

Sustainability report

This report constitutes our first GRI report and UN Global Compact Communication on Progress, as well as our statutory annual report.

The GRI Index can be found on:

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

Value chain and goals	22
Empowering our people	26
Smarter product flows	30
Building a sustainable future for fashion	34
High ethical standards.....	36

A sustainable business

Boozt's sustainability approach – our challenges and opportunities

Boozt is dedicated to delivering fashion to our customers, through high-tech solutions and a curated selection of fashion brands. In this pursuit, sustainability is becoming more and more crucial for our business' success and for the industry movement we want to be part of shaping. As we market thirdparty products and do not own or operate any production facility, we are limited in our ability to control our suppliers' own supply chain. This does not excuse us from taking responsibility and we believe our greatest opportunity to contribute to sustainability is by engaging with our supply chain partners. It is the current and future dialogue with our partners and suppliers, such as brands, logistical partners, our customers, and other important stakeholders, that is a focal point for our sustainability work.

In addition to the dialogue evolving with our supply chain partners, we work to reduce the direct negative impacts our activities might have on society and on the environment. We are committed to conducting business responsibly, with the highest possible standards of ethics, openness and transparency. Areas of emphasis for our internal sustainability work include high environmental standards at our head office and fulfilment centre through energy consumption and waste management, the working environments of our employees and contractors-, and finally the materials used in our packaging. In 2018, we invested in solar panels for our Boozt Fulfillment Center and took steps toward developing non-fossil biodegradable bags for shipping products to our customers.

Internally, we will continue to support and create opportunities for our employees' development. Our employees have an absolutely central role in order for us to enable sustainable change and create results. Continuously improving the conditions for a healthy and efficient workplace is therefore always a priority.

Value chain and goals

Building blocks for a sustainable future

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 anti-corruption in all forms. It also includes taking action to deliver on the Sustainable Development Goals (SDGs), where we are in the early stages of aligning our business goals with them. This report serves as our first Communication on Progress (COP).



Focus areas for sustainable development

Beginning with this report, we will 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 good framework for analysing and focusing our sustainability efforts. A materiality analysis was conducted in 2018 to identify the most important sustainability issues we needed to address. Accordingly, our focus areas include the economic, social and environmental topics we have prioritised. Considering our societal and environmental impact, four focus areas were deemed material for us. These are based on stakeholder dialogue with customers, employees, the investor community and our suppliers. The

four identified focus areas for sustainable development further explored in this report are: empowering our people, smarter product flows, building a sustainable future for fashion and abiding by high ethical standards.

The Sustainable Development Goals (SDGs)

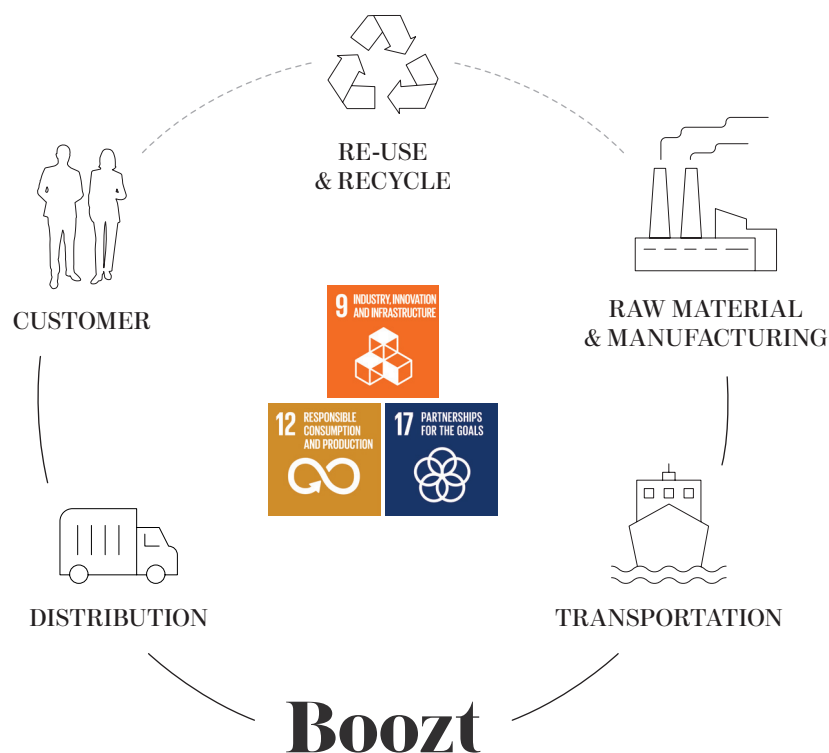
While we feel many of the SDGs include important bearings for supporting our contribution to sustainable development, the most relevant development goals we have chosen to address are SDGs 9, 12 and 17.

