

# **SUSTAINABILITY REPORT 2018**

## **Pierce Holding AB and Pierce Group**

Organization number 556967-4392  
Reporting period 2018-01-01 – 2018-12-31

## Index

|           |   |           |
|-----------|---|-----------|
| <b>1.</b> | <b>A Word from our CEO.....</b>   | <b>2</b>  |
| <b>2.</b> | <b>Pierce Business in Brief .....</b>                                     | <b>3</b>  |
|           | 2.1 Doing Right.....  | 5         |
|           | 2.2 All In .....  | 6         |
|           | 2.3 Green Cargo .....   | 7         |
|           | 2.4 Eco Moto.....   | 9         |
| <b>3.</b> | <b>About this report and our sustainability work.....</b>                 | <b>10</b> |
|           | 3.1 Stakeholders and materiality .....                                    | 10        |
|           | 3.2 Stakeholders, sustainability topics and possible dialogue forums..... | 11        |
| <b>4.</b> | <b>GRI Index .....</b>  | <b>12</b> |

## 1. A Word from our CEO

2018 marks the year of Pierce's first sustainability report. With respect to the area's complexity and enthusiasm for what our new efforts can bring to our business, shareholders and community - we have embarked on a journey to incorporate sustainability into our way of thinking, acting and doing business.

During this year, we have gathered together to start sketching out our sustainability strategy and producing this, our very first, Global Reporting Initiative (GRI)-core compliant report.



In the strategic discussions that we have undertaken, Pierce has identified our role in providing people with an opportunity to enjoy their passion, while also acknowledging the big responsibility that falls upon us as an e-commerce business within the motor-industry.

The long-term goal of our current sustainability strategy is to play our part in enabling people to live their passion within planetary boundaries, an endeavour we title *#SustainablePierce*. You can read more about our strategic stance in the first chapter of our sustainability report.

Within the broader framework that *#SustainablePierce* encapsulates for Pierce, we have selected four areas of special importance: Working hard with suppliers and employees to safeguard diversity, ethics and fundamental respect for human rights (Doing Right); making our all our personnel, suppliers and talent customers to live their passion (All in); improving our logistical handling from an environmental perspective (Green Cargo); and contributing to the circular economy with green solutions (Eco-Moto).

We hold firmly to the belief that our investments in the sustainability space will help position our brands, maintain margins, and grow into an even better business. The entirety of our current ramp-up also includes a wider set of policies and processes being put in place, such as an equality, diversity & inclusion policy and a Code of Conduct for our employees and for our suppliers. You can read more about this in the enclosed report.

I hope you will enjoy reading about our *#SustainablePierce* approach and initiatives.

Until next time

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Henrik Zadig,  
*Chief Executive Officer*

## 2. Pierce Business in Brief

Pierce Group is a leading actor in the European market for sales and distribution of gear, spare parts, accessories and streetwear related to motorcycles and snowmobiles. We offer a wide and deep range of our own as well as external brands for passionate riders across 17 European markets.

We are an international business with offices in Sweden, Poland, Spain and the UK. Our main business consists of procuring products from suppliers and distributors and delivering it to the customer through our four main brands “24 MX” (Motocross), “XLmoto” and “Motobuyers” (Onroad) and “Sledstore” (Snowmobiles). We strive to become the leading actor in all our segments within the markets where we operate. We do this by tailoring a unique on-line shopping experience, swift and safe delivery and a high service for our customer.

Since customers are regularly active, outdoors oriented people with a passion for adventure, stepping up our sustainability game is a natural development for us. 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 by means of our sustainability package: *#SustainablePierce*.

### Our vision

To become the most admired retailer within the motor industry and shape the way motor enthusiasts shop by offering a state-of-the-art online shopping experience built on passion, professionalism, and a good dose of rebellious spirit.

### Our mission

To help petrol heads around the world to improve their rides, challenge their friends, and pursue their passion. To achieve this, we:

- Challenge the norm of how things get done and how our industry works.
- Scan the globe for the best suppliers to offer the widest range of quality products and the strongest Bang For The Buck-deals.
- Constantly improve the customer experience all the way from click to delivery.
- Promote a culture where our employees can grow, develop, and feel proud to come to work.

