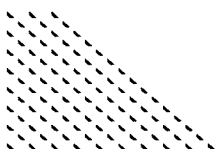




Annual Benefit Report
Quality Bicycle Products, GBC
A MN General Public Benefit Corporation
Report Covers Period Jan 1, 2024 – Dec 31, 2024





Quality Bicycle Products, GBC, hereby referred to as “QBP” is filing this annual report pursuant to MN Statue 304A.301. QBP’s board certifies:

- QBP has selected B-Lab’s Impact Assessment as its independent third-party standard and determined that this organization that promulgated the third-party standard is independent.
- Approval of the annual report

With regard to the period covered by the annual report:

- The identity of the third-party standard determined by the Board is B Impact Assessment, which is provided by B Lab, 15 Waterloo Ave Berwyn, PA 19312
- With reference to that third-party standard, QBP provided general public benefit in the following ways.

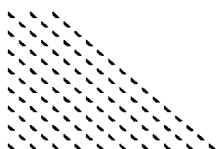
See attached Corporate Social Impact Report.

There were no circumstances that hindered efforts to pursue or create general public benefit.

B Lab was chosen as the third-party because they demonstrated global best practices in assessing the development of QBP’s desired core impact areas.

Rich Tauer
Rich Tauer (Mar 28, 2025 16:31 CDT)
Rich Tauer, President

Mar 28, 2025
Date



Office of the Minnesota Secretary of State

Minnesota Public Benefit Corporation / Annual Benefit Report

Minnesota Statutes, Chapter 304A



Read the instructions before completing this form

Must be filed by March 31

Filing Fee: \$55 for expedited service in-person or online, \$35 if submitted by mail

The Annual Benefit Report covers the 12 month period ending on December 31 of the previous year.

Notice: Failure to file this form by March 31 of this year will result in the revocation of the corporation's public benefit status without further notice from the Secretary of State, pursuant to Minnesota Statutes, Section 304A.301

1. File Number **4U-910**

2. Corporate Name: (Required) **Quality Bicycle Products, GBC**

3. The public benefit corporation's board of directors has reviewed and approved this report.

4. In the field below, enter the information required by section 304A.301 subd. 2 or 3 for the period covered by this report, (see instructions for further information): Note: Use additional sheets if needed. (Required)

See attached

5. I, the undersigned, certify that I am the chief executive officer of this public benefit corporation. I further certify that I have signed this document no more than 30 days before the document is delivered to the secretary of state for filing, and that this document is current when signed. I further certify that I have completed all required fields, and that the information in this document is true and correct and in compliance with the applicable chapter of Minnesota Statutes. I understand that by signing this document I am subject to the penalties of perjury as set forth in Section 609.48 as if I had signed this document under oath.

Rich Tauer

Signature of Public Benefit Corporation's Chief Executive Officer

March 25, 2025

Date (Must be dated within 30 days before the report is delivered to the Secretary of State for Filing)

Email Address for Official Notices

Enter an email address to which the Secretary of State can forward official notices required by law and other notices:

taxandcompliance@qbp.com

☒ Check here to have your email address excluded from requests for bulk data, to the extent allowed by Minnesota law.

List a name and daytime phone number of a person who can be contacted about this form:

Leigh Keatts

Contact Name

952-941-9391 ext 1873

Phone Number

Entities that own, lease, or have any financial interest in agricultural land or land capable of being farmed must register with the MN Dept. of Agriculture's Corporate Farm Program.

Does this entity own, lease, or have any financial interest in agricultural land or land capable of being farmed?

Yes ☐ No ☒

INSTRUCTIONS

This form is intended merely as a guide for filing and is not intended to cover all situations. Retain the original signed copy of this document for your records and submit a legible image for filing with the Office of the Secretary of State.

Before April 1, a public benefit corporation must file an annual benefit report covering the 12 month period ending on December 31 of the previous year. If a public benefit corporation fails to file, before April 1 of any calendar year, the corporation's status as a public benefit corporation will be revoked by the Office of the Minnesota Secretary of State. The report must be in the possession of the Office of the Secretary of State on or before March 31.

1. File Number: Provide the file number issued by the Minnesota Secretary of State.
2. Corporation Name: (Required) List the business name on file with the Office of the Minnesota Secretary of State.
3. Statement that board of directors has reviewed and approved this report.
4. Enter your information for the public benefit corporation's specific or general benefit corporation in this section. Please provide an attachment if there is not enough room to complete this section.

For a specific benefit corporation, the annual benefit report must contain:

- (1) with regard to the period covered by the report, a narrative description of:
 - (i) the ways in which the corporation pursued and created the specific public benefit stated in its articles;
 - (ii) the extent to which that specific public benefit purpose was pursued and created; and
 - (iii) any circumstances that hindered efforts to pursue or create the specific public benefit; and
- (2) a certification that its board of directors has reviewed and approved the report.

