

Sustainability Report

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The industry faces many challenges on the road to implementing more sustainable practices. Using our position and size we have the unique opportunity to push for a more sustainable industry. The Boozt responsibility vision is to use our local Nordic position and our technology platforms to make sustainable choices easy for our customers and our partners.

The company Care-For strategy is our roadmap to becoming the leading responsible e-commerce company in the Nordics by 2025. As part of this strategy we have set actionable goals to concentrate our efforts on significant impact areas such as the company operations and committing to partnering with organizations that are working to better areas of the supply chain. Read more about the sustainability strategy and goals on pages 29-32.

About the report

This report focuses on the most material topics for Boozt based on our materiality assessment. It includes disclosures on material topics and is structured after three pillars; Environmental, Social and Governance. The report covers the financial year from January 1, 2021 to December 31, 2021 and references the GRI (Global Reporting Initiative). The company reports annually to the UN Global Compact, and since 2021 to the CDP, Higg BRM and the Nasdaq ESG Data Portal taking their different disclosures into account.

Enablers of the sustainability reporting

1. Defined roles and responsibilities (see Sustainability Governance structure, page 72)
2. Reporting systems: Boozt uses a sustainability data platform as a formalised reporting channel, where data gets collected in an efficient and traceable way. The platform includes an audit trail enabling control and review of the reported data.
3. Reporting principles: Boozt is committed to sharing and reporting accurate, comprehensive, comparable and material data in an accountable and transparent way. As a part of this commitment we have recalculated certain metrics from 2020 by improving the calculation methodology or data quality for increasing accuracy and validity. Notes to this effect are made at the relevant place in the footnotes. Where recalculation of the data is not possible, a note is included indicating that key figures are not comparable over year to year data.

Reporting standards and frameworks

Reporting standards and frameworks guide the disclosure part of the report and bridge the gap between internally measured and publicly available ESG data, facilitating transparency. Publicly available data enables customers, investors, suppliers and governmental authorities to access information about companies' impact and responsibility.

Since 2018, Boozt uses **GRI** as a reporting guideline to improve the quality of its sustainability reporting. Global Reporting Initiative (GRI) is the independent international organization – headquartered in Amsterdam with regional offices around the world – that helps businesses, governments and other organizations understand and communicate their sustainability impacts. The GRI Content Index can be found at <https://www.booztgroup.com/sustainability-reports>

As participants of the **UN Global Compact**, the CEO and company management of Boozt are committed to aligning business goals with the Sustainable Development Goals. This has been the focus of our 2021 sustainability initiatives and this report serves as our Communication on Progress (COP).

In 2021, Boozt was a first-time responder to the **CDP (Carbon Disclosure Project)** to increase efforts in calculating and monitoring environment and climate-related impact. CDP is a not-for-profit charity and runs a global disclosure system. Companies that submit CDP’s questionnaires are publicly available on CDP’s website and database.

The **EU Taxonomy** got established in 2018 as a new classification system for what is considered a sustainable economic activity. There are currently no eligible economic activities for Boozt that allow further reporting. A review of the technical screening criteria for the four remaining environmental goals is expected during the year.

In 2021, Boozt started working with the **Nasdaq ESG Data Portal** to increase our transparency efforts and share more data with our investor community. The portal provides a central database for investors to access ESG data and performance metrics of Nasdaq-listed companies. Partnering companies submit their data directly to the portal allowing Nasdaq to compile it into standardised ESG metrics covering a wide range of environmental, social and governance topics.



Materiality assessment

Based on the company’s 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. For that purpose our materiality assessment follows a three-steps approach:

- 1) Identify:** We first create a long list of potentially material topics based on current global and ESG trends, external standards, legislation, challenges in the sector and the sector relevance, stakeholder dialogue, business developments and interest.
- 2) Prioritise:** To prioritise and choose the material topics we take into account and analyse the stakeholder relevance and the significance of the economic, social, environmental impact from a double materiality approach, meaning both how sustainability issues affect our business, and how our business and operations impacts society and the environment. A list of our stakeholders and how we interact with them can be found in the Additional Information, on page 74.
- 3) Monitor and review:** We review the current process of the materiality assessment and its topics on a regular basis and will increase efforts in engaging with stakeholders.

Materiality matrix

The below Materiality matrix is a result of the process in which we identified 16 material topics. Boozt reports on all material topics, focusing on the ones with the highest significance for stakeholders as well as the environmental, economic and social impact. Wherever possible, measurable KPI’s are disclosed. Climate impact disclosure, transparency and supply chain management and assessment have gained relevance during the year.

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No.	Identified topic
1	Climate Impact & GHG emissions
2	Energy
3	Supply Chain Management
4	Packaging & Waste
5	Transparency
6	Water
7	Human rights
8	Animal Welfare
9	Distribution & Returns
10	Employee Diversity & Equality
11	Employee Health & Safety
12	Social engagement
13	Consumer Privacy & Data Security
14	Business ethics & Policies
15	Biodiversity
16	Responsible selection
17	Circular Business
18	Opportunities in Green Building

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Our material topics relate to the following Sustainable Development Goals:



GOAL 9.