### Our values:

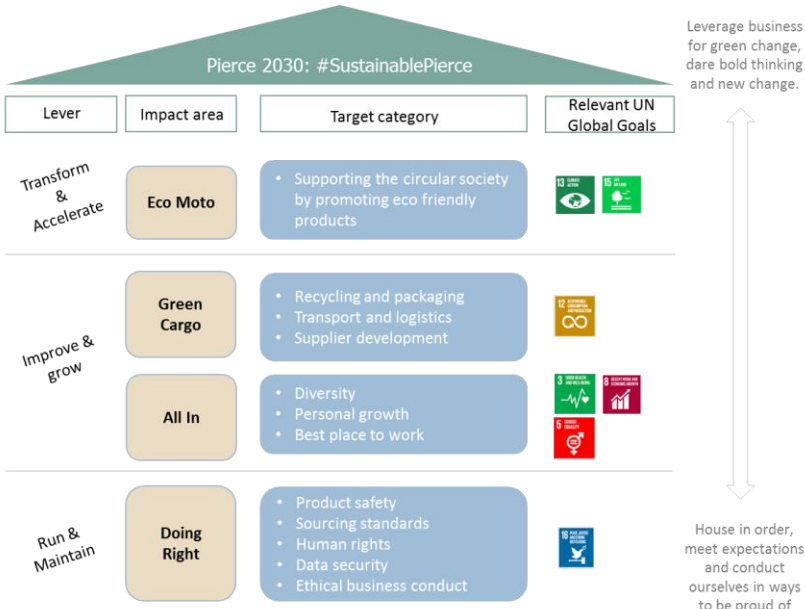
- We love our customers – Our customers are the whole reason for our existence. We admire them, seek to exceed their expectations, and surprise them all day. Every day.
- We do it with passion – Just like our fellow petrolheads, we use our passion and energy to win the race to become number 1 in our business as well as on the tracks.
- We dare – We constantly strive to improve our business and make it simpler. We take risks and accept that not everything will work. Challenge, improve, and repeat.
- We get dirty together – We work together and share the same goals in order to achieve greatness. We pep each other and know that WE are stronger than ME.
- We drive result – We are committed to top notch performance in all aspects of our business. We take personal pride in making great results happen.
- We do more with less – We do not waste money because controlling our costs means we can pass savings on to our customers who we live, act, and fight for.
- We do the right thing – We have integrity and set high standards for ourselves, our partners, and our suppliers.

The table below shows the direct economic value generated by Pierce over the last 3 years.

| KSEK                                   |             |             |             |                     |
|--|-------------|-------------|-------------|---------------------|
| <b>Direct Economic Value Generated</b> | <b>2016</b> | <b>2017</b> | <b>2018</b> | <b>Stakeholders</b> |
| Revenue                                | 427 022     | 615 211     | 942 083     | Customers           |
| <b>Distributed Economic Value</b>      |             |             |             |                     |
| Cost of goods sold                     | -216 308    | -320 566    | -492 634    | Suppliers           |
| Salaries and compensations             | -60 463     | -75 490     | -120 293    | Co-workers          |
| Capital Costs (interest)               | -15 638     | -13 885     | - 29 816    | Investors           |
| Expenditure to states (Company Tax)    | -895        | -7 117      | -2919       | Public Sector       |
| Sweden                                 | -22         | -5323       | -613        |                     |
| Poland                                 | -791        | -356        | -804        |                     |
| Denmark                                | -82         | -1438       | -1037       |                     |
| Spain                                  |             |             | -465        |                     |

Corporate sustainability is a change process in which we as a company 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. The long-term goal in our sustainability strategy is to play our part in enabling people to live their passion within planetary boundaries, a strategic stance we call *#SustainablePierce*.

We realize that our industry is part of a sector with consequences on the planetary boundaries within which we all can enjoy our lives. It is therefore our commitment to work hard in finding green solutions, smart innovations and cutting-edge business operations that allow reduced environmental footprints and eco-friendly solutions to emerge. Simultaneously, as an e-commerce business it is critical for us to continuously keep an eye on how our products are being produced, packaged, shipped and recycled. Of equal importance is how people involved in our value chain are treated and that we actively collaborate with others to raise the bar regarding our role in the broader business eco-system. We communicate our vision of this strategic journey through the material topics which we have identified during this year’s sustainability work.



The sustainability framework is comprised of four components. The foundation of our business is set by our company culture, overall sense of doing things right as well as going all in on HR and diversity issues. Our green responsibility also covers all our transport and logistics operations and the last and most ambitious component of the framework is about exploring opportunities to green our offerings and promote innovative and more sustainable products, which is what we call Eco Moto. The 2030 *#SustainablePierce* framework provides the overarching direction and the first step on a continuously evolving journey to be developed further during the years ahead.

