

MADE WITH CARE CRITERIA

- Beauty 2024

Purpose Statement

Boozt Care-For Strategy

Boozt's vision is to use our local Nordic position and our technology platforms to make sustainable choices easy for our customers and our partners.

Our Care-For strategy is our roadmap to becoming the leading responsible e-commerce company in the Nordics, using our business as a catalyst for change. Boozt's efforts are focused on four dimensions Environment, Employees, Community and Governance, further divided into twelve goals. Each goal includes relevant targets to take responsibility for our direct and indirect impact on the value chain while empowering people to act consciously.

Boozt Made With Care shop

Created in May 2021, our Made With Care shop combines all products that meet Boozt Made With Care Criteria (the present document) and/or are made by B-Corp brands.

At Boozt, it is crucial that this shop represents a systemic change in manufacturing patterns that challenges current practices in the hope of limiting the socio-environmental impact of manufacturing. Therefore, to ensure a reliable, and transparent assortment we rely on globally recognized third-party certifications, as well as extensive data collection. The Made With Care shop takes a central role in achieving our Goal 3 (Driving Responsible Production), Goal 7 (Empowering Customers), Goal 8 (Engaging with Suppliers) and Goal 11 (Mitigating Risks).

Boozt Made With Care Criteria

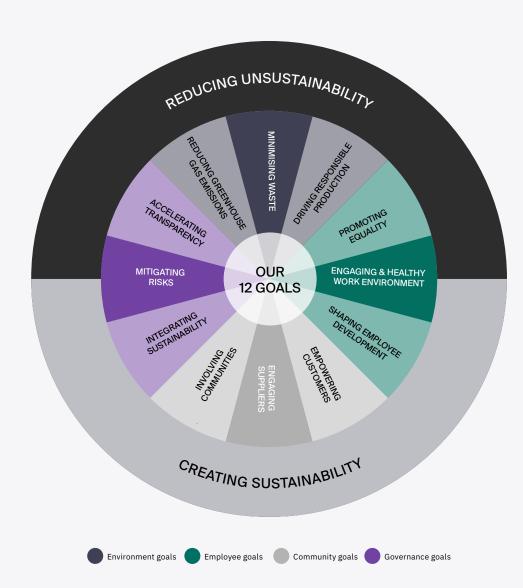
Boozt Made With Care Criteria is a set of guidelines that form the basis for our Made With Care shop. Every product that meets both the environmental and social criteria listed below will be included in this shop to promote efforts towards better production practices.

Boozt Made With Care Criteria is an attempt at describing in more detail what a sustainable product means to us at Boozt while challenging our brand partners to move beyond current practices.

Boozt Made With Care Criteria is available in three versions to adapt to different product categories. For 2024, the three versions are as follows: (1) Textile, Footwear and Leather Goods, (2) Beauty and (3) Home and Accessories.

Boozt Care-For Strategy

For further information on our Care For strategy, please see our 2022 Annual Report <u>here</u>.





Disclaimer

Non-Exhaustive List

On a general note, other certifications, actions and/ or recommendations that are not mentioned in Boozt Made With Care Criteria can be subject to the Made With Care shop. We invite you to shape Boozt Made With Care Criteria by sharing your knowledge and expertise, as well as other scientific information, so that we can expand the lists of recommendations and resources, to strive for a better future industry-wide.

Please also note that none of the organizations (e.g. certification bodies, recycled fibres manufactured etc.) mentioned below are sponsoring/ sponsored by Boozt. All certifications, suppliers, recommendations, and resources mentioned are always listed in alphabetical order to show no sign of preference. Those lists are simply meant to provide further information to facilitate the transition to a more responsible manufacturing and encourage brands to incorporate those aspects in their strategies and operations.

Yearly Updates

Please note that Boozt Made With Care Criteria is updated yearly, after the publication of Boozt's Sustainability report to match new strategies and regulations, include innovations and challenge further current practices. Therefore, we always recommend brands to follow industry best practices.

This means that Boozt's Made With Care Criteria are fixed only for a given year and solely represent Boozt's strategy at a specific point in time.

This document is the third version of Boozt Made With Care Criteria for Beauty.

Please contact <u>madewithcare@boozt.com</u> for more information.