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



GOAL 12.

Ensure sustainable consumption and production patterns.



GOAL 13.

Take urgent action to combat climate change and its impacts.



GOAL 17.

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



Environment

Climate Impact and GHG emissions

As a fast-growing company, we not only leave an environmental footprint, but as an international retailer linked into global supply chains, we can also be directly affected by climate change. Therefore, it is a priority and responsibility for Boozt to measure our greenhouse gas emissions and become aware of the main impact areas before developing measurable reduction measures.

Boozt reports greenhouse gas emissions (GHG) in accordance with the Greenhouse Gas Protocol, which is the global standardized framework to measure the climate impact of companies and organizations. The emissions are reported separately for Scope 1, 2 and 3. This year, we have focused on improving our existing calculation methodologies as well as expanding the Scope of our measurement. More information about the GHG emissions methodology and data used is available under Additional Information on page 75.

Total CO₂e emissions

in tons CO ₂ e emissions ¹	2021	2020
Scope 1 CO ₂ e emissions ²	94.2	96.1
Scope 2 CO ₂ e emissions (market-based) ³	43.3	0.0
Scope 3 CO ₂ e emissions	3,239.9	2,522.2
Total CO₂e emissions	3,377.4	2,618.3

Footnotes to the table Total CO₂e emissions:

¹ CO₂e = Carbon dioxide equivalent, a term for describing different greenhouse gases in a common unit

² Recalculation of 2020 value due to change in activity data and calculation method

³ Following GHG protocol recommendation of dual reporting, the location-based value for 2021 is 79.6 tons CO₂e emissions. Scope 2 emissions between 2021 and 2020 are not comparable due to different scope and more entities included in 2021 energy consumption

For Scope 1, which are our direct emissions from company cars, the calculation of the emissions has been updated from a spend-based approach to a distance-based approach. Despite having added more cars in 2021, the emissions decreased compared to last year due to the increase in use of hybrid cars. This year, data for Scope 2 emissions was extended to include more entities, resulting in 43.3 tons CO₂e emissions. However, emissions from the purchased energy continue to be zero for our main operations as we source only renewable energy for our fulfilment centre and headquarter. As the business continues to grow we will continue to broaden the data collection to account for the full impact of all operations.

As for most companies, the majority of Boozt's CO₂e emissions come from indirect emissions along the value chain (Scope 3). Despite the significant impact, Scope 3 is currently the hardest to accurately and fully measure due to limitations in the data collection. This year, we extended the boundary of our Scope 3 emissions according to GHG protocol to include the emissions from our Google Cloud products as well as from waste generated in the fulfilment centre. In 2022, the goal is to calculate the remaining material Scope 3 categories to understand the full impact across the value chain.

In 2021, the company's indirect Scope 3 emissions make up 96% of the total CO₂e footprint. The increase in absolute emissions from downstream transportation and distribution can be explained by a higher number of orders shipped during 2021. To put that figure into perspective with business growth, we track the CO₂e intensity per order. More information on that is available under 'Distribution and Returns' on page 68.

Breakdown of Scope 3 CO₂e emissions 2021 and 2020

in tons CO ₂ e emissions	2021	2020
Data Centre and Cloud Usage	31.4	n/a
Fuel- and Energy-Related Activities ¹	79.3	20.5
Business Travel ²	26.8	29.0
Waste generated in Operations	46.3	28.2
Downstream Transportation and Distribution ³	3,056.1	2,444.5
Total Scope 3 CO₂e emissions	3,239.9	2,522.2

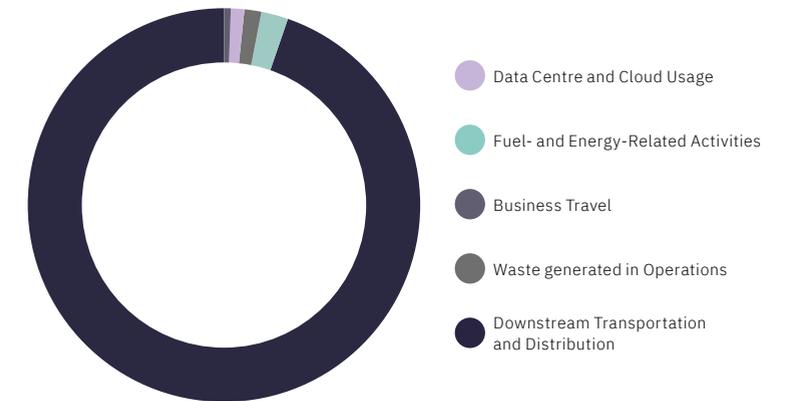
Footnotes to Table Breakdown of Scope 3 CO₂e emissions:

¹ Fuel- and Energy-Related Scope 3 emissions between 2021 to 2020 data is not comparable due to different and extended scope of energy collection

² Recalculation of 2020 Business travel emissions due to change in data source and emission factors from 2021 on.

