

OCTOBER 2023

Our Responsibilities

SRAM



Table of Contents

- 03 **Welcome from Our CEO**
- 04 **Our Brands**
- 08 **Cycling Advocacy**
- 20 **Company and Culture**
- 32 **A Better Planet**

Dear riders,
 Doing the right thing matters. For SRAM, this means using our influence and reach to highlight the power of bicycles – in all their forms. Whether it's through supporting our teams and elite athletes, welcoming a new rider hitting the trail for the first time, or helping a young girl complete her education in Africa, bicycles can create meaningful change. As a family of brands, we anchor this work within a platform we call Our Responsibilities, supported by three pillars: Cycling Advocacy, Company & Culture and A Better Planet.

This isn't new for us. SRAM has a long legacy of cycling advocacy, beginning with co-founder F.K. Day helping to establish World Bicycle Relief in 2004. Through the 2010s, the SRAM Cycling Fund was an important driver of our continued advocacy. Looking forward, we are renewing our strategy to



more effectively advocate for the next generation of infrastructure and access. We dedicate more than \$1 million annually to support cycling advocacy around the world. Since 2008, we've given more than \$20 million in financial and logistical support to increase access and inclusion within bicycling.

Internally, we're building a more representative SRAM by rethinking our talent pipeline, starting with our internship program, and working up through our corporate structure. Our Diversity Council, with representation from across SRAM, is helping us shape these efforts, and we're seeing a positive impact. Outreach to groups like Society of Women Engineers (SWE) and Society of Hispanic Professional Engineers (SHPE) is bringing more perspectives and diversity to our talent pool. It's important that we practice the type of inclusion and access internally that we promote externally through our community and advocacy teams.

Around SRAM, when we speak about Our Responsibilities, it's especially relevant as we consider the company's environmental impact. Ensuring there's a viable future for the sport we all love means doing what we can to lighten our footprint in meaningful, verifiable ways. It's not an exact nor a perfect science, but we're making strides. Our new Eagle AXS Transmission shows how we can design for

longevity and durability without sacrificing the performance our customers and partners expect. Simply put, it's the most advanced and durable range of groupsets we've ever released. Our customers will see these products arrive in evolved packaging as well – we're phasing out all remaining plastic packaging, and plan to eliminate the need almost entirely within the next three years. We project this will reduce our overall plastic use by more than 66,000 pounds annually.

We're also working company-wide to assess and reduce our overall carbon footprint. For a company of our size, this is a significant effort. We're excited to share some self-identified goals soon that we can commit to, and continued industry collaboration will help accelerate the timeline to meet these benchmarks.

There's a lot going on across SRAM and our eight brands, and I'm excited to share our progress within this first report. We're proud to improve and to learn as we continue this journey, and hope you'll ride along with us.

Sincerely,

Ken Lousberg
 CEO

SRAM



TRUVATIV

ZIPP



QUARQ

TIME

HAMMERHEAD

velocio

A high-angle, top-down photograph of a person riding a mountain bike on a narrow dirt trail. The rider is wearing a dark helmet, a dark long-sleeved shirt, and reddish-brown shorts. The trail is flanked by dense, vibrant green foliage, including large-leafed plants on the left and numerous ferns on the right. The overall scene is a lush, natural environment.

Our Responsibilities



We developed the Our Responsibilities platform as a way to encompass the work we do in being a better advocate for our planet and our communities. Cyclists expect us to do more than engineer faster wheels and invent new shift logics, and we're up for the challenge. The hardware is important, but the entire effort is what ultimately counts.

There's something special about the power of bicycles, and we harness that unique spirit through inspiring componentry built responsibly and for the long haul.

The three pillars within Our Responsibilities shape everything we do at SRAM, working to make bicycling an indispensable part of a healthier today and a better tomorrow.



A Better Planet

Doing our part to reduce our overall environmental footprint in lasting ways backed by science.

Cycling Advocacy

Using our influence and resources to improve infrastructure, access and inclusion to benefit cyclists and the environment.



Company and Culture

Building an internal culture that represents the best of SRAM and allows all team members to thrive.


The Our Responsibilities platform always puts the ride and the rider first. Our Responsibilities means people and the planet win.

A panoramic view of a city skyline, likely San Francisco, seen from a hillside. The foreground shows a dirt path with two cyclists riding away from the viewer. The middle ground is a dense urban area with various buildings and greenery. The background features a prominent skyline of tall skyscrapers under a clear sky.

Cycling Advocacy



We are part of a global movement to build community and improve health and the environment through cycling. Using our platform, we advocate for better access, opportunity, policy, and infrastructure. This can take the shape of industry partnerships, on-the-ground operations, financial support, and other avenues as they arise. The goal is always to celebrate and elevate diverse riders, diverse places to ride and diverse kinds of riding: mountain (MTB), road, gravel, urban, adaptive, and everyday.



Helping more people realize the power of bicycles has always been at the core of our advocacy work. There are endless ways for people to enjoy time on a bicycle, and we want to provide the most access with the least obstacles.

From 2008-2014, the SRAM Cycling Fund invested \$9.6 million in various projects across the U.S., Europe, and Taiwan to advance infrastructure improvements and accessibility. We evolved the Cycling Fund into a more regular advocacy function in the years following, in which we invested an additional \$10 million in a range of trail improvement, industry support, donation programs, and other initiatives around the world.

Coming out of the pandemic, it's clear that the transformative power of bicycles is more relevant and important than ever. It's inspired us to rethink how we can use our scale and reach to welcome and support new riders.

These are the three pillars we believe we can facilitate to help the most people gain access to bicycling.

More Trails Close to Home

Increasing access to mountain biking by supporting responsible trail building near large population centers



Safe Infrastructure
Working towards low-stress infrastructure to make bicycling safer for everyone

