

# Interim Financial Report H1 2023

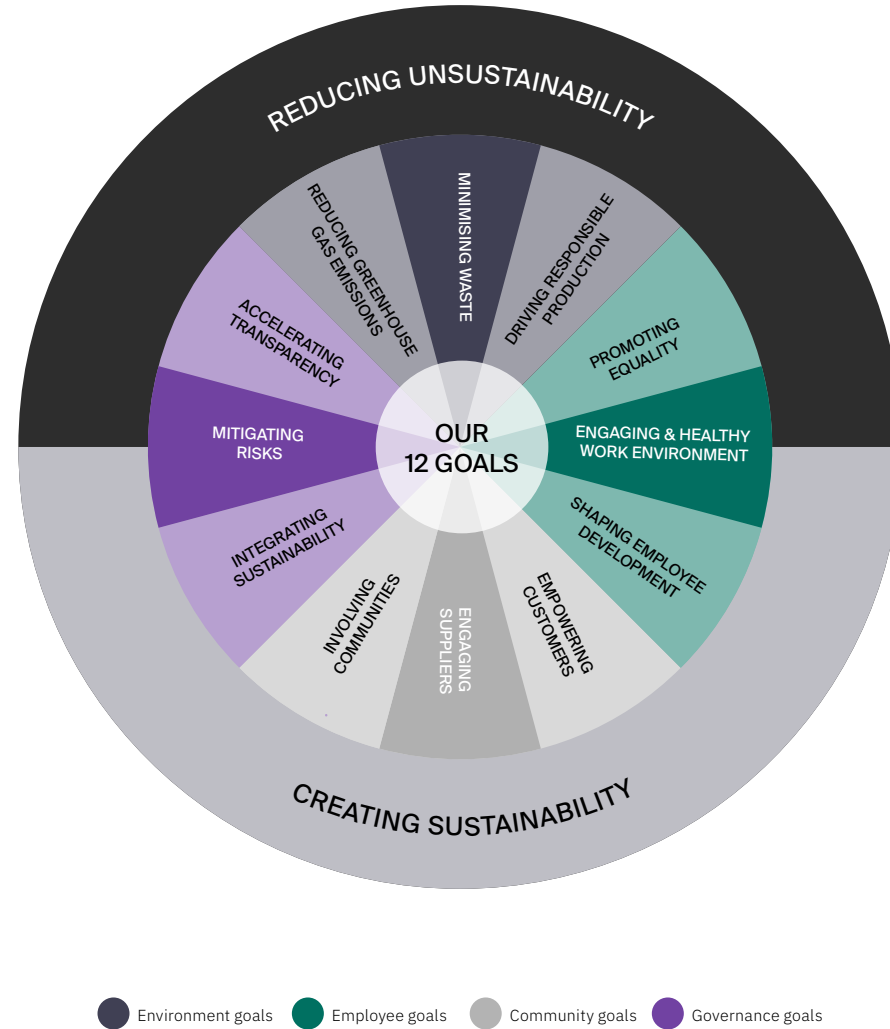
January 1 - June 30, 2023

# Group Development - ESG Highlights

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

## Care-For strategy

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



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

## ESG KPIs

ESG KPIs	Apr 1 - Jun 30, 2023	Apr 1 - Jun 30, 2022	Jan 1 - Jun 30, 2023	Jan 1 - Jun 30, 2022
CO <sub>2</sub> e intensity per order (kg)	0.37	0.37	0.44	0.43
Share of renewable electricity (%)	98.1	97.9	98.2	98.1
Share of recycled waste in the Fulfilment Centre (%)	75.0	58.2	73.4	60.0
Employee Net Promoter Score (eNPS)	61	39	59	42
Average aggregated participation rate of the employee survey (%)	91	66	89	68

### Notes to the ESG KPIs

#### CO<sub>2</sub>e intensity per order (kg)

The CO<sub>2</sub>e intensity per order is calculated by dividing the emissions of deliveries and returns (category Scope 3 Upstream transportation and distribution emissions) by the number of orders shipped. Emissions are reported in Well-to-Wheel (WtW). The reported value covers 98% of the order volume in Q2 2023 (Q2 2022: 96%).

#### Share of renewable electricity (%)

The Share of renewable electricity is calculated by dividing the total renewable electricity consumption by the total electricity consumption. Renewable electricity is powered by hydropower, solar energy and wind. In Q2 2023, the solar panels installed on the roof of the Fulfilment Centre generated a total of 205,602 kWh of electricity.

