impact:

- Lower return rate beneficial for the environment and sustainability of business model
- More seasonal items available for customers
- Quicker response time in customer service
- Negative impact on net revenue

OUR FUTURE ACTIONS

With our position as the leading e-commerce player in the Nordics, we have the opportunity to shape our sector by setting standards for more responsible practices. Within our operations, we will continue to focus on circularity, beginning with our packaging choices, pushing forward our agenda by collaborating with our brands and distribution partners. Through our partnerships, the goal is to create a platform for collaboration within the industry, to empower innovation and sharing our technology expertise to accelerate change. Furthermore, we aim to continue with our mission to create awareness around brands leading the sustainability movement and act as knowledge partners to brands that are at the beginning of their journey. The ultimate goal is to motivate brands to introduce more sustainable materials in their mainline collections.

We believe that educated customers become ethically conscious shoppers. Thus, we intend to further educate consumers by sharing our knowledge on more sustainable material choices and encouraging sustainable consumption practices across our business platforms. With our sustainable category, we aim to offer a curated selection of products that meet our high criteria to help our customers discover and empower sustainable

alternatives. Going forward we will set higher standards for our sustainable category to further, encourage brands into actively working within sustainability and expanding our sustainable fashion offering.

Our strong focus on circularity, automation, and renewable energy enable us to leverage our knowledge and position to lead the way. We are dedicated to re-think and re-imagine ways to improve current business models towards circularity and create closer relationships with our consumers. We have come a long way and remain motivated to do more. Exploring circular business models within the fashion industry is key in helping redefine the life cycle of a garment and giving apparel multiple lives. The rapidly changing consumer behaviour and awareness demands that the industry rethink its traditional linear `take, make, dispose` economic model.

We see the rise in the availability of shared closets and second-hand clothing resale to represent the starting point for brands and retailers to explore circularity in extending longevity as well as close the loop in fashion. As a tech-company operating within the fashion industry, we are excited to combine the sustainability and technology dimensions to shape a better industry.

AUDITOR'S REPORT ON THE STATUTORY SUSTAINABILITY REPORT

To the general meeting of the shareholders in Boozt AB (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 for the year 2019 on pages 36-78 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 April 16th 2020

Deloitte AB

Didrik Roos

Authorized Public Accountant