For a general benefit corporation, the annual benefit report must:

- (1) certify that its board of directors has:
 - (i) chosen the third-party standard designated pursuant to clause (2), item (i);
 - (ii) determined that the organization that promulgated the third-party standard is independent; and
 - (iii) approved the report;
- (2) with regard to the period covered by the report:
 - (i) identify a third-party standard determined by the board; and
 - (ii) with reference to that third-party standard, describe:
 - (A) how the corporation has pursued general public benefit;
 - (B) the extent to which and the ways in which the corporation has created general public benefit; and
 - (C) any circumstances that hindered efforts to pursue or create general public benefit;
- (3) if the report is the first delivered for filing by the general benefit corporation, explain how and why the board chose the third-party standard identified under clause (2), item (i);
- (4) if the third-party standard identified under clause (2), item (i), is the same third-party standard identified in the immediately prior report:
 - (i) state whether the third-party standard is being applied in a manner consistent with the third-party standard's application in the prior reports; and
 - (ii) if the third-party standard is not being so applied in a consistent manner, explain why;
- (5) if the third-party standard identified under clause (2), item (i), is not the same as the third-party standard identified in the immediately prior report, explain how and why the board chose a different third-party standard; and
- (6) if the general benefit corporation has also stated a specific public benefit purpose in its articles, the information required in subdivision 2, clause (1).

5. A signature is required by the Public Benefit Corporation's chief executive officer.

Email Address for Official Notices. This email address may be used to send annual renewal reminders and other important notices that may require action or response. Check the box if you wish to have your email address excluded from requests for bulk data, to the extent allowed by Minnesota law.

List a name and daytime telephone number of a person who can be contacted about this form.

Filing Fee payable to the Minnesota Secretary of State: There is a filing fee for filing the annual benefit report of \$55 for expedited service in-person or online and \$35 if submitted by mail.

A corporation that has had their public benefit status revoked by our office for failure to file an annual renewal, may reinstate the public benefit status by filing the current year's annual benefit report within 30 days of when we issue the revocation and paying a \$500 fee if submitted by mail and \$520 for expedited service in-person.

Note: The second time the public benefit's status is revoked, the corporation will be unable to reinstate for three years.

NOTE: After revocation of public benefit status, failure to reinstate coupled with failure to change the name to conform to chapter 302A results in automatic expiration of corporate duration 30 days after revocation of public benefit status.

Please submit all items together and mail to the address below:

FILE IN-PERSON OR MAIL TO:

Minnesota Secretary of State - Business Services

First National Bank Building

332 Minnesota Street, Suite N201

Saint Paul, MN 55101

(Staffed 8 a.m. – 4 p.m., Monday - Friday, excluding holidays)

Phone Lines: (9 a.m. - 4 p.m., M-F) Metro Area 651-296-2803; Greater MN 1-877-551-6767

All of the information on this form is public. Minnesota law requires certain information to be provided for this type of filing. If that information is not included, your document may be returned unfiled. This document can be made available in alternative formats, such as large print, Braille or audio tape, by calling (651)296-2803/voice. For a TTY/TTD (deaf and hard of hearing) communication, contact the Minnesota Relay Service at 1-800-627-3529 and ask them to place a call to (651)296-2803. The Secretary of State's Office does not discriminate on the basis of race, creed, color, sex, sexual orientation, national origin, age, marital status, disability, religion, reliance on public assistance or political opinions or affiliations in employment or the provision of service.

PBCAnnualBenefitReportRev01/17/2025

Intro

Here at Quality Bicycle Products, we're on a mission to advance the experience of bicycling for the wellbeing of people and our planet. As a General Benefit Corporation, we believe it's our responsibility to give back to the communities that inspire and support us — whether that's through tangible investments and donations, allocated volunteer time, or better representation of the diverse pool of riders out there today. We're passionate about making cycling more accessible for all, and we hold ourselves accountable when it comes to making that happen.

That's why our partners at B Lab play such a pivotal role in Q's work toward our mission. Q's B Corp certification is the foundation of our impact model, creating a hub that supports the spokes we call Advocacy, Sustainability, Community, Diversity, Equity, and Inclusion — key parts of our system that should always be in motion as we pedal toward a more equitable and sustainable future. Through B Lab's standards and continual partnership, Q can benchmark progress and stay the course when it comes to being a business that gives back, even during times of economic unpredictability.

In this report, we'll celebrate our wins, as well as acknowledge our need to scale back obsolete initiatives and reposition goals. Despite another year facing industry-wide headwinds, Q remained committed to finding new and creative ways of implementing a more inclusive and sustainable environment for our employees, stakeholders, and partners. Together, we'll reflect on the progress we've made toward our mission and dive further into a refreshed strategic framework that ensures more positive change is on the way.

We appreciate you taking the time to learn about how Q is taking steps toward achieving our mission, and look forward to making bicycling a more accessible, inclusive, and represented experience for all.

2024 IMPACT REPORT SECTION: B CORP

HL

Renewing Our Commitment with B Corp

Body

In early 2024, Q began the process of achieving B Corp recertification — a series of assessments done every three years to ensure B Corp companies are still in alignment with B Lab’s ever-evolving standards. After months of collaboration between Q and B Lab, we were proud to announce our official B Corp recertification in November 2024 with a slightly higher score than our original assessment in 2021.