Rider Growth

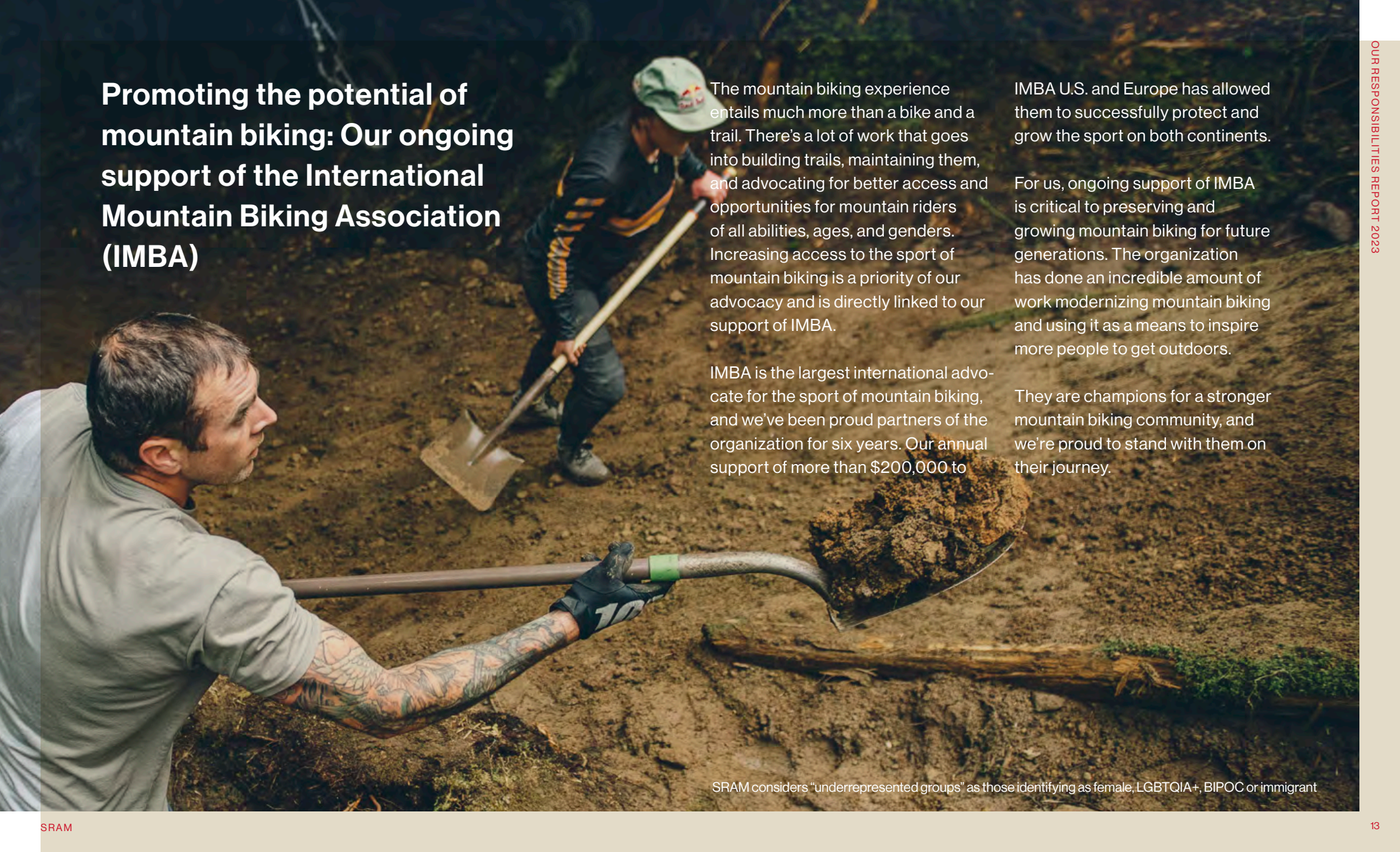
Partnering with groups and organizations that elevate underrepresented groups within cycling and provide equitable access for new riders



As we work on the long-term plan to realize quantifiable goals in each area, we are evolving our grant program guidelines to focus more on programming at the local level where we think our support can create the most impact. We're currently piloting a grant program with five cycling diversity-focused organizations in the U.S. and Europe over the next two years to help them better understand the grant process. We've allocated \$360,000 to support these organizations as they work to increase access to biking and plan to report on the progress annually through the end of the program.

In October 2022, our Safe Infrastructure focus supported urban planning non-profit City Thread with a \$150,000 grant, which ultimately helped ten American cities accelerate transportation infrastructure and mobility access.



A photograph showing two men working on a dirt trail. In the foreground, a man with tattoos on his left arm and wearing a grey t-shirt is using a shovel to lift a large amount of dark soil. In the background, another man wearing a green cap and a dark jacket with orange accents is also using a shovel. The ground is uneven and appears to be a construction site for a mountain biking trail.

Promoting the potential of mountain biking: Our ongoing support of the International Mountain Biking Association (IMBA)

The mountain biking experience entails much more than a bike and a trail. There's a lot of work that goes into building trails, maintaining them, and advocating for better access and opportunities for mountain riders of all abilities, ages, and genders. Increasing access to the sport of mountain biking is a priority of our advocacy and is directly linked to our support of IMBA.

IMBA is the largest international advocate for the sport of mountain biking, and we've been proud partners of the organization for six years. Our annual support of more than \$200,000 to

IMBA U.S. and Europe has allowed them to successfully protect and grow the sport on both continents.

For us, ongoing support of IMBA is critical to preserving and growing mountain biking for future generations. The organization has done an incredible amount of work modernizing mountain biking and using it as a means to inspire more people to get outdoors.

They are champions for a stronger mountain biking community, and we're proud to stand with them on their journey.

SRAM considers "underrepresented groups" as those identifying as female, LGBTQIA+, BIPOC or immigrant

“Basically, SRAM is the cog that transfers motion. Whether this is a new trail building education project, our IMBA Europe Summit – inspiring stakeholders to better facilitate mountain biking – or the Take Care of Your Trails campaign that promotes trail stewardship amongst grassroots MTB groups in Europe, the power and leverage of SRAM’s advocacy strategy can’t be underestimated. We are both intrinsically motivated to create something of value to the mountain biking community, and that’s truly the strength of our collaboration.”

Mark Torsius, general manager, IMBA Europe



“SRAM’s partnership with and financial support of IMBA has been critical to our global impact on mountain biking. Beyond their industry-leading financial commitment, SRAM’s willingness to roll up their sleeves and partner across our 250+ grassroots organizations and international partners, through local advocacy and stewardship efforts, is world class.”

Kent McNeill, CEO, IMBA

Industry Partnerships

SRAM supports national and international rider and industry groups, including:



THE LEAGUE
OF AMERICAN BICYCLISTS
since 1880



peopleforbikes

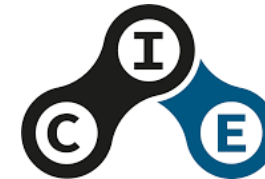


adfc
Allgemeiner Deutscher
Fahrrad-Club

OUTDOOR  **ALLIANCE**
CONSERVATION POWERED BY OUTDOOR RECREATION

ZIV

Zweirad-Industrie-Verband



**Cycling
Industries
Europe**

SRAM in the Community

As a leading component producer, it's our responsibility to engage with as many different partners and stakeholders as possible throughout the bicycling community. We believe in not only promoting all of their work, but using our resources to further their efforts where we can.

SRAM Stories

Our SRAM Stories channel is one way we help bicyclists around the world tell their own stories in their own words. We encourage community members to contribute their stories, and we often publish these accounts with minimal editing. Elevating lesser-known perspectives within the world of bicycling helps increase access and inclusivity.



Embracing Equity for Indigenous Women* in Mountain Biking

We meet at the trailhead, but we don't all start from the same place. With the support of allies, Indigenous Women Outdoors (IWO) provides a mentorship community that strengthens Indigenous matriarchal leadership in the outdoor industry and creates a barrier-free environment for the next generation of Indigenous riders.

SRAM has supported IWO for the last two years, providing equipment and financial and logistical support for more than 60 Indigenous women to get on trails at Whistler Bike Park in Whistler, British Columbia during Crankworx – many for the first time. It's a powerful opportunity to help a new group discover mountain biking in a safe and welcoming environment with professional mentors on hand to offer support.