³ Recalculation of 2020 Downstream transportation and distribution: Distributors that use HVO100 fuel recalculated 2020 data due to the fact that the swedish energy agency has recently and retroactively for 2020 increased the emission factor.

Breakdown of Scope 3 CO₂e emissions 2021



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A key commitment for Boozt has always been to scale up the use of renewable energy. Following the reporting recommendations by GHG protocol and CDP we separately disclose fuel, electricity, heat, and cooling consumption. The biggest impact in terms of energy consumption is at our fulfilment centre and headquarter where we fully rely on renewable energy from hydropower as well as the generated electricity from own solar panels at the fulfilment centre. While our focus lies on where we have and can make the greatest impact, we are looking into and measuring the energy consumption and sources in our smaller offices and buildings. In 2021, 94% of the total energy consumed in Scope 2 came from renewable sources, with hydropower as a primary source and solar energy as a secondary source. Looking at the share of electricity, Boozt sourced 96% renewable electricity in 2021.

Energy consumption by Energy Activity

in MWh	2021 ¹	2020
Consumption of fuel	426.7	406.2
Consumption of purchased electricity	2,542.3	1,789.3
Consumption of purchased heat	477.1	211.6
Consumption of purchased cooling	48.8	74.6
Consumption of self-generated solar energy	448.7	227.4
Total energy consumption	3,943.6	2,709.0

Footnotes to table Energy consumption by energy activity:
¹= 2021 to 2020 data is not comparable due to different and extended scope of energy collection. 2020 energy data included the main operations (Headquarter and Fulfilment centre). 2021 includes main operations and office in Aarhus and Lithuania, 2 Retail stores and Outdoor Marketing Signs.

Headquarter

Our headquarter is located in a building certified by WELL. The International WELL Building Institute (IWBI) is a globally recognised building standard focused on human health and wellness in workplaces. The building 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. The energy used for our headquarters comes from 100% renewable energy. In terms of energy intensity¹, 47.2 kWh per square meter were required to provide the electricity, heating and cooling in the headquarters.

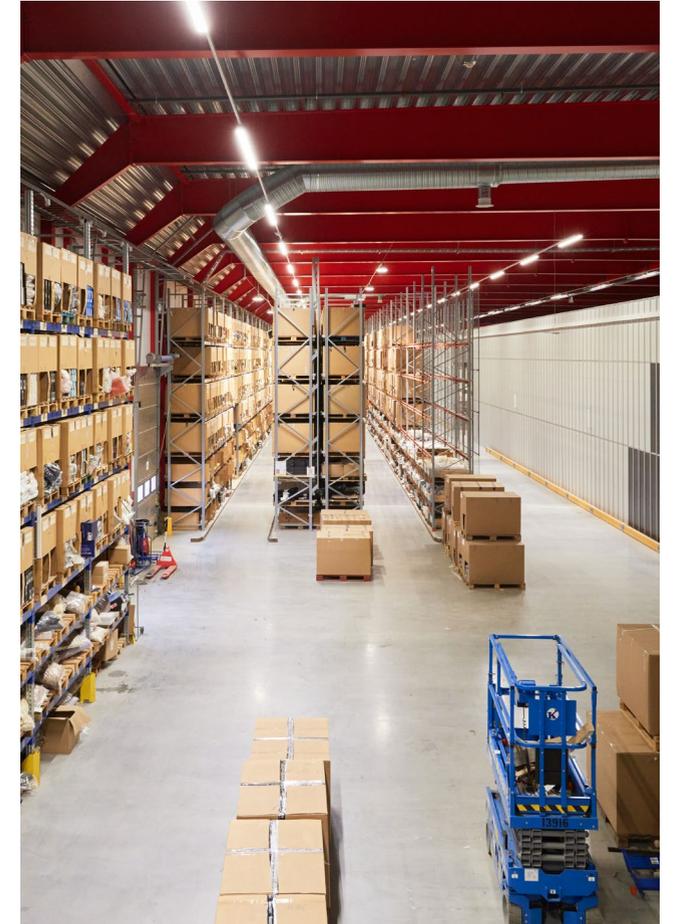
Fulfilment Centre

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. As a Green Building certified facility, the fulfilment centre operations are driven by energy-efficient and modern technology. The fulfilment centre runs on 100% renewable energy, consisting of purchased energy from hydropower and own generated solar energy. A sign of our energy efficient operations is the indicator energy intensity¹. 44.6 kWh energy per square meter was required to power the fulfilment centre.