SDG 9



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

With the emergence of the internet in the '90s, the e-commerce concept of buying and selling products and services only truly launched in the early 2000's. This modern marketplace is a type of business/industry closely connected to businesses within logistics and warehousing. Retailers, logistical providers and businesses operating in



Boozt's focus areas for sustainable development

Smarter product flows

- Minimise unnecessary returns
- Enable intelligent customer decisions
- Sustainable and smarter packaging and distribution solutions
- Waste handling

Building a sustainable future for fashion

- Promote and trace materials sources
- Set environmental and social standards for brands
- Engagement/Sponsoring
- Communicating with the customer

High Ethical Standards

- Anti-corruption
- Insider trading
- Anti-competitive behaviour

Empowering our people

- Health promotion
- Values
- Learning and growth for people and their skills
- Diversity by default – equal opportunities

the industry of warehouse management are all developing fast and pushing their boundaries in order to tackle the opportunities and changes this industry brings to both customers and societies.

The impact the e-commerce business has on the local community is hard to estimate. One of the greatest impacts is in relation to the transport of goods and how customers transport themselves when picking up packages (or if they choose to receive it by home-delivery). The implications of the e-commerce model contrasted to the brick and mortar shop, where customers transport themselves to the different shops they need to visit, is widely debated but lacking analysis and empirical findings. The true impact in the change of buying patterns is therefore not fully known. But no matter the result we strive to reduce our ecological footprint.

Being innovative, especially with respect to distribution, is essential for our operations as well as our ability to stay competitive. This includes finding a more efficient and inventive use of resources, with our packaging material, warehouse technologies and the way goods are transported. Innovation in our industry and infrastructure is essential for our business and for achieving sustainable e-commerce. Therein, we consider SDG 9 key.

Agility for the future

Examining the intersections of our fulfilment centre and the practise of sustainability allow us to foresee greater demands for systematic approaches to updating our existing infrastructure for the near future. We will continue honing the quality, reliability and sustainability in our fulfilment centre.

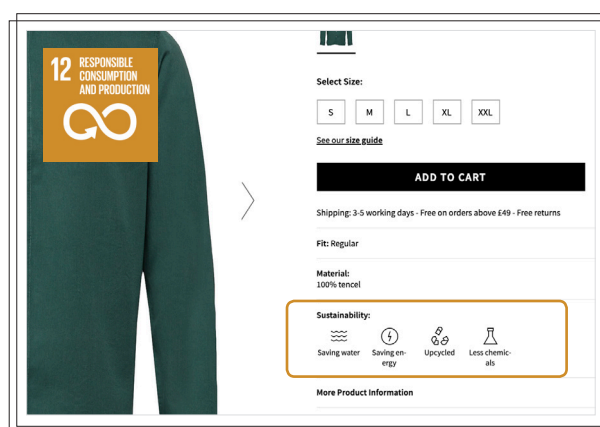
After introducing automation to the fulfilment centre in 2017 to improve resource-use efficiency and accuracy, we wanted to further enhance our renewable energy sources. In 2018, solar panels were installed on the roof of the fulfilment centre to produce solar energy. A major innovative step we also took in 2018 was reducing our dependency on fossil plastic packaging material with our new 100% biodegradable bags. Future steps for 2019 include further engagement with distributors in new-energy-projects, more investments in newer technologies and advancing the build out of self-

sufficient energy to optimise how we manage our energy consumption.

We aim to address Goal 9 through:

- Promoting innovation and new technical solutions to increase resource-use efficiency within our own operations
- Promoting and engaging in innovative distribution alternatives

SDG 12



Goal 12. Ensure sustainable consumption and production patterns.

