



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, \$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 _____
2. Corporate Name: (Required) _____
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)

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.



 Signature of Public Benefit Corporation's Chief Executive Officer

 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:

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:

 Contact Name 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



QUALITY BICYCLE
PRODUCTS

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:

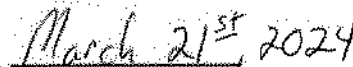
- The identity of the third-party standard determined by the Board is B Impact Assessment, which is provided by B Lab, 15 Waterloo Ave Berwyn, PA 19312
- With reference to that third-party standard, QBP provided general public benefit in the following ways.

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, President


Date

2023 IMPACT REPORT

Riding toward a
brighter future

A Letter from Our President

Here at Quality Bicycle Products, our core mission is to advance the experience of bicycling for the wellbeing of people and our planet.

While we're a for-profit business, we aim to give back to the communities that bring people to bicycling in the first place. We've always been vocal about our commitment to creating a sustainable, welcoming environment for all, but our financial resources, time, and energy spent giving back is what sets us apart. By having a mission that propels us in the right direction, we're never far from igniting that spark that leads to change.

In the spirit of transparency, we want to acknowledge that 2023 was an unusually difficult year for Q. As we learned to navigate the highs and lows of doing business in today's economic climate, we faced a series of challenging obstacles that included industry headwinds, softening sales, and eroded margins. This led to tough decisions like the closing of our U of Q Institute and overall reduced funding opportunities.

Despite these setbacks, we still made strides when it comes to the "four spokes" of our impact work that we've committed to: Advocacy, Sustainability, Community, and DEI. We've had to pivot, in more ways than one, and figure out how to best serve our communities with limited resources. But we remained flexible and are proud of the work done to keep some of our momentum going.

In this report, you'll read about some of the amazing accomplishments our team has made to get more butts on bikes. You'll get a closer look into the initiatives taking us to carbon neutrality within our U.S. operations by 2030, our 6% investment of after-tax profits to advance bicycling within our communities, and impressive employee volunteer hours that impact local communities all around the country.

Thank you for taking the time to learn about ways we're reaching our mission, and supporting Q in your own way as we work together to make cycling a more accessible, inclusive, and represented experience for all.

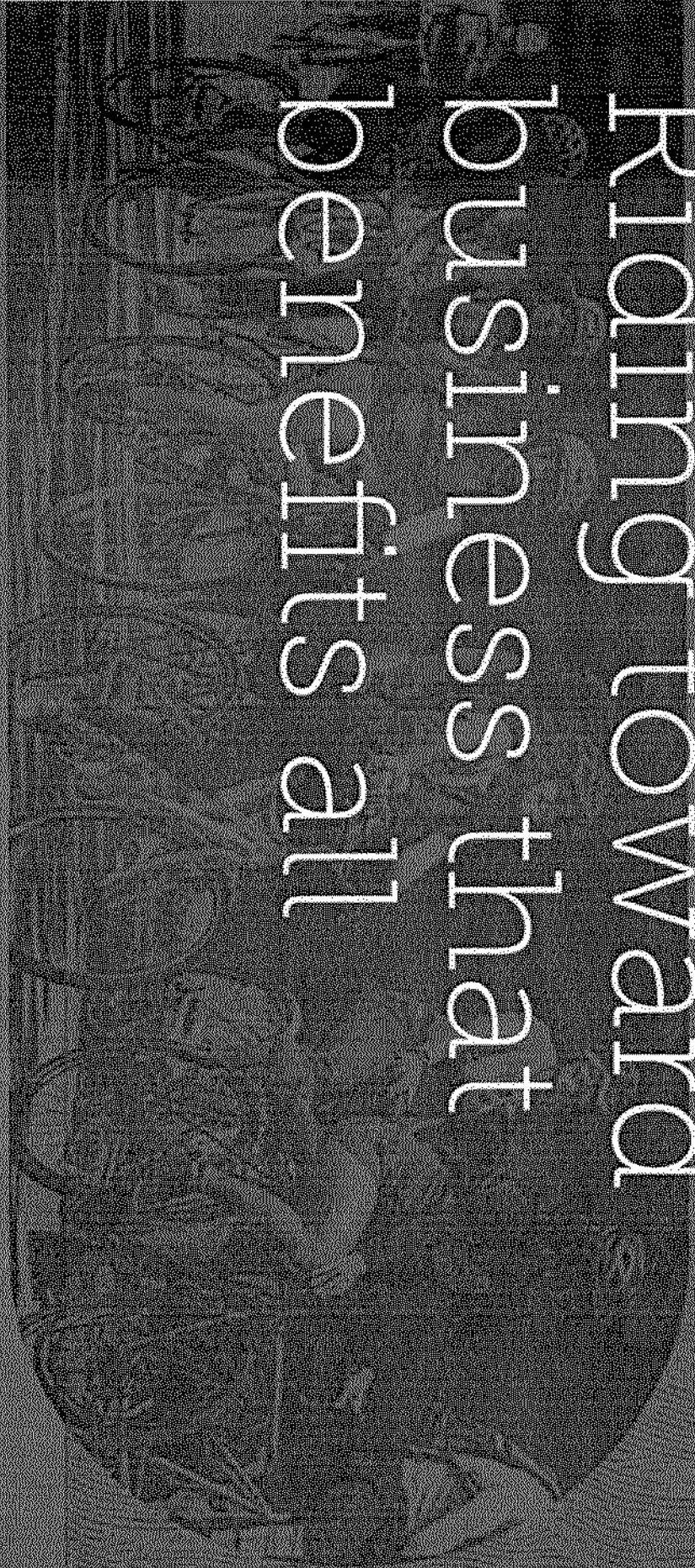
Rich Tauer (he/him)