**#SustainablePierce – Sustainability framework**

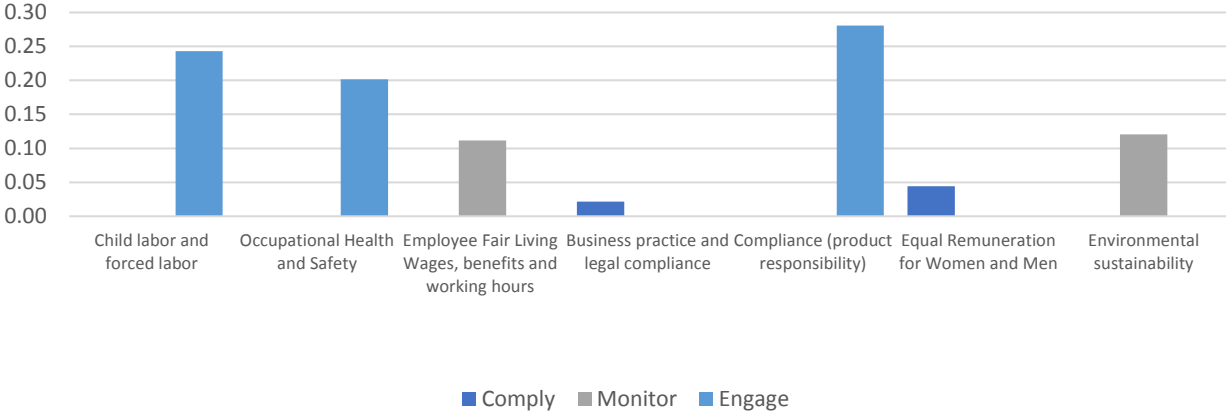
The table below lists indicative goals and KPI’s for the coming years, which will be further refined and detailed as we embark on our sustainability journey.

| Area                                 | Indicative goals 2021   | Type of KPI’s  |
|--------------------------------------|---|--|
| Eco Moto - Green offerings           | <ul style="list-style-type: none"> <li>- Launch eco-friendly section on websites</li> <li>- Launch eco-friendly first product line</li> <li>- Minimize number of product safety violations</li> <li>- Explore CSR partnership opportunities</li> </ul>  | <ul style="list-style-type: none"> <li>- % of eco-labelled products</li> <li>- # of product safety violations</li> </ul>   |
| Green Cargo – Smart transportation   | <ul style="list-style-type: none"> <li>- Introduce green delivery option on all websites</li> <li>- Increase percent of fleet operating on EURO6 trucks</li> <li>- Optimize inbound and outbound transportation</li> </ul>  | <ul style="list-style-type: none"> <li>- % customers choosing green delivery option</li> <li>- Energy emissions (tons CO2)</li> <li>- Energy usage (MWh)</li> <li>- Line haul truck utilization and fill rate</li> </ul>                           |
| All in – Culture and people          | <ul style="list-style-type: none"> <li>- Increase leadership position held by women</li> <li>- Potential HR indications of misconduct followed up and sanctioned</li> <li>- Annual satisfaction employee survey above 75 % satisfied</li> </ul>   | <ul style="list-style-type: none"> <li>- % of women in management and Board of Directors functions</li> <li>- # of reported instances of harassment or misconduct</li> <li>- Employee satisfaction score</li> </ul>                                |
| Doing rights – Governance and ethics | <ul style="list-style-type: none"> <li>- Increase staff acceptance of Code of Conduct and GDPR policies</li> <li>- Increase sales originating from Supplier Code of Conduct certified suppliers</li> <li>- Develop social projects in our warehouse focused on diversity and inclusion</li> <li>- Improve health and safety procedures</li> </ul> | <ul style="list-style-type: none"> <li>- % staff read and accept the Code of Conduct</li> <li>- % of suppliers signed supplier Code of Conduct charter</li> <li>- # of GDPR or privacy complaints</li> <li>- # health and safety issues</li> </ul> |

**2.1 Doing Right**

At Pierce we are committed to a business practice that is not only fulfils legal requirements but also proactively engages in issues regarding anti-corruption, human rights (throughout our value chain) as well as health and safety, integrity, data security and privacy.

**Internally assessed relative supplier and supply chain partner risks**



Based on internal workshops we have assessed the main risks for our supplier and supply chain partners in this 'doing right' area and identified mitigating approaches for each of the risk areas, which is shown in the table above.

### 2.1.1 Anti-Corruption

The Code of Conduct includes a strong stance of zero tolerance regarding corruption and clearly establishes that our employees must not accept gifts or any other compensation if there is any possibility that these may be perceived to improperly influence any type of business decisions. This includes a ban on commissions, bonuses or kickbacks from any of our brands for personal benefits.

### 2.1.2 Suppliers and supply chain partners

Since Pierce is a retailer our commitment to "doing right" extends to our suppliers and supply chain partners. In our "Supplier Charter" we demand that they, as a matter of course, are in strict compliance with national and international law and that they support universal human rights, labour rights and environmental concerns. We are currently reviewing our Supplier Code of Conduct and will start rolling out a revised version in 2019.