Financial impact of generated solar energy

A key commitment for Boozt has always been to scale up the use of renewable energy. The generation of own electricity by solar panels is an opportunity to reduce CO₂e emissions and be more independent from energy supply and rising energy prices. We see that sustainable investments like this one will pay out in the long run. With the generation of solar energy we are currently saving around SEK 630,000 yearly in comparison to average electricity costs from purchased energy. The solar panels contributed 20% of the total energy consumption at the fulfilment centre in 2021, that is an increase from 13% in 2020.

¹ Measured in kWh per square meter including total energy consumption (electricity, heating and cooling) of the facility.



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Distribution and Returns

Boozt aims to optimise the efficiency of distribution in various ways, not only for customers to receive their orders in a timely and reliable manner, but also to reduce the environmental impact. In 2021, we redesigned the check-out to make it easier for customers to select more environmentally-friendly delivery options, such as fossil free and climate compensated delivery. The share of fossil free and climate compensated deliveries has almost doubled, from approximately 16% in 2020 to 31% in 2021.

Enabling our GHG emissions accounting we work with distributors to collect emissions data on downstream transportation and distribution, and through this we calculate the CO₂e intensity per order. In 2021, the number of orders fulfilled increased by approximately 30% compared to the previous year. Even though the absolute emissions from delivery and returns have grown, our local and optimised delivery patterns and fossil free delivery options have allowed us to maintain a low 0.34 kg CO₂e per order associated with deliveries and returns.

CO₂e Footprint of Transportation and Distribution

in tons and kg CO ₂ e emissions per order	2021	2020
Total CO ₂ e emissions from delivery and returns ¹	3,056.1	2,444.5
thereof compensated CO ₂ e emissions by distributors	1,193.3	373.3
kg CO ₂ e intensity per order (from delivery and returns) ²	0.34	0.34
kg CO ₂ e intensity per order (across the company) ³	0.38	0.36

Footnotes:

¹ equivalent to Scope 3 Category: Downstream Transportation and Distribution

² CO₂e intensity per order (from delivery and returns) is related to Scope 3 emissions from Downstream Transportation and Distribution. Recalculation of absolute Downstream Transportation and Distribution emissions and the CO₂e intensity per order value for 2020 data.

³ CO₂e intensity per order (across the company) is related to total CO₂e emissions (Scope 1, 2 and 3)

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 25,000 customers, or 0.8% of the total customer base, have been paused through the Fair Use policy. This is a small part of the more than 3 million active customers on Boozt and Booztlet, yet these customers represent around 16% of our total return volume. By pausing these accounts and reducing unnecessary returns, Boozt has eliminated the need for approximately 300 delivery trucks during one year and saved approximately 310 tons CO₂e in 2021.

Fair Use policy in numbers

- Estimated annual CO₂e savings in tons due to the Fair Use Policy: **310**
- Decrease in total return volume: **16%**
- Number of customers currently paused: **25,000**
- Reduced hours in customer service: **7,000**
- Reduced amount of delivery trucks: **300**

Packaging

The impact of packaging is a core area of focus for Boozt, as we look for more circular options to ship orders. It’s important that customers receive their orders in the right-sized, recyclable packaging materials that minimise waste and ensure damage-free and intact delivery. The Boozt shipping bags are made from 100% recycled plastic, Blue Angel certified, and the shipping boxes are made from 100% certified paper to ensure full traceability and recyclability. 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. In 2021, we worked to reduce the amount of plastic filling in our shipments by repurposing cardboard as packaging material and testing its quality across various packaging alternatives.

Waste

For both our growing business and customers, we are persistent in our effort to reduce waste across our operations. Waste treatment methods and waste processes play an enormously important role in seeing waste as a resource and increasing the share of recycled waste. A local waste management facility handles our waste and also reports the different waste volumes to us so we are able to track and improve the process on a regular basis. The main part of the waste is recycled and in the past three years the share of recycled waste has increased from 62% in 2019 to 66% in 2021. Recycled waste mainly consists of cardboard and paper waste that is used as a resource to process it back into the same product. However, as of now, not everything is recycled. Two certified centres in Sweden are treating burnable waste and residual waste to generate heat and electricity for buildings. Organic waste such as food waste is used to generate biogas.

Total waste and waste treatment methods

in tons	2021	2020
Total waste ¹	2,197.5	1,350.1
thereof recycled	1,445.1	854.7
thereof incinerated to generate heat and electricity	710.8	453.8
thereof anaerobic digestion to generate biogas ²	41.6	41.6

¹ Increased total waste from 2020 due to change in product mix

² organic waste is currently estimated based on the average weight on a filled container

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Employees

The growth and well-being of our employees is always a top priority as the success of Boozt is a product of our talented, hardworking people and the array of skills they bring to the table. Knowing this, we strive to create a healthy work environment that provides opportunities for their continuous development and satisfaction. The company's Care-Why culture is about encouraging a curious and innovative mind-set, with a focus on making decisions that respect the company, customers and colleagues. This is supported by the company values of Trust, Freedom and Responsibility. More information and metrics about Boozt employees is available under People and Culture on pages 26-28.