This ongoing partnership is a great example of how we prefer to direct our advocacy support: it's not about creating our own ideas, but rather supporting the tenacious and invaluable work that others in the community are already doing – all to highlight the power of bicycling.

Read more about IWO on [SRAM Stories](#).



*"Women" refers to gender-expansive community members (cis women, trans women, non-binary, gender non-conforming, genderqueer community members and any women-identified community members).

More than a bike: The global impact of SRAM and World Bicycle Relief



Our desire to help others realize the power of bicycles has long been intertwined with the incredible efforts of World Bicycle Relief (WBR). SRAM co-founder F.K. Day co-founded WBR with Leah Missbach Day in 2005 originally as a disaster relief organization following the devastating Indian Ocean Tsunami that affected parts of southeast Asia. Since then, WBR has grown into a thriving non-profit social enterprise that has distributed more than 750,000 bicycles and opened 80 retail shops in Africa and Latin America – primarily serving rural, hard-to-reach communities.

WBR envisions a world where distance is no longer a barrier for individuals to pursue their dreams. Equipped with a purpose-designed Buffalo Bicycle, individuals can access education, markets, health facilities and vital services they need to thrive. They have a tool to be a force for change, and create opportunities for themselves, their families and entire communities. WBR is working swiftly to reach its goal of

distributing 1,000,000 bicycles by 2025 and expand its efforts to create safe and sustainable bicycle ecosystems -- and we're excited to continue our support.

While WBR operates independently from SRAM with its own staff and organizational structure, SRAM provides additional support from our engineers, supply chain team and others to advance this important mission. In addition to donations (including matching employee giving dollar for dollar) we provide in-kind services to WBR globally, including office space at several of our buildings, HR and IT support, product donations, and access to product development resources. Further, we add \$5/€5 to certain product orders to directly benefit WBR.

Our athletes and ambassadors are also encouraged to highlight WBR's mission as they attend and compete in events around the world representing SRAM.

About the Bicycle

The Buffalo Bicycle isn't your typical bike. While many of the world's bicycles are focused on being lightweight, complex and made for recreation, the Buffalo Bicycle was created specifically to withstand the rugged terrain and harsh climate conditions of the regions where WBR works. The result of more than a decade of product development and several industry development partnerships, WBR's Buffalo Bicycle meets the pressing needs of people living in low-income regions around the world.

The extremely durable and easy-to-maintain Buffalo Bicycle is tested and assembled in-country. The rear rack's capacity of 100 kg allows riders to carry heavy loads to market or even another rider to school. As part of creating a sustainable bicycle ecosystem, WBR also ensures quality spare parts and trained mechanics are available locally. WBR is currently working on a new drivetrain, the AK2, that will ensure that the Buffalo Bicycle is suited for hillier regions and increases rider's range to realize their potential. It will be the first patented piece of technology coming directly from WBR with a release slated for 2024.

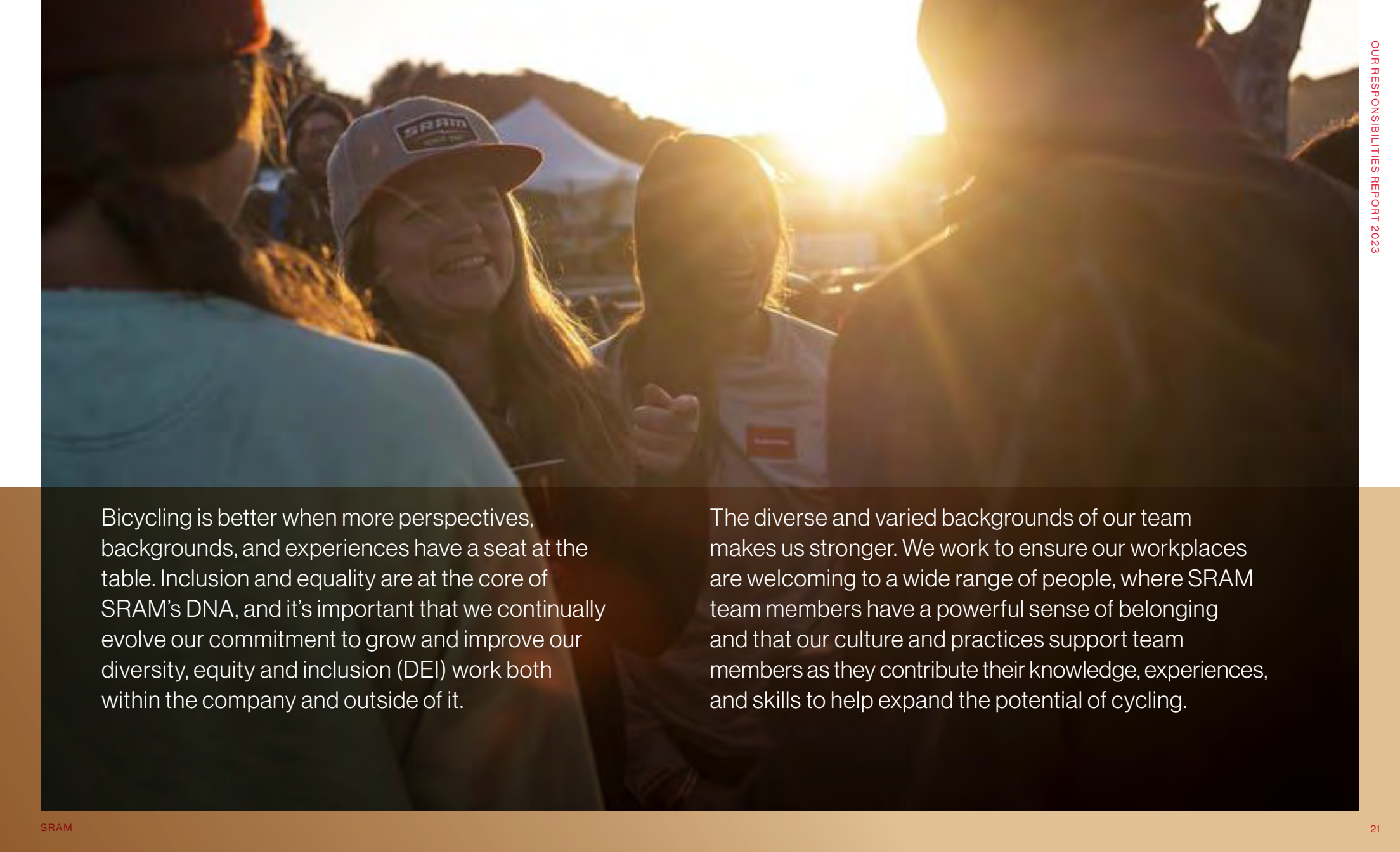
"SRAM designs and manufactures components for some of the highest-performing bicycles available, but the most powerful bicycle we've ever helped develop is the one that helps a female student get to school, or for a mother to support her business."