Societal responsibility involves both businesses and consumers doing more with less. This responsibility also includes the returning, wasting and disposing of less. The fashion industry often goes against the grain of circularity as it is an industry known for emphasising the latest must-have fads and that last season's purchases are no longer in-style. Yet what this industry decides to do has a significant global impact and vital role for SDG 12. Although we do not produce our own label, we still contribute to the fashion sector. Together with our brands, we want to be both circular and responsible in the handling of all materials and waste. While we would like our customers to buy goods from us, our wish is that the items they purchase will last long. With respect to the environmental impact from our industry, the re-cycling and re-use of clothing/materials is crucial. Contributing to the proliferation of this industry and considering the environmental impacts, we see SDG 12 as essential to our focus.

Brands & Products

One initiative towards addressing SDG 12, is our brand partner survey which we distributed for the first time in 2018. The purpose was to gather information to improve the categorisation and navigation of sustainable products. With the data collected from our brand partner surveys, we could identify the sustainable icons to help customers distinguish environmentally-friendly choices on the web-shop.

We will continue focusing on data to stay aligned with Goal 12 in 2019. This includes aiming toward taking pro-active approaches to improving product data and developing sustainability guides for customers. We will also map out brand sustainability performance to identify maturity and focus areas. We believe this is a way to support and motivate sustainable materials and responsible production by our brands as well as help our customers recognise those brands and products.

We aim to address Goal 12 through:

- Helping consumers make “better” sustainable choices
- Working with brands to access better data (promoting transparency, alternative material choices)
- Via events and initiatives to advocate for a closed-loop fashion mentality
- Responsible use of resources within our own operations

SDG 17



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

We make up a small part of the whole supply chain. As retailers without any own production, our operations do not have any direct impact on the production of the goods. We do, however, have the ability to inform, innovate and communicate a strategy with our brand partners as well as educate and impart knowledge to our customers about what matters. Similarly, as we do not directly manage any of our transport suppliers, building strong partnerships is key to having influential conversations and making an impact.

Partnerships

We believe deepened collaboration between sector stakeholders is key to achieving a sustainable fashion industry. In 2018, we intensified our stakeholder engagement to further contribute to Goal 17.

For 2019, we will concentrate on developing relationships with new and existing brand partners through common projects and focus areas. This will involve building the framework for establishing initiatives such as “Re-cycle your wardrobe” and circularity initiatives with strategic partners, such as Copenhagen Fashion Week, to close-the-loop. We intend to take strategic steps to support our data by integrating the tool/metric to rate products and brands on their environmental impact. This can also be used to better inform customers of their environmental choices.

We aim to address Goal 17 through:

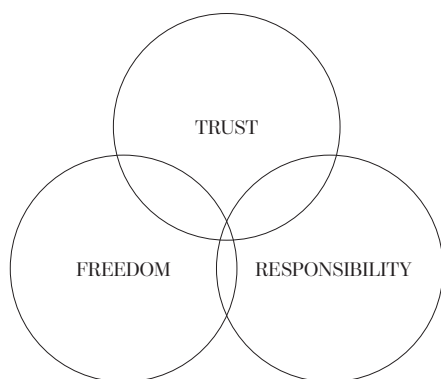
- Creating strong partnerships in our value chain.
- Elaborating with existing partners (such as brands, Copenhagen Fashion Week, distribution partners)
- Engaging in new partnerships

Empowering our people

Our progress so far is a product of our talented, creative and hard-working people who have fostered a company culture of Trust, Freedom and Responsibility. We will continue building on these fundamental values, and they will guide us in our journey to build the best company within fashion retailing in the Nordics.

Our culture and values

Three pillars make up our fundamental beliefs; trust, freedom and responsibility. These three pillars guide us and are the core values that we measure ourselves against in our daily work.



- **Trust.** 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. We know that trust is based on mutual respect and confidence, having the same goals and sharing the same motives and ultimately having common interests. Therefore, a core belief of ours is that when we can rely 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.** We believe that our people are at their best, when they have freedom to act and solve the daily tasks in their own 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 and her interests, for the company and its interests, and for each other. It is our experience, that by acting responsibly and with accountability, we achieve the full freedom to which we aspire in our daily lives.