This opportunity gave Q the chance to reflect on the past three years’ successes and unexpected hurdles, while shining light on new areas for growth and alternate pathways to reaching our goals. As the central hub of this Impact Report, B Corp standards continue to guide the initiatives that make Q a more sustainable, transparent, and net-positive organization.

HL

Let’s Unpack the Numbers

Body

From 2021 to 2024, Q’s score increased from 82.5 to 83.4, marking a positive uptick in our overall progress toward a more sustainable and equitable future.

“We have built our overall ESG strategy around B Corp certification and continue to use B Lab as our third-party accountability partner. At Q, we use this accountability to guide our decision making, ensuring we are improving and valuing people and planet as much as profit.” – Adam Koepfer, Strategic Comms & Purpose Marketing Manager

While this increase may not seem like much, it is important to note the median B Corp score is only 50.9, illustrating the rigorous nature of B Lab’s certification process, which requires a minimum score of 80. We recognize that some of our key initiatives will take

decades of work. However, we can still celebrate every win that helps balance purpose with profit and puts us closer to a better tomorrow.

Our scores will remain as follows until 2027, when Q will undergo another round of testing. For now, let's reflect on our latest assessment.

Overall

B impact score

82.5

Governance

overall score **15.2**

2.1 Mission and Engagement
3.1 Ethics & Transparency
10* Mission Locked

Environment

overall score **17.8**

3.8 Environmental Management
6.1 Air & Climate
1.9 Water
5.2 Land & Life

Community

overall score **17.1**

4.2 Diversity, Equity, & Inclusion
1.9 Economic Impact
4.6 Civic Engagement & Giving
4.7 Supply Chain Management

Workers

overall score **22.2**

9.5 Financial Security
5.7 Health, Wellness, & Safety
2.6 Career Development
4.3 Engagement & Satisfaction

Customers

overall score **10.0**

2.5 Customer Stewardship
7.4* Health & Wellness Improvement

* We earned these points because of our legal status as a General Benefit Corporation. It means that our business model is intentionally designed to create a specific positive outcome for at least one of its stakeholders — such as workers, community, environment, or customers.

To learn more about what a B Corp assessment covers, [click here](#).

2024 IMPACT REPORT SECTION: ADVOCACY

Title Page

Creating a World that Welcomes All

HL

Two Wheels, One Vision

Body

Here at Q, our purpose has never wavered: to advance the experience of bicycling for the wellbeing of people and our planet. Over the years, we've shared our vision of getting “every butt on a bike,” not only to keep us moving toward a future where people can overcome the economic, environmental, and social barriers that come with riding, but also to hold us accountable.

Because beyond this pledge, we need to recognize what it takes to see this vision come to life. Actions and funding surely speak louder than words, which is why we're excited to share how our time, money, and resources have been spent advocating alongside partner organizations that understand the needs of their communities firsthand.

With passionate people at the helm, ongoing strategic planning, and profits that contribute to donations, we're continuing our work of getting more butts on bikes at every opportunity.

SH

Our Trusted Advocacy Partners

Body

We wouldn't be able to call ourselves active advocates without the help of our partners who share the same vision for a bike-centric world. Over the years, we've established trusted relationships with non-profits, like PeopleForBikes (PFB) and the International

Mountain Bicycling Association (IMBA), who have transformed our financial contributions into real-world biking opportunities for underrepresented communities that span the country.

Q x PeopleForBikes

To increase ridership in the coming years, we're strengthening our long-lasting partnership with PeopleForBikes by aligning our advocacy strategy to its own strategic pillars of infrastructure, policy, and participation. More Q team members than ever are getting involved in PeopleForBikes' subcommittees, offering unique perspectives and volunteer time to support actionable change.

Youth Cycling Coalition

Since 2007, the number of children who regularly ride a bike has dropped 20% in the U.S. This sparked the creation of the Youth Cycling Coalition (YCC), a group of leading youth-cycling organizations dedicated to boosting ridership among newer generations in the U.S. Q employees, like Adam Koepfer, are actively involved in the YCC subcommittee, connecting youth-focused cycling organizations to retailers and the broader industry.

PFB Research and Statistics Committee

As one example of our team partnership with PeopleForBikes, Q's Director of Financial Planning and Analysis, Dave Swan, has dedicated his time and knowledge to the PFB Research and Statistics Committee for the past five years. He attends quarterly meetings to help improve the quality and usage of industry data from suppliers and retailers to set strategic direction, identify gaps in information, and provide direct feedback on the data PeopleForBikes provides to its members. He's now Vice Chair of the committee, and continues to play a role in honing the data used to make decisions around a more accessible bike world.

"I have an even bigger role in helping to steer direction and provide additional color to how we are using the data generated by PeopleForBikes. I collaborate with the staff directly and am excited about the strategic roadmap we have laid out and the clarity we can continue to provide our members." — Dave Swan, Director of Financial Planning and Analysis

Q x International Mountain Bicycling Association (IMBA)

In 2024, Q donated \$37,500 to IMBA through the Flagg Bicycle Group (FBG) charitable fund. This support helped IMBA partner with 179 additional communities (for a total of 828 total communities since 2020) to bring tangible change through infrastructural improvements and more bicycling education. The new Beak Peaks Trail System in Prescott, Arizona and

further trail building in Spearfish, South Dakota are just a few examples of how IMBA channeled our financial donations into real world opportunities.