Employee Diversity

We believe that the core strength of our company is the diversity of our backgrounds. At 38 nationalities, we acknowledge our differences but still share the same goals. Boozt strongly believe in and actively support each employees equal rights and are against any kind of discrimination, harassment or differential treatment as stipulated in the employee Code of Conduct.

Attracting the right talent with a fair and equal recruitment process is key for business success. A new tool for behavioral and cognitive assessments was introduced in 2021 to further support a transparent and fair recruitment process.

Parental leave for both men and women is an intrinsic part of our company and employees have the ability to combine part-time parental leave with part-time work. In 2021, 12% of Boozt Group employees took parental leave, thereof 31% men and 69% women. In Boozt Fulfilment Centre, 11% of the employees took parental leave, thereof 69% men and 31% women.



Professional growth and job satisfaction

We believe in giving freedom and responsibility for personal career development by offering employees 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. In this way, we can retain critical talent and skills in the business while allowing employees to evolve and challenge themselves. In 2021, a new internal training program for managers was developed focused on improving leadership skills and team performance.

Our employee engagement survey platform provides information about employee work satisfaction and facilitates the data needed to provide a healthy company culture. The platform uses an employee Net Promoter Score (eNPS) to benchmark employee engagement with others in the same sector. In 2021, the average aggregated participation rate for the survey was 73% (57% in 2020) and the average eNPS score was 50 (36 in 2020). This puts us in the top tier employee engagement benchmarked against our sector and means we reach our goal for employee engagement set in our Care-For strategy.

Health and Safety

Boozt is committed to contributing to the creation of healthier and happier employees. Our HR-policy, guided by the UN Guiding Principles on Business and Human Rights (UNGP) Discrimination and Harassment policy, covers occupational health and safety, as well as employee wellbeing. The company work environment is systematically reviewed and developed and a work environment handbook is available to all employees. 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 all employees at our headquarters and the fulfilment centre.

During the ongoing COVID-19 pandemic, the health and safety of our employees remained our main priority. We acted to ensure that employees had the necessary tools and resources to work from home, with IT and technical support and increased focus on internal communication with frequent updates from our CEO and around the business. Offices remained open with necessary safety and hygiene measures, including regular testing and physical-distancing procedures, implemented for the safety of employees working on location.

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Company health services

Our employees have access to medical evaluation and advice, including occupational health, on a weekly basis from an inhouse primary care doctor. During 2021, the doctor also offered voluntary tests for COVID-19. This, along with stricter hygiene measures and physical-distancing procedures, has ensured a safe working environment for employees working from the office. Having access to a medical professional, especially during this year, helps us tend to the wellbeing of employees and reduce sick-leave. In 2021, 37 employees (5.4%) in Boozt Group were on sick leave for more than 14 days (6.8% in 2020).

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 headquarters 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. We register the occurrence of any and all accidents. For severe accidents, which need to be reported to authorities in accordance with regulations, no accidents were reported in 2021.

Occupational safety at the Fulfilment Centre

All working conditions and environmental hazards are carefully considered and to prevent the high potential for work-related incidences we conduct frequent risk analyses. Risks related to the work environment include the risk of fire, 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 pain from recurring work and forklift accidents. For severe accidents and incidents, which need to be reported to authorities in accordance with regulations, three accidents and no serious incidents were reported in 2021.



Social 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 2021 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.

“Boozt has brought together a strong team to raise awareness for cancer prevention and research through our support of the Knæk Cancer campaign”

5-skoler

We work 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. Boozt's donations during the year 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 eighth year in a row, Boozt has brought together a strong team to raise awareness for cancer prevention and research through our support of the Knæk Cancer campaign. In 2021, we have raised more than SEK 1.8 million for this important cause. The full amount raised was donated to Knæk Cancer and goes toward the prevention, research, and support for patients and relatives. We will continue to partner with well known Nordic fashion brands to bring greater awareness and support the Knæk Cancer campaign.

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Responsible Selection

Boozt aims to make sustainable choices easy for customers through transparency and technology. As a part of the fashion industry and together with our brands, we strive to guide our customers towards more sustainable consumption. The company continues to explore new models and scalable solutions that help prolong the life of products. In 2021, the second-hand platform ReBoozt was launched, promoting a more circular approach to buying fashion and lifestyle products where customers can resell and buy previously purchased items from Boozt.com.

The Made With Care section on Boozt.com was launched during 2021, aimed at helping customers shop according to their values. Customers can browse fashion and beauty products that meet the sustainability criteria set by Boozt. The Made With Care experience also acts as an informative space for customers to engage with the complex topic of sustainability through content that is transparent, inspiring and easy to understand. By the end of 2021, 21% of our apparel assortment was part of our Made With Care category.