Talent outreach

To improve internal systems and initiate further activities for employee development, we deployed a learning management system (LMS) to evolve the learning and growth of our people. We have focused on expanding and improving current activities such as people development, community outreach and future talent. Activities in 2018 included speaking at various career and networking

Community matters

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 five years, Boozt has been the official partner of the Knæk Cancer gala, a collaboration between Danish TV2 and Kræftens bekæmpelse, the Danish cancer association. Every year, we design and sell a men's and women's t-shirt and give a portion of the proceeds toward cancer research. In 2018, we donated DKK 650.000 (SEK 900.000).



exhibitions and hosting tech events at our head office to foster and inspire the future growth of IT students – ideally with higher participation by female IT students.



Average age



Number of nationalities

Employee onboarding

We believe integration is a key component to employee retention. All new hires undergo an 18-module digital onboarding programme to get a basic understanding of policies and procedures within the company. For additional onboarding support, orientations are hosted by members of senior management along with open classrooms. Open classrooms are an informal space for candid discussions on any questions from the onboarding programme.

Fostering diversity & equality

We believe that a core strength of the company is that we come from different backgrounds. That we share the

same goals but are very different. We are 32 different nationalities, women and men with different age, color, faith, sexual orientation, ethnicity - you name it. We really don't care. As long as you are a nice person and good at what you do you.

We believe in balance (even though it can be periodically skewed) and believe that a good work/life balance is important. 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, and even though we prefer that our people spend most of their time with their colleagues, we support if people want to work from home from time to time 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. The goal is for there to be no differences in terms of professional roles, recruitment, training and remuneration levels which can be explained by gender. Despite our aspiration, our business is exposed to gender imbalances in various departments – especially within our platform department, which has been predominantly male. We are working on changing that.

Boozt numbers, at a glimpse

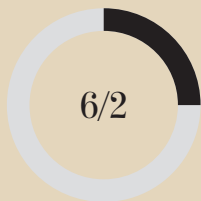
Gender distribution



Total, all employees



Group management



Board of directors

Men Women

In Feb 2019 one woman was recruited to the new position of Chief Human Resource officer as part of Boozt group management.

Employee distribution, (per country)



Age distribution, (total, all employees)



Age distribution for the Board of directors is 50% aged 30-50 and 50% over the age of 50. For the group management team age distribution is 50% aged 30-50 and 50% over the age of 50.



Healthier, happier & safer employees

We believe that healthier and happier employees will lead to a more positive and lasting work while also supporting employee retention. Our HR-policy covers occupational health and safety, as well as employee wellbeing. To cultivate and maintain a healthy working environment, we perform continuous risk assessments and use experts in the field to help us evaluate risks and set plans.

Occupational health & safety at headquarter

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 environment goals to mitigate risks for all workers. Risk assessments are documented and assessed by management. A review of the Boozt OHS system is 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 2018.

In 2018 we had our first annual company-wide employee survey. In general, it showed positive results in all areas, but with room for improvement in a few areas. The results of the 2018 survey provide the basis for the 2019 focus areas.

Supporting employee health & well-being

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 a company's employees. In

2018, 18 (6) employees were on sick leave for more than 14 days. The fast growth in number of employees has had an impact on the increase, as average number of employees increased from 224 to 325. Starting in 2019, our employees will be able to get an evaluation and advice from a health professional, inclusive of mental health support. Boozt will then be 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.

Occupational health and safety at the Boozt Fulfilment Centre (BFC)

The safety of the working staff at the fulfilment centre is essential, and we aim for zero occupational injuries. All working conditions and environmental hazards at the fulfilment centre are carefully considered. The fulfilment centre encompasses the most modern standards for excellent air quality, lighting, safety and cleanliness. The greatest risk posed at the fulfilment centre is the risk of fire. Fire prevention is managed in a systematic way, 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 long hours on their feet. 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 on a daily basis. This includes the addition of new routines and processes, integrating new equipment and making adjustments to static tasks. In 2018, no injuries were reported in the fulfilment centre.

Smarter product flows

It is essential for us to find smarter product flows in our operations. Smarter product flows can be understood as the using and discovering of processes within our daily operations which are more effective, efficient and sustainable. Creating smarter product flows can for example mean shorter processing times for customer orders, utilising renewable energy, lowering CO₂ emissions and finding a biodegradable solution for our Boozt.com bags shipping customer product. The areas where we have the most control when creating smarter product flows are through our head office in Hyllie and our logistic & fulfilment centre, the Boozt fulfilment Centre (BFC), in Ängelholm.