F.K. Day, co-founder, WBR; co-founder, SRAM





Company and Culture

A group of people, including a woman in a white SRAM cap, smiling and talking outdoors at sunset. The scene is filled with warm, golden light from the setting sun, creating a sense of community and positivity. The woman in the foreground is wearing a white cap with the SRAM logo and is looking towards the right. Other people are visible in the background, some also wearing SRAM gear, suggesting a team or community event.

Bicycling is better when more perspectives, backgrounds, and experiences have a seat at the table. Inclusion and equality are at the core of SRAM's DNA, and it's important that we continually evolve our commitment to grow and improve our diversity, equity and inclusion (DEI) work both within the company and outside of it.

The diverse and varied backgrounds of our team makes us stronger. We work to ensure our workplaces are welcoming to a wide range of people, where SRAM team members have a powerful sense of belonging and that our culture and practices support team members as they contribute their knowledge, experiences, and skills to help expand the potential of cycling.

The values that drive SRAM

Our DEI Beliefs



Diversity

- We believe that having a more diverse team will make us a better company.
- We believe in being intentional in creating diverse talent pools, to ensure we are hiring the best possible team members.

Equity

- The safety and well-being of our team members is paramount.
- We believe in equal opportunity for all, without any unintended barriers.
- We believe that all people can experience the power of bicycles and we seek to partner with others to help expand the potential of cycling.

Inclusion

- We listen to one another and treat each other with respect, even when we disagree. We do not let disagreements derail us.
- We believe that if we are inclusive and truly listen to understand each other's perspective, we can operate in a way that protects our team environment & spirit without compromising our individual beliefs.
- We are a learning community, and we will make mistakes. When we do, we own them, take timely and corrective actions, and learn from them.
- We aspire to create workplaces where people can put their energy into being excellent at their jobs and growing their capabilities.
- We acknowledge that there is more work to do, both as a company and an industry, in ensuring that SRAM and cycling is truly inclusive and welcoming to all kinds of people.

Inclusivity Champions

Our Inclusivity Champions are team members who act as leaders in their specific departments, and are active in DEI efforts across the company. In partnership with the SRAM Diversity Council, this program gives our North American employees a connection to SRAM's broader inclusion efforts and a direct path to offer actionable feedback to company leaders.

These Champions also support the Community and Cultural Committees at each of our locations worldwide as a connection back to our main North American business.

The SRAM Diversity Council

Our Diversity Council includes several key leaders from across the company, helping to evolve SRAM's approach to DEI and expanding the focus from specifically gender towards a more inclusionary approach.

Some of the Diversity Council's successes include:

Playing a key role in hiring a full-time diversity-focused leader in July 2022 to help SRAM create an effective and sustainable long-term DEI strategy

Creating a more formalized professional development framework that focuses on individual empowerment

Refocusing our education and awareness to better support internal bias and equity training: Ally Skills Workshop, Listening Sessions, and other opportunities

Advising on more effective recruiting strategies to attract candidates representing a broader range of backgrounds and perspectives

Improving the recruitment process within our internship programs, focusing on effective outreach at Historically Black Colleges and Universities (HBCUs)

Facilitating our involvement with organizations, including:

National Society of Black Engineers (NSBE)

Society of Women Engineers (SWE)

Society of Hispanic Professional Engineers (SHPE)

Women in Sports Technology (WiST)

Black History Month is a time to celebrate the fullness of African-American history and culture and celebrate how African-Americans work collectively to strengthen their communities. As part of a new initiative started in partnership with our Diversity Council, SRAM team members across North America were invited over the course of the month to learn more about the rich heritage of African-American culture and the impact their innovations and contributions had and continue to have on this country. Two guest speakers discussed the importance of supporting and uplifting the community and the importance of building inclusive spaces that are safe for all.

FEBRUARY

BLACK HISTORY MONTH

UPLIFTING
AND SUPPORTING
THE COMMUNITY

The Taiwan Cycling Club

Our team in Taiwan is an incredible mix of factory workers, engineers, corporate staff, and cycling enthusiasts.

In 2020, a small group of employees decided it was time to harness the power of an especially enthusiastic portion of the team, founding the Taiwan Cycling Club. The Club is an opportunity for cyclists of all walks of life, perspectives, experiences, and abilities to come together for rides, education, endurance competitions, and so much more. Today, the club has more than 230 members with an eventual goal of representing at least 10% of our entire Taiwan-based workforce.

The Club has no requirements for membership other than a love of bicycling. It's an easy way for SRAM team members to enjoy monthly rides, increased cycling education and other opportunities through our industry partners.

In one example, some Club members participated in Giant's Tour de Taiwan, which covered more than 600 miles around the island. We also partnered

with Giant on a group ride to allow our employees to experience our AXS drivetrain in action on Giant's TCR bikes. At that event, SRAM team members were welcome to bring their own personal bikes for free check-ups and tuning from Giant.

The Club partnered with Merida and LIV as well, including support for LIV's annual LIVDAY, which aims to support female riders through a number of initiatives. Within our own family, The Club partnered with Velocio on a Ukraine Unity ride, including creating custom kit to show support for the nation. Visiting SRAM employees often ride with The Club as members are always eager to show their favorite cycling routes around Taiwan.

There is a real sense of community within the Taiwan Cycling Club. The group promotes advocacy around safer bicycling throughout the country, and helps SRAM as a company level the playing field in cycling by giving our employees a way to use the power of bicycles to connect outside of the workplace.



We established an impactful partnership with Christ the King Jesuit College Prep: A Catholic school on Chicago's West Side that challenges & inspires its young women and men through the integration of academics, work experience and extracurricular activities. Over the last several years we've helped students gain real-life work experience at our North American HQ. One of the students in this program graduated this year and the other is coming back for his senior year of high school with a focus on engineering.

Pay equity

We look at pay structure by geographic region, and are working towards more complete internal equity in pay. We're working to ensure team members working in the same region with similar experience and qualifications receive similar and fair compensation.

Our interns make a difference

Our Internship Program remains an important conversion opportunity for young professionals looking to get into the bike business. This past summer, we opened our doors to 23 interns with 30% self-identifying as from an underrepresented demographic.





Mohammed Hussain

Test Automation Engineer, SRAM

“Through my internship at SRAM, not only did I rediscover my passion for bicycles, but I also found my path to a fulfilling career. Today, I stand proud, not just as an individual with a job, but as a beacon of support for my family.”



The Rise of Trevon Mitchell

Seattle high school senior Trevon Mitchell is only 17 years old, but rides and trains like someone much further along in his cycling journey. For someone who only began in the sport in 2020 at the suggestion of a high school teacher, he has come a long way fast. He's certainly fast on the bike, competing in an initial run of races in the summer of 2021, winning his first category race. By the summer of 2021 Trevon had competed in a handful of races. Because he doesn't own a car, he uses the commute to each race to warm up and mentally

prepare to take on all comers. SRAM learned about this rising star early on and decided he was a role model in his own right. Earlier this year, Trevon was offered a scholarship to Marian University in Indianapolis (one of the country's top cycling programs) to ride with the Knights' team. We're proud of all he's accomplished in this short span, and we'll continue providing financial and equipment support for the next chapter of his story as he earns his degree and continues competing in college.