#### Share of recycled waste in the Fulfilment Centre (%)

The share of recycled waste is calculated by dividing the total recycled waste by the total waste generated. The treatment method for the remaining waste is waste-to-energy (WtE) in certified centres in Sweden, close to the Fulfilment Centre. In the second quarter, 271.8 tons were recycled, which is about 75% of the total waste generated (Q2 2022: 58.2%). The increase in the share of recycled waste is due to a higher amount of sorted and recycled plastic packaging and an increase in reused wood.

#### Employee Net Promoter Score (eNPS)

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

#### Aggregated participation rate of the employee survey (%)

Calculated as the average of the quarter, the aggregated participation rate demonstrates a significant increase in Q2 2023, reaching 91% compared to 66% in Q2 2022.

## Development per goal area

### Environmental

#### *Minimising Waste*

- In 2022 Boozt supported Re-Zip in the application process for the funding that was successfully granted and the project started in June. Our focus is on developing a circular bag for our automated Fulfilment Centre, providing a sustainable alternative to single-use packaging. By showcasing the feasibility and benefits of circular packaging, we contribute to the project's objective of driving the industry's transition towards a cost-effective and sustainable circular economy.

#### *Driving Responsible Production*

- Higg BRM Foundation pilot project: Boozt together with retailers and brands is supporting the Sustainable Apparel Coalition (SAC) on the development of the Brand & Retail Foundation module. The BRM Foundation is an entry-level sustainability assessment that sets the bar to define a minimum level of expectations on corporate responsibility practices for brands and retailers in the textile and footwear industry.

### Employees

#### *Engaging & Healthy Work Environment*

- High employee engagement with an aggregated participation rate of 91% in Boozt's monthly employee survey. The resulting Employee Net Promoter Score (eNPS) has improved significantly to a score of 61 (Q2 2022: 39).

#### *Shaping Employee Development*

- For the 12th year in a row, our talented tech community came together for Boozt's annual Platform Conference. With 200 talented Boozt developers and engineers in attendance, spread across our five tech hubs in Malmö, Copenhagen, Vilnius, Poznan, and Aarhus, it's been three days of knowledge sharing, innovation, and networking.

### Community

#### *Empowering Customers*

- Boozt has taken a more proactive approach to data collection due to brands not providing this detailed information. Boozt reached out to the most widely used product certifications to ensure validation of the information provided by brands. By implementing more rigorous criteria and pursuing comprehensive sustainability data, Boozt is dedicated to meeting the demands of responsible consumers and ensuring that our product assortment aligns with the highest sustainability standards.

#### *Involving Community*

- Boozt is the official logistics partner for the Royal Run delivering the running shirts and competition numbers to each participant, bringing people together and promoting a healthy and active lifestyle.
- Boozt has participated in Almedalsveckan 2023 - Sweden's political festival, the CFO has joined seminars, engaging panel debates, and meetings on topics such as digital innovation, the importance of collaborative action towards more sustainable consumption and the EU Green Claims Directive.

#### *Engaging Suppliers*

- Higg BRM joint effort: Boozt has nominated and contacted 147 brands representing 68% of our business volume to complete the Higg BRM 2022. At this stage, Boozt onboarded and received the data from 68 brands, equivalent to 45% of Boozt's business volume.

### Governance

#### *Accelerating Transparency*

- Boozt submitted the self-assessment of the Higg Brand and Retail Module (BRM) 2022. The Module is a tool measuring social and environmental supply chain impacts in a standardized way.
- Boozt answered the survey of the sixth edition of the Swedish Corporate Sustainability Ranking. The ranking is conducted by Dagens industri, Aktuell Hållbarhet and Lund University School of Economics and Management. In addition to reviewing corporate reports and homepages, the ranking process includes a survey to assess companies' sustainability practices.

#### *Mitigating Risks*

- Boozt has received the highest AAA rating in the MSCI ESG Ratings assessment which places Boozt in the top 6% of its sector. The MSCI ESG Ratings assessment evaluates companies based on their organizational capacity and level of commitment to addressing financially relevant ESG factors. More information about the MSCI rating can be found in the press release [here](#).

#### *Integrating Sustainability*

- Boozt's sustainability strategy served as a case study for an internal master thesis project in collaboration with Lund University. Boozt has contributed with in-depth interviews.

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