



Herrmans Bike Components

Sustainability Report 2021

Steady race towards sustainability goals

Welcome to the second annual sustainability report of Herrmans Bike Components! This report will present the important work we do to enable a better world for people everywhere.

The big message is our **sustainable growth**: While our total greenhouse gas emissions have increased in absolute numbers due to our rapid growth, they keep reducing in relative terms. Our revenue has grown by 60 percent since 2019. In two years, our carbon footprint index has decreased from 0.32 to 0.25 CO₂e/€.

That is a 23% reduction – an excellent result for this stage of our Grand Tour journey to becoming carbon neutral by 2035.

Read further to learn how that has been accomplished, what are our plans, and how we measure our success.



"We are 'all-in' contributing to make bikes more sustainable through our products. The great collaboration with our customers and suppliers is a crucial enabler that will make the success!"

Dan Liljeqvist, CEO
Herrmans Bike Components

01

Steady race towards carbon neutral business

We at Herrmans pledge to 100% decarbonize our operations by 2035.

We have calculated our carbon footprint according to the GHG protocol. The carbon footprint is divided into three scopes.

EMISSIONS BY CATEGORY



SCOPE 1 – Direct emissions from own activities
» 5t CO₂

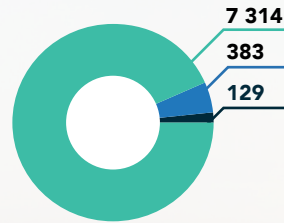


SCOPE 2 – Indirect emissions from own activities
» ZERO CO₂



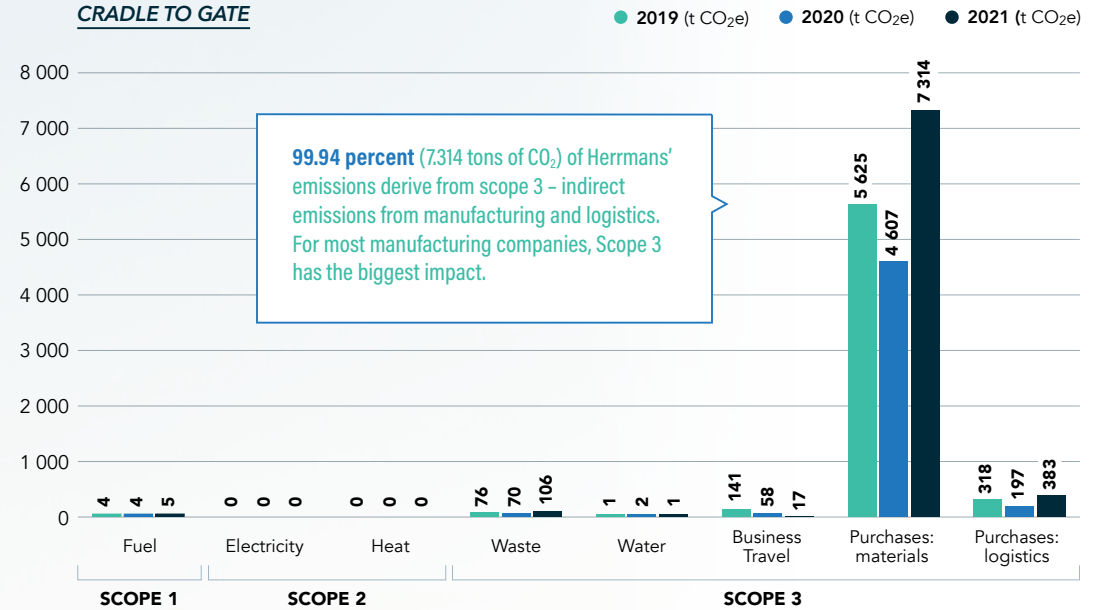
SCOPE 3 – Other indirect emissions
» 7 821t CO₂

TOTAL CARBON FOOTPRINT (t CO₂e)