Boozt continues to raise its standards for brands that are part of the Made With Care assortment. Along with the launch of the new section, the scope for the sustainability criteria has been updated. The Fashion and Beauty criteria are shared publicly and are available at:

<https://www.booztgroup.com/>

With Boozt's ambition to offer a larger selection in the Made With Care category, we are meeting a growing consumer interest and demand for Made With Care products. The share of orders that contain Made With Care products increases continuously and reached 22% by the end of the year. Similarly, the share of net sales out of total net sales, that is generated through the Made With Care assortment, has grown steadily throughout the year and reached 17% in December.

Supply Chain Management

As a retailer, we strive to ensure that any products and goods sold by us have been produced under safe and fair working conditions. Our Boozt Suppliers Code of Conduct aims to outline minimum requirements for suppliers, including respect for human rights and decent working conditions. To amplify our efforts we have joined the multi-stakeholder alliance the Sustainable Apparel Coalition (SAC) in 2020.

Supplier Assessment

Boozt works to establish ongoing due diligence efforts across its value chain and monitors compliance with supplier requirements. During 2021, Boozt completed the first Brand and Retail Module (BRM) assessment in collaboration with the SAC, to better understand the social and environmental risks in our supply chain.

As part of the company's goal to ensure 100% of our apparel brand partners are committed to supply chain transparency and to working with the Higg BRM tool we are collaborating with the SAC and other third party retailers to onboard around 100 brand partners on the Brand and Retail Module (BRM). At the end of 2021, 69 of our brands are either SAC members or BRM users. In 2022, we hope to onboard an additional 100 brands partners to the platform. We see this as an opportunity to push for standardized reporting regarding environmental social & labour impacts across the value chain and a tool for preventative risk assessment.

From 2022, Boozt starts systematically assessing suppliers in terms of their ESG performance through the distribution of a supplier survey. The first part of our survey focuses on the extent of compliance with the Suppliers Code of Conduct and other Governance aspects. More sections with environmental and social questions will be added to the survey to help understand where brands are on their sustainability journey and to identify improvement areas where we can support them.