QUALITY BICYCLE PRODUCTS

**B
CORP**

Riding toward
business that
benefits all



B CORP

Driven By Our Values

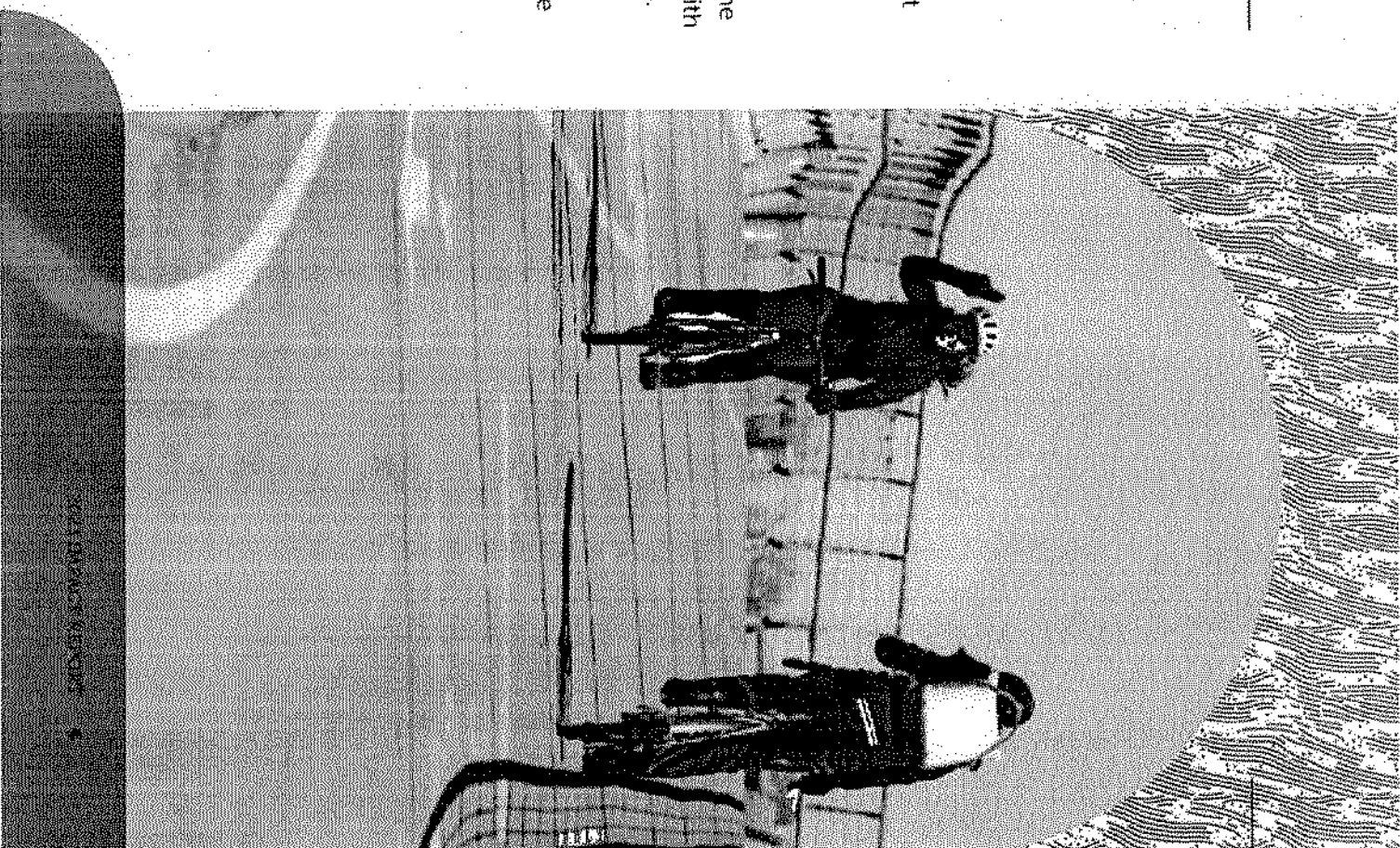
In April of 2021, Q underwent a graded evaluation through the non-profit B Lab to assess our impact on employees, customers, community, and the environment. Due to our score, Q was able to become B Corporation certified, joining a select group of companies in the outdoor industry that put people, communities, and the planet right up there with profit. We're extremely proud of this achievement, not only because it acknowledges the efforts we've already invested, but also because it keeps us accountable with routine auditing and provides a roadmap for future, value-driven initiatives. This isn't a certification we take lightly, and we're continuing to focus our efforts on building trust and transparency among employees, bike shops, riders, suppliers, and other community members that help create a positive impact within our industry and the rest of the world.

TO ACHIEVE THIS CERTIFICATION, A COMPANY MUST:

- **Demonstrate high social and environmental performance** by achieving a B Impact Assessment score of 80 or above
- **Make a legal commitment** by changing its corporate governance structure to be accountable to all stakeholders — not just shareholders
- **Exhibit transparency** by allowing information about its performance to be measured against B Lab's standards and appear publicly on B Lab's website



QUALITY BIKE PRODUCTS



QUALITY BIKE PRODUCTS

Our B Corp scores won't change until we apply for re-certification in early 2024. But until then, we'll reflect on our 2021 assessment:

How We Measure Up

To achieve B Corp certification, a company must score at least 80 out of 250+ points on B Lab's B Impact Assessment. After completing our assessment in 2021, we earned an overall score of 82.5.

While that may seem low, it's important to note that the median score for ordinary businesses that complete the assessment is only 50.9. Starting out at 82.5 lets us know that we're going above and beyond in many areas, and that there's still room for growth.

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

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**
1.8 Environmental Management
6.1 Air & Climate
1.9 Water
5.2 Land and 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
4.5 Engagement & Satisfaction:

Customers

Overall score **10.0**
2.5 Customer Stewardship
7.4* Health & Wellness Improvement

