

# **SUSTAINABILITY REPORT 2023**

Pierce Group AB (publ)

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Questions relating to this report can be directed to [sustainability@piercigroup.com](mailto:sustainability@piercigroup.com).





# A word from our CEO

Dear All,

In a time marked by worldwide challenges, rapidly evolving stakeholder expectations, and a growing emphasis on corporate responsibility, companies are urged to adopt sustainability as a fundamental aspect of their operational and strategic pursuits. This means identifying and understanding the risks and opportunities for sustainability, both within the company and in the world around us.

Our efforts related to practical sustainability improvements have continued in 2023. During the year, our Sustainability function has been focused on evaluating and improving our material assessment methodology based on the new EU legislation, Corporate Sustainability Reporting Directive (CSRD), that Pierce will be affected by in 2025. We're thus taking important steps in the process of identifying and assess our material impacts, risks, and opportunities, and have redefined our sustainability material topics framework.

We aim to develop our targets, measures, policies, and reporting related to the new directive. We will maintain close dialogue with both internal and external stakeholders and concentrate on short and long-term initiatives related to Environment, Social factors, and Governance, and operate with the aim of achieving sustained profitability and foster scalable growth within our business.

Stockholm, 21 March 2024



Göran Dahlin,  
CEO, Pierce Group AB (publ)



# General Disclosures

## Sustainability statement

This is Pierce Group AB (publ)'s Sustainability Report for financial year 2023 (period 1 January 2023 to 31 December 2023). The report has been prepared on a consolidated basis for Pierce Group companies, including Pierce Group AB (publ), Pierce AB, PDC Logistics Sp. Z o.o. and Pierce ECOM SSC, S.L, and has the same scope as the financial statements. The Sustainability Report centres on Pierce's most significant topics determined through our materiality assessment on both own operations as well as upstream and downstream value chain. It encompasses disclosures related to our materiality topics and is structured according to an Environmental, Social and Governance lens.

The Sustainability Report has been prepared in accordance with the Swedish Annual Accounts Act and in reference to the Global Reporting Initiative (GRI) Standards 2021. It is rendered as a separate report from the Annual Report. Please see the Company's Annual Report for financial information and corporate governance published on website [www.piercigroup.com](http://www.piercigroup.com).

This Sustainability Report was not subject to third-party review; however, an Auditors' statement concerning the Sustainability Report has been prepared in accordance with the Swedish Annual Accounts Act. As the Group had fewer than 500 employees during 2023, the Group and this Sustainability Report is not in scope with regards to the EU Taxonomy regulation.

## Management approach

The Board of Directors is ultimately responsible for overseeing Pierce's integration and adherence of corporate sustainability. Decisions on sustainability strategy and long-term ambition are taken within the management team, including targets and KPIs for defined topics and goals. Since 2023, the sustainability strategy is managed by a coordinating function chaired by the CFO and Sustainability Controller, in close cooperation with the leaders of each function, i.e. the Management team, to align sustainable initiatives with the business strategy within each function. Guidance and information on sustainability-related matters are shared by the CFO and Sustainability Controller to the Board of Directors and Management team on a regular basis.

We distribute our administrative, management, and supervisory bodies into two groups: The Board of Directors and the Management team. The latter works as an administrative and management body and will play a crucial role of risk monitoring and internal control processes and system in relation to sustainability reporting.

The Board of Directors and the Management team have been participated in two separate meetings to address Pierce Sustainability materiality assessment and strategy in 2023.

For further information about the executive and non-executive members, see the Company's Annual Report published on [www.piercigroup.com](http://www.piercigroup.com).

## Our strategy and business model

### Strategy

Pierce is a leading e-commerce company that sells motorcycle and snowmobile gear, parts and accessories to riders across Europe. The company has a unique and wide range of products, which includes a significant range of own brands, previously called private brands. Sales are conducted through locally adapted websites that are divided in three segments: Offroad, Onroad, and Other. Offroad targets motocross and enduro riders through the website 24MX while Onroad targets customers who ride on traffic-filled roads through the website XLMOTO. The Other segment primarily targets snowmobile riders through the website Sledstore.

Our customers are regularly active, outdoors-oriented people with a passion for adventure. As we continue to grow and challenge the norm of how to conduct business, we hope to be able to engage even more closely with all stakeholders through our sustainability framework: *#SustainablePIERCE*.

Our *#SustainablePIERCE* framework is made up of four components: Doing Right, All In, Green Cargo and Eco Moto. We are working hard with suppliers and employees to safeguard diversity, inclusion, health and safety (Doing Right). We are taking steps to enable all our personnel, suppliers, and customers to live their passion (All in). We are driving continuous improvements in our logistics operation from an environmental perspective (Green Cargo), and we are exploring opportunities to contributing more to the circular economy with greener and innovative solutions (Eco Moto).

Corporate sustainability is inherent to our business model and daily management approach. It constitutes a dynamic process in which we aim to meet the long-term expectations of our owners, customers, employees, partners, and broader society regarding the topics that are most relevant to our business. As such it acts as a filter in our operations, introducing an Environmental, Social and Governance lens to our activities. We conduct operations to achieve long-term profitability and are taking several structural measures to grow our business in a scalable way.

The sustainability framework is in line with the United Nations Program of Action for Sustainable Development that encompasses 17 Sustainable Development Goals (SDGs) as a universal call to action to eliminate extreme poverty and foster sustainable development, giving equal consideration to the environment, the economy, and the well-being of people.





# OUR VISION

To become the unquestionable leading pure-play online retailer in Europe of gear, accessories, and parts for motorcycle riding.

# OUR MISSION

To help riders around the world pursue their passion by offering a broad range of value-for-money products, know-how, and inspiration.

# OUR VALUES

## **We put the customer first**

The experience and satisfaction of our customers is our top priority. We are committed to serving our customers in the best possible way everyday.

## **We have passion**

Just like our fellow riders, we use our passion and energy to win the race to become number 1 in our business by committing to top notch performance.

## **We dare**

We continuously work to make our company better and more efficient. We take risks and accept that not everything will work. We use a good dose of rebellious spirit to challenge, improve and succeed.

## **We win together**

We work together, embrace diversity and share the same goals to achieve greatness. We motivate and support each other as we know that we can only win the race as ONE team.

## **We do whats right**

We have integrity and set high standards for ourselves, our partners and suppliers.