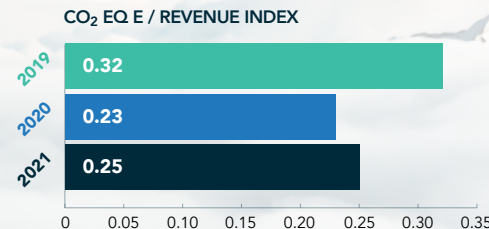
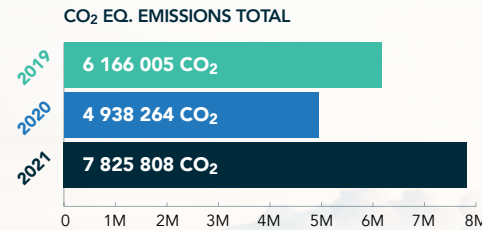


- Material Purchases
- Partner Logistics
- Other

TOTAL CARBON FOOTPRINT 2019-2021, CRADLE TO GATE



CO₂ EMISSIONS / TURNOVER (REVENUE) AS INDEX:



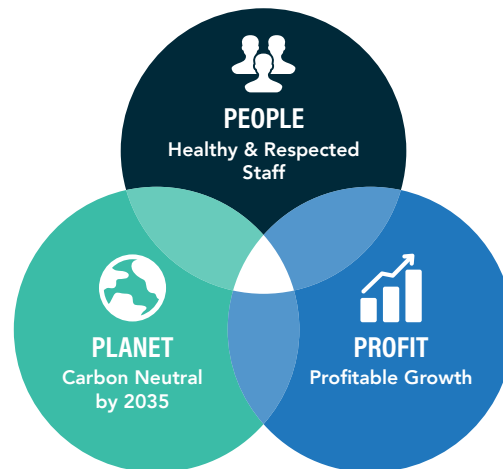
Scope 3 is not a compulsory part of carbon footprint calculations. We, however, want to be as transparent as possible. Therefore, we have included all the three scopes in our strive to carbon neutrality. It's a challenging goal, and we will be sharing the lessons we learn along the journey.

There are several areas in which Herrmans has already succeeded. Our emissions from scopes 1 and 2 are minimal, only 0.06%.

The biggest challenge we now face is reducing the footprint of the materials purchased and used in manufacturing. Increasing the share of recycled and bio-based raw materials will have the biggest impact on reducing our CO₂ emissions. We are working closely with both customers and suppliers to find more sustainable options – all parts of the value chain must work together towards these goals.

02 Herrmans on a mission towards sustainability - Year 2021

Last year we worked for a better planet but also took many actions for the well-being of our staff and flourishing business.



PEOPLE

- ✓ Healthy-at-work Project, with regular follow-ups on staff well-being.
- ✓ “Bike more” staff initiative that promotes the cycling culture and increases staff health and well-being.
- ✓ Hybrid model for remote work enables a flexible way of working and a healthy work-life balance.
- ✓ Rebuilt offices that encourage and inspire collaboration and teamwork.

PLANET

- ✓ Spoke protector made of recycled ABS, which reduces greenhouse gas emissions by 90% (approx. 3.15 kg CO₂-eq. per 1 kg used material) compared to similar virgin raw material.
- ✓ First Life-Cycle Assessments made for 3 products: Rimtape, Grip and Front Light.
- ✓ Added two new more sustainable raw materials to our process and continued researching and testing several recyclable and bio-based material options.
- ✓ Installed 3 new energy-efficient injection molding machines.