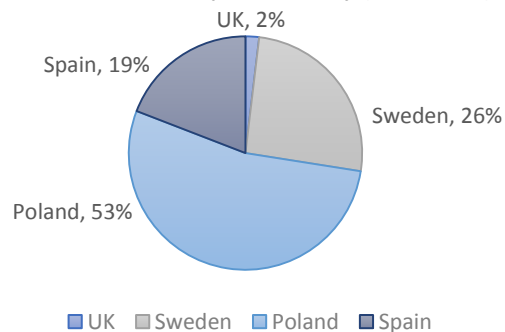
### 2.1.3 Data protection

Pierce's customers' trust is precious. Therefore, we comply with all legal requirements for consumer protection and we do not sell our customers' information to any third parties. During the last year our team has prepared for the GDPR ruling by reviewing and adjusting current processes to ensure compliance with this regulation that is effective as of May 25, 2018. All data has been classified and documented, all internal and external data processes have been identified and a method for managing inquiries from customers and employees has been implemented.

## 2.2 All In

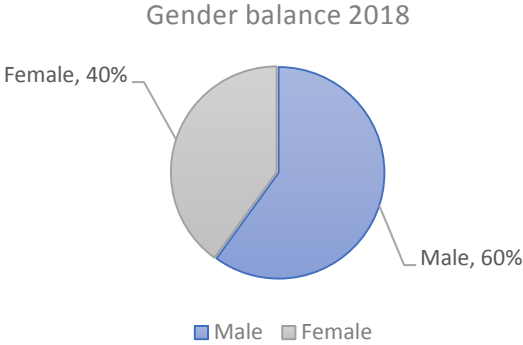
Pierce's ability to expand and build an attractive business hinges on our ability to retain, develop and keep employees with the right skills, attitudes and mind-sets. Good working conditions and career prospects paired with clear equality and diversity initiatives make for the right circumstances.

Headcount, staff per country (total 371)



### 2.2.1 Gender and diversity

Pierce wants to promote equal rights for women and men in terms of work, employment, working conditions and professional growth. However, our business is exposed to gender differences in various ways. As an example, applicants to open positions are traditionally male, and Pierce has noticed that that female candidates have been harder to attract. Among our employees, the share of women to men is approximately 60 % - 40 % in favour of more men, and while both our Board of Directors and extended management team have female representation we are looking to improve the gender balance in senior positions.



### 2.2.2 Working conditions

As an employer concerned about safety we will periodically perform health and safety training sessions. The responsibility for safety lies with the local health and safety coordinator who conducts an annual meeting to assess current procedures and define potential actions.

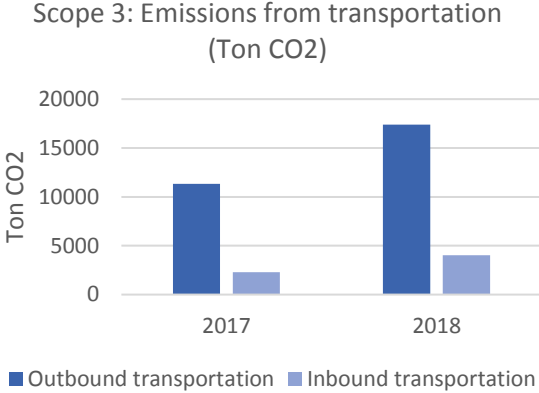
Employees at Pierce can exert influence on their working conditions through management, through employee survey feedback and through a Great Place to Work initiative, which activity looks at improving the working environment and culture. In accordance with local legislation and applicable law in each country, employees have a right to join trade unions and to negotiate collective agreements, however no collective agreements are in place at the present time.

On an individual level, the employee development process is important to Pierce and we therefore provide annual career development discussions where we set individual action plans and goals as well as review the compensation and benefits. Further education is available when deemed necessary and Pierce encourages engagement in individual development programs.

### 2.3 Green Cargo

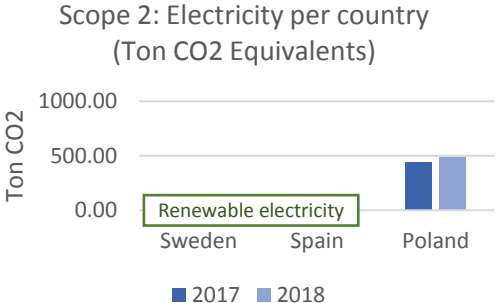
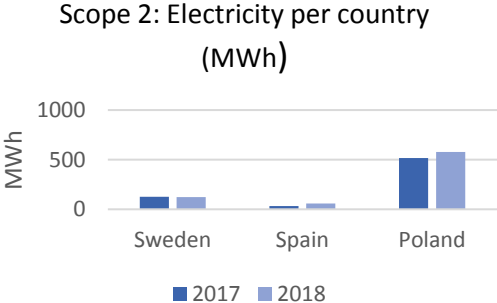
With the rise of e-commerce, renewed attention has been drawn to the environmental and climate impact of shipping, logistics and transportation activities. This is an area in which Pierce is looking to improve our performance by means of a careful design of distribution systems and cooperation with logistical partners. As a result of our main warehouse being in Poland we are achieving an optimal location for inbound and outbound distribution across the entire European market.