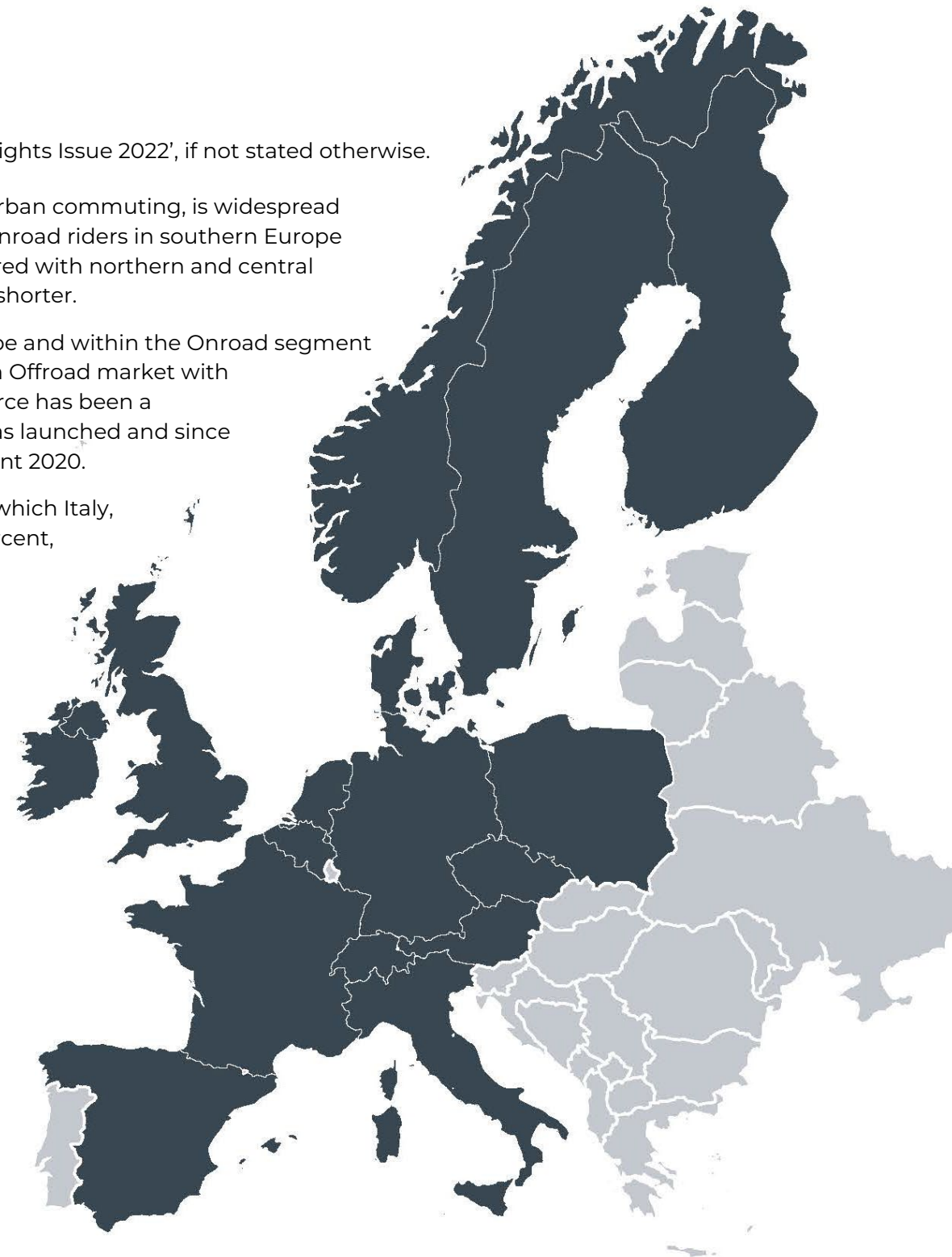
## Geographical market

Market data has been captured from the 'Pierce Group AB prospectus, Rights Issue 2022', if not stated otherwise.

Motorcycle riding, including riding in competitions, for pleasure and in urban commuting, is widespread in all of Europe, and is characterised by clear geographical differences. Onroad riders in southern Europe see motorcycle riding, to a greater degree, as a form of transport compared with northern and central Europe where it is seen to be more of a leisure activity and the season is shorter.

Pierce has a strong market position within the Offroad segment in Europe and within the Onroad segment in the Nordics. The Company is the online market leader in the European Offroad market with an estimated online market share of approximately 28 percent 2020. Pierce has been a challenger in the European Onroad market since 2017 when XLMOTO was launched and since that time has secured an online market share in Europe of about 3 percent 2020.

Outside the Nordics, Pierce sells mainly into other European markets of which Italy, Germany and Spain are the largest representing about 25 percent, 17 percent, and 15 percent of the total European market respectively.



The largest markets are  
**Germany**  
**Spain**  
**Italy**

Serving  
**1.0 million**  
Customers

Online market share  
**28%**



## Market segments

Pierce's customer offering is primarily focused on the European market for motorcycle gear, parts, and accessories. When comparing to similar industries, the market is still in a relatively early phase in the shift from traditional, physical shops to online shops. The market is divided into the segments Offroad and Onroad that will both see a shift towards more online shopping.

Online shopping for motorcycle riders offers better accessibility, a larger product offering and comfort. It is often difficult to find products in physical shops due to the very wide range of model-specific accessories or parts, particularly within the Offroad category. As a result, small physical shops, which comprise the majority of the market, cannot offer a similar competitive assortment, not least as regards parts, as the assortment that can be offered by online retailers.

Onroad is the largest market segment with approximately 89 percent of the market while the Offroad segment accounts for about 11 percent.<sup>1</sup>

## Offering

The Company's product assortment ranges from Pierce's strong own brands to attractive external brands and all of Pierce's stores carry a relevant assortment of own and external brands. The Company carries products from external brands and own brands (previously called private brands). The latter one is including our three store brands. In 2023, the brand revenue split<sup>2</sup> were 56% external brands and 44% own brands.

The three store brands, products that are branded 24MX, XLMOTO or Sledstore, and 8 own brands, is comprised of its own line of products and is available at one or more of the Company's stores. The Company's offering is largely the same in all the markets in which it operates, and it offers more than 150,000 different stock keeping units ("SKUs")<sup>3</sup>.

### Pierce offers its customers:

- A broad and relevant product offering
- Competitive prices and attractive campaigns
- A competitive user experience – entirely locally adapted websites, its own developed tool, Fit-My-Bike, which helps customers find the right parts,
- Efficient deliveries, as well as a strong and engaged online community, with approx. 1.7 million followers in the social media.

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<sup>1</sup> Market data has been captured from the 'Pierce Group AB prospectus, Rights Issue 2022', if not stated otherwise.

<sup>2</sup> Net revenue, freight income and other fees.

<sup>3</sup> Products that are not suitable for air freight, such as aerosols, and very bulky products and certain products that are subject to specific national regulatory requirements, are not offered to all markets.

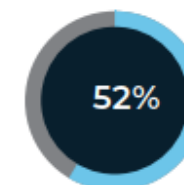
As a One-Stop-Shop offering, the market is comprised of gear, parts, accessories and other:



**Gear:**

Protective clothing such as helmets and boots – anything worn when biking a rike.

– 62,000 SKUs offered.



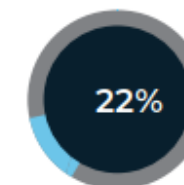
NET REVENUE SPLIT 2023



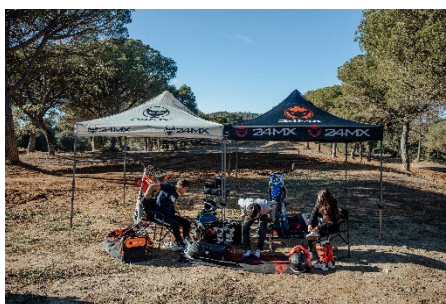
**Parts:**

Anything mounted on or in the motorcycle and motocross, such as tires, brakes, exhausts, chains and sprockets.