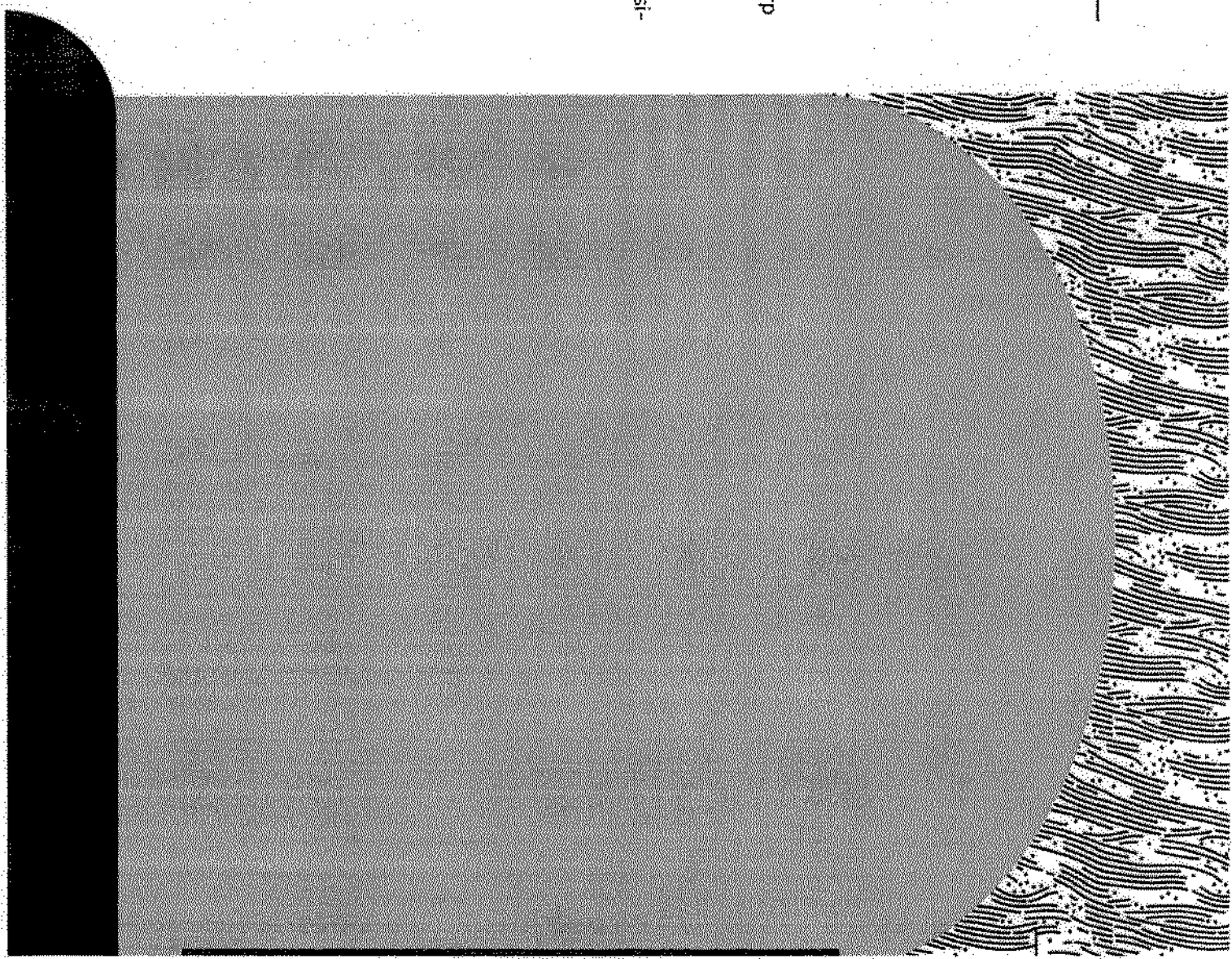
* We earned these points because of our legal status as a General Benefit Corporation. It means that our business model is intentionally designed to create a specific positive outcome for at least one of its stakeholders — such as workers, community, environment, or customers.



B CORP

Moving Forward

This is no small feat, and we're proud of the efforts made to get Q to where it is today. Our official B Corp status is only the beginning, as we're ready to drive even more initiatives when it comes to DEI, sustainability, community, and advocacy in the years ahead. We'll keep aiming high — in our scores, initiative possibilities, and vision for the future ahead of us.



ADVOCACY

Riding toward a bike-centric world



ADVOCACY

Giving Everyone a Chance

A world where people can freely ride without economic and societal obstacles doesn't just happen overnight; it requires fundamental change in infrastructure, a shift in mindset, and a vision to work toward. To increase ridership and break down barriers, we've got to partner with those who know their communities best – whether it's a nationwide nonprofit with years of experience or a local grassroots movement just beginning to spark change.

Our commitment to advocacy, along with thousands of volunteer hours and \$11.4 million donated to the Q Community Fund over the years, doesn't just speak big ideas into the world; it fuels action-oriented initiatives that have been shown to elevate ridership, improve infrastructure, and bring awareness to unique cycling community needs.

ALIGNING OUR GOALS

We're working hard on these goals:

- **Increase and develop bicycle ridership in disinvested communities** by working with bicycle-focused nonprofits on a national scale
- **Help build, support, and empower bicycle advocacy groups** near our U.S. distribution centers
- **Advocate for bike parks and bike playgrounds** near our U.S. distribution centers



QUALITY BICYCLE PRODUCTS

ADVOCACY

Our Advocacy Partners

We can't achieve these goals on our own, which is why we partner with trusted organizations and non-profit bike shops who share our vision and are dedicated to sustaining progress. Many Q employees are interconnected with these organizations through volunteer work like coaching, advocacy, trail building, and more.



photo: Lancaster Bicycle Club

Here's a glimpse of who and how we partnered with in 2023:

OUR NATIONAL ADVOCACY PARTNERS

PeopleForBikes

In addition to having Q employees serve on its board, Q supports PeopleForBikes with considerable annual membership dues, which are based on a percentage of the annual U.S. bicycle market revenue, and go toward advocating for safer, accessible bike infrastructure across the U.S.

International Mountain Bicycling Association (IMBA)

We donated \$75k to support the *More Trails Close to Home* initiative expanding opportunities for local communities to ride bikes.