The reported numbers include not only the emissions from diesel/gas consumption, but also the emissions that comes from creating the transportation infrastructure as well as the vehicles. We engage with transport carrier service providers to further improve CO2 reporting. Reduction of fuel and CO2 footprint is important to us and we have continuous discussions with the transport companies regarding energy efficient shipping and how this is reviewed and reported.

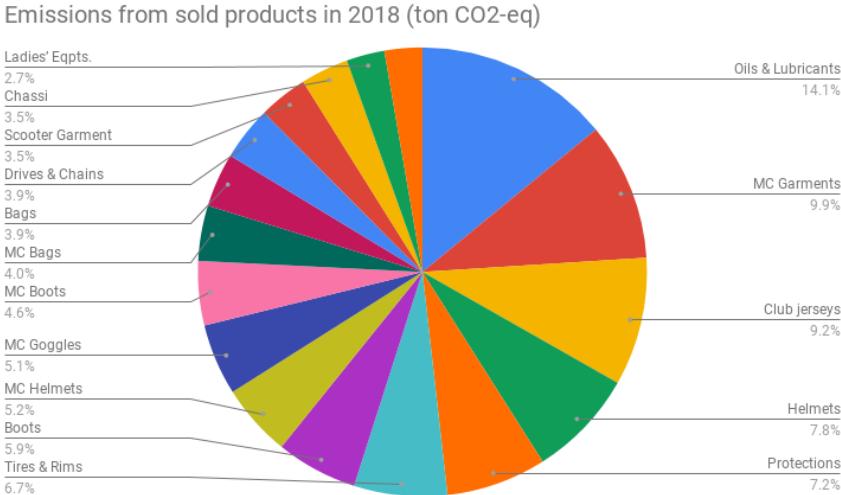
All our offices use renewable energy sources except for Poland, where this is currently not available. We are however working with the owner of the warehouse facility to further green the warehouse operations.



Across our offices, paper and packaging make up most of our waste. In the distribution centres packaging material is used in significant amounts, to ship and return our products. Recycling of packaging in our distribution centres is a prioritized topic.

**2.4 Eco Moto**

The lion’s share of Pierce’s environmental footprint is indirect, meaning is it to be found in the production of the products we sell, as reflected in our scope 3 emissions. To reduce this footprint, it is vital for us to engage with suppliers and develop more sustainable product offerings. At the same time, we want to raise the bar on innovation and partnership in the design and offering of tomorrow’s products. After our initial product screening, undertaken in 2018 through a third-party provider, we now know that oils and lubricants, motocross gear, jerseys and helmets constitute a significant portion of our total footprint in terms of CO2 per spent dollar. We are continuously exploring avenues to improve product design and supplier set-up to reduce the environmental impact.



Pierce constantly strives to make our customers feel safe and assured of the quality of our products. Part of that work is to put demands on suppliers regarding production and traceability and to ensure the products ordered from our websites comply with legislation for safety, labelling and chemical content. No products have been recalled in 2018 due to incorrect or incomplete labelling. Another part of product safety is related to reducing the use of harmful chemicals in the private label production process.

We have assessed our scope 1, 2 and 3 emissions in accordance with the GHG protocol across our operation. Scope 1 emissions are direct emissions from owned or controlled sources. Scope 2 emissions are indirect emissions from the generation of purchased energy. Scope 3 emissions are all indirect emissions (not included in scope 2) that occur in the value chain of the reporting company.

| Scope          | Category                                     | 2017 (ton CO2) | 2018 (ton CO2) |
|----------------|--|----------------|----------------|
| <b>Scope 1</b> | Fuel & vehicles                              | 0              | 0              |
| <b>Scope 2</b> | Energy                                       | 438            | 490            |
| <b>Scope 3</b> | Inbound transport                            | 2 277          | 4 039          |
|                | Outbound transport                           | 11 320         | 17 391         |
|                | Business travel, incl. restaurants and hotel | 241            | 243            |
|                | Products                                     | 347 551        | 516 957        |

All Scope 3 emissions are estimated from a life-cycle assessment perspective using a sector average spend method in accordance with the GHG Protocol standard. Sector estimates data was sourced from the World Input Output Database.

### 3. About this report and our sustainability work

Sustainability is becoming an increasingly important part of Pierce's ever-present drive to ensure our business' future. As such it acts as a filter in all our operations by means of introducing an economic, environmental and social lens on our activities. Pierce strives to be inclusive towards direct and indirect stakeholders, but also towards our future associates. This year, in order to work towards this goal, we have started to build our sustainability strategy – *#SustainablePierce* – as well as updated and modernized several of our policies:

The ***Code of Conduct*** describes values, principles and expected behaviour that are to be observed by our employees. The code outlines our policy in regard to gifts, health and safety, IT, equality, harassment and relationships with suppliers and other business stakeholders. Importantly, our Code of Conduct takes a strong stance on anti-corruption, obliging all Pierce employees to observe the strict standards of conduct.