Riders and organizations who exemplify SRAM's values in their everyday lives and have the power to make meaningful impacts both socially and culturally. They use the power of bicycles to inspire people, drive change, and deliver experiences that expand the potential of the sport.

SRAM ambassadors need to be authentic in their passion for bicycling. Our ambassadors have a purpose and a mission, and they lead with a sensible and welcoming approach. Our ambassadors care deeply about being the best at what they do while welcoming in new riders, regardless of level, ability, or background.

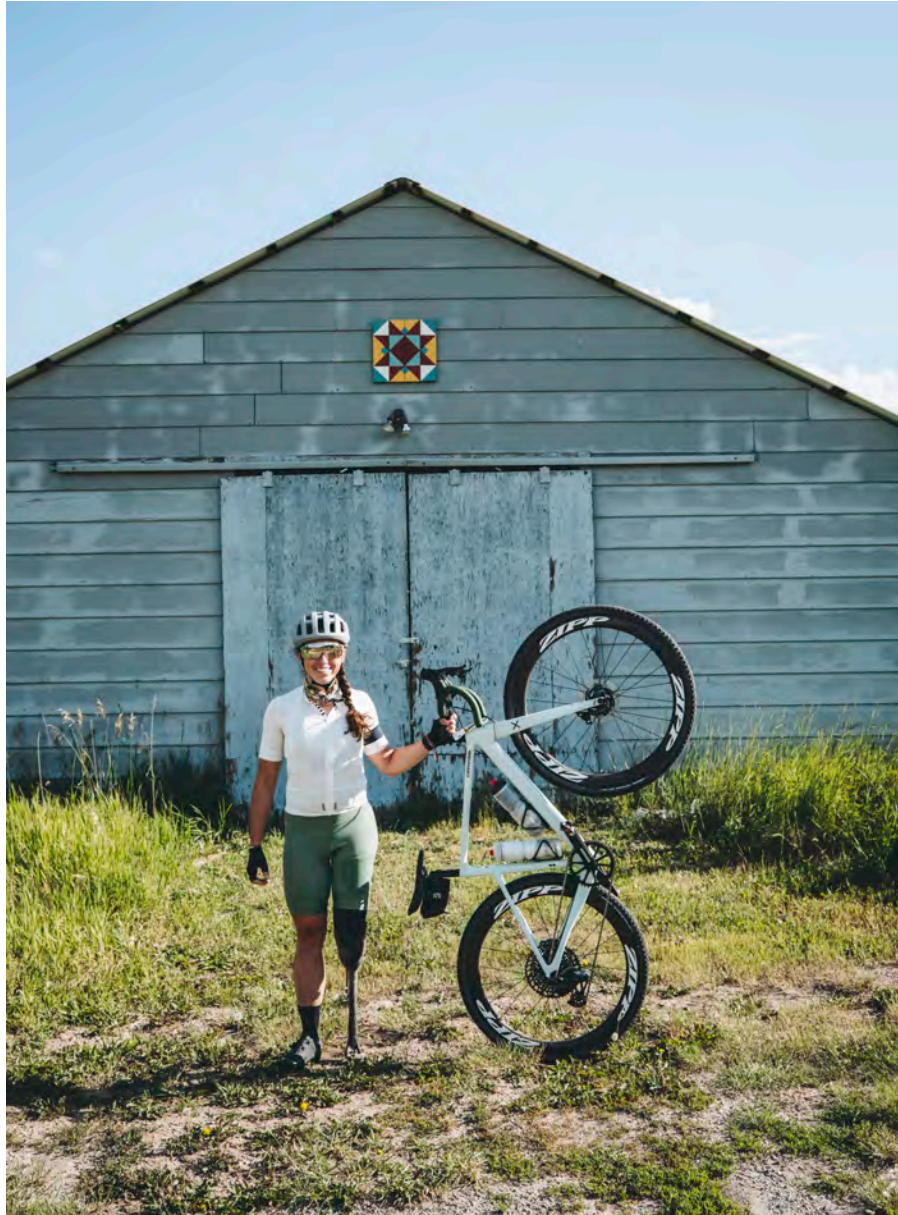
We're actively rethinking our qualifications and guidelines for the SRAM Ambassador Program as the very definition of a bicycling ambassador continues to evolve. While our parameters may change, the dedication and inspiration any person or group selected to be an Ambassador certainly won't.

What makes a SRAM ambassador?



Andrew Jackson / Gravel

Andrew Jackson is an Angeleno through and through, but putting the focus on other parts of the city that don't get as much of the spotlight. His story starts in Motocross racing with a shift to BMX, and now in gravel racing where he's using a passion for video to bring new stories to the surface. Andrew's spirit certainly represents a new, exciting direction for gravel riding and what it can be.



Meg Fisher / Paracycling

Dr. Meg Fisher is an 11x World Champion, 2x Paralympian with Team USA, a pioneer of para-cycling categories in off-road events, and a practicing physical therapist. Although her accomplishments as an athlete and human are undeniably impressive, perhaps her most important work is in expanding opportunities for more para-athletes to compete in all forms of competitive cycling. A longtime SRAM ambassador, Meg shares our vision of breaking down barriers and building up access, and we're proud to stand with her as she continues on her journey.