45NRTH x Protect Our Winters (POW)

Since 2022, 45NRTH has been partnering with Protect Our Winters (POW), a non-profit created to protect the cold, wintery ecosystems that face climate change threats, with a contribution of \$10,000 annually. In 2024, 45NRTH recommitted that same financial contribution with plans to continue the partnership going into 2025.

45NRTH also supported POW's "Stoke the Vote" initiative, a virtual challenge that encouraged people to explore the outdoors and cast their vote to protect our lands from climate change, by providing 45NRTH items as prizes to the challenge's winners.

45NRTH has been a great partner to POW over the past two years. While POW was founded in the snow sports industry, partners like 45NRTH have allowed us to expand our reach into the cycling community and beyond. With its support, we continue to grow the outdoor movement for climate impact so that we can protect the places and experiences we love from climate change." – Carly Fink, Senior Partnerships Manager at POW

2024 IMPACT REPORT SECTION: SUSTAINABILITY

Title Page

Biking Our Way to a Cleaner World

HL

Cutting Carbon with Every Pedal Stroke

Body

Choosing a bike over a car is one way to curb your carbon footprint, which is partly why we're so passionate about getting butts on bikes. Here at Q, we like to take it a step further and apply that same mindset when conceptualizing, building, and shipping our bikes and accessories across the country. By equipping our owned facilities with on-site solar arrays, reducing packaging waste, and recycling materials whenever possible, we're able to

implement sustainability in new and creative ways every year. From the factory to shop floors, we're always thinking of how to be the best we can for our environment.

Focusing Our Efforts

Q has dedicated employees looking for new ways to integrate sustainability principles into all aspects of our operations, products, and supply chain. Through cross-departmental collaboration and monthly meetings, our Sustainability Committee, consisting of three smaller subcommittees, come together to brainstorm, ideate, and propose realistic sustainability efforts that have a ripple effect on Q's distribution centers, corporate teams, and external stakeholders.

Our Sustainability Committee is responsible for:

- Driving eco-friendly initiatives and innovation within Q's proprietary bikes, parts, and accessories brands
- Finding new opportunities for our distribution system to become even more sustainable through better packaging design, manufacturing processes, and environmental reporting
- Analyzing our business practices to reduce environmental footprint (such as minimizing packaging materials, expanding solar power programs, and reducing Scope 1 and 2 carbon emissions), in addition to tracking metrics, progress, and employee feedback
- Collaborating with suppliers to drive improvements and initiatives across Q's supply chain, focusing on energy efficiency, waste reduction, and responsible sourcing

20,000+ metric tons of CO2 eliminated to date since 2016

64.7% of Q's overall energy usage powered by on-site solar at our U.S. facilities in 2024 (a number due in large part to the Colorado solar arrays, which Q will not have in 2025)

6,947,977 kWh of cumulative production from our solar panels since 2006, including the 2,164,106 kWh produced in 2024

4 Q distribution centers using Packsize to minimize packaging

2,164,106 kWh of solar power produced by our solar arrays in 2024

Our Colorado solar arrays went live in 2024, producing 669,200 kWh

997.173 offsets purchased through UPS, reducing our outbound shipping footprint

SH

Sustainable Packaging Wins

Body

Our brands are always looking for new and creative ways to contribute to a healthier planet, and they've made tangible progress when it comes to how our bikes are packaged. A few years ago, Surly originally piloted a smarter bike packaging process that relies on recyclable materials like cardboard, rather than single-use plastics and polystyrene foam. Since kickstarting this new packaging system, we're proud to say our Salsa brand has adopted the same method — making sure our bikes get safely packaged while reducing the environmental impact.

In 2024, we officially removed all plastic void fill materials from our packaging process and transitioned to paper void fill throughout all distribution centers. (We're in the process of working toward a complete transition from plastic tape to paper tape.) We're also using curb-side recyclable paper mailers to ship single unit orders, allowing our distribution centers to use less packaging material and labor than needed to ship cardboard boxes.

Over the past few years, we've taken a magnifying glass to our packaging and shipping process to drill into any opportunity where improvement can be made, no matter how small. While certain implementations like Packsize (a system designed to right-size our packaging needs to reduce void fill with each order) have been in place for a while now, we're continuing to expand the number of boxes Packsize creates to accommodate even more orders.

Compared to our 2021 baseline:

23% reduction in overall cardboard usage for boxes

A total reduction of 439,093 pounds of cardboard YOY

75% reduction in recyclable air bubbles

36% reduction in void fill

880 pounds of CO2 saved by paper mailers over boxes

"It's great seeing the entire team be passionate about making these sustainability initiatives, in addition to providing great feedback on other areas we could implement new materials and processes without hindering quality or delivery for customers. We've received lots of positive feedback from retailers who recognize these changes and are proud of Q's improvements." — Tracy Berg, CI Manager

SH

Smart Bike Packaging

Body

In June 2022, we started revamping our bike packaging process by replacing plastic and polystyrene foam with recyclable cardboard. We saw significant progress in 2023 and 2024, and we aren't slowing down when it comes to more packaging improvements.