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1.Criteria overview

To be featured in the Boozt Made With Care shop, a product needs to prove that its environmental and social impacts are closely monitored. All environmental and social claims need to be backed up by third party certifications.



Environmental

We accept beauty products in the Made With Care shop when: Ingredients are safe for human and environmental health.

Products cannot contain any ingredients that are commonly classified as:

Carcinogenic - Endocrine disruptors (including suspected ones) - Mutagenic - Irritability (skin, eyes etc.) - Microplastics - Environmentally hazardous - Toxic for reproduction

or

products need to be certified with:Nordic Swan Ecolabel

- EU Ecolabel



Social

We accept beauty products the Made With Care shop when their Tier 1¹ manufacturing is:

In low-risk countries.

In risk countries with third-party social audits.

¹ Tier 1: Manufacturing

2. Environmental criteria

The following sections explain in detail Boozt's environmental criteria, looking at the products' material composition. Paired with the social criteria (next section) that apply on a product and brand level, the following environmental criteria need to be respected to have a product in the Made With Care shop.

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2.1 Cosmetic Ingredients' Toxicity

Human Toxicity

As cosmetic products are applied directly onto the skin, it is important for us at Boozt to ensure that the products sold in the Made With Care shop represent a curated selection of products that are not composed of controversial ingredients. It is important to note, that in every case the dose makes the ingredient toxic (e.g. drinking too much water can also cause serious health risks), and that some of the ingredients mentioned below may be safe to a certain extent. Some of those ingredients may be used to fit consumer needs, however, conflicting results from scientific studies do not allow us at this time to prove that they are entirely safe with no impact on human health.

The European Union already protects customers from the most toxic ingredients by limiting their use or banning them. However, some ingredients still present some risks to human health. Those risks can be classified into the following types: *carcinogen*, *endocrine disruptor, mutagenic, microplastics, environmentally hazardous, toxic for reproduction, and/or irritant*. The European Chemical Agency (ECHA) classifies those <u>SVHC (Substances of Very</u> <u>High Concern)</u> into multiple categories, such as CMR substances (Carcinogenic, Mutagenic or Toxic to reproduction), PMT substances (Persistent, Mobile, and Toxic) or vPvM substances (very Persistent and very Mobile).

Ecotoxicity

Ecotoxicity looks at ecologic toxicology, meaning the potential biological, chemical or physical aspects of toxicants and how they can affect ecosystems and their health. Some ingredients used in cosmetics, like phthalates, are common environmental toxicants. The ECHA classifies those <u>SVHC</u> as PBT substances (Persistent, Bioaccumulative, and Toxic) or vPvB (very Persistent and very Bioaccumulative). Those substances can lead to serious and long-term irreversible consequences on the environment, specifically aquatic life, indirectly affecting human health and quality of life.

Bioaccumulation is one of the most significant environmental issues within cosmetics. Bioaccumulative substances are hard to break down and consequently enter the food chain and magnify at every level, putting all animals at risk. The top predators, including humans, end up with the highest concentrations of these substances. For instance, primary microplastics used in cosmetics, particularly as physical exfoliators, bioaccumulate easily. Other ecotoxic consequences from cosmetics ingredients include poor freshwater quality, biodiversity loss, coral bleaching, etc. It is also crucial to note that those substances can be transported globally and reach remote parts of the world, affecting other biomes and communities.



2.2 Prohibited Ingredients

Ingredients that are considered risky or toxic towards human health and/or the environment cannot be included in the Made With Care shop.

Therefore, to enter the Made With Care shop, Boozt requires all beauty products do not contain any of the following ingredients:

Link to the spreadsheet

Fragrances are not included in the list above, despite having proven multiple times to be irritant potential. This is because fragrances are often not disclosed on the ingredient list, as they are often considered a trade secret. As a third-party retailer, we at Boozt, do not have the legal possibility to track the fragrances used in the cosmetics we sell. Therefore, we are not able to track most fragrances and make them part of the prohibited list of ingredients. However, we are excluding specific fragrances according to the EU Ecolabel and Nordic Swan. As Boozt operates mainly in the EU market, certain regulations in terms of chemical management already protect consumers from harmful chemicals (e.g. REACH, SVHC etc.). For that reason, the chemicals already added to those lists are not included in the list we have compiled.