Ladies AllRide

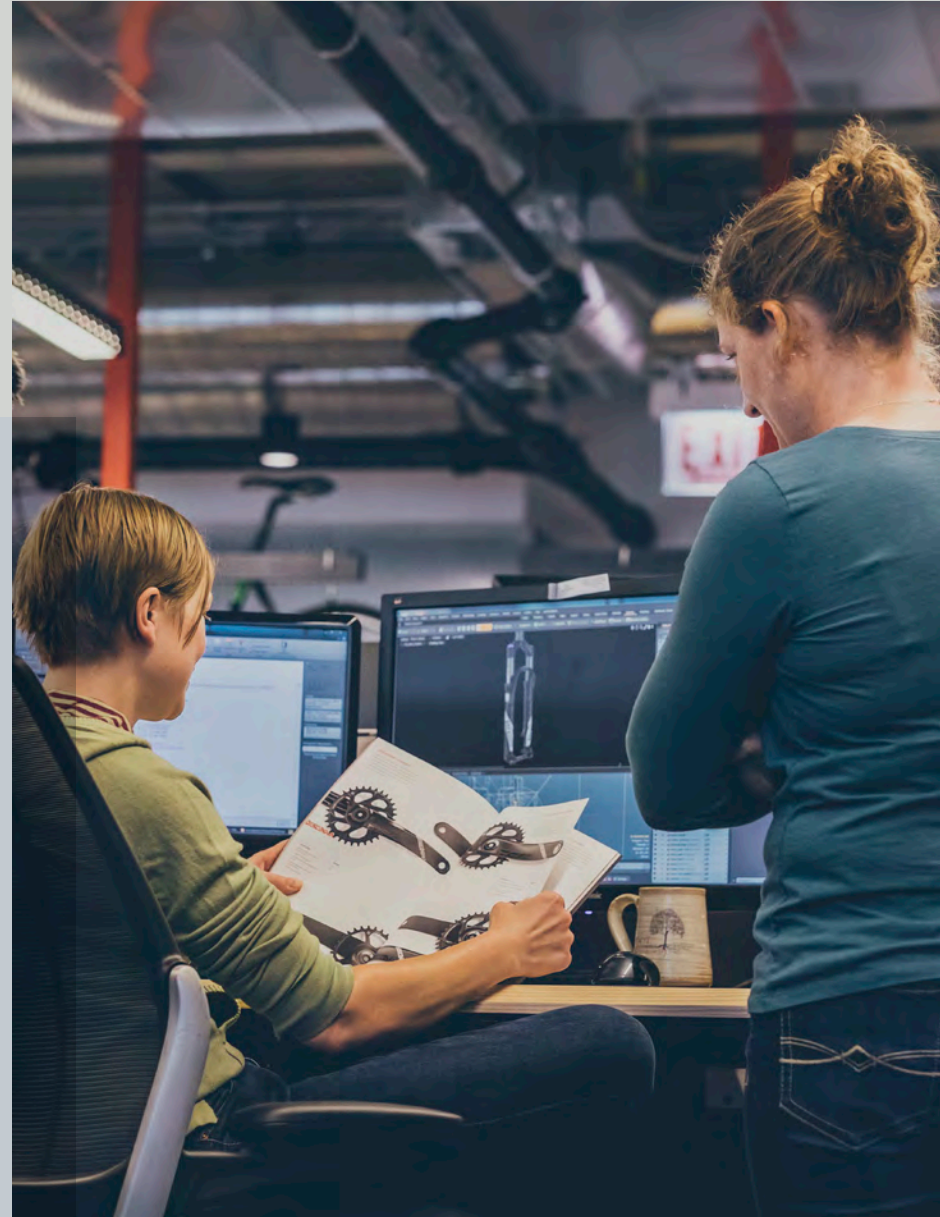
AllRide's message is simple ... we should ALL RIDE bikes to experience the joy, fun and life lessons bikes can bring into our lives. The all-female, team-based organization aims to help more people experience the power of mountain biking through their national series of MTB skills camps and more. The organization has been an important ambassador of SRAM's Women's Program since 2010, helping new riders feel welcome, and gain experience and confidence to become riders for life.

Helping athletes transition to what's next

There are often few paths and developed opportunities for post-career cycling athletes to remain connected to the sport in a professional way. To help close this gap, we support The Cyclists Alliance TCAMP mentorship program, which offers athletes resources and opportunities to make the most of their next step once their racing days are done. In 2022, we facilitated two workshops on career and networking topics along with other bike industry companies for TCAMP participants. In the future, we will be looking to post opportunities for internships and/or part-time work for TCAMP participants and create

direct, regular visibility to SRAM open positions for those participating in the program.

Our Women in Sports Tech (WiST) partnership is part of our DEI talent pipeline work to reach female candidates for our technology-related openings. In 2023, we sponsored two WiST fellows as part of our annual summer intern program.



A person is riding a mountain bike on a dirt trail through a forest. The sun is low on the horizon, creating a warm, golden glow and long shadows. The forest is dense with tall, thin trees. In the distance, two other people are visible on the trail. The overall scene is peaceful and scenic.

A Better Planet

Reducing our environmental impact means promoting cycling as a clean option for recreation and transportation and ensuring we responsibly develop, manufacture, and deliver our components.

While cycling is a “cleaner” option for transportation, much of what we make lives in enthusiast categories where a bike is a means for recreation rather than primary transportation. This puts an even greater emphasis on responsible design and manufacturing. It means taking care to consider the materials we use and only using what we need, limiting the waste we produce and getting the product from point A to point B using the least impactful and most practical method possible.

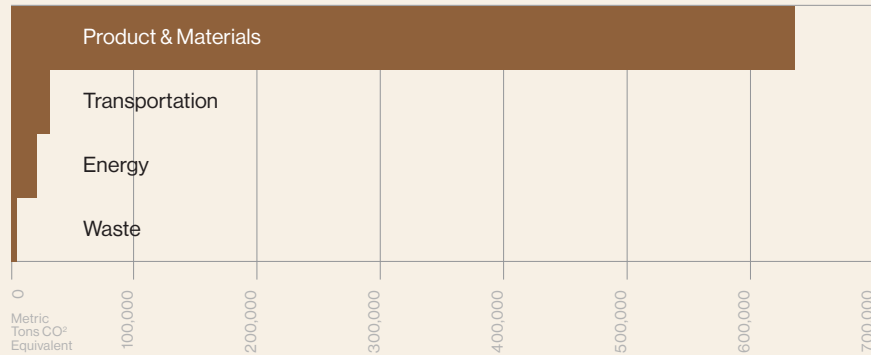
We’re rooting our environmental impact strategy in four categories: Energy, Transportation, Waste, and Products & Materials.

Energy Transportation Waste Products & Materials



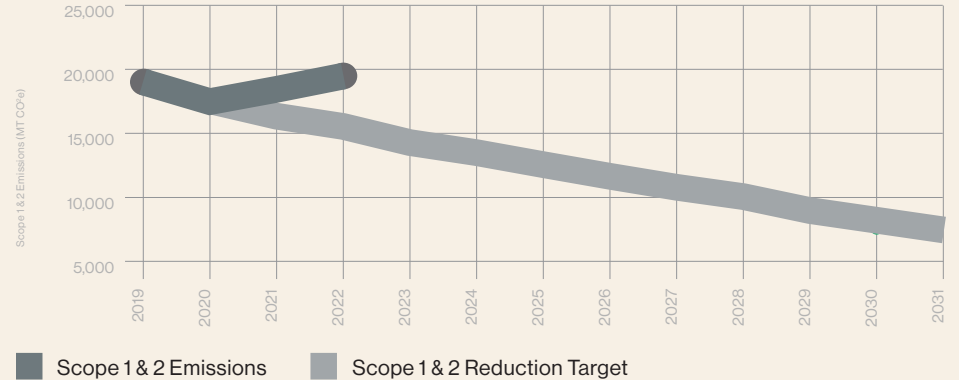
Energy

It takes a complex mix of energy sources to power a global bike component maker. We work closely with our factories to help them use resources efficiently at the source while taking advantage of renewable energy when and where we can. As we consider a long-term strategy for reducing our carbon footprint, we're finding a speedier transition to renewable energy across the company will be key to our success.



Our Carbon Footprint

We've been measuring at least a portion of our carbon footprint as a company since 2019. It comes as little surprise that our global supply chain drives the vast majority of our carbon footprint, responsible for 91% of our total emissions output.



The scope 1 increase is mainly due to increased natural gas consumption linked to a rise in production.