– 84,000 SKUs offered.



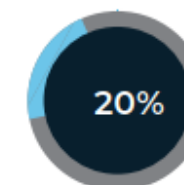
NET REVENUE SPLIT 2023



**Accessories:**

Products used with and around the riders and their bikes such as mats, stands, transportation, tents and tools.

– 5,000 SKUs offered.



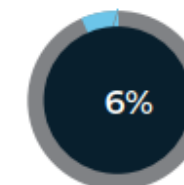
NET REVENUE SPLIT 2023



**Other:**

Motorcycle and motocross themes streetwear from gear and parts brands and made-to-order products.

– 1,000 SKUs offered.



NET REVENUE SPLIT 2023

## Stakeholder engagement

Within the ever-evolving realm of corporate sustainability management, stakeholders assume a crucial role in steering companies toward responsible and sustainable practices. Representing a spectrum of interests and perspectives, stakeholders provide invaluable insights. They bring to the forefront the voices of customers advocating for eco-friendly products, investors dedicated to financing ethically sound ventures, and employees aspiring to work in environments that champion social and environmental causes. These diverse voices act as beacons, influencing the direction of the corporate ship, determining the paramount sustainability goals, and identifying which initiatives should take centre stage.

Enabler Impact	Direct Impact	Indirect Impact
Investors	Employees	Governments, incl. Ombudsman
Suppliers	Customers	Media
Communities	Consumers	NGOs

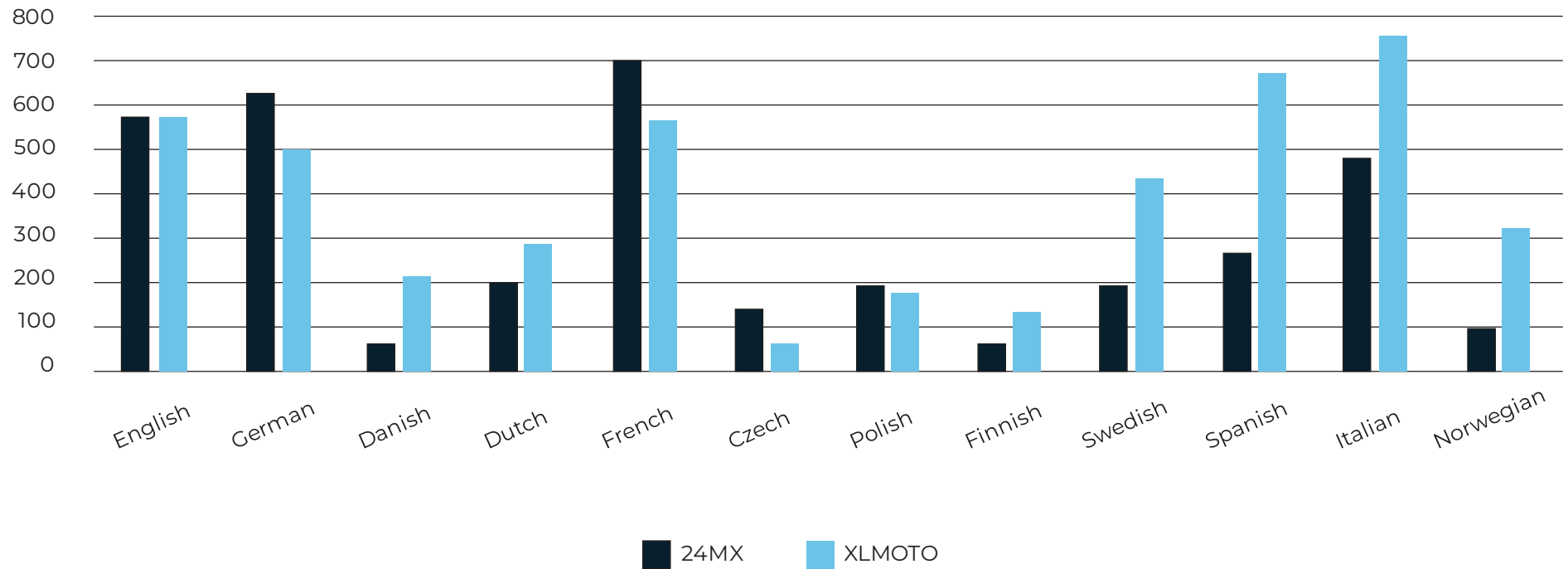


Pierce Group has opted for a survey-based approach to engage with its key internal (employees) and external stakeholders (customers). Utilizing a stakeholder survey offers numerous advantages for fostering engagement. Primarily, it provides a scalable and structured method for gathering valuable input from a large and diverse audience, serving as a valuable tool in comprehending opinions and identifying priorities crucial for internal decision-making processes. Surveys, with their standardized questions, not only ensure consistency in data collection but also facilitate the comparison of responses over time and across various stakeholder groups. Furthermore, the anonymity provided by surveys encourages respondents to provide honest and candid feedback. The narrative of this approach is underpinned by the principles of accountability and transparency. Companies that embrace stakeholder engagement demonstrate a steadfast commitment to ethical business conduct by opening their doors to valuable insights and perspectives.



The internal sustainability survey served as a crucial and dynamic instrument, gauging the awareness, enthusiasm, and collective consciousness of Pierce Group employees concerning sustainability. Beyond being a simple evaluation, the survey was intentionally designed to operate as a mechanism for employee engagement. It served as a platform for every team member to contribute unique insights and ideas, actively involving employees in the collaborative process of shaping the company's sustainable future. In total, 57 responses were received.

The external sustainability survey was posted in 12 different languages on our local sites for 24MX and XLMOTO. The number of surveys received were following:



## Material methodology and assessment

In 2023, we initiated efforts relating to the EU legislation, Corporate Sustainability Reporting Directive (CSRD). During the year, we have evaluated and improved our material assessment methodology based on the new directive, redefined our sustainability material topics framework by taking important steps in the process of identifying and assess our material impacts, risks and opportunities. Our sustainability matters are based on a double materiality assessment of which represents a holistic approach to evaluate the impact of sustainability on our business and the reciprocal influence of our business on sustainability. It aligns with international reporting frameworks, emerging regulatory mandates, and a growing consensus within the business community that businesses must become catalysts for positive environmental, social, and economic change.

Our process include:

1. Review of competitive landscape with primarily focus on online retail,
2. Review of trends within our industry,
3. Internal sustainability SWOT analysis with function leaders and key employees,
4. Internal and external stakeholder surveys,
5. Identify value chain ESG risks, opportunities, and impacts, and
6. Identify sustainability-related topics and sub-topics.