FUNDING NON-PROFIT BIKE SHOPS

Q Donated bicycle accessories worth:

\$60,010*
to Common Wheel of Lancaster

\$42,098*
to Kids on Bikes, Colorado Springs

\$42,899*
to Express Bike Shop of St. Paul

\$70,366*
to Reno Bike Project

* Products include helmets, water bottle cages, saddles, tires, and hand sanitizers. Based on Product MSRP

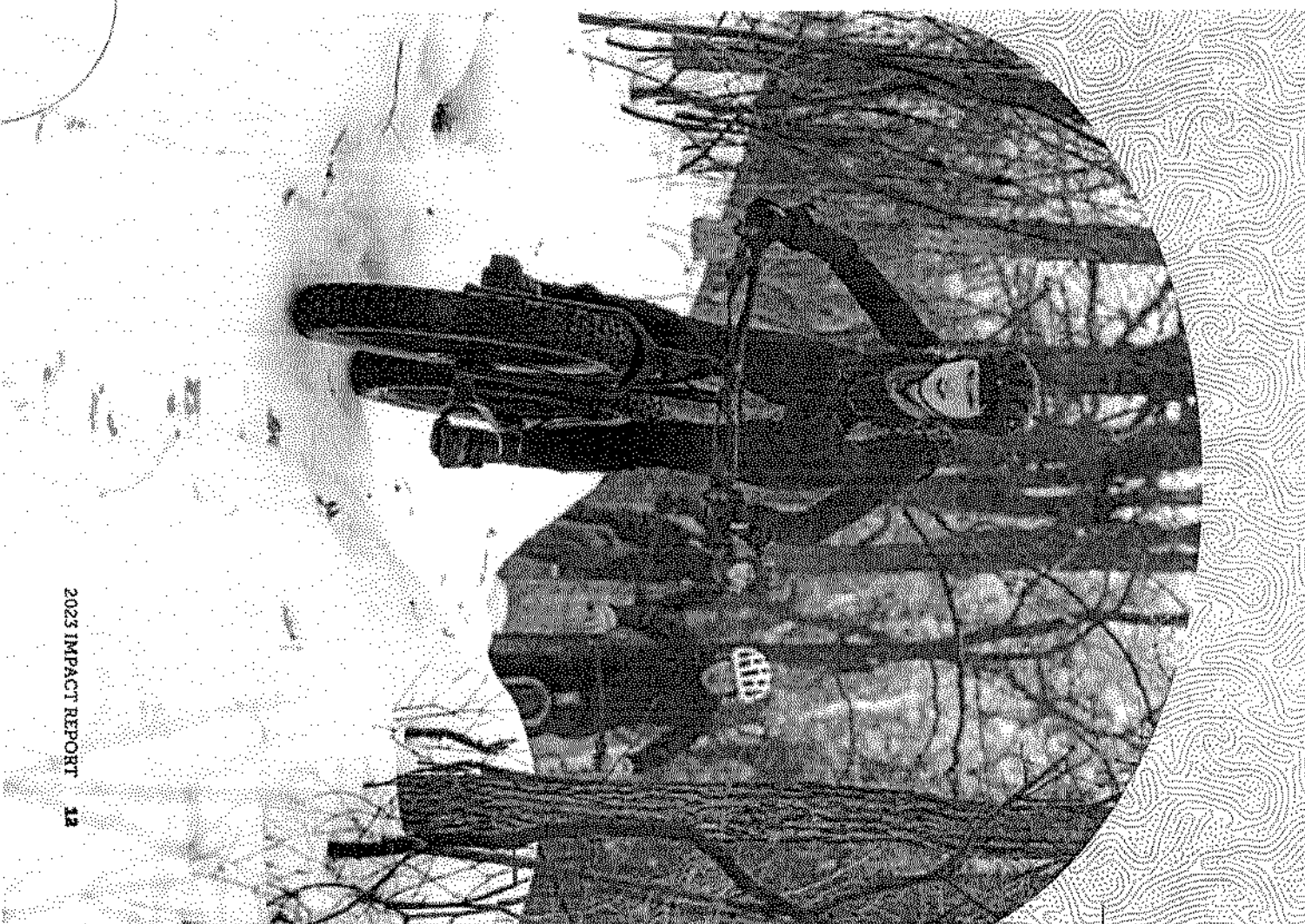


ADVOCACY

More Wins for Winter

Protect Our Winters (POW) is a non-profit organization that strives to protect the cold landscapes we all know and love from the harsh realities of climate change. Back in January 2023, our flagship cold weather riding brand 45NRTH partnered with POW to do everything in our power to preserve the environment and the winter rides we look forward to each year.

Last year, 45NRTH committed \$10k to POW in support of its unrivaled and urgent work to curb climate change. In January of 2024, 45NRTH continued their commitment with another \$10k to keep progress in motion.



SUSTAINABILITY

Riding toward a
healthier planet

B COMP

THE UNIVERSITY OF MICHIGAN LIBRARY

SUSTAINABILITY

Curbing Our Carbon Footprint

We all know riding your bike is a more sustainable, environmentally considered approach to transportation, but what about the time, energy, and resources it takes to get your bike from its initial design to the doorstep of your local bike shop? By reducing our carbon footprint within our own facilities as well as our global supply chain operations, we're finding different ways to put our sustainability goals into action. We're people who care about the outdoors, and we want to take care of the places we're able to explore on two wheels. As we put the planet first and think about our sustainability goals, this is what we're working toward.

OUR SUSTAINABILITY GOALS:

- Carbon neutrality for domestic U.S. operations by 2030
- 100% powered by on-site solar at all 4 U.S. facilities by 2030
- Carbon neutrality for all Q-owned products by 2040
- Reduce 2022's Scope 3 emissions by 50% by 2032

17,000+ metric tons

CO₂ eliminated to date since 2016

41%

Q's overall energy usage powered by on-site solar at our 4 U.S. facilities

1,506,108 kWh

Production from our solar panels in 2023, which adds up to a cumulative total of 4,783,871 kWh produced since 2006

4

Q distribution centers using Packsize to minimize packaging



QUALITY BICYCLE PRODUCTS

SUSTAINABILITY

Achieving Carbon Neutrality

We've always been a company that strives to prioritize the well-being of our planet and people in achievable and sustainable ways. However, our gears really started turning when our employees attended the Intergovernmental Panel on Climate Change in 2018, illustrating the need for tangible action. While our goal is to achieve total carbon neutrality by 2030, we're required to comply with current limitations that keep us focused on what's in our control, which mainly include U.S. operations.

Reaching full carbon neutrality won't be easy, and it's a goal that requires all facets of our business to do their part. As we make changes in conjunction with our overseas partners, we look forward to expanding carbon neutrality in all corners of our operations.

THE CONDITION OF OUR EMISSIONS

After taking stock of all our environmental efforts, we felt that there was still more we could do to offset our carbon emissions. While we recognize carbon offsetting isn't a perfect solution, we're committed to working with organizations that actively capture carbon from the atmosphere and protect resources that naturally reduce carbon like forests.