Packaging

A major focus for our operations is finding ways to reduce the fossil fuel dependency in our packaging. In 2017, we improved the composition of the material used in the Boozt.com bags, increasing the recyclable material from 50% to 80%. These mixed plastic bags were approximately 80% of all outbound packaging material in 2017. The conversation about what constitutes an environmentally better option is not so simple. We acknowledge that plastic is not sustainable, but this has been the preferred packaging solution for transport as they are durable, smaller and lighter than cardboard packaging. Being aware of the negative impact of plastic on the environment, our aim is clear, we want to avoid fossil plastics and focus on shifting to biodegradable bags. We set the ambitious target to introduce bags of fossil-free material in 2018.

Following more than a year of deliberations over various prototypes and extensive analyses with multiple suppliers, we found a non-fossil biodegradable solution. In collaboration with a packaging supplier, we began testing Boozt.com bags carrying product from our warehouse to the customer made of 100% biodegradable food waste. There have been challenges with the non-fossil bags which are preventing a smooth transition. This has included the biobag handles lacking the ability to support a large package weight, contents with sharp edges (e.g. shoe boxes) piercing through the bag as well as issues with recycling.

Prior to introduction of biobags	
Recyclable plastic bags 80% of all transports from warehouse to customer	Boxes 20% of all transports from warehouse to customer
Moving forward	
We intend for biobags to replace all recyclable plastic bags.	

The production of the biodegradable bag takes place in China. Our partners researched many options and determined that manufacturing the bags in China would be the most optimal place, CO₂ emissions from transport taken into account.



Energy efficiency at the Boozt Fulfilment Centre

At 42,000 m², our fulfilment centre is the largest building within our operations and demands the highest energy consumption. A GreenBuilding certified facility, our operations at the fulfilment centre are driven by energy efficient and modern technology. In 2018, we had solar panels installed on the roof of our fulfilment centre bringing us one step closer to being fully energy self-reliant. Total energy consumption for the BFC, our office in Hyllie and leased cars amounts to approximately 1500 MWh for 2018. In terms of green house gas emissions, scope 1 emissions from leased cars amount to approximately 85 tonnes CO₂. For scope 2, emissions amount to approximately 24 tonnes CO₂, including electricity consumption and estimates for district heating at the BFC and at the Hyllie office.

Offices for workplace well-being

In spring of 2019, our head office will move 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 exclusively on human health and wellness in workplaces. Eminent will also be environmentally certified with ambitions to reach Miljöbyggnad Gold level, a Swedish environmental certification for sustainable buildings by the Sweden Green Building Council. This new facility will feature a massage room and a play area for parents to bring their kids if needed.



Combatting wrong-size returns

A recently developed tool handles large amounts of purchase data combined with machine learning to give a sizing recommendation based on the purchase history of similar customers. This can help the customer make the right sizing decision, independent of whether they have made previous purchases with this category.

With our biodegradable bag initiative, we hope to inspire our brands and suppliers to follow suit. In 2019, to address issues we've had with the biodegradable bag quality, we will continue to research more durable and sustainable material for our Boozt.com bags.

Waste management & recycling

With respect to the recycling of waste, the recycling process of all packaging material from inbound deliveries is handled through efficient recycling systems in the Boozt fulfilment centre. Recycled materials consist mainly of paper, wood and plastic. We reached our target to recycle 85% of all waste in 2018.

Upon only looking at the numbers, the amount of cardboard and combustible material has increased from 2017 to 2018. This is a result of our growth in volume (net revenue growth of 37% on Boozt.com and 116% on Booztlet.com in 2018). Naturally, this has been a result of the handling of more goods, both in terms of deliveries and returns.

A key focus for any e-commerce business is to decrease the number of unnecessary returns, supporting profitability and to lower the CO₂ emissions from transportation pick-ups and deliveries in addition to the amount of materials used for repackaging items. Decreasing the number of returns is tricky, but 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.

Transportation

As the use of e-commerce in everyday life increases, it is imperative that we anticipate and mitigate the environmental impacts of shipping and transportation activities. We aim to optimise the efficiency of our transport in various ways, not only for customer to receive their orders in a timely and reliable manner, but also to reduce our impact on the environment. Our operations work closely with transport partners to optimise internal and external flows in the supply chain to minimise CO₂ emissions and other local impacts.