Pierce's goal is to align the development of all Environmental, Social, and Governance (ESG) related policies, actions, metrics, and targets with the anticipated EU legislation Corporate Sustainability Reporting Directive (CSRD) and the identified materiality topics that Pierce has recognised.

We plan to enhance our sustainability reporting in the following years by engaging in management workshops. During these workshops, we will reevaluate our overarching goals and targets, refining them for greater clarity and alignment with our sustainability initiatives.

Based on the materiality assessment, we have identified 7 prioritised material topics:

ESG matters	Prioritised material topic	Prioritised material sub-topics
Environment	Climate Change	Carbon Footprint, Energy
Environment	Resource Use and Circular Economy	Product inflows and outflows
Social	Own workforce	Employee engagement, Diversity and Inclusion, Health and Safety
Social	Workers in Value Chain	Due Diligence, Supplier Relationship Management
Social	Consumers and End-users	Consumer health and safety
Governance	Business conduct	Policies, Data protection and information security, Misconduct and sanctions

## Moving ahead

In the following years, we will further develop our efforts relating to the EU Corporate Sustainability Reporting Directive (CSRD) as Pierce will be subject to the new directive and local law implementation. We will further develop our sustainability reporting, continue knowledge sharing amongst our internal and external stakeholders, and focus on short and long-term initiatives within all Company functions.





# Environment

## Climate change

With the rise of e-commerce, attention has been drawn to the environmental and climate impact of shipping, logistics and transportation activities. This also encompasses warehouses that facilitate any growing e-commerce company. We strive to minimise the direct and indirect greenhouse gas emissions and energy consumption caused by our business activities. Energy and fuel consumption is to be accurately monitored, measured, and managed, at all our facilities. We are continuously working to minimise unnecessary business travel and inefficient logistics solutions.

The lion's share of Pierce's environmental footprint is indirect, meaning it is mainly caused by the production of the products that we sell. We acknowledge that our environmental footprint concerns the emissions of greenhouse gases as well as natural resource use, and there is an ongoing effort to improve our knowledge of how we impact our surroundings.

With the support of a third party, we have estimated the Scope 3 emissions connected to our product categories and we are investigating how we can learn more about the resources that go into the products that we sell. As part of our Sustainability strategy, we will seek ways to influence our suppliers to reduce our indirect environmental footprint.

## Carbon Footprint

Scope	Category	2022 (ton CO2)	Share of total	2023 (ton CO2)	Share of total
Scope 1	Fuel & Vehicles	-	-%	2 893	3%
Scope 2	Energy	531	0%	829	1%
Scope 3	Upstream transportation & distribution	31 543	25%	12 075	14%
	Downstream transportation & distribution	52 965	42%	38 320	43%
	Business travel	294	0%	106	0%
	Purchased goods	40 064	32%	34 473	39%
	Fuel- and energy-related activities	78	0%	599	1%
		<b>125 475</b>	<b>100%</b>	<b>89 296</b>	<b>100%</b>

We have calculated our scope 1, 2 and 3 emissions in accordance with the GHG Protocol standard with disclosures applicable for 2023. For the comparison period to be accurate, we have used the new measurement methodology and recalculated the emissions from last year. According to last year's methodology, the total emissions were 151,906 ton CO2 which showed 17% higher GHG emissions than according to the new measurement methodology. The variance mainly relates to the emission factors used for calculation of GHG emissions of purchased goods.

- Scope 1: Direct emissions from our company vehicles (calculated by estimated km driven) and heating, natural gas, (fuel-based method used) in the distribution warehouse. This data was not included in last year's calculation and has not been added in the recalculation of 2022 data above.
- Scope 2: Indirect emissions of purchased electricity, residual mix, through operating lease for our three offices in Stockholm, Barcelona and Szczecin, and the distribution warehouse (location-based method used).
- Scope 3: Indirect emissions from transportation, business travel and purchased goods has been calculated using expenses (spend-based method used) of which freight transport to customers constitutes the largest of item. Business travel consist of emissions from the Swedish entity Pierce AB only where the emissions is expected to be highest.

## Logistics

Pierce's distribution warehouse (PDC) is strategically located in Szczecin, Poland, close or with easy access to seaports, key suppliers, and distributors. This location is deemed optimal for facilitating inbound and outbound distribution throughout the entirety of the European market, ensuring short lead times for collection of procured goods. The transportation of goods occurs between PDC and various locations across Europe multiple times each week. Rigorous monitoring of lead times is undertaken per market, with a commitment to identifying and capitalizing on improvement opportunities. Continuous enhancement of lead-time optimization is pursued for each local market, achieved through the refinement of the transportation framework and the calibration of the balance between in-stock, cross-docking, and drop shipment orders. Cross-dock eliminates storage in the supply chain by unloading products from incoming transport, sorting them, and promptly reloading them for outbound distribution to the customer. Drop shipment fulfils orders without the need for stocked products; the sales order is forwarded to a third-party supplier who ships the order directly to the customer.

Efficient outbound logistics, facilitated by local partnerships, facilitates fast deliveries at cost-effective rates. The local logistics partners facilitate the direct transportation of parcels from PDC to the designated postal systems of respective countries, incorporating customized solutions. This method effectively bypasses the costs associated with European sorting hubs, optimizing both outbound and inbound logistics for cross-dock orders and returns. This ensures the efficient utilization of trucks throughout their journeys.

PDC is 37,000 square meters big, has a capacity of 18,000 orders per day and managed on average approximately 4,600 orders per day during 2023. We are managing 30% of the articles in PDC, and the remaining 70% are through cross-dock and to a minor extent drop shipment. Given that Pierce has an inbound structure of stock items that allows both for cross-dock and drop-shipment, transportation and delay lead times are minimized.

Inbound and outbound transportation emissions decreased approximately 60% and 30% respectively during 2023 compared to the previous year. The decrease was to a large extent driven by focus on reducing stock and lower sale volumes. The total emission of 38,320 tonnes CO<sub>2</sub> from outbound transportation divided by total number of orders 1,456,329 equalled 0.026 tonnes CO<sub>2</sub> per order.

For our road delivery, our entire partner logistics network is running under the EURO6 regulation. This action contributes to decreased pollution and health issues by reducing emissions of carbon monoxide, hydrocarbons, nitrogen oxide and particle matter to the atmosphere. For the sea shipping of our own brand products, we are working with large and reputable logistic partners that follow stipulated emissions rules of the International Maritime Organization.

## Energy

Our direct operations (excluding transport) are almost exclusively powered by electricity. Only gas for heating is used in the Warehouse distribution. Our offices in Sweden and Spain procure electricity that is partly generated from renewable energy sources; unfortunately, this option is not yet available in Poland. Most of our lighting in the Warehouse and PDC office has been changed to LED, which is reducing our energy consumption and emissions.

In 2023, we undertook several initiatives aimed at reducing electricity consumption at our warehouse. Action taken for operational efficiency and resource conservation include periodical charging of stored batteries to prevent damage, modified lamp installations for targeted lighting control, sealed docks for reduced heat retention, installation of warehouse temperature sensors for improved heating control, and powering off unused packing stations to conserve electricity.