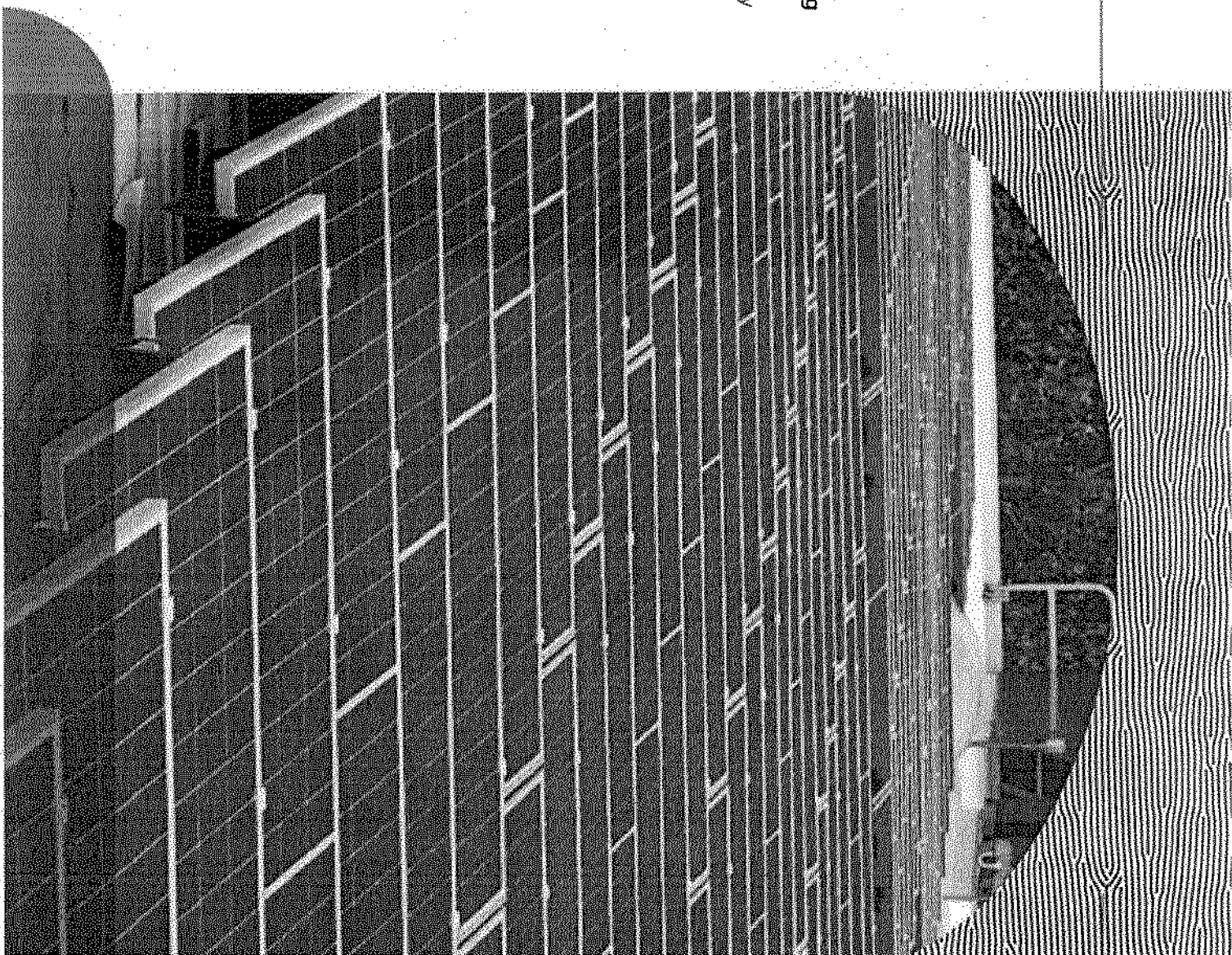
We know that, to be effective, carbon offset credits must demonstrate additionality, meaning the greenhouse gas reductions would not have occurred had we not purchased the credits. We currently work with Native Energy to offset our emissions.



SUSTAINABILITY

A Bright Future

One big way we reduce our emissions is by investing in cleaner energy sources like solar. To date, 41% of O's overall energy usage at US facilities is powered by solar panels located at our distribution centers and offices. In 2023, our solar arrays produced 1,506,108 kWh (kilowatts per hour) of solar power.



SUSTAINABILITY

One Size Does Not Fit All

All four of our distribution centers use a technology called Packsize, a packing on-demand system that selects right-sized boxes for our products — minimizing void fill with each order.

We've also refined our packaging by using containerization software. This helps us achieve greater detail when it comes to exact dimensions and allows us to optimize product data to improve package density.

HERE ARE THE IMMEDIATE IMPACTS:

- We're opting for **custom corrugated boxes** made from easily recyclable materials over less environmentally considered options. Using appropriately sized boxes has allowed us to reduce our overall cardboard usage.
- Using boxes that are the **appropriate dimension for each unique order** means we use less void fill. In 2023, we saw an initial 46% reduction in plastic void fill, and we're striving to reach an 80% reduction compared to our 2021 benchmark.
- Right-sized boxes combined with less void fill keep our shipping as efficient as possible. Our delivery trucks are packed **full of products instead of air** or excess packaging materials.

Since we started (in 2022):

36% reduction

in overall cardboard usage for boxes

68% reduction

in recyclable air bubbles

34% reduction

in void fill

In 2023:

22% replacement

of paper void fill instead of plastic

By 2030, we're aiming for:

80% reduction

in plastic void fill by 2030.

We're on track to meet this goal.



SUSTAINABILITY

Smart Bike Packaging

As part of our goal of reducing the amount of packaging we use and making sure the materials we do use are environmentally conscious, we looked at how we package bikes for transit — and it turns out that there is plenty of room for improvement. In June 2022, we started the process of saying goodbye to plastic and polystyrene foam and hello to more recyclable cardboard. Our goal is to apply this to all our bike models by 2025.

As for 2023, we were able to get 47,893 bikes assembled with this new packaging process. We're excited to share that we're currently piloting this packaging process with another one of our bicycle assemblers with plans to convert to more recyclable cardboard in spring of 2024.

