

# Interim Financial Report Q4 2023

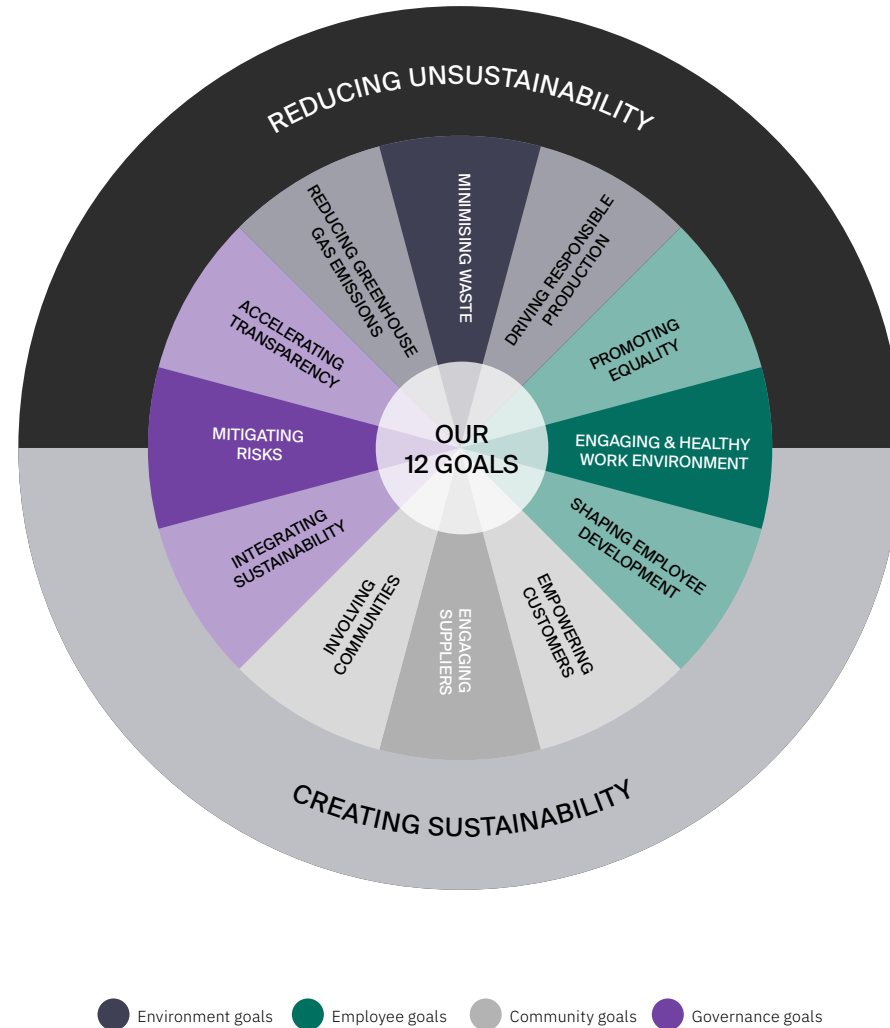
January 1 - December 31, 2023

# ESG Highlights

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

## Care-For strategy

The sustainability Care-For strategy is the roadmap for how to become the leading e-commerce company in the Nordics. As part of this, Boozt has updated its Care-For strategy and goals to ensure they align with the strategic direction of the business and take into account external trends and overall development in society. To cement our efforts across the relevant areas in alignment with our commitment to the ongoing B Corp certification, Boozt's efforts are focused on four dimensions: Environment, Employees, Community and Governance. Within each dimension, Boozt is working with goal areas and has set 15 targets to support the sustainability Care-For strategy. Status on the relevant goal areas and targets can be found on page 13, '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	Oct 1 - Dec 31, 2023	Oct 1 - Dec 31, 2022	Jan 1 - Dec 31, 2023	Jan 1 - Dec 31, 2022
CO <sub>2</sub> e intensity per order (kg)	0.43	0.52	0.44	0.49
Share of renewable electricity (%)	98.2	98.4	98.1	98.1
Share of recycled waste in the Fulfilment Centre (%)	74.1	68.5	74.2	60.0
Employee Net Promoter Score (eNPS)	63	45	60	42
Average aggregated participation rate of the employee survey (%)	87	77	88	71