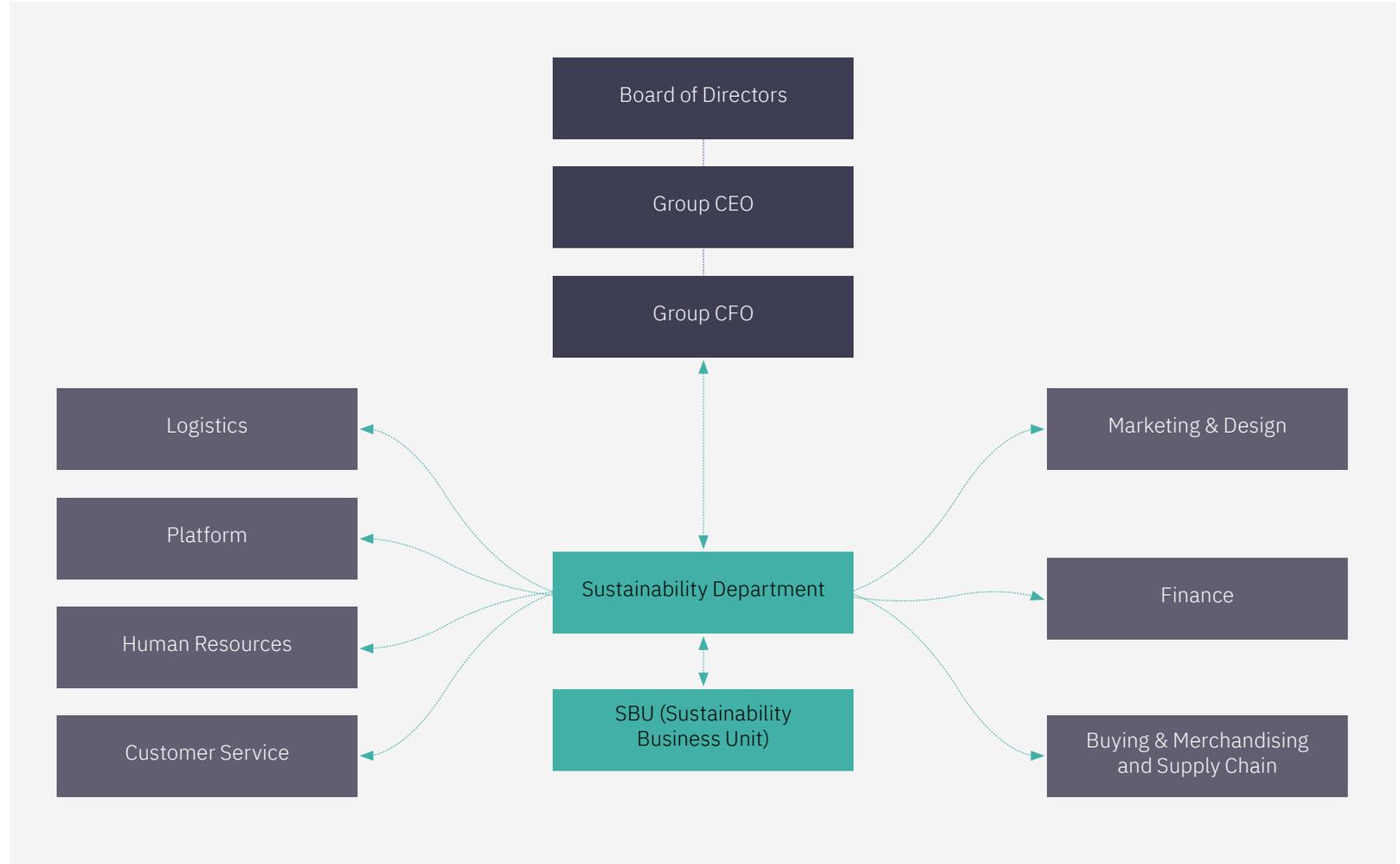
Governance

Boozt are committed to conducting our business responsibly, with the highest possible standards of ethics, openness, and transparency. The company's sustainability work is an integrate part of the business and the structured processes for mitigating and managing all risks and possibilities. Read more about Boozt's Risk management on pages 41-43.

Sustainability governance structure

The sustainability manager is responsible for the implementation and execution of the Boozt Group sustainability strategy together with the executive management team. The sustainability department is responsible for setting the Group wide sustainability strategy, goals, policies and internal procedures. Their role includes integrating relevant metrics into the business through collaboration across the organisation as well as external stakeholders. Internal sustainability business unit meets monthly to discuss progress against sustainability key performance indicators.

Sustainability data collected is reported through a ESG reporting platform and reviewed quarterly. The sustainability manager reports directly to the Group CFO and reviews findings with the CEO and CFO. Group performance is reported to the Board of Directors once a year.



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Standards and policies

To support Boozt's Care-For strategy and sustainability goals the company follows various standards and polices to ensure compliance with rules and regulations and the protection of its operations and employees. Where applicable, the standards and polices are developed based on internationally recognized initiatives such as the UN Guiding Principles on Business and Human Rights.

Supplier Code of Conduct

The Boozt Supplier Code of Conduct sets the minimum standards requirement. 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.

Animal welfare policy

The Animal Welfare policy is updated to align with principles on 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.

Environmental policy

We conduct a yearly follow-up of our direct environmental impact and have initiated mapping and measuring of indirect impacts. The environmental policy commits 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, GRI (Global Reporting Initiative) and CDP.

Whistleblower policy

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. 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 2021.

Anti-corruption and 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 Corruption Practices Act. These policies include never-acceptable practices and monitoring activities to support the prevention of corruption, bribery, and conflicts of interest. All policies are reviewed at least once a year and formally approved by the Board of Directors at a Board Meeting during the fiscal year. Anti-corruption policies are communicated to all brands and business partners through our Buying and Merchandising department. To ensure communication of the internal Code of Conduct to all levels of the company the document is available on the intranet, and all employees sign a document acknowledging its receipt. No substantiated complaints of corruption or anti-competitive behaviour were reported in 2021.

Data privacy and security

Data security and integrity is a strategic priority for the company and as part of our compliance work, we have processes in place to meet EU laws and local law frameworks on data protection. Based on a risk-based approach, as advocated by GDPR, we especially focus on high impact areas such as further improving our data management, internal training, and Boozt's transparency towards our data subjects. In 2021, we worked on digitising and reorganising our internal privacy controls, taking a holistic view of the data that is being processed by us. An internal GDPR system was implemented requiring each department within Boozt to document any processing activity and its purpose.

Both in compliance with GDPR, for the trust of our customers and employees, we have put controls in place (and are continually improving) for data subjects to exercise their rights under GDPR. This year, we have updated our privacy communication to improve transparency and make it easier to understand. Increased accessibility of privacy controls has shown that more and more customers are making a conscious choice in relation to their data.

Cross-border activity in a digital environment requires the company to be up to date with all the legislative updates in the areas where our operations are active, such as the European Commission's decision on new standard contractual clauses for the transfer of personal data to countries outside the European Economic Area. Strategic cooperation with leading EU law firms ensures we stay up to date with local data protection laws while also preparing for future developments.

Established data infrastructure allows us to 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.

Additional information

Stakeholder engagement

Boozt values the ongoing dialogue with our stakeholders. This table provides an overview of key stakeholder groups identified, how we interact with these stakeholders, as well as key topics raised throughout the ongoing stakeholder dialogue.