PROFIT

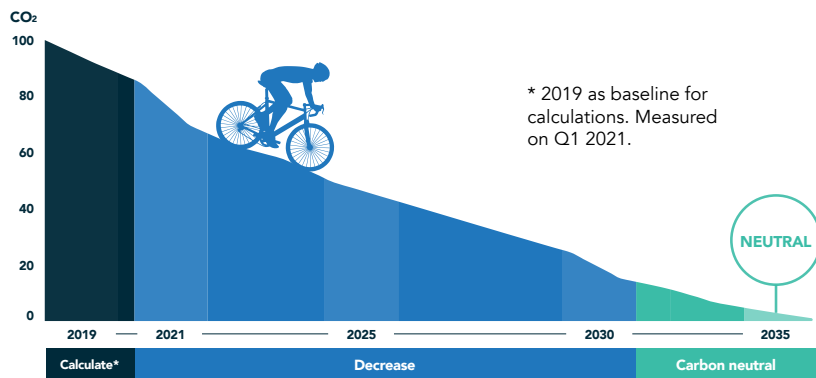
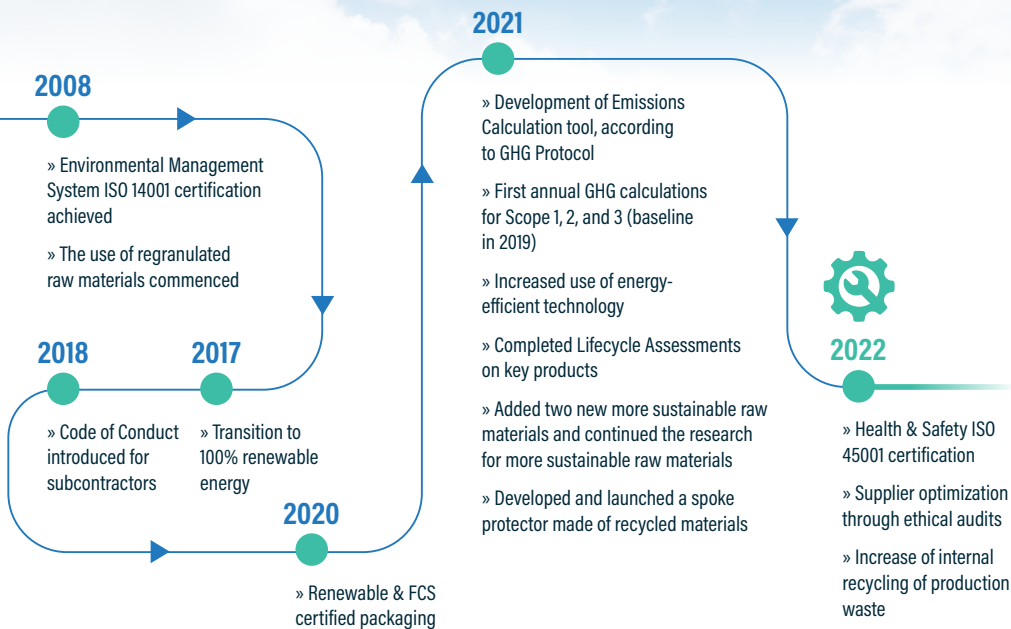
- ✓ Profitable and growing business.
- ✓ Further extended portfolio with more sustainable products.

This is how Herrmans showed the world our commitment to sustainability in 2021

- Signed a local climate contract
- Signed Shift Cycling Culture Climate Commitment
- Sustainability forum with suppliers and customers



03 Breakaway riders in sustainability – our roadmap



FOCAL POINTS FOR FUTURE SUSTAINABILITY

People - Caring for Our Own

Actions

- ✓ Documented ethical requirements to the next level – aiming for best-in-class performance for human rights in production.
- ✓ Supporting suppliers in reaching ethical requirements.
- ✓ Certify Health & Safety ISO 45001.

KPI's

- Healthy at work percentage
- Work-related accidents percentage
- Employee satisfaction, eNPS

Planet - Put in the Good Work

Actions

- ✓ Reducing waste by regrinding raw materials in production.
- ✓ Sustainable Product Development.

KPI's

- Recycled raw material percentage
- Production waste percentage
- GHG CO₂e index

Profit - Future-proof Business

Actions

- ✓ Quality requirements to the next level – meeting bike industries' highest requirements within operational excellence.

KPI's

- Profitability
- Customer satisfaction, NPS
- Delivery performance

Thank you for being interested in our sustainability parcours!

"Sustainability and excellence are not just one and done, but well-rooted habits and ways of life."

Erik Brännbacka,
Operational Excellence and Sustainability Manager

Herrmans will continue to work for a better planet and business – this is the time of actions, not of freewheeling.

In June 2022
Herrmans Bike Components