We plan to get our third bike assembler aligned to our updated packaging process, replace plastic wheel end caps with fiber-based ones, and maximize the use of Packsize at all our distribution centers.

To keep progress on track, in 2025, we'll work toward aligning our goals to the mission of the Climate Action Corps (the outdoor industry's collaborative model to lead on climate action) with long-term science-aligned reduction targets.

EVERY BIKE MAKES AN IMPACT

The breakdown on our new bike packaging process:

Complete elimination of all polystyrene foam

15,887 bikes were shipped in 2024 using our updated packaging process

2,510 kg reduction in polystyrene foam

- **Going from 158 grams per bike to 0 grams per bike**

1,207 kg reduction in plastic

Reduction in plastic

- **Going from 126 grams per bike to 50 grams per bike**

An increase in recyclable cardboard

- **Increasing use by 158 grams per bike**
- **Increased cardboard by 2,510 kilograms total in 2024**

SH

Cashing in on Car-Free Transportation

Body

At Q, we don't just encourage active participation within our network — we reward it. Our **Ride Incentive Program** offers ways for all employees to earn money by using alternative forms of transportation like carpooling and mass transit. This doesn't only apply to commuting to work — our employees can stack up those rewards on their own time, too. Personal errands, seasonal riding challenges, and going for a walk all contribute to a lesser carbon footprint, so Q employees have every reason to think twice about using their cars.

While our Ride Incentive Program lessens employees' carbon footprints by rewarding those who choose more sustainable means of transportation, it also helps build community and rapport among our employees. With this initiative in place, Q employees are helping save the planet from hundreds of thousands of pounds of carbon dioxide — and getting paid to do so.

2,976,176 pounds of CO2 saved since 2006

89,721 pounds of CO2 saved in 2024

SH

Our Sustainability Partners

Body

At Q, we're always excited to find new partnerships that help bring our sustainability goals to life. Here in the Twin Cities, any bike shop or individual can drop off their tires and tubes to be recycled at our Q location in Bloomington. While we've been long-time partners with a national tire recycler, Liberty Tire Recycling, to give new life to these recycled tires, we established a new partnership in 2024 with Schwalbe Tires. To prevent more materials from ending up in a landfill, Q sends thousands of inner tubes to Schwalbe to be converted into raw materials that'll go toward creating new tubes — supporting a circular production process.

In 2024, Q sent:

1,659 pounds of tubes (4,000 inner tubes) to Schwalbe to be recycled into new tubes

12,820 pounds of tires to be recycled through Liberty Tire Recycling

Over 10% of Schwalbe's total tubes collected in 2024

SH

Empowering Change from Within

Body

Q's Product Sustainability Manager, Paul Ziegler, has played an important role in furthering Q's sustainability work through active partnerships with organizations that share similar goals. Not only is he a member of the **PeopleForBikes Sustainability Working Group**, a committee that helps define goals, priorities, and content to best support other participating brands — Paul also contributes to **Shift Cycling Culture**, a European sustainability working group that helps the cycling industry tackle greenhouse emissions across global supply chains. One of Shift Cycling Culture's major 2024 accomplishments was the development of a free, online training module for bicycle manufacturers, called the Climate Action Training, to help track and report carbon metrics, identify solutions for improvement, and prepare for upcoming policy changes.

"This training aligns with our company goals to reduce the carbon footprint of our manufactured goods. We understand that, to achieve these goals, we need supplier collaboration across the global supply chain. This training gives our suppliers the information they need to measure their GHGs, set reduction goals, and learn strategies to take action. Our hope is that we'll continue to build stronger partnerships with our suppliers that enable us to meet our climate action goals." — Paul Zeigle, Product Sustainability Manager

Paul's involvement in the Outdoor Industry Association Climate Action Corps (OIA CAC), in addition to the Aluminum Task Force and Supplier Climate Principles Task Force, is another example of Q's sustainability efforts.

2024 IMPACT REPORT SECTION: COMMUNITY

Title Page

The Ripple Effect of Community

HL

How We Create and Strengthen Bonds

Body

Fostering community takes time, energy, and intentionality — and plays a key role in moving us toward a bike-centric world. Here at Q, we empower those who take the initiative to break down social and economic barriers, get to know their fellow community members, and create a space where biking is accessible to all.

We believe there's no better way to understand the needs of our neighbors than by getting involved first-hand, which is why we encourage employees to take advantage of community-supporting opportunities within Q, such as our off-the-clock volunteer match program, allocated on-the-clock volunteer hours, and Changing Gears program.