Our scope 2 emissions initially decreased in 2020 as we shifted to more renewable energy, but increased in 2021 as production rose.

Collaboration is Key

Moving the bike industry forward on a path that's better for the planet is going to require an immense amount of teamwork, not just from our team, but the industry as a whole. Signing onto the following pledges is another way we can extend how we collaborate with our industry and manufacturing partners.

Shift Cycling Culture Climate Commitment

A broad commitment with the sole purpose of driving positive climate action-across the cycling industry. The commitment asks that signatories disclose specific emissions measurements and reduction plans by defined dates.

Cycling Industries Europe Climate Action Pledge

An industry-led pledge for companies across the supply chain to measure their carbon footprint and take individual action to significantly reduce their CO² emissions.

Cycling Industries Europe Sustainable Packaging Pledge

Supporting the development and use of packaging that's easier to recycle, and more in line with the European Commission's Circular Economy Action Plan. This pledge will also help guide clearer consumer-facing communication around responsible disposal of packaging products.

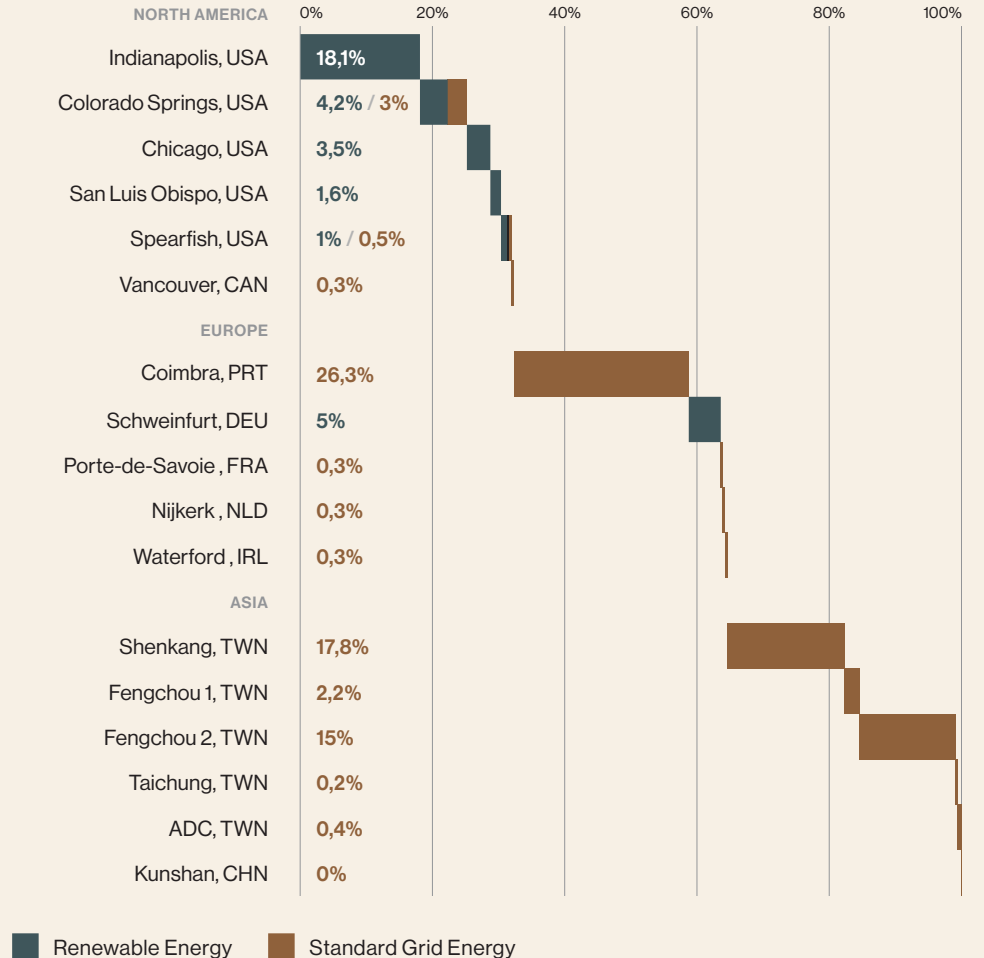
Expanding How We Use Renewables

Currently, six of our 19 company locations (offices, distribution centers, and factories) satisfy 100% of their energy needs with renewables, whether through direct purchase, renewable energy credits (RECs), or another method. Two of our locations, Vancouver, Canada and Chambéry, France, source exclusively hydroelectric and nuclear power, meaning their energy usage creates almost zero carbon emissions. We are also exploring how to implement renewables at eight additional locations.

By far, our biggest challenge is navigating the renewable energy landscape in Taiwan. With so many factories in a small island nation, demand for energy (especially renewables) is high, available capacity is small and development opportunities are limited. However, we are working on a long-term renewable energy strategy in the country that may lead to future collaborative opportunities.

In the U.S. and Europe, we're making significant progress towards a rapid adoption of renewable energy and project that by 2030 we'll be able to power all of our operations in those regions entirely from renewable energy.

Global Electricity Usage Renewable vs. Standard Grid



Waste

The majority of our created waste comes from our manufacturing, and that takes on various scales at our locations around the world. We've had a lot of internal discussion about how to realistically reduce our waste, focusing on reducing what goes to the landfill, and directing the rest to the most environmentally-positive final destination. Waste also plays a role in our total emissions output – the more we reduce it, the more we can lower our overall environmental footprint.

Our Waste Reduction Journey

One of our key learnings over the past couple of years is around shaping the idea of sending nothing to the landfill in a way that makes sense for our business. We're moving towards more efficient waste reduction in our manufacturing facilities, and plan to align our existing work and strategy to the EPA's Waste Management Hierarchy. We expect to share more on this in the future.

The Challenges Ahead

The most widely-discussed waste issue in the bike industry is around carbon fiber – more specifically, what to do with excess from production and material that's reached the end of its useful life. We're aggressively pursuing realistic options to recycle carbon fiber, but we haven't found something scalable yet. However, there are a lot of promising technologies on the

Riders with retired, aluminum-based power meters can send them back to SRAM for responsible recycling. We're accepting all brands, and have made it as easy as printing a label from our site, boxing it up and sending it in.

horizon, and we hope to share something more concrete about this path within the next calendar year.

Speaking of material end-of-life, a series of pilot programs over the last year helped us learn a great deal about how customers can get their used products back to us, and what we ultimately do with them once they arrive. This process also helps us learn which products make sense for SRAM to recycle through our channels versus those best recycled by consumers locally. Steel-based components are a great example of this – it's a material that's widely recyclable, and potentially has a lower footprint if consumers recycle it locally rather than send it back to us.

Education, awareness and more transparency are all vital in helping consumers feel more empowered and part of the process as we continue to explore additional ways to close the loop in the product cycle.

We've also partnered with call2recycle to provide avenues to recycle e-bike batteries and spent ax's batteries in North America. Customers in North America can contact call2recycle to determine their best local option for battery recycling.