For more information or questions regarding the criteria, as well as other suggestions, please contact <u>madewithcare@boozt.com</u>.

| | | Description |
|-----------------------|--|---|
| Made With Care | Best in class | Eu Ecolabel |
| | Social aspects; Verified by third-party; Traceable | Nordic Swan Ecolabel |
| Made With Care | Minimum standard | Does not contain ingredients from the prohibited ingredients list |
| Not Made With Care | Not Sufficient - See the full list <u>HERE</u> . | Carcinogenic |
| | | Endocrine disruptors (including suspected ones) |
| | | Environmentally hazardous |
| | | Irritability (skin, eyes etc.) |
| | | Microplastics |
| | | Mutagenic |
| | | Toxic for reproduction |
| Actions to take | Recommendations | Develop transparency on ingredients with the help of consulting companies, such as <u>Novi</u> , <u>Provenance</u> or <u>Skinfo</u> . |
| | | Rely on Life Cycle Assessments (LCA) to understand the impact of the manufacturing but also the use and disposal of cosmetics |
| | | Test products containing the above ingredients more frequently or with higher dermatological standards. |
| | | Join the <u>Responsible Beauty Initiative</u> |
| Actions to take | Resources for more information | Substances of very high concerns (<u>SVHC</u>), part of REACH, created by the European Chemical Agency (ECHA) |
| | | <u>Chemsec's</u> (International Chemical Secretariat) <u>SIN List</u> |
| | | UNEP: An Assessment Report on Issues of Concern: Chemicals and Waste Issues Posing Risks to Human Health and the Environment |
| | | International Agency for Research on Cancer (IARC) by WHO |
| | | Beat the Microbead by the Plastic Soup |

3. Social criteria

The following sections explain in detail Boozt's social criteria, looking at the products' Tier 1 manufacturing country. Paired with the previous environmental criteria that apply on a product and brand level, the following social criteria need to be respected to have a product in the Made With Care shop.

| 3.1 General Requirements | 1 |
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| 3.2 Specific Requirements | 1 |
| Risk countries | 1 |
| Low-risk countries | 1 |

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3.1 General Requirements

As any other industry, the beauty and cosmetics industry faces challenges with labour and human rights. Such challenges may be more or less present based on where the products are manufactured.

Therefore, we need to ensure that manufacturers throughout the supply chain ensure the following rights and treatments*:

- The right of freedom of association
- Fair remuneration
- Occupational health and safety (OHS)
- Special Protection for young workers
- No bonded labour
- Ethical business behaviour
- No Discrimination
- Decent working hours
- No Child labour
- No precarious employment

*This list contains the core labour rights identified in the amfori BSCI Code of Conduct, drawing on ILO, UN, and OECD standards. At Boozt, we accept audit certificates from the following institutions:

- Amfori BSCI
- SA8000
- SMETA

More details on the criteria for social auditing (type of audits, audits validity...) are explained in the following sections.



3.2 Specific Requirements

To best identify the need for external auditing and the criteria needed, we have decided to follow the <u>amfori BSCI "Countries Risk Classification</u>" that relies on the Worldwide Governance Indicators by the World Bank.

Each country is assessed on six dimensions of governance and then given a score, ranging between 0 and 100. Countries with a score lower than 60 are considered "Risk countries", whereas countries scoring higher than 60 are considered "Low-risk countries".

As governance shifts over time, the classification is updated frequently. This means that some countries may shift from one shop to another over time. The version used in this document relies on the 2022 version, which is valid from the 1st of January 2022 until the next version is available.

Please refer to it, if the manufacturing country you are using is not listed below.

Risk countries

In 2022, risk countries (124) are:

- Bangladesh*
- Cambodia*
- China
- India
- Indonesia
- Mexico
- Pakistan*
- Turkey
- Vietnam
- ... and 114 other countries (including 45 additional high-risk countries*)

*Countries with a score below 30.

Manufacturing in those countries should be monitored more frequently, as governance is extremely poor and risks are therefore the highest.

Low-risk countries

In 2022, low-risk countries (71) are:

- EU 27 (Bulgaria*) except Romania (risk country)
- Hong Kong
- Japan
- Malaysia*
- Taiwan
- United Kingdom
- United States
- ... **and 36 other countries** (including 5 additional countries to monitor closely*)

*Countries with a score between 60 and 65.