## Resource Use and Circular Economy

Our overarching goal is to minimize our environmental impact by incorporating sustainable and reusable materials. We see that we have the greatest potential to influence our own brand suppliers on the kind of materials used for manufacturing and packaging of the products. However, we have yet to formulate an all-encompassing approach with regards to material, which is something that will be prioritised in the years to come. With regards to the external brands, we are reliant on how they are working to reduce their environmental impact, and Pierce is determined to seek ways of positively influencing the material choices of external brands.

### Materials

Our commitment to a sustainable product offering centres on prioritizing quality and safety. We aim to instil confidence in our customers regarding the excellence and safety of our products. Collaborating closely with suppliers and enforcing strict production and traceability standards ensures compliance with safety and chemical content regulations. Pierce's compliant with several regulations, such as e.g. CE, ECE2205 (ECE2206 from 2024) and REACH.

Our marketing communication adheres to ethical standards, avoiding deceptive messages and ensuring transparency. We prohibit inappropriate or offensive content. Marketing planners, overseen by a dedicated management team member, follow established practices. Our brand strategy, covering images, tonality, model choice, retouching, and social media, aligns with regulations and guidelines on marketing and labeling.

In 2023, one batch of products was recalled due to manufacturing defects. It affected one production batch which was removed from the market.

### Packaging

We address the area of plastic pollution on land and sea, and set the standard of packaging we want to achieve in the upcoming years with two environmental objectives:

- Reduce the space of packaging and use intelligent design to make transport and storage of loose items easier; more standardized sizing allows items to stack better and can even help in inventory (stock-take) as well as picking.
- Reduce the environmental impact of products produced using fossil fuels (plastics) and produce packaging that is either biodegradable or that can be repurposed, such as paper and cardboard.

In 2023, initiatives to reduce packaging included changes in carton box cutting techniques to minimize empty volume, reuse of inflatable void filling material, adjustments to machines inflating filling material for better space utilization, repair of broken pallets using existing team resources, optimization of pallet foil wrapping to save material, and the reuse of packaging materials for client returns, provided they are in good condition.



# Social

## Own workforce

Riding towards the mission to become the unquestionable leading pure-play online retailer in Europe of gear, accessories, and parts for motorcycle riding, a key factor is to ensure employee engagement by equal treatment and opportunities for all and promoting an environment where diverse perspectives are valued and respected. We have an international environment that embraces culture, diversity, and welcoming individuals to be themselves, irrespective of their background.

Pierce's Human Resources (HR) policies are based on the Group's values, strategy, and the Group Code of Conduct, and in addition each country has detailed HR policies supporting the growth and wellbeing of local personnel. To ensure compliance and raise awareness of the HR policies, we're monitoring through personnel surveys, performance appraisal discussions and other feedback channels.

In Spain, aligned with the Spanish law, the Pierce Ecom has a collective bargaining agreement for all employees. For workers in Sweden and Poland, Pierce follows local regulations and endeavours to mirror benefit structures that are found in different collective bargaining agreements where applicable. We regularly review the benefits provided and communicate and cooperate closely with the relevant workers' organizations in all pertinent employee matters. To mention, we offer flexible working hours, generous parental leave, and other benefits to invest in Employee engagement and a Healthy balance in life.

In 2023, Pierce average number of employees amounted to 399 (421). Of these, 133 (154) worked at the distribution warehouse in Poland and 255 (268) were white collar workers in Sweden, Poland and Spain.



## Employee engagement and development

We use internal mobility to encourage our employees to explore the company beyond their specific roles. Exploring and moving into new roles within the company brings new experiences, perspectives, and insights. Not only does this develop our employees and leaders; it also stimulates innovation and networking within the organisation. As part of our annual performance management cycle we set individual goals, define personal development areas, and identify potential training opportunities.

To measure employee engagement and satisfaction within the workplace, we have an engagement survey including an Employee Net Promoter Score (eNPS) that is sent out to all employees within the Group. From 2023, the survey is sent out twice a year. When the survey's results have been compiled, the employees are divided into smaller focus groups to identify key themes, concerns, and potential areas for improvement, and to collaborate on a detailed action plan for identified areas for improvements and capitalize on strengths.

Ongoing initiatives within the Group to enhance engagement and development include supporting employees in driving schools to boost motorcycle ridership spirit. We have a Culture Committee initiative that involves a group dedicated to organizing social gatherings, sports activities, events, and office improvements. Additionally, language courses (English and Spanish), Excel courses, Sledstore training, and health and safety training are provided within our offices.

## Social projects

PDC cooperates with a local non-profit organization and supports people with disabilities. In 2023, there were 24 employees with special capabilities (hearing impediment and autism) working in PDC. This involves a special onboarding training program for employees with autism and sign language training for teams that have deaf employees. Additionally, we continue using the Migam Interpreter in PDC installed during 2021 with good results. It is a service which enables instant video access to a sign language interpreter via a Web browser, mobile application, or any device equipped with a camera and Internet access.

Besides the initiative with non-profit organizations, PDC has continued with long-term partnership collaboration with 6 local secondary schools in the Szczecin area to provide valuable and free in-house practical training for students. This collaboration helps students gain valuable experience and expertise.

Furthermore, PDC trained 10 students from local schools in Supply Chain theory and practice during the year. And had open days for schools with 50 teenagers visiting PDC.

## Diversity and inclusion

We consider a diverse workforce as an asset, enhancing innovation, customer adaptation, and our competitive edge. We advocate equal opportunities regardless of race, ethnic background, religion, nationality, gender, sexual orientation, age and mental or physical disabilities and are actively promoting diversity across our organization. With employees from about **20 nationalities**, progress has been made towards achieving a more balanced gender ratio. Language-wise, English is the corporate language, but we acknowledge language proficiency differences. Teams with diverse experiences are more effective and creative. It's each leader's responsibility to foster diversity in teams and make it part of the long-term competence plan. Our efforts for diversity and equal opportunities are crucial for talent acquisition, employee engagement, and fostering a positive work environment.

### Total share of men and women per 31 Dec 2023 (31 Dec 2022):



Total in the Group:  
46% (48%)  
Board of Directors:  
80% (71%)  
The Management team:  
67% (100%)



Total in the Group:  
54% (52%)  
Board of Directors:  
20% (29%)  
The Management team:  
33% (-%)

## Health and safety

Ensuring employee safety is our priority. For that reason, we ensure proper and well-managed working conditions for all our employees, including appropriate health and safety standards.

Collaboration between employers and employees is crucial for a safe workplace. At Pierce, we have a Safety Committee in Stockholm, representing office management, human resources, and employees. Chaired by the HR Manager for Sweden, the committee plays a key role in planning health and safety measures, monitoring their implementation, and promoting satisfactory conditions. Similar structures with comparable objectives exist in Poland and Spain.

We systematically evaluate and manage risks in the workplace, with established routines for incident reporting (including an externally managed web-based whistleblowing function).