The ***Code of Conduct for Business Partners and Suppliers***, which is currently under development and soon to be launched, stipulates that relationships should be characterized by honesty and ethical principles. The Pierce Group strives to enter business relationships with companies whose activities are consistent with its own ethical principles regarding business practices, human rights, working conditions, occupational health and safety, as well as freedom of association.

Our ***Equality, Diversity and Inclusion policy*** sets out how we treat each-other with respect to inclusion, independence and difference of opinions as well as how we work to ensure a diverse representation in senior management and on the Board of Directors level.

Our Board of Directors is governed by the Swedish Companies Act which provides the foundation of regulatory framework for the Pierce Group. The Board of Directors is also responsible for overseeing Pierce's integration and adherence of corporate sustainability. At the Board of Directors meetings sustainability is discussed at least once a year in depth in addition to important and material or urgent sustainability issues brought forth through our sustainability coordinating function and our CEO when deemed necessary.

The sustainability strategy, *#SustainablePierce*, introduces our long-term ambitions when it comes to sustainability. It states our hopes for future developments within Pierce as well as indicative goals. The sustainability strategy is managed by a coordinating function chaired by the Head of Product Quality but also involves close cooperation with the CEO to align sustainability initiatives with the business strategy

#### 3.1 Stakeholders and materiality

During 2018, Pierce embarked on its sustainability journey by means of conducting a series of internal workshops and strategic discussions. Helped by external facilitators, we were able to evaluate some of the risks and opportunities our business is facing in relation to current trends, international sustainability initiatives and frameworks such as the Sustainable Development Goals and the UN Global Compact. Importantly, we also undertook a screening of our key footprints (including scope 3) using a third-party provider. While our identification of future key stakeholders and related sustainability issues as well as Pierce materiality issues were conducted internally, among managers and employees – we believe this to be a first important step toward crafting a more comprehensive and externally oriented stakeholder and materiality process in the future.

**3.2 Stakeholders, sustainability topics and possible dialogue forums**

A materiality analysis was conducted to internally identify the most crucial sustainability areas with the biggest impact. The analysis was based on risks and opportunities in the areas of environment, social sustainability, personnel/HR matters, respect for human rights, anti-corruption, ethics and corporate governance.

Members of the management group participated in two workshops, together with an external provider to discuss sustainability in relation to Pierce’s business prospects and overall corporate situation. In the second stage, the areas identified in the first workshop – and which form the basis for the larger sustainability strategy covered briefly earlier in this report – were examined in an electronic survey in which 35 co-workers at various levels (management, employees across key functions and Board of Directors) were invited.

The survey asked participants to weigh and rank 10 sustainability areas from both risk and opportunity related angles. The different elements of the survey resulted in a total score between 0 – 20 for each participant from which averages were then drawn. Finally, an in-depth interview with select members of the senior management team was conducted. The results of the materiality work resulted in the following areas being prioritized:

| Sustainability topic                      | Average materiality score (0-20) | % of total |
|---|----------------------------------|------------|
| Increase energy efficiency                | 6                                | 4,62       |
| Diversity                                 | 7                                | 5,38       |
| Recycling guidelines                      | 9                                | 6,92       |
| Extend product life                       | 10                               | 7,69       |
| Data privacy                              | 13                               | 10,00      |
| Sourcing standards and human rights       | 14                               | 10,77      |
| Employee Health and Safety                | 15                               | 11,54      |
| Product safety                            | 18                               | 13,85      |
| Sustainable and green product development | 18                               | 13,85      |
| Logistics and packaging                   | 20                               | 15,38      |

| Stakeholder         | Sustainability issue                       | Dialogue Forums  |
|---------------------|--|--|
| Customers           | Human rights                               | *Survey<br>*Customer supports<br>*Focus Groups   |
|                     | Logistics and packaging                    |  |
|                     | Transportation                             |  |
|                     | Waste                                      |  |
|                     | Pollution                                  |  |
| Suppliers           | Digital integrity                          | *Supplier development dialogues (incl surveys)   |
|                     | Logistics and packaging                    |  |
|                     | Pollution                                  |  |
|                     | Human rights                               |  |
|                     | Energy and climate                         |  |
|                     | Transportation                             |  |
| Employees           | Business ethics                            | *Employee satisfaction survey<br>*Performance monitoring dialogues<br>*Internal sustainability surveys |
|                     | Working conditions and employee well-being |  |
|                     | Logistics and packaging                    |  |
|                     | Human rights                               |  |
|                     | Transportation                             |  |
| Owners and analysts | Diversity and equality                     | *Interviews<br>*Annual General Meetings<br>*Investor Relations Meetings                                |
|                     | Long-term profitability                    |  |
|                     | Business ethics                            |  |
|                     | Strategic sustainability initiatives       |  |
|                     | Management team composition                |  |
|                     | Risk management                            |  |
| Civil Society       | Tax transparency                           | *Dialogue / Focus group network meetings<br>*Sustainability surveys                                    |
|                     | Customer satisfaction                      |  |
|                     | Supply chain                               |  |
|                     | Human rights                               |  |
|                     | Working conditions and employee well-being |  |
|                     | Energy and climate                         |  |

