

Interim Financial Report Q1 2024

January 1 - March 31, 2024



ESG

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. 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 targets to support the sustainability Care-For strategy. Progress on goal areas and targets can be found on page 12, 'Development per goal area'.

CSRD and ESRS Implementation

Boozt is committed to continuous improvement in its sustainability practices. Over the past two years, Boozt has consistently reported on selected ESG KPIs and highlights on a quarterly basis. With the recent shift in the legislative landscape with the upcoming Corporate Reporting Sustainability Reporting Directive (CSRD) regulation and its European Sustainability Reporting Standards (ESRS), Boozt is adapting to embrace stricter, unified standards that will ultimately drive meaningful change within the industry. While Boozt's quarterly reporting undergoes changes to align with the upcoming CSRD and ESRS regulations, stakeholders will stay informed about Boozt's ongoing ESG initiatives and projects through the section 'Development per goal area'.

Boozt is actively preparing for the new CSRD and ESRS regulations. In terms of completed steps and milestones, Boozt initiated the implementation journey in 2023, by deciding to add the ESRS solution for enhanced management and reporting into the ESG software Position Green. Boozt completed the impact perspective as part of the Double-Materiality assessment. This step involved a comprehensive evaluation of Boozt's business context, value chain, and reporting scope, followed by stakeholder engagement and research to define material topics and data priorities. This step laid the groundwork for identifying and assessing Boozt's material topics and reporting scope. Boozt conducted a gap analysis to identify material topics, and areas for improvement and define data collection priorities. The next step is to assess the financial perspective with key internal stakeholders. Currently, Boozt is setting up the data management system for ESRS. This involves incorporating the full ESRS framework, encompassing over 1,000 data points according to the material topics, allowing data collection testing. Boozt will continue to report on the progress of the CSRD implementation in the Q2 report.



Development per goal area

Environment

Reducing GHG emissions

- At the beginning of 2024, Boozt has submitted science-based targets to the SBTi and is currently waiting for validation. Once validated, the targets will be publicly accessible on Boozt's website: www.booztgroup.com/environment

Minimising resource use

- As a part of Boozt project to assess the impacts and opportunities for biodiversity when constructing a new warehouse, a stakeholder engagement workshop was held in January in collaboration with Catena. The purpose of the workshop was to create a dialogue with the local community regarding the project area, its ecological and the social impact of the construction on the community.

Driving responsible production

- Launch of Boozt Claim Intelligence, a tool designed to provide partner brands with important insights about claims. These insights enable a more proactive approach to product quality and customer satisfaction. With the tool, brands can share complaint data with their manufacturers to improve and ensure increased transparency and knowledge throughout the entire production chain.

Employees

Engaging & Healthy work environment

- High employee engagement with an aggregated participation rate of 85% in Boozt's monthly employee survey. The resulting Employee Net Promoter Score (eNPS) has improved significantly to a score of 70 (Q1 2023: 57).

Shaping employee development

- Introducing the Peer Review: An initiative to strengthen Boozt's feedback culture. Employees will have the opportunity to request feedback from their peers. This is a great way to learn and get feedback from colleagues.

Community

Empowering customers

- Boozt has implemented the latest criteria across the department store resulting in a smaller product assortment included in the Made With Care shop. This is part of Boozt Care-For's strategy to engage suppliers towards stricter sustainability data requirements and build consumer confidence.

Involving Community

- Boozt is carrying out a consulting business case with four MBA students from the USC Marshall School of Business (University of Southern California) focused on piloting the integration of the Re-ZIP Circular packaging into Boozt's logistics flow. The results of the business case will be presented at the end of April.

Engaging Suppliers

- Higg BRM 2023: Joint Action for the third year, Boozt is collaborating with Cascale (formerly Sustainable Apparel Coalition) to onboard brands to the Higg BRM Module requesting standardised supply chain data.
- Boozt has requested environmental and social certifications on a product level to 60% of its Brand Partners for eligibility to the Made With Care shop. This is part of Boozt's commitment to a data-driven and proactive approach to mitigate greenwashing risk.
- Boozt worked on the development of a ESG supplier scorecard as set in the Care-For target to integrate ESG performance in purchasing decisions by 2024. Boozt is engaging with internal and external stakeholders to ensure successful implementation.

Governance

Accelerating transparency

- Boozt published the Annual and Sustainability Report for 2023 including the ESG Data Summary presenting approximately 160 KPIs across the areas Environment, Employees, Community and Governance. Find the full report [here](#).
- Boozt scored B- in CDP's Supplier Engagement Rating (SER). B- is on the Management band and higher than the Europe regional average of C, and the same as the Discretionary retail sector average of B-. CDP's annual Supplier Engagement Rating (SER) is designed to evaluate and spur action on corporate supply chain engagement on climate issues, based on the CDP climate change questionnaire.

Mitigating risks

- First Limited Assurance of the full Sustainability Report carried out by Deloitte in accordance with ISAE 3000.

Integrating Sustainability

- Boozt hosted the second internal Clothing Swap event promoting circularity and reduction of textile waste. The initiative is part of Boozt's commitment to foster engagement with sustainability across the organisation.
- Boozt launched a cross-department newsletter to promote internal knowledge sharing and industry insights.

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