EVERY BIKE MAKES AN IMPACT

The breakdown on our new bike packaging process:

Complete elimination of all polystyrene foam

- Going from 158 grams per bike to 0 grams per bike
- Eliminated 7,567 kilograms in 2023

Reduction in plastic

- Going from 126 grams per bike to 50 grams per bike
- Eliminated 6,034 kilograms in 2023

An increase in recyclable cardboard

- Increasing use to 158 grams per bike
- Increased cardboard by 7,567 kilograms total in 2023



QUALITY BICYCLE PRODUCTS

*waiting on un-
clipped images from
Marty*

SUSTAINABILITY

Ditch the Car for a Change

For Q employees, it pays off to get places without using your car! To encourage our community to reduce their own carbon footprint, we offer a Ride Incentive Program for all full- and part-time employees to earn money for using alternative modes of transportation — whether it's for work commutes, personal errands, special company events, or seasonal ride challenges.

Acceptable forms of alternative transportation include biking, ebiking, walking, carpooling, and mass transit. Eligible commutes include any travel to and from a place where an employee performs work as well as to and from sanctioned volunteer opportunities. We define "errands" as off-the-clock travel to complete a personal task like getting groceries or picking kids up from school.

"Q's support of commuters is essential to the surrounding communities and those who advocate for better bicycle infrastructure.

I feel very lucky to work somewhere that offers commuter incentives." — Neal Bricker, Inventory Control

B CORP

3,748,643 miles

logged since 2006

90,665 miles

logged in 2023

2,886,455 pounds

of CO₂ saved since 2006

69,812+

pounds of CO₂ saved in 2023

\$24,000+

commuter credits paid out to employees in 2023

\$698k+

paid out to employees via commuter credits



SUSTAINABILITY

On the Road to Recycle

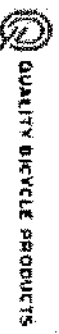
Over the last decade, we've seen ebikes grow in popularity — and for good reason. They're versatile machines that are both fun and functional, and fully capable of replacing your car. The one sticking point that raises an environmental concern is proper ebike battery disposal.

That's why we're partnering with **PeopleForBikes** and **Call2Recycle** — the nation's largest, most reliable battery recycling program experts — to give bike shops an easy way to recycle spent ebike batteries. Participating shops are listed as drop-off sites on an online database and receive kits to safely ship retired ebike batteries to facilities where they will be returned to their proper recycling stream rather than a landfill.

RECYCLING OUR MATERIALS

We're always on a mission to evaluate the sustainability of our products, including all the materials that go into creating them. In 2023, we were able to recycle over 500 pounds of carbon fiber scrap from items like frames and forks, various returns, and excess from product development.

While we're working on ways to better dispose of tires and tubes, we're also collecting tires that we'll send to a Minnesota recycler that specializes in tire recycling. So far, we've sent out approximately 14,670 pounds of tires to be recycled!



HOW BATTERY RECYCLING IS GOING

Since we started

145

bike shops enrolled and trained

477

End of Life Kits sent

5,030 lbs

of ebike batteries recycled

65

Lithium-Ion Battery Incident Kits* sent

* for damaged or defective ebike batteries that require additional safety precautions



COMMUNITY

Riding toward
thriving
communities

COMMUNITY

Getting Down to Business

With core values and principles guiding the company, we're able to dedicate time and resources toward our goals of improving cycling culture and community for everyone involved. It's why we've allocated 6% of our post-tax profits since 1998 to support causes that align with our values and encourage our team members to seek out volunteer opportunities and other ways to foster community when possible. Our collective volunteer efforts have accumulated over 17,500 hours, and through our 6% back initiative, we have contributed over \$11.4 million to date.

WAYS WE GIVE

- Dedicating 6% of our after-tax profits to help build healthy, sustainable bike communities
- Investing and raising a combined \$1 million by 2030 to support bicycle-focused projects in underserved communities through our Community Grant program
- Supporting Q employees with 10,000 hours of paid volunteer time over the course of 10 years (2020–2030)

*waiting on images from
Martha Flynn(?)*



QUALITY BICYCLE PRODUCTS

COMMUNITY

Putting Our 6% to Work

Since 1998 we have dedicated more than \$11.4 million to the O Community Fund, which made up 6% of our after-tax profits.

Here's where we funneled our giving in 2023:

International Mountain Bicycling Association (IMBA)

IMBA creates, enhances, and protects great places to ride mountain bikes.

PeopleForBikes

PeopleForBikes builds more safe and convenient places to ride, transforming America through bicycling.

Little Belles

This organization provides mountain biking opportunities to young female riders, regardless of economic status.

National Interscholastic Cycling Association (NICA)

Guided by the values of fun, inclusivity, respect, and community, NICA builds strong character through mountain biking.

ADDITIONAL GIVING

We made financial and in-kind donations of at least \$1,000 to these organizations and groups in 2023:

- Minnesota Mountain Bike Series
- Kids on Bikes
- Express Bike Shop
- Common Wheel
- Harrisburg Bike Club
- VEAP (Volunteers Enlisted to Assist People)
- Loaves & Fishes
- Bicycle Industry Employers Association
- Peace House
- Minneapolis Parks and Recreation Board
- Reno Bike Project



COMMUNITY

Bike Shops Know Best

Local bike shops know their communities best, which makes them uniquely equipped to create positive change. It's this belief that jump-started our Community Grant program. In 2023, we leveraged \$50,000 to support 12 projects that create tangible, local change and contribute to the sustainability of the industry.