As we look forward to inviting external actors to extend our materiality survey and stakeholder consultations during the coming years, our ongoing work has lead us to identify the four key focus areas for Pierce: (1) Working hard with suppliers and employees to safeguard and promote diversity, ethics and fundamental respect for human rights (Doing Right); (2) Helping all our personnel, suppliers and talent customers to live their passion (All in); (3) Improving our logistic management handling from an environmental perspective (Green Cargo); (4) Contributing to the circular economy with green solutions (Eco-Moto). Implementing actions in all these domains by 2021 make up our first steps on the 2030 #SustainablePierce journey, so we can enable people to live their passion within planetary boundaries.

**4. GRI Index**

The GRI index references where various aspects of the GRI standards are mentioned inside the report or outside the report (e.g. URL to key policy documents). There are two options for reporting in accordance with GRI: “Core” and “Comprehensive”, this report will be classified as core because of the way the materiality survey was conducted. See the table below for the current GRI index. As we conduct operations across multiple offices in Europe and as we are targeting an international stakeholder base, we have published this CSR report in English.

| GRI Standard                 | Disclosure                                       | Page and information   | Comments / Omission |
|------------------------------|--|--|---------------------|
| GRI 102: General Disclosures | <b>GRI General Disclosures</b>                   |  |                     |
|                              | <b>Organizational profile</b>                    |  |                     |
|                              | 102-1 Name of the organization                   | Pierce AB  |                     |
|                              | 102-2 Activities, brands, products, and services | 3  |                     |
|                              | 102-3 Location of headquarters                   | Elektravägen 22<br>126 30 Hägersten<br>Sweden  |                     |
|                              | 102-4 Location of operations                     | 4 countries where operations are located, Sweden, Spain, UK and Poland.  |                     |
|                              | 102-5 Ownership and legal form                   | Limited company ( <i>Sw: Aktiebolag</i> )  |                     |
|                              | 102-6 Markets served                             | Markets in: Sweden, Norway, Denmark, Finland, Germany, France, UK, Ireland, Poland, Netherlands, Belgium, Italy, Spain, Switzerland, Austria, Czech Republic |                     |
|                              | 102-7 Scale of the organization                  | 3  |                     |

|   |        |  |
|---|--------|--|
| 102-8 Information on employees and other workers                    | 5-7    | Information has not been fully broken down by region due to limitations in the data. |
| 102-9 Supply Chain  | 7-8    |  |
| 102-10 Significant changes to the organization and its supply chain | 7-8    | No significant changes affecting the scope or boundaries of the report               |
| 102-11 Precautionary principle or approach                          | 4      |  |
| 102-12 External initiatives   | 8      |  |
| 102-13 Membership of associations                                   |        | Currently not a member of advocacy or industry organizations.                        |
| <b>Strategy</b>   |        |  |
| 102-14 Statement from senior decision maker                         | 2      |  |
| <b>Ethics and integrity</b>   |        |  |
| 102-16 Values, principles, standards, and norms of behaviour        | 2 to 4 |  |
| <b>Governance</b>   |        |  |
| 102-18 Governance structure   | 10     |  |
| 102-21 Consulting stakeholders on economic,                         | 11     |  |

|                               |  |   |   |
|-------------------------------|--|---|---|
|                               | environmental, and social topics                                     |   |   |
|                               | 102-22 Composition of the highest governance body and its committees | <ul style="list-style-type: none"> <li>* Sven-Olof Patrik Kulldorff (f. 1954), Chairman of the Board of Directors</li> <li>* Henrik Oscar Gösta Zadig (f. 1970) – CEO</li> <li>* Oskar Emanuel Lindholm-Wu (f. 1982), Board Member</li> <li>* Curt David Mattias Feiff (f. 1972), Board Member</li> <li>* Gunilla Birgitta Ruth Spongh (f. 1966), Board Member</li> <li>* Bo Magnus Dimert (f. 1970), Board Member</li> <li>* Hans Stefan Rönn (f. 1972), Board Member</li> </ul> |   |
|                               | 102-23 Chair of the highest governance body                          | * Sven-Olof Kulldorff (f. 1954), Chairman of the Board of Directors   |   |
|                               | 102-32 Highest governance body’s role in sustainability reporting    | The Board of Directors approves the sustainability report and ensures adequate execution of the CSR strategy  |   |
|                               | 102-33 Communicating critical concerns                               | As a private company, critical concerns are directly communicated to Henrik Zadig, CEO  |   |
| <b>Stakeholder engagement</b> |  |   |   |
|                               | 102-40 List of stakeholder groups                                    | 11  |   |
|                               | 102-41 Collective bargaining agreements                              | 7   | Pierce currently have no existing collective bargaining agreements. |
|                               | 102-42 Identifying and selecting stakeholders                        | 10 to 11  |   |
|                               | 102-43 Approach to stakeholder engagement                            | 10 to 11  |   |