In the warehouse, physical work environment risks, like heavy lifting and packing, are carefully managed. In 2023, health and safety initiatives in our Warehouse included relocating Strapex machinery control units for improved safety and operator comfort. Side scanners were installed on regular packing stations to enhance ergonomics and personnel comfort by minimizing worker movement. Additionally, wooden boxes used for picking were reconstructed to facilitate easier material handling, elevating ergonomics by increasing box height.

Additionally, Pierce offers its personnel benefits required by local legislation in each of its operating countries. These benefits may include occupational health services, insurance against occupational injuries and diseases etc.

Per 31 December, unless stated otherwise	2023				2022				
	Sweden	Spain	Poland	Total	Sweden	Spain	Poland	Total	
<b>Total number of employees</b>	<b>92</b>	<b>64</b>	<b>240</b>	<b>396</b>	<b>94</b>	<b>71</b>	<b>258</b>	<b>423</b>	
<b>Total number of non-employees</b>	<b>19</b>	-	<b>10</b>	<b>29</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	
Total number employees, female	50	32	131	213	54%	42	36	141	52%
Total number employees, male	42	32	109	183	46%	52	35	117	48%
<b>Total number employees</b>	<b>92</b>	<b>64</b>	<b>240</b>	<b>396</b>	<b>94</b>	<b>71</b>	<b>258</b>	<b>423</b>	
Total number temporary employees, female	3	1	21	25	56%	3	2	106	49%
Total number temporary employees, male	-	-	20	20	44%	3	-	111	51%
<b>Total number temporary employees</b>	<b>3</b>	<b>1</b>	<b>41</b>	<b>45</b>	<b>6</b>	<b>2</b>	<b>217</b>	<b>225</b>	
Total number employees hired, female	9	4	15	28	45%	1	12	25	57%
Total number employees hired, male	14	1	19	34	55%	-	9	20	43%
<b>Total number employees hired</b>	<b>23</b>	<b>5</b>	<b>34</b>	<b>62</b>	<b>1</b>	<b>21</b>	<b>45</b>	<b>67</b>	
Total number employees that took parental leave, female	19	1	8	28	67%	16	1	28	76%
Total number employees that took parental leave, male	12	-	2	14	33%	9	-	9	24%
<b>Total number employees that took parental leave</b>	<b>31</b>	<b>1</b>	<b>10</b>	<b>42</b>	<b>25</b>	<b>1</b>	<b>11</b>	<b>36</b>	
Total number Board of Directors, female	1	-	-	1	20%	2	-	2	29%
Total number Board of Directors, male	4	-	-	4	80%	5	-	5	71%
<b>Total number Board of Directors</b>	<b>5</b>	-	-	<b>5</b>	<b>7</b>	-	-	<b>7</b>	
Total number within the Management team, female	1	1	-	2	33%	-	-	-	-%
Total number within the Management team, male	3	-	1	4	67%	5	-	5	100%
<b>Total number within the Management team</b>	<b>4</b>	<b>1</b>	<b>1</b>	<b>6</b>	<b>5</b>	-	-	<b>5</b>	
Employees in age group <30	19	13	77	109	28%	19	19	94	31%
Employees in age group 30-50	62	47	135	244	62%	67	49	140	61%
Employees in age group >50	11	4	28	43	11%	8	3	24	8%
<b>Total number employees</b>	<b>92</b>	<b>64</b>	<b>240</b>	<b>396</b>	<b>94</b>	<b>71</b>	<b>258</b>	<b>423</b>	
Board of Directors in age group <30	-	-	-	-	-	-	-	-	
Board of Directors in age group 30-50	1	-	-	1	3	-	-	3	
Board of Directors in age group >50	4	-	-	4	4	-	-	4	
<b>Total Board of Directors</b>	<b>5</b>	-	-	<b>5</b>	<b>7</b>	-	-	<b>7</b>	
Employees within the Management team in age group <30	-	-	-	-	-	-	-	-	
Employees within the Management team in age group 30-50	2	1	1	4	4	-	-	4	
Employees within the Management team in age group >50	2	-	-	2	1	-	-	1	
<b>Total Employees within the Management team</b>	<b>4</b>	<b>1</b>	<b>1</b>	<b>6</b>	<b>5</b>	-	-	<b>5</b>	
New hired in age group <30	5	1	15	21	-	5	38	43	
New hired in age group 30-50	15	4	16	35	1	13	-	14	
New hired in age group >50	3	-	3	6	-	3	7	10	
<b>Total number of new hired employees in current year</b>	<b>23</b>	<b>5</b>	<b>34</b>	<b>62</b>	<b>1</b>	<b>21</b>	<b>45</b>	<b>67</b>	
<b>Total number of employees who left work</b>	<b>23</b>	<b>15</b>	<b>64</b>	<b>102</b>	<b>21</b>	<b>34</b>	<b>78</b>	<b>133</b>	
<b>Number of work-related accidents</b>	<b>1</b>	-	<b>4</b>	<b>5</b>	-	-	<b>5</b>	<b>5</b>	

All the employees reported in table above are people employed under employment contract per 31 December except the non-employees, new hired employees, employees who left work and number of accidents that are provided by headcount from the period 1 January to 31 December. There have been no estimations on these calculations. Unable data in 2022 is shown with "n/a". For definitions, see below:

- The non-employees consist of consultants and B2B mainly working within the IT function.
- The gender category "Other" or "gender as specified by the employee themselves" will be recorded as zero unless the employee voluntarily specifies it.
- The employees that took parental leave covers both short-term and long-term parental leave. The percentage calculation is based on the assumption that all employees are entitled to family-related leaves.
- The Management team is presented in the chapter Management approach above and represents approximately 2% of the Group.
- The number of accidents represents number of work-related injuries and accidents that has been reported.



## Workers in Value Chain

### Due Diligence practices

We aim to ensure parity in the treatment of employees, encompassing human rights, diversity, equality and health and safety. We are taking additional steps to collaborate with our suppliers and producers to prioritize social considerations related to our workers in value chain. These efforts will provide valuable insights into their operations, strengths, and needs within the context of sustainability.

### Supplier Relationship Management

Responsible, transparent, and traceable supply chains are one of the focus areas in Pierce's sustainable supply chain management. Our reporting on the supply chain is based on risk assessment, and our ability to exert an influence. We focus especially on the responsibility and development of Pierce own brand supply chain, where we have the best possibility to exert an influence.

Except in relation to certain minor cosmetic customization and modification options in relation to certain products (e.g. embroidering and stencilling personalized designs) which is done in the Pierce warehouse, Pierce does not own any factories or production facilities. Instead, our own brand products are manufactured by contractors. When choosing a supplier, we pay attention to several factors. The most important criteria are the fit with our needs, supplier know-how and ability to deliver, quality and price, CSR (with a focus on working conditions and environmental issues), and the potential for long-term relationships. All own brand suppliers must fulfil Pierce starting requirements and commit to our codes of conduct and continuous improvement. We aim for a long partnership with suppliers.