For our selected suppliers, reducing fuel and CO₂ is a priority and we began sending out questionnaires asking for performance evaluations in 2018. The purpose was to gain an understanding of our partners' direction in their focus on sustainability. This knowledge puts us in a better position to drive a sustainability agenda together with our distribution partners. In 2019, we aim to continue to work with our distribution partners and perform a follow-up on their progress in the previous year.

In 2018, we added BEST to our team of distribution partners. BEST fully climate compensates all deliveries in Sweden and Denmark. For our customers in Germany, we offer DHL's GoGreen carbon neutral service.

We strive to provide our customers with distribution alternatives that fit each delivery need, including the ability to select more environmentally-friendly alternatives. Despite being dependent on the progress within our distribution partner's operation, this is an agenda we endorse.

Our environmental policy

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. We conduct a yearly follow-up of our direct environmental impact and have initiated mapping and measuring of indirect impacts.

Building a sustainable future for fashion

We strive to use our positioning as a mid-to premium player focused in the Nordic market to motivate our brand partners to contribute to building a sustainable future for fashion. As we market third-party products, we do not own or operate any production facility. Therefore, we consider our greatest opportunity for contributing to sustainability to be through engaging with supply chain partners. 2018 marked the beginning of our efforts to promote sustainable fashion. We began by developing a strategy in order to boost our own awareness about sustainable fashion and enable increased collaboration with brands. The initial focus was on conducting dialogue with our brands and finding ways to better present sustainability information to the customer. In an effort to place the SDGs at the forefront and to align our goals with the UN Global Compact's business principles, we started to identify partnerships with those brands that could be potential partners for driving our sustainability agenda forward.

Working together for better future - brand dialogue

Our aim is to support brands that focus on sustainable materials and quality production and design for the longevity of products. Over the past year, we began to do just that. Our buying and merchandising team has been working to persuade our brands to seize upon better materials, from the initial sourcing stage to the creation of the final product. At the same time, our product management team focused on achieving sustainability through technology by accessing better information to share with our customers. Our buying and merchandising teams have been collaborating with Scandinavian brands to create a few sustainable collections. We have already

begun arranging our upcoming collections for 2019 and the request for sustainable materials is now an integral part of this business strategy.



In this process of becoming more involved with our brands, we will need to address 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, as well as 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. This was also an opportunity for feedback to inform us of any areas where our brand partners feel we could improve, so as to increase

consumer interest in sustainability. We understand that we are in the very initial phases of moulding our relationship with our brands to focus on sustainability.

Human rights risks in the apparel and fashion industry have been well documented over the years and there has been greater 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 the respect for human rights and decent working conditions. The implementation of the supplier code of conduct is still ongoing.

Animal welfare

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. In 2018, prohibited materials with respect to our non-fur policy were identified at the time of in-delivery a handful times. The goods were then immediately returned to 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 the internal control.

The Danish and Swedish fashion ethical charter

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



2019 – Next level efforts

In 2018, we began developing the right parameters for promoting sustainable choices to our customers. Doing so will enable us to assess their level of commitment and the areas of sustainable development we can tackle together. In 2019, we aim to develop more sustainable collections with our existing brand partners while also adding a stronger selection of sustainable brands within our offer. We began this process in 2018 by creating partnership with outdoor brands Icebreaker and Houdini, which have a strong focus on sustainability and innovative technologies.

High ethical standards

Some of our ethical requirements are intrinsic to our own business regulations. These are: anti-corruption, restrictions against insider trading and collusion, and preserving customer integrity are all examples of how we set forth minimum standards for business ethics.

Business ethics – anti-corruption & bribery

We have adopted an anti-corruption, an insider and a procurement policy to 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. 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 2018.

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 2018.



Customer integrity - data privacy

To prepare for the EU's General Data Protection Regulation (GDPR) 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. 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 explained in the Terms and Conditions and Frequently

Asked Questions (FAQs) on our web shops. 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 2018. In 2019, we aim to introduce a process where customers can request their data directly from the web shop and request their information be deleted without going through customer service.

Boozt

Address:
Hyllie Boulevard 10B
215 32 Malmö

Phone: +46 40 12 80 05
E-mail: info@boozt.com
www.booztfashion.com

Org.nr 556793-5183
Malmö
VAT nr SE556793518301