“We’re working on a much more robust sustainability plan for the factory that includes a focus on renewable energy, overall energy reduction, radiant heat recovery and support for future expansion plans.”

Alexandra Fortunato, environmental health and safety manager, Coimbra, Portugal

Every chain carries our legacy

Our facility in Coimbra, Portugal has a manufacturing history spanning 50 years, long before we acquired it in 1997. When we brought this storied building into the company, we wanted to keep its strong traditions and craftsmanship alive, while updating it to meet the needs of modern bike chain production.

Shortly after we acquired it, we added a more comprehensive wastewater treatment system that filters the water we return to local waterways well above national requirements. The Coimbra factory also maintains a 94% waste diversion rate (well above local regulations), and our production process is optimized to limit the amount of excess material that comes out of production. Much of what is left is re-integrated into future products. Since

2015, the factory has maintained a robust Environmental Management System, certified to ISO 14001.

Looking ahead, we have plans to improve the factory’s tracking of electricity, natural gas, water usage, and compressed air consumption. Streamlining all of this data will help us better understand the total footprint of the factory, and influence our global manufacturing processes in the future.

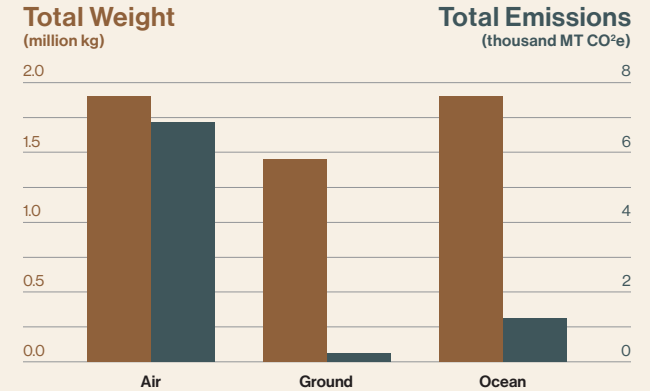


Transportation

For SRAM, looking at the impact of our transportation needs is two-fold: the first portion is how we get products to and from points of assembly and through our supply chain. The second is how our employees move themselves and supplies to and between business locations.

Freight Emissions Data

Supply chain and market challenges meant that through the pandemic, we had to rely on air freight to get our products out in the world. As the business environment has begun to moderate, we hired a full-time logistics person to evolve our strategy to support more ocean freight, which produces less emissions.



Products and Materials

There are a lot of different materials that go into making bike components that meet the needs of both elite and every-day riders. It makes for quite a range of challenges, but our teams are innovating to figure out how to make more durable components that require less repairs over time. Our material choices can leave less of an environmental impact, and we're here to push the boundaries of how far those materials can go.

One of our best achievements so far is using 75% recycled aluminum in the construction of our aluminum cassette cogs, chainrings and derailleur cages. This aluminum is the highest-quality alloy we use today, and it continually performs in the most demanding conditions. As we think more strategically about our materials, we're also developing a list of "preferred materials" that would guide our teams in what they can use to create all of our products. This type of guide, focused on materials with the least environmental impact, won't compromise the rider experience, but it will help us find new ways to reduce the environmental footprint of our components.

The Journey Ahead

The focal point of all of this work is to determine a path to greatly reducing our carbon footprint that makes sense for SRAM as a business. We are working towards a more defined strategy to realize this plan in the next year.

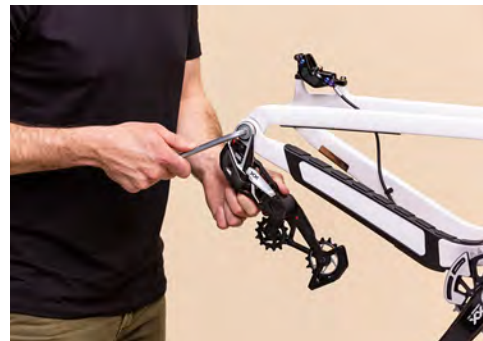
A Seismic Shift in Mountain Biking

Through the six-year history of the Eagle drivetrain and 11 years of the dedicated 1x drivetrain, we've refined the facets of the system we control. Even with this legacy, we wondered whether a new level of performance was possible, to help riders and improve the ride experience as a whole. So, we rethought the entire interface between frame, wheel, and drivetrain. Eagle Transmission is a first-of-its-kind approach to the mountain bike drivetrain that resets the bar as a whole.

Since the entire transmission is frame-mounted and doesn't need a derailleur hanger, it also delivers unprecedented durability. Our research and design teams spent considerable time developing a product that could stand up to and perform in the roughest mountain biking conditions while being easily serviceable by the enthusiast rider.

The components on Eagle Transmission not only last longer, but are easily removable and replaceable through common maintenance. Durability is engineered into each part, giving mountain bikers reassurance in performance when they need it most.

Eagle Transmission also represents a new focus for SRAM as we consider longevity and durability across our product lines. Our product teams are now considering how to design and produce components to keep them working in top condition longer, create easy ways for riders to repair them at home and responsibly return or dispose of a part that's reached the end of its useful life.



Eagle Transmission chains are the strongest we've ever made with a longer-wearing Hard Chrome finish and hollow pins.



The Evolution of our Packaging

Packaging is really important. It serves as a touch point for so many pieces of our business: It has to protect our products as they make their way through our distribution system, has to be easy for our retail partners to handle and stock and even easier for our customers to open and responsibly dispose of. There's a lot of potential for negative environmental impact, but even greater potential for something better.

Many years ago, we switched to recycled cardboard as the main component of our boxes for all SRAM-branded products. This was followed by a transition to worldwide-compliant 100% soy-based inks in 2018. However, this still left us with a big problem in the amount of plastic we were using for small parts with polybags, and more generally, inside packaging. We also needed to have long-term solutions that would still provide a premium packaging experience.





Over the last four years, our packaging team has been deep in research and trials, figuring out how we could phase out staples, glue, plastics and anything else that didn't make our packaging easily recyclable for the end user (retail partner, customer or otherwise). Along the way, they discovered that simpler, lighter, and more easily recyclable plastic-free packaging leads to less environmental impact and greater savings across SRAM.

In March, we launched a major evolution of our packaging system, primarily focused on a switch to Kraft recycled cardboard across all products, including our smallest products, which traditionally came in a plastic polybag. Most of our newest products feature this packaging, meaning several are already out in the market.



Through May 2023, we've reduced our plastic use by 350,000 kg. As an example of the potential of this initiative, our packaging team projects we'll reduce our annual plastic use by 30,000 kg just by switching our brake pads to a small cardboard box.

We started this rollout for SRAM-branded products and select RockShox products, and expect to expand it to our other brands in the coming year. **We project that in the next three years, we will eliminate the need for any plastic across all of our packaging (with exceptions in very specific and limited instances).***

Our next objective is to help educate consumers about the best ways to recycle any and all packaging they do receive from us. We're exploring how we can work with our retail and distribution partners to achieve that across our entire value chain.

*We estimate these exceptions represent less than 1% of our baseline plastic packaging use.

SRAM[®]