## Consumers and End-users

Pierce relies on the quality of its service offering and the products offered to our consumers and end-users. A key competitive advantage of Pierce's product offering is the Fit-My-Bike tool; a proprietary web tool developed through manual data processing for over 10 years. The Fit-My-Bike tool allows customers to enter the make, model and year of their bike and presents them with parts that will fit their specific bike. This grants customers the freedom to explore a wide range of parts, knowing that the selected parts will be compatible with their bike, while also helping to minimise returns by ensuring that customers get the right products for their bike.

The environmental trend is driving an interest for electric motorbikes, especially within the Offroad category. The interest is driven by the lower noise levels and lower (local) environmental impact of electric bikes compared to petrol-fuelled bikes, which limits the accessibility to racetracks today. With their low noise and low emissions, electric motorbikes are expected to positively impact Offroad motorsport and justify more riding and activity. While the interest for electric motorbikes has increased, we've yet to see a breakthrough for the new technology. Currently, there is a limited availability of electric bikes within the Offroad segment. However, Pierce believes that over the medium to long-term, a growing number of electric bikes may result in a shift in demand from products needed for petrol engines, such as oils and lubricants, towards batteries and cables needed for electric engines. Pierce believes that these products can be added to its assortment and that the trend towards electric bikes may have a positive impact for the business and the environment.

### Consumer health and safety

Pierce is responsible for the safety of the products it sells, ensuring that they do not pose a risk to customers' health or property. The company's Offering function ensures that products comply with regulatory requirements. External brand products are tested by the manufacturers and importers, and Pierce requires testing on its own brand products, through e.g., regular sampling and risk analysis. Testing ensures that the products fulfil all quality and regulatory requirements (including safety). The quality assurance function also includes product information, technical and mounting specifications and relevant product description and pictures. Find more information about how Pierce ensures compliance with safety, labelling, and chemical in chapter Resource inflows and outflows.

### Bikes save lives – Pierce and The Eezer Initiative partner up

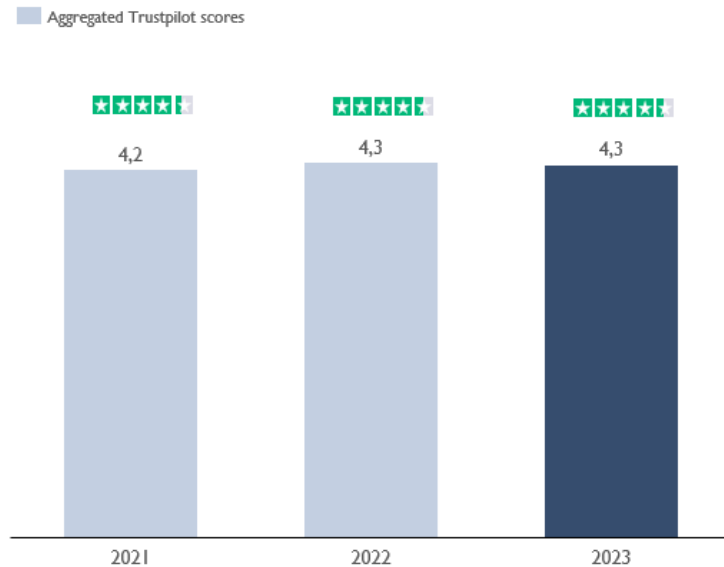
For several years, Pierce has collaborated with the Eezer initiative, which develops and implements motorcycle ambulances for pregnant women in East Africa. The work is relatively new, but already, we can see that Pierce has been involved in contributing to, for example, **23,959** pregnancy-related transports in Burundi during 2021-2023. A total of 71 vehicles have been built and deployed in Tanzania, Kenya, Chad, and Burundi. This effort aligns with the United Nations Sustainable Development Goal 3.1, aiming to reduce maternal mortality to fewer than 70 per 100,000 live births. In Burundi, this figure currently stands at approximately 740. Access to safe and affordable transportation is a significant part of the problem, and Pierce wants to be involved in contributing to a long-term solution. Find more information about the partnership on Pierce's website [www.piercgroup.com](http://www.piercgroup.com).



## Voice of Customer

We use Trustpilot as a review platform to track customer satisfaction. An invitation for customer review is sent two weeks after customer's order and allows them to share their experience and opinions about their purchase. The Trustpilot score is represented as a numerical rating out of 5 stars, with 5 stars being the highest rating. The collected score is calculated based on the average rating of all reviews submitted for the presented period.

The collected reviews continue to be on a high level within our segments. The average score per segment in 2023 was 4.2 for 24MX, 4.4 for XLMOTO and 4.0 for Sledstore. The total average was:



### Total reviews in 2023: 22,424

Whereof total reviews of 4-5 stars: 18,592 (83% of total)  
Whereof total reviews 1 and 2 stars: 2,920 (13% of total)

The conclusion of the review results is that the importance of delivery experience and product quality is the most important topic of our customers.

The positive feedback that we've received is mainly:

*"Fast delivery and quality product."*

*"Another great priced order received in good time and well packaged"*

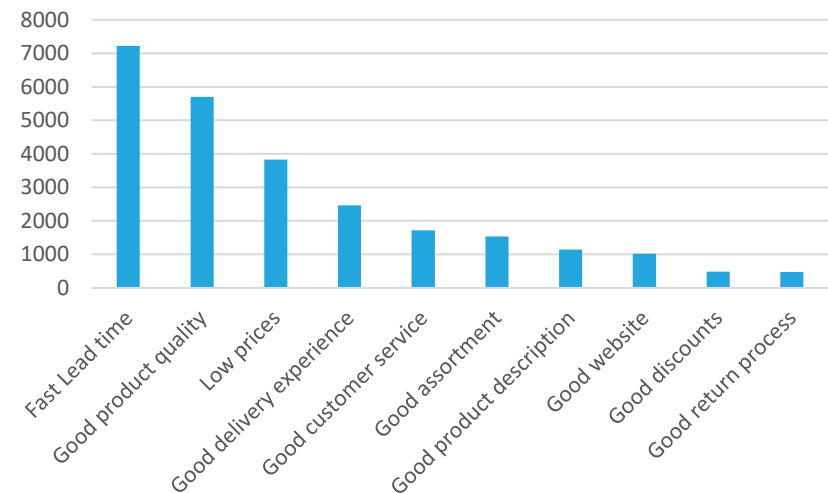
*"Top! Order confirmed late but received before Christmas! High quality product for the price."*

*"Ordered a jacket at an incredible price and it was delivered to the UK in just over a week and that was Christmas week too".*

*"The availability of operators and the return service"*

*"Very attentive, perfect sales transaction."*

*"I felt well supported in my claim."*



# Governance

## Business Conduct

As an online retailer, our commitment to “Doing Right” extends to our suppliers and supply chain partners. Pierce wishes to work with business partners who share our view on people and the environment and have a Code of Conduct that follow Global Social Compliance Programme (GSCP) to improve our common business. In our Supplier Code of Conduct, published on our website, we demand that suppliers and supply chain partners strictly comply with national and international laws and that they respect and support universal human rights, labour rights and environmental concerns as well as business ethics on anti-corruption.