Manufacturing in those countries should be monitored closely, as they are most likely to become risk countries in 2023 if no improvements are being made.

When manufacturing (Tier 1 - manufacturing) occurs in low-risk countries, Boozt does not require external auditing to have a product in the Made With Care shop. However, we strongly recommend all brands to look closely at labour conditions in their supply chains, by either practising internal auditing or using external audits. It is crucial to keep in mind that poor labour conditions can still be present in low-risk countries, as has been demonstrated multiple times (Leicester in the UK, leather manufacturing in Italy...).

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Examples of data qualifying for Made With Care

- Certification number, acceptable grade, audit issuer, audit date (i.e. SMETA: 2022XXZAA111222333, Audit company X, 31/12/2023)
- Product made in a non-risk country (i.e. Sweden)

Examples of data not qualifying for Made With Care

- Missing social audit data for a risk country (i.e. Bangladesh)

For more information or questions regarding the criteria, as well as other suggestions, please contact <u>madewithcare@boozt.com</u>.

| | | Description |
|---------------------------------|--------------------------------|--|
| Made With Care Best in class | Best in class | SA8000 - 5 |
| | | BSCI - A |
| | | SMETA - 4 pillars |
| Made With Care Minimum standard | Minimum standard | SA8000 - 4 & 3 |
| | | BSCI - B & C |
| | | SMETA - 2 pillars |
| | | Audits in line with <u>APSCA</u> (Association of Professional Social Compliance Auditors), as it represents a high level of credibility and consistency in social compliance audits. |
| Not Made With Care | Not Sufficient | No social audit when Tier 1 manufacturing is in a risk country |
| Actions to take | Recommendations | Get involved with the BetterWork Program to promote social compliance, profitability, and competitiveness. |
| | | Join the Ethical Trade Initiative (ETI) to establish ethical trade, while enhancing brand integrity and building a more resilient supply chain. |
| | | Participate in the Fair Labor Association to promote workers' rights and adherence to international standards |
| | | Sign the Transparency pledge to display the list of all its suppliers publicly. |
| | | Take measures in accordance with the OECD Due Diligence Guidance for Responsible Supply Chains in the Garment & Footwear Sector. |
| Actions to take | Resources for more information | Asia Floor Wage Alliance |
| | | International Labour Organization (ILO) |
| | | Shift - providing expertise on the UN Guiding Principles on Business and Human Rights. |

4.Other recommendations

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4.1 Beauty Packaging Recommendations

Packaging is often a centre of discussion in sustainability, as most of it is used for a very short period of time. Most packaging is made out of plastics that are either hard to recycle or impossible to break down, impacting the environment for a very long time (some estimate at least 400 years). Plastic often breaks down creating microplastics that enter the food chain and cause serious environmental and health problems. While paper packaging is often considered a better option, since it is more degradable, it has been shown that the amount of resources used can be far greater than the one used for plastic packaging. Both paper and plastic packaging have very different attributes and are therefore hard to compare. At Boozt, we have instead decided to highlight packaging that is designed to have an extended life, such as recycled, recyclable, refillable or reusable packaging, or in other words eco-designed packaging. As all cosmetics sold on Boozt are wrapped in packaging for hygienic and efficiency purposes, it is important to look at the impact of their packaging.

| | | Description |
|-----------------|--------------------------------|--|
| Actions to take | Certifications | Ecologo - reduced environmental and health impact |
| | | FSC (not mix) - cellulosic-based packaging |
| | | GRS - recycled content |
| | | OKCompost - compostable packaging |
| | | PEFC - cellulosic-based packaging |
| | | RCS - recycled content |
| Actions to take | Recommendations | Build an accessible reuse/refill distribution network. |
| | | Eliminate harmful chemicals in packaging to avoid unnecessary toxicity. |
| | | Eliminate the plastic items that are not necessary. |
| | | Follow <u>Eco Design principles</u> to ensure that new designs have circularity in mind and that they innovate their use of resources efficiently and reduce waste throughout the lifecycle of the product (e.g. refill, reuse, recycle). |
| | | Develop eco-designed packaging with <u>SPICE Tool</u> . |
| | | Label packaging (e.g. compostable, recyclable, recycled content, reusable, refillable etc.) based on <u>ISO 14021:2016</u> (Environmental labels and declarations - Self-declared environmental claims). For more information regarding <u>ISO 14021:2016</u> , please download the entire document <u>here</u> . |
| | | Partner with <u>RePack</u> or other companies with reused solutions for transport packaging. |
| Actions to take | Resources for more information | Community of Ocean Action established by the UN |
| | | EU Ecodesign Directive |
| | | EU's Strategy for Plastics in a circular economy |
| | | ISO 14021:2016 Environmental labels and declarations - Self-declared environmental claims |
| | | ISO 18603:2013 Packaging and the environment - Reuse |
| | | Breaking the plastic wave |
| | | Reuse, rethinking packaging - report by Ellen McArthur (list of reuse examples) |