|   |   |                                  |
|---|---|----------------------------------|
| 102-44 Key topics and concerns raised                             | 10 to 11  |                                  |
| <b>Reporting practice</b>   |   |                                  |
| 102-45 Entities included in the consolidated financial statements | Pierce Holding AB<br>Twenty Distribution AB<br>Pierce AB<br>PDC Logistics sp. z.o.o.'<br>IERP Motobuykers S.L.<br>MX Vice Ltd |                                  |
| 102-46 Defining report content and topic boundaries               | 10-11   |                                  |
| 102-47 List of material topics                                    | 11  |                                  |
| 102-48 Restatements of information                                |   | This is our first-time reporting |
| 102-49 Changes in reporting                                       |   | This is our first-time reporting |
| 102-50 Reporting period   | 2018-01-01 - 2018-12-31   |                                  |
| 102-51 Date of most recent report                                 |   | This is our first-time reporting |
| 102-52 Reporting cycle  | Annual  |                                  |
| 102-53 Contact point for questions regarding the report           | Willem Vos, COO   |                                  |
| 102-54 Claims of reporting in accordance with the GRI Standards   | 'This report has been prepared in accordance with the GRI Standards: Core option'   |                                  |
| 102-55 GRI content index  | 12-18   |                                  |



|                                      |  |                       |   |
|--------------------------------------|--|-----------------------|---|
|                                      | 102-56 External assurance                            | No external assurance |   |
| <b>GRI 300: Environmental Topics</b> |  |                       |   |
| GRI 302:<br>Energy                   | 103-1/2/3 Management approach                        | 3-4                   |   |
|                                      | 302-1 Energy consumption within the organization     | 9                     |   |
|                                      | 302-2 Energy consumption outside of the organization | 9                     |   |
| GRI 305:<br>Emissions                | 103-1/2/3 Management approach                        | 3-4                   |   |
|                                      | 305-1 Direct (Scope 1) GHG emissions                 | 9                     |   |
|                                      | 305-2 Energy indirect (Scope 2) GHG emissions        | 9                     |   |
|                                      | 305-3 Other indirect (Scope 3) GHG emissions         | 9                     |   |
| <b>GRI 400: Social Topics</b>        |  |                       |   |
| GRI 401:<br>Employment               | 103-1/2/3 Management approach                        | 5-7                   |   |
|                                      | 401-1 New employee hires and employee turnover       | 6                     | The information has not been broken down fully by age group, gender or region due to limitations in the data. |
| GRI 402:<br>Labor/                   | 103-1/2/3 Management approach                        | 6-7                   |   |

|   |   |   |   |
|---|---|---|---|
| Mgmt Relations                          | 402-1 Minimum notice periods regarding operational changes                            | For ending employment; according to Swedish Employment Protection Act (1982:80): one month for all employees with less than two years’ service. Then increased above four years of service. We also strive to inform employees as soon as possible about operational changes. |   |
| GRI 403: Occupational Health and Safety | 103-1/2/3 Management approach   | 7,  |   |
|   | 403-4 Health and safety topics covered in formal agreements with trade unions         | 7   |   |
| GRI 405: Diversity and Inclusion        | 103-1/2/3 Management approach   | 8, 10   |   |
|   | 405-1 Diversity of governance bodies and employees                                    | 7   |   |
| GRI 412: Human Rights Assessment        | 103-1/2/3 Management approach   | 5-6   |   |
|   | 412-1 Operations that have been subject to human rights reviews or impact assessments | -   | Audits are made but statistics not yet up to date. Planned for next reporting cycle |
| GRI 417: Marketing and Labelling        | 103-1/2/3 Management approach   | 9   |   |
|   | 417-1 Requirements for product and service information and labelling                  | 9   |   |
| GRI 418: Customer Privacy               | 103-1/2/3 Management approach   | 6   |   |

Sustainability Report – Pierce Holding AB

|  |  |   |                                   |
|--|--|---|-----------------------------------|
|  | 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data | 6 | No complaints have been received. |
|--|--|---|-----------------------------------|