### 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 99.8% of the order volume in Q4 2023 (Q4 2022: 99.5%).

#### 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.

#### 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.

#### 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 Q4 2023, reaching 87% compared to 77% in Q4 2022.



## Development per goal area

### Environmental

#### *Minimising Waste*

- Boozt has partnered with Catena on a pilot project to assess biodiversity in preparation for the construction of a new warehouse. The project focuses on changes to biodiversity when constructing the new warehouse, as well as on options for limiting negative effects and promoting biodiversity. This pilot project is a first step to mapping the impact of Boozt's own operations on biodiversity.
- In the fourth quarter, 443.4 tons of waste were recycled, which is about 74.1% of the total waste generated. In comparison with Q4 2022 (68.5%), this is a significant increase, signalling an important step towards the Care-For target of 80% recycled waste by 2026. The increase in the share of recycled waste is due to a higher amount of sorted and recycled plastic packaging and an increase in sold and reused wood.

### Employees

#### *Engaging & Healthy Work Environment*

- High employee engagement with an aggregated average participation rate of 87% in Boozt's monthly employee surveys. The Employee Net Promoter Score (eNPS) of Q4 reached an average of 63 (Q4 2022: 45). Boozt's eNPS score ended in December at an all-time high of 68 placing Boozt in the top 2% of the world compared to Peakon Workdays Global Industry Peer benchmark.

#### *Shaping Employee Development*

- During the fourth quarter, Boozt had the second round of structured Development talks between managers and employees. The implementation of structured Development talks is part of Boozt's continuous desire to support its employees' development, performance and high engagement. We see internal mobility as a strategic driver and a way of preparing for the continued growth of Boozt's workforce.

### Community

#### *Empowering Customers*

- Boozt deepens its commitment to responsible marketing by actively participating in a Swedish Trade Association working group focused on understanding and implementing upcoming EU Greenwashing regulations.

#### *Involving Community*

- As part of the EU LIFE RE-ZIP project, Boozt has partnered with the Stockholm School of Economics to develop a business case that promotes circular practices among consumers. The EU LIFE RE-ZIP project aims to establish a comprehensive international infrastructure for circular packaging in the e-commerce sector.
- Boozt has collaborated with Lund University on a case study focused on the changing marketing landscape in light of the upcoming EU Greenswashing Directive in relation to the Made With Care shop.

#### *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. Out of the 147 brand partners contacted, 69 completed the Higg BRM, representing 44% of Boozt's business volume in the apparel and footwear segment.
- Boozt co-hosted the first Fashion Transparency Summit together with Fashion Cloud and several Europe's leading retailers. Over 150 industry leaders, professionals, and sustainability experts gathered in Amsterdam for a day focused on the need for sustainability-related data.

### Governance

#### *Accelerating Transparency*

- Boozt scored 33 (out of 100) in the 2023 S&P Global Corporate Sustainability Assessment (2022: 25 (out of 100)). The average score within the industry group for retailing is 19.
- In 2023, Boozt actively engaged with Sustainalytics for the first time, providing feedback for the management indicator report as part of the comprehensive framework research process. Boozt's ESG Risk Rating falls within the medium risk category, with a score of 22.2, representing a slight improvement from previous years' assessment of 22.8.
- Boozt has engaged with and provided feedback to Carnegie's sustainability guide 2023. Carnegie's sector-based ESG ranking has been developed to promote sustainability work and reporting among the companies in their coverage. In 2023, Boozt ranked Top 3 in the sector "Specialty stores & retail" with a score of 72%. This is an improvement from rank 6 with a score of 69% in 2022.

#### *Mitigating Risks*

- With the goal of ensuring the Board of Directors' expertise in the CSRD's requirements, Boozt organized a training session conducted by Boozt's auditors to enhance the board members' ability to effectively manage the CSRD implications.
- To prepare for the implementation of the CSRD, Boozt initiated the process of conducting a comprehensive gap analysis and double materiality assessment. This evaluation aims to identify any gaps between current practices and CSRD requirements and to ensure that Boozt adequately identifies and addresses the company's most significant ESG impacts.

#### *Integrating Sustainability*

- In December, Boozt's Sustainability team hosted a series of informative lunches where employees had the opportunity to ask questions, share their thoughts, and gain a deeper understanding of Boozt's sustainability strategy. These open forums facilitated transparency and encouraged employee participation in the company's sustainability journey.

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