To strengthen our impact, we've realigned our outreach strategy to parallel the League of American Bicyclists's Building Blocks of a Bike Friendly Community toolkit — along with key areas of improvement (or pillars) that make the U.S. the best place to ride a bike. With this plan guiding us, we'll steer our work toward a world where residents of all ages:

- Have access to high quality education on bicycle skills and familiarity with relevant laws
- Feel supported by their local bike clubs and community initiatives
- Are incentivized to ride more often

"Having partners as genuine as Q is foundational to the League of American Bicyclists' work in building a Bicycle Friendly America for EveryoneSM. Q has long been leading by example both in achieving multiple Platinum awards as a Bicycle Friendly BusinessSM, and in supporting the development of Bicycle Friendly CommunitiesSM across the country. Our partnership and collaboration show how much better we can make biking when businesses and advocates work together." — Bill Nesper, Executive Director of the League of American Bicyclists

Our long-term strategy will rely on increased employee engagement in our community efforts, as well as investing strongly in programming for marginalized communities. We're specifically focused on the Education and Encouragement of Ridership pillars and have formed a **new Ridership Committee** to continue promoting and incentivizing bicycling as a healthy and sustainable mode of transportation and recreation among employees. By encouraging our own internal teams to ride more, we'll be able to further reduce carbon emissions, reward physical activity, and support overall employee well-being.

Some key areas of focus and accountability within our new Ridership Committee include:

- Sharing program details through internal channels like our online news board, emails, and on-site signage
- Developing and implementing ways to boost participation, such as designated bike-to-work days, commuting challenges, and prize drawings
- Tracking and reporting employee engagement to measure effectiveness and identify opportunities for improvement

HL

How We Step Up and Serve Others

Body

In a world overwhelmed with busy schedules and little downtime, we've noticed volunteer work isn't always prioritized. That's why Q's Volunteer Allowance Program exists — created in 2012 to support employees with paid volunteer time, in addition to off-the-clock volunteer time, for which we donate \$10 per hour to that organization.

Whether our employees are logging hours building trails, fixing up bikes, or coaching youth teams, we're proud of all the ways Q employees give back their time, energy, and skills to those in need.

Employee Volunteering

1,195 total hours of volunteer time in 2024

(761 hours on-the-clock, 434 hours off-the-clock)

18,000+ hours of on-the-clock time since 2012

23,000+ hours of off-the-clock time since 2012

3,865,164 miles logged since 2006

116,521 miles logged in 2024 (a 29% increase since 2023)

\$725,000+ paid out to employees via commuter credits since 2006

\$26,000+ paid out to employees via commuter credits in 2024

SH

Q's Community Fund

Our cumulative \$11.4 million Q Community Fund donations have reached communities all over the country since its inception. In 2024, we made donations to PeopleForBikes, International Mountain Biking Association (IMBA), Project Success, and the Loppett Foundation

This year, Break The Cycle (BTC) moved on from Q to become its own non-profit. We continued to support BTC with in-kind donations, such as 100 Crankbrothers Multi 17 Tools (a value of \$3,000), to help with its P3 programming and community engagement.

SH

Quality Bicycle League

By supporting people who share a passion for a bike-centric world, we foster in-house community and build stronger camaraderie among our employees every day. This vision, kept aflame by recreational cyclists, commuters, and racers within Q, has led to popular internal community measures like the **Quality Bicycle League** — a multi-team bike tournament that encourages employees to ride whenever possible, participate in mini-challenges and events, and rack up points for credit. Originally beginning as a way to promote commuting to work by bike, the league has expanded and connected Q employees all over the country.

“While I have been commissioning this tournament for the past few years, the work I’m doing has been built due to the efforts of previous Q employees volunteering their time for over eight years now, each of us passionate about creating spaces to encourage new and experienced riders alike to ride together, no matter the distance between us.” — Cory Lally, DCAT Training & Quality Admin.

SH

Our Changing Gears Program

Another way we give back to our fellow team members and the community is through our Changing Gears leave — a 4-week opportunity (covered with full or partial pay) for team members who’ve dedicated their time, energy, and talents for 10 consecutive years in a full-time position here at Q.

Since 2012, this program has allowed our long-standing employees to step away from their day-to-day responsibilities and pursue their love of bicycling, engage in community service, or work toward important environmental efforts.

In 2024, David Gabrys, Q's Proprietary Parts and Accessories Director, took his Changing Gears leave to embark on a cross-continental journey with a Salsa Warroad through the Baltic states with hopes of exploring his cultural roots. The idea was exciting, yet daunting — and required months of researching accessible and navigable routes, as well as potential weather and topographical obstacles. Once David was able to fully develop and finalize a route, he made final preparations and kicked off his journey in Stockholm, Sweden.

After a stint in Stockholm, David made his way through Poland, Lithuania, Latvia, and Estonia. Over his 23-day journey, he burned 63,000 calories, covered 1,800 miles, and didn't have a single flat tire.

"Whether it was the weather, the surfaces, social encounters, having food or not, vulnerability was a strong theme throughout this experience." — David Gabrys

After nearly a month on the road in foreign countries, David came back to Q with new perspectives and stories to tell — advancing bicycling by encouraging other Q employees to seize the opportunity to step outside their comfort zone with their Changing Gears leave. Through a one-hour Lunch and Learn virtual presentation, David inspired us with his once-in-a-lifetime opportunity to explore the world by bike.