Stakeholder	Interaction and dialogue opportunities	Key Sustainability Topics
Customers	Customer service, customer satisfaction ratings, emails, social media, webportal Boozt.com, certifications (product descriptions), Sustainability Report, FAQ section on customer service page	Made With Care category and sustainability criteria for products to be in the category, sustainability in Boozt operations, packaging, claims and repairs, customer privacy and security, ReBoozt
Brand Partners	Partnership / joint projects, Boozt Partner Portal, meetings, agreements, sustainability data templates	ESG supplier survey and assessment, materials and certifications, packaging, eligibility and products in the Made With Care category, SAC and HIGG BRM (Brand and Retail Module)
Distribution Partners	Meetings, agreements, ESG data platform	Emissions reporting, GHG emission methodology, route planning, return handling
Employees	Employee survey, code of conduct, policies, staff handbook, procedures, training and teaching modules, all staff meeting, Intranet, work environment groups	Talent acquisition, employee development, health and work environment, equality and diversity, business ethics and environmental aspects in our own operations and the supply chain, social engagement, customer awareness
Shareholders & Investors Community	Investor meetings, board meetings (selective), corporate communication publications (annual report and sustainability report, financial statements, corporate web, audiocasts)	ESG reporting and legal requirements, supply chain transparency, requirements for brands, gender diversity, policies and internal control, consumer privacy and data security, climate impact & GHG emissions, distribution
Media	Press releases, interviews, panel discussions	Made With Care category, Fair Use Policy, packaging, consumer behavior, delivery and returns, climate impact & GHG emissions
Research Institutions & Education	Research projects, network meetings, workshops in schools, surveys	Sustainability awareness and education, packaging, delivery and returns, climate impact & GHG emissions, corporate sustainability, consumer behavior

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GHG emissions - Methodology

Definitions of Scope 1, 2 and 3:

Scope 1: Direct emissions of greenhouse gases from sources owned by us that are not connected to energy delivery. This includes company vehicles.

Scope 2: Indirect emissions of greenhouse gases as a result of the consumption of purchased electricity, heating and cooling in our locations. Following the new reporting requirements of “dual reporting” by GHG protocol we disclose scope 2 emissions according to two methods. Location-based emissions are determined by the average emission factor of the local grid. Market-based emissions are the ones associated with your procurement of energy from a contracted energy supplier and that may be used in competitive energy markets. This means that any green tariffs or renewable certificates can be considered in the final market-based emission calculation.

Scope 3: Other indirect emissions generated in the value chain, that for example result from waste generated, the consumption of materials, goods, fuels, transport with vehicles that are not owned by the organization.

Scope and Category	Description of the activity data and sources	Emission calculation method	Scope
Scope 1 CO₂e emissions	The total fuel amount (in litres) per fuel type and the car-specific amount of fuel used per kilometre (litre/km) is used to estimate the driven kilometres. Emitted CO ₂ e per kilometre for the specific car model is taken from Transportstyrelsen (Swedish Transport Agency) and multiplied with the driven kilometres.	Distance-based method	Refers to all driver individual company cars as well as pool cars
Scope 2 CO₂e emissions	Calculated emissions are based on the quantities and energy sources of heating, cooling, electricity consumption. Location-based and market-based emissions are disclosed separately.	Average-data method	Refers to energy consumption of: headquarter, fulfilment centre, offices in Lithuania and Aarhus, 2 Retail stores, outdoor marketing signs
Scope 3 CO₂e emissions: Upstream			
Data Centre and Cloud Usage	Emissions are based on the electricity associated with the usage of covered Google Cloud services and refer to location-based emissions. Read more about Google’s Carbon Footprint reporting methodology on: https://cloud.google.com/carbon-footprint/docs/methodology	Average-data method	Refers to all operations and entities using google cloud
Fuel- and Energy-Related Activities	Calculated emissions are based on the quantities and types of fuel as well as the quantities and energy sources of heating, cooling, electricity consumption	Average-data method	Refers to energy consumption from headquarter, fulfilment centre, offices in Aarhus and Lithuania, 2 Retail stores, outdoor Marketing Signs, and fuel consumption from all company cars
Business Travel	Emissions are based on the travelled kilometers and type of flight (domestic, nordic, european, international). Source for emission factors: DEFRA (UK Department for Environment, Food and Rural Affairs)	Distance-based method	Includes emissions from air travel and hotel nights
Waste generated in Operations	Calculated emissions are based on the weight of the waste type (in tons) and the specific waste treatment method. Source for emission factors: BEIS (UK Department for Business, Energy & Industrial Strategy)	Waste-type-specific method	Refers to waste from the fulfilment centre
Scope 3 CO₂e emissions: Downstream			
Downstream Transportation and Distribution	Distributors are reporting the kilometres, number of packages and total CO ₂ e emissions per transport mean in our ESG data platform. Data refers to both delivery and return shipments.	Supplier-specific	Includes emissions from road and air transportation and represents emissions of 93% of all packages delivered

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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 on the pages 63-75 for the year 2021 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 March 24, 2022

Deloitte AB

Signature on Swedish original

Didrik Roos

Authorized public accountant