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4.2 Vegan

Brands that create vegan products have demonstrated that it is possible to offer high-quality products while prioritizing the well-being of animals.

Our Made With Care criteria for beauty are based on the harm it can cause to people and the environment. Vegan products might still contain ingredients that can be considered harmful to people and/or the environment. Therefore, these products will only be featured in the Made With Care shop if they do not contain ingredients from the prohibited list.

| | | Description |
|-----------------|--------------------------------|--|
| Actions to take | Certifications | <u>V-label</u> |
| | | Vegan Trademark by Vegan Society |
| Actions to take | Recommendations | Assess your current product line to identify any ingredients or formulations that contain animal-derived ingredients. Replace these with vegan alternatives. |
| Actions to take | Resources for more information | Cruelty-Free International |
| | | Vegan Society |
| | | Ethical Elephant |
| | | |

Note! Since there is a <u>ban on animal testing in the EU</u> we are not considering any cruelty-free labelling, such as the Leaping Bunny.

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4.3 Natural and Organic labelling

Natural and organic cosmetics offer an alternative to traditional products by emphasizing the use of ingredients derived from nature. For a product to be labelled "Natural", the origins of the ingredients need to be of a natural origin, in opposition to synthetic. Natural cosmetics are formulated with ingredients sourced from nature, such as plant extracts, essential oils, minerals, and botanicals.

Organic cosmetics have to adhere to guidelines and certifications that ensure the products are made with ingredients cultivated without the use of pesticides, synthetic fertilizers, or genetically modified organisms (GMOs). Regarding this type of product, it is also important to note, that mineral ingredients (e.g. titanium dioxide, iron oxide, etc.) and water (often displayed as "Aqua"), despite being natural, cannot be labelled as organic, since there will always be inorganic substances present.

Please note that natural and organic products are not necessarily featured in our Made With Care shop, as they might be either paired with banned ingredients or do not satisfy our social criteria.

For more information or questions regarding the criteria, as well as other suggestions, please contact <u>madewithcare@boozt.com</u>.

| | | | Description |
|---|-----------------|--------------------------------|---|
| _ | Actions to take | Certifications | Cosmos |
| | | | Soil Association |
| | Actions to take | Recommendations | Conduct thorough research on natural and organic ingredients commonly used in cosmetic formulations, ensuring the health and safety of such products. |
| | | | When sourcing ingredients, ensure the suppliers can provide proper documentation and certifications for their products, such as organic certifications from recognized organizations. |
| | | | Certify your products with a third-parties to provide transparency and credibility to consumers, such as <u>Cosmos</u> or <u>Soil</u> <u>Association</u> |
| | | | Engage in better sourcing practices by partnering with suppliers who prioritize fair trade, responsible harvesting, and environmentally conscious methods. |
| 1 | Actions to take | Resources for more information | Ecocert |
| | | | Cosmetic Ingredient Review (CIR) |
| S | | | Natural Product Association |
| | | | Environmental Working Group |
| | | | Bioagricert |
| | | | Natrue by the Natural and Organic Cosmetic Association |

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At Boozt, we believe in the power of collaboration to bring out meaningful change towards better production and consumption practices.

We, therefore, invite you to shape Boozt Made With Care criteria by sharing your knowledge and expertise, as well as certifications or materials not mentioned in the document to strive together for a better future, industry-wide.

For further information, and/or feedback, please contact <u>madewithcare@boozt.com</u>.