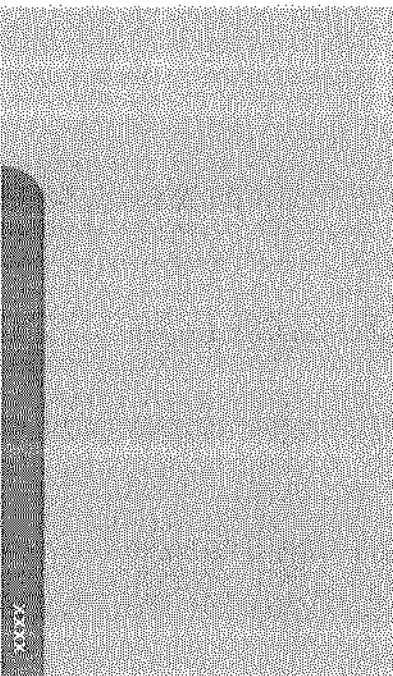
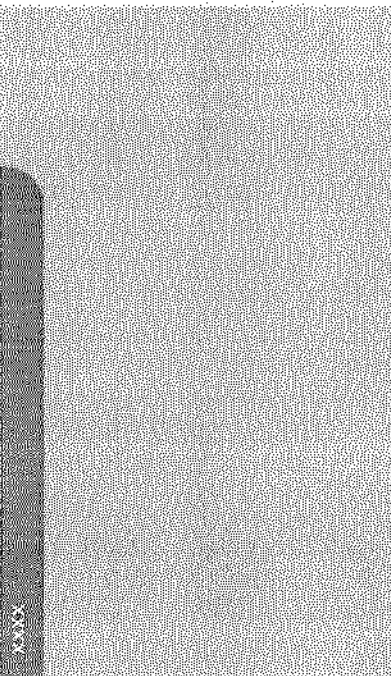
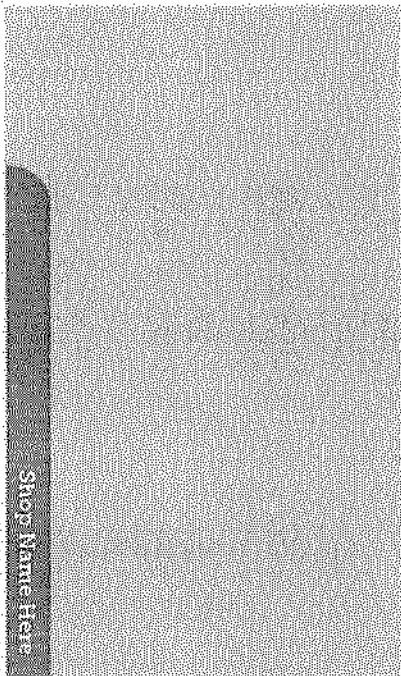
HERE'S WHAT GRANT RECIPIENTS ACCOMPLISHED THIS YEAR

Anson Bike Buddies / Hood River and Wasco County, OR

Partnering with Safe Routes to Schools and other non-profits to donate refurbished bikes to kids, caregivers, and adults with an emphasis on vulnerable communities.

Blue Wheel Bicycle & Charlottesville Community Bikes / Charlottesville, VA

Providing supplies to develop a new job training program for teens from groups that are underrepresented in the cycling industry.



Des Moines Street Collective / Des Moines, IA

Running the Summer Huskies Cycling Camp, which introduces elementary school students to biking through skill development and group rides.

Oasis Bike Workshop / Nashville, TN

Facilitating Queer Spokes, which offers open shop hours with access to tools, resources, and the guidance of trained bike mechanics.

Ohio City Bicycle Shop / Cleveland, OH

Expanding its Pay What You Can Program, which supplies recipients with essential accessories like locks, lights and fenders.

Park Hill Bike Depot & Bikes Together / Denver, CO

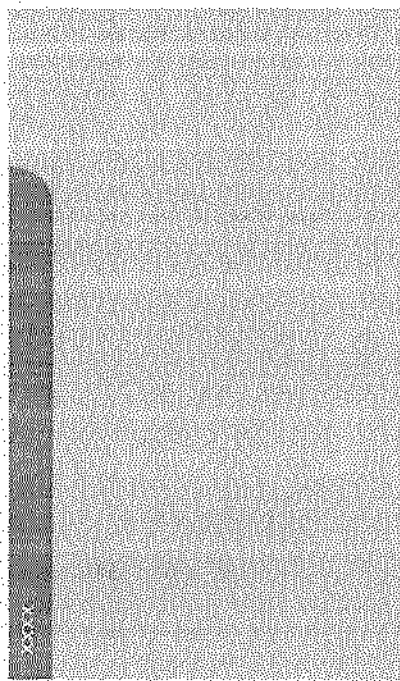
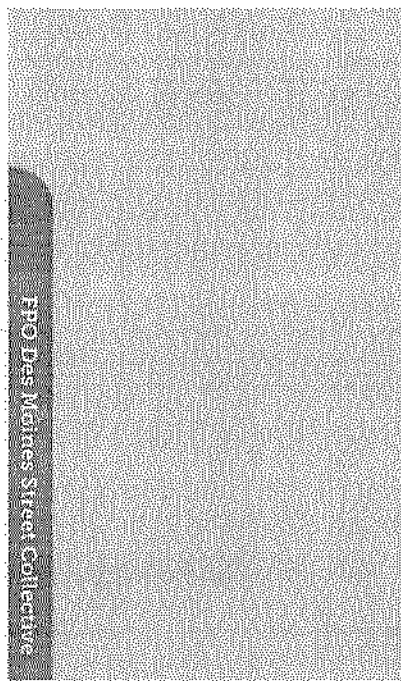
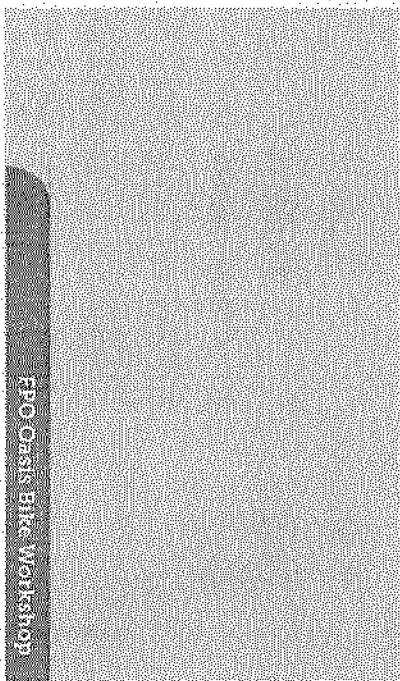
Using recycled bicycles as a vehicle for equitable social change, collective individual wellness, education and empowerment, and connection.

Scenic Routes Community Bicycle Center / San Francisco, CA

Offering a free flat fix and basic roadside maintenance class monthly centering women and queer folks as paid teachers and free learners.