Tamara DeGarmo, Q's Principal Technical Product Manager, chose to spend her Changing Gears leave volunteering at her local outdoor environmental education center. With a deep history in working in outdoor education, Tamara loved being able to return to her roots and refuel with grassroots work alongside other educators, children, and outdoor enthusiasts.

"I found it to be very restorative to be working and moving my body outdoors, while being in an atmosphere that encourages personal growth, development, and awareness and education of the environment and nature. It was amazing to get time to really rest my mind and give myself a break from work. I felt rejuvenated after having time to rest and relax, time to give back to the community, and time to refill my cup." — Tamara DeGarmo

2024 IMPACT REPORT SECTION: Diversity, Equity, Inclusion

Title Page

Breaking Barriers: Transforming Our Culture

HL

What Equity at Work Looks Like Today

Body

Since 2013, Q has been taking steps to build a more diverse, equitable, and inclusive bicycle industry for everyone involved. What originally began as Q's launch of the Women's Bike Mechanic Scholarship over ten years ago has led to a decade of inclusivity work, including but not limited to: our summer internship program, LGBTQ+ and gender-inclusive employee training, featuring Black, Indigenous, and people of color (BIPOC) riders whenever possible, and our 10-Year Commitment to Inclusion Plan, released in 2020.

Since the creation of that plan, Q has experienced significant business changes, including industry-wide headwinds and organizational restructuring. In 2024, we refocused our efforts to develop a new environmental, social, and governance (ESG) strategy, which includes an inclusivity framework that allows us to move on from initiatives we currently don't have the means to pursue, and to focus on areas where we can leverage available resources and create positive, actionable change.

By making equity a foundational piece of our ESG planning, we're able to elevate historically marginalized perspectives and support underserved communities in a way that's **realistic, empowering, and scalable**.

This ensures we're on track to build a more equitable and inclusive future for Q and the bike industry as well. This opportunity allows us to move forward and re-center our efforts on the strategic framework recently developed by our cross-functional teams. The pillars of our strategy are as follows:

Bring an inclusive lens to employee hiring, development, and retention

- We have continuously aimed to reflect, learn, and act in a manner that creates a more welcoming and fair work environment for all employees.

Align business partners to our company values

- *We'll prioritize partnerships with women- and BIPOC-lead businesses. We'll also collaborate with vendors and contractors on how they can improve their own DEI efforts.*

Bring inclusive considerations to all marketing and communications

- *We'll apply inclusive best practices to the forefront of our marketing work by seeking out a diverse pool of riders to help us create inclusive internal and external content.*

Bring accessibility considerations to product design and Q buildings

- *Our product team will remain focused on accessibility during development, incorporating a wider range of bike and accessory sizes and building more diversity into product testing. We'll also ensure accessibility when it comes to our offices and distribution centers.*

Better understand and serve underrepresented communities

- *With community outreach and a focus on developing authentic, supportive relationships, we'll prioritize marginalized communities and direct resources accordingly.*

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Educating Our Leaders

Body

We provide the space for leaders to voluntarily learn more through research, seminars, and collaboration with other businesses engaged in this work. In 2024, members of Q's leadership team attended B Lab's Racial Equity Impact Improvement Program — eight weeks of equity-focused educational programming tailored towards organization-wide action and improvement. Q was one of the 12 companies accepted into the program, giving leaders the chance to reflect on previous corporate policies and explore new ways to create an environment where all diverse backgrounds can thrive.

"B Corp certification is at the center of our ESG strategy and that means we work closely with the team at B Lab to constantly improve the way we do business. The B Lab Racial Equity Improvement Program is an example of how we're leaning into the resources they provide and applying those learnings throughout the business." — Adam Koepfer

"Understanding how to make our business practices more equitable for all helps bring diverse perspectives to our industry and ultimately, bigger, better innovation." — Saisha Harris

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Cultivating Support and Community at Work

Body

Each employee at Q comes to work with their own perspectives, culture, and even biases — making it sometimes challenging to find identity-specific community at work. Q began hosting Employee Resource Groups, or ERGs, in 2021 to offer space for employees to gather virtually and connect with one another. Through four different ERGs that meet monthly, Q employees can foster community, tackle misconceptions, develop professionally, and help Q guide its overall workplace culture.

BIPOC (Black, Indigenous and People of Color) ERG

“The need for opportunities for employees to connect in general, learn from one another, and support each other has become more apparent to me as an ERG participant and facilitator. Q supports, encourages, and actively promotes each ERG’s goals and initiatives.” — Alexis Pennie, Customer Service Agent

Queers of Q

“The ERG is a space for us to get together monthly and connect, learn, discuss current events and just build community. We have a solid group of regulars but are always open to having new folks join us. We leave the space feeling really connected to each other and can lean on each other in tough times and celebrate happy ones.” — Maria Camargo, Brand Marketing Specialist

Women of Q

“We approach our role collaboratively by engaging with the group as to what topics they’d like to hear more about. Then, we do research, share, and allow the group to provide their own insights and questions. Opening this dialogue has really helped us connect women at Q, through getting to know each other on a personal level and learn together about topics we’re all interested in.” — Kristen Boeke, Category Operations Manager

QBP Allies

“The purpose of the group is to learn and grow together as better allies to marginalized communities, including but not limited to the LGBTQIA+ and BIPOC communities. We strive to amplify the voices of those communities, as well as recognize and address our own biases and opportunities for action.