As part of our Supplier Agreement for our own brand suppliers, we include a Supplier Code of Conduct of which includes all the conditions our own brand suppliers need to fulfil from business and packaging to health and safety, and from human rights to environment requirements. For information about our employee Code of Conduct, see chapter Own workforce.



## The agreement is containing Pierce requirements regarding:

- Legal obligations and business ethics,
- Non-acceptance of any kind of child labour nor forced or bonded labour,
- Occupational health and safety with regards to working environment,
- Fundamental workers' rights, freedom of association and collective bargaining, no discrimination policies, and clear terms of employment,
- The right to decent salary and working hours,
- Protection of the environment,
- Protection of animals,
- Inspections and compliance.

In 2023, there has been no convictions, fines nor confirmed incidents for violation of anti-corruption and anti-bribery laws.



## Environmental Policy

We are actively looking to minimize the environmental impact, especially for our own brand products. Our Environmental Policy adopted by the Board of Directors in 2021, lays the framework on how we conduct ourselves as environmental stewards with regards to for instance environmental impact, emissions, energy consumption and sustainable use of resources. Substantial work has been done within the Extended Producer Responsibility (EPR) area and to assess the obligations for environmental reporting across the markets in which we operate.

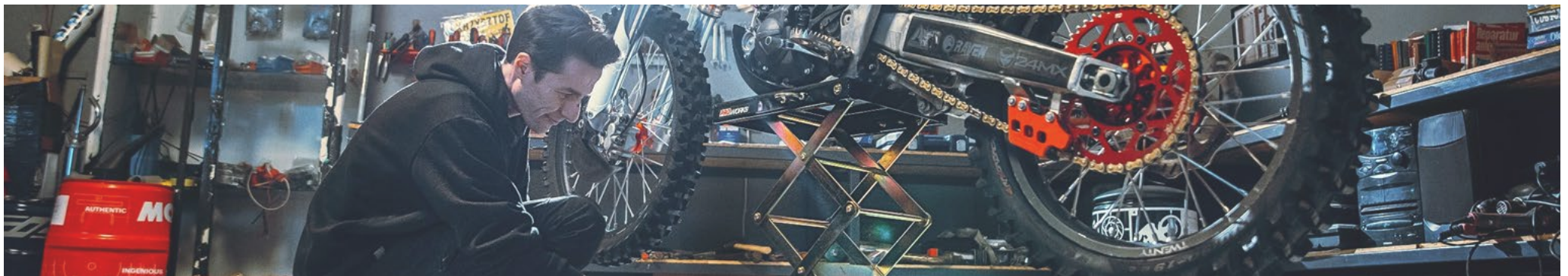
## Data protection and information security

Our business relies on information technology systems and infrastructure, making robust security and secure data storage a top priority for our IT department. To safeguard our information assets and customer data, and comply with data privacy regulations, including European consumer protection law, we have established a comprehensive information security and data privacy framework, complemented by an AI-based vulnerability management system. Regular assessments are conducted to review and reinforce our information security measures, ensuring robust protection against potential threats.

To ensure fulfilment of General Data Protection Regulation, GDPR, we continuously review e.g., our governance, policies, and processing records to ensure ongoing compliance across our evolving business.

## Misconduct and sanctions

Treating everyone with respect is key at Pierce and everyone deserves to be treated with fairness and dignity. Our commitment extends to the identification and prevention of any irregularities capable of significantly impacting our business or personnel. To facilitate the reporting, tracking, monitoring, and investigation of such matters, we have instituted a whistleblowing function accessible on our corporate website. The function is provided by a third party, and it affords our internal and external stakeholders a confidential platform to report concerns or misconduct within the organization or value chain. This helps maintain transparency and ethical standards within the workplace.



# GRI content index

Pierce Group (publ) has reported the information cited in this GRI content index for the period from 1 January 2023 to 31 December 2023 with reference to the GRI Standards.

GRI 1 used: GRI 1: Foundation 2021

GRI Standard and Disclosure	Location (page reference)	Comment/ Omissions
GRI 2: General Disclosures 2021		
2-1 Organizational details	5	Pierce Group AB (publ) is a Swedish public limited company with headquarters in Stockholm, Sweden.  Since 26 of March 2020, the Pierce share is listed on Nasdaq Stockholm (Small Cap). For more information about the Pierce share, see the Company's Annual report.
2-2 Entities included in the organization's sustainability reporting	5	
2-3 Reporting period, frequency and contact point	4-5	
2-4 Restatements of information	15	
2-5 External assurance	5	
2-6 Activities, value chain and other business relationships	8-10	No significant changes in the Company's activities, value chain and other business relationships. For further information, see the Annual report.
2-7 Employees	21	
2-9 Governance structure and composition	5, 21	Further information on corporate governance is available in the Company's Annual Report (Corporate governance report section).
2-10 Nomination and selection of the highest governance body		Further information on corporate governance is available in the Company's Annual Report (Corporate governance report section).
2-14 Role of the highest governance body in sustainability reporting	5	
2-16 Communication of critical concerns	26	
2-22 Statement on sustainable development strategy	5-7	
2-23 Policy commitments	25-26	
2-25 Processes to remediate negative impacts	26	
2-26 Mechanisms for seeking advice and raising concerns	26	
2-27 Compliance with laws and regulations	25	
2-28 Membership associations		No memberships of industry or other associations, and national or international advocacy organizations.
2-29 Approach to stakeholder engagement	11-12	
2-30 Collective bargaining agreements	18	
GRI 3: Material Topics 2021		
3-1 Process to determine material topics	13	
3-2 List of material topics	13	
3-3 Management of material topics	13	

GRI 201: Economic Performance 2016		
201-1 Direct economic value generated and distributed		Financial information is available in the Company's annual report.
GRI 205: Anti-corruption 2016		
205-3 Confirmed incidents of corruption and actions taken	25	
GRI 302: Energy 2016		
302-1 Energy consumption within the organization	15-16	
GRI 305: Emissions 2016		
305-1 Direct (Scope 1) GHG emissions	15	
305-2 Energy indirect (Scope 2) GHG emissions	15	
305-3 Other indirect (Scope 3) GHG emissions	15	
GRI 401: Employment 2016		
401-1 New employee hires and employee turnover	21	
401-3 Parental leave		
GRI 403: Occupational Health and Safety 2018		
403-1 Occupational health and safety management system	20	
403-2 Hazard identification, risk assessment, and incident investigation	20	
403-3 Occupational health services	20	
403-4 Worker participation, consultation, and communication on occupational health and safety	20	
403-6 Promotion of worker health	20	
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	20	
403-8 Workers covered by an occupational health and safety management system	20	
403-9 Work-related injuries	21	
GRI 405: Diversity and Equal Opportunity 2016		
405-1 Diversity of governance bodies and employees	20-21	
405-2 Ratio of basic salary and remuneration of women to men		Financial information is available in the Company's annual report.
GRI 417: Marketing and Labelling 2016		
417-2 Incidents of non-compliance concerning product and service information and labelling	17	



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