As a co-facilitator, I assist in researching current events and allyship topics to discuss in our monthly meetings. Sometimes this is a presentation on a certain topic or a learning opportunity, such as volunteering opportunities, or the history of Pride or Juneteenth. Other times it's an open forum to discuss allyship where we live, especially if there are current events that greatly impact marginalized communities.” — Stephanie Stamps, Business Intelligence Developer

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How Our Brands Get More Butts on Bikes

Body

Q’s proprietary brands strive to implement an inclusive lens when creating internal and external marketing content. When it comes to marketing our products, we make sure to feature a diverse selection of riders whenever possible. In 2024, 32% of the content shared from our brands featured BIPOC models, while 44% featured women.

Our adventure-bike brand, Salsa Cycles, has played an instrumental role in furthering Q’s inclusion strategy by taking tactical steps to bring our vision to life. In 2024, Salsa team members attended Roam Fest, the world's first and largest femme mountain bike festival. Roam Fest is a dedicated place for women, genderqueer femme folks, and non-traditional riders to build community and feel inspired to play a role in the cycling world.

During this four-day event, Salsa’s support looked like:

- Leading two “Bikepacking 101” clinics with Radical Adventure Riders (RAR)
- Co-leading a no-drop gravel ride with All Bodies on Bikes
- Providing every attendee with welcome swag, as well as donating \$500 worth of gear for the event raffle
- Providing gravel and mountain bike demos, creating an inclusive experience for individuals intimidated by mountain biking

Why does Salsa’s presence at this event matter? By setting an example of how brands can uplift underrepresented communities (including female-bodied, trans, non-binary, adaptive, BIPOC, LGBTQIA, and deaf riders, of all skill levels), Salsa helped make marginalized riders feel heard, valued, and encouraged as they dive deeper into cycling.

Salsa’s Brand Manager, Jill Nazeer, recounted an inspiring anecdote about a group of women coming to Salsa’s tent for the Radical Adventure Riders clinic and asking a RAR

staffer what they could do, as white women, to actively invite and welcome more diverse groups of folks into their ride groups.

“I was really proud that these women knew to come to the Salsa tent for a safe space to have that conversation.” — Jill Nazeer

Other Ways Salsa Gave Back in 2024

- Continued its support for Radical Adventure Riders (RAR) with a \$15,000 banner-level sponsorship of the RAR Northeast Autumn Retreat
- Collaborated with Pattie Gonia, a drag-queen, cyclist, and environmental activist who advocates for LGBTQ+ communities, to give space to traditionally marginalized voices within the industry
- Donated a Timberjack bike for the Bikepacking Roots’ fundraising raffle, as well as frame bags for the Bikepacking Roots’ BIPOC Adventure Grant
- Donated a Timberjack bike for the Grit MTB Festival, All Bikes Welcome fundraising raffle
- Provided party shirts as a fundraiser prize for Bike Alliance Minnesota

Teravail’s Contributions

The Mid South, an annual weekend endurance festival in Oklahoma, offers a “Get Here” grant that funds ten participants’ attendance at The Mid South. This grant helps eliminate economic barriers and support diversity in adventure cycling through a stipend that covers travel, housing, and other weekend expenses. To show support for The Mid South’s goal of getting more people on bikes, Teravail donated ten sets of tires to supply riders with top-notch rubber for a weekend of fun.

Teravail also partnered with From The Ground Up, an initiative set on reducing the learning curve of cycling through community, inclusivity, and mentorship. Through a \$5,000 donation and multiple tire donations, the group’s most recent season of riders were equipped tackle whatever roads lie ahead.

2024 IMPACT REPORT SECTION: OUTRO

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Looking Ahead

Body

With industry headwinds and economic pressures still at play, it's important to acknowledge that Q saw significant change in 2024. However, our commitment to advancing the experience of bicycling for the wellbeing of people and our planet never wavered.

Driven by our new ESG strategy, Q is determined to keep up the work in creating a more equitable and sustainable future. With the help of dedicated committees focused on increasing ridership, diversity, equity, inclusion, community, and sustainability, we can emerge stronger than before with actionable goals that keep our four spokes in motion.

We sincerely appreciate you taking the time to reflect on this past year's wins, challenges, and uncovered opportunities — and we look forward to seeing what this new year holds for us.

We'd like to thank our employees, partners, and customers for their continual support as Q navigates new paths for growth. While we know there's no shortage of work to be done, we're excited for what's next.

If you have questions or feedback, please contact us at community@qbp.com. For media inquiries, contact us at media@qbp.com.



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A handwritten signature in black ink that reads "Steve Simon". The signature is written in a cursive, flowing style.

Steve Simon
Secretary of State