Slipping Gears Cycling / Bangor, ME

Providing equipment, instruction, and a beginner/intermediate trail system to community members and teaching local teens bike maintenance, repair, trail work, and riding skills.



Smith Creek Cycles / Kelowna/Westbank British Columbia, Canada

Introducing youth who face barriers to participating in cycling to mountain biking through mentorship.

Susitna Bicycle Institute / Anchorage, AK

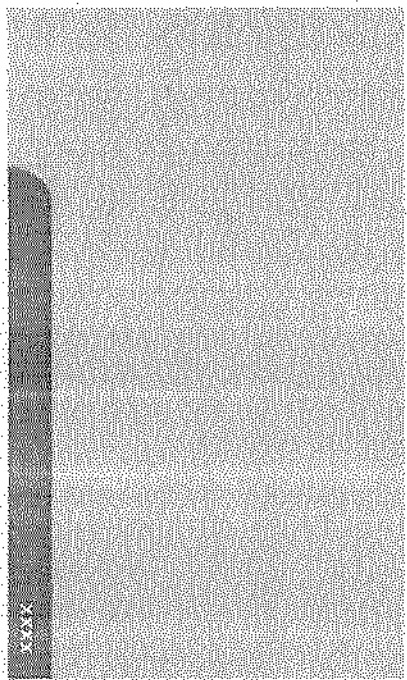
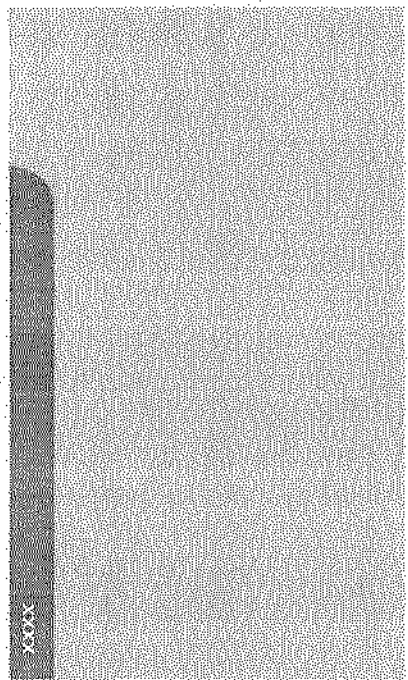
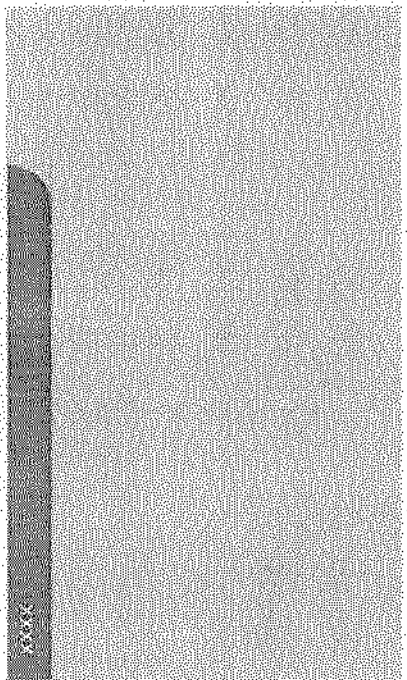
Expanding its capacity for running bike repair classes available to Alaskans who have been systemically excluded from cycling culture.

The Recyclery of Jefferson County / Port Townsend, WA

Facilitating active transportation by "bike bus" to local elementary and middle schools weekly. The "bus" is led by high school apprentices.

Trips for Kids Bay Area / San Rafael, CA

Launching its Earn-a-Bike program in person, which focuses on middle and high school students who live in low-income communities throughout San Francisco.



COMMUNITY

Volunteer Allowance Program

One way we give back to the communities where we work is through people power. Our Volunteer Allowance Program supports employees with paid volunteer time. Since this program was formed in 2012, employees have logged hours building singletrack, fixing up bikes, cooking meals, and more. Additionally, our employees are able to log off-the-clock volunteer time, for which we donate \$10 per hour to that organization (up to \$400 per employee per year).

10,000 hours

of paid volunteer time over the course of ten years (2020–2030)

1,282 hours

logged by employees in 2023

17,500+ hours

volunteered since 2012

22,600+ hours

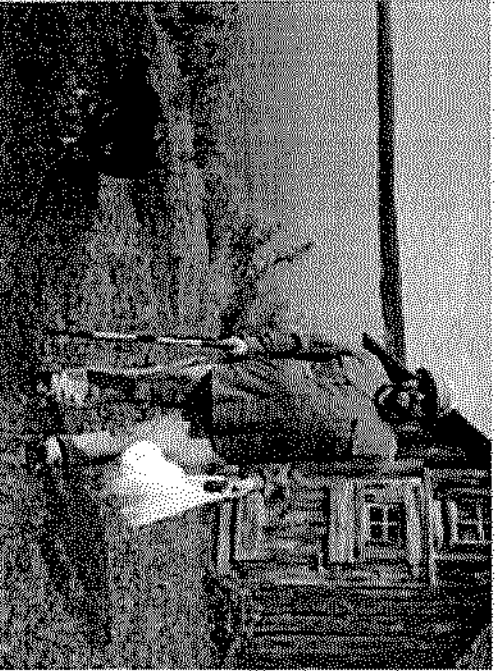
of off-the-clock volunteer time



COMMUNITY

Changing Gears Leave

Long-term Q employees can pursue their passion by promoting bicycling, engaging in community service, or contributing to environmental causes through our Changing Gears leave. This benefit has been available since 2012 to any employee who's worked at Q for 10 consecutive years in a full-time position; it covers full or partial pay for up to 4 weeks. In 2022, we had 9 Q employees use this leave to contribute their skills, time, and energy to causes they care about.



 QUALITY BICYCLE PRODUCTS

"Giving myself a mental break was my main goal, with a secondary goal of cleaning up places that I love on the North Shore. Having a month to focus on this project has changed how I live my day-to-day. I can't go for a dog walk without a trash bag in my pocket anymore. I have a tiny kit that comes with me everywhere now, with puncture resistant gloves, trash bags and a grabber in each car.

Changing Gears can be a complicated plan or a simple plan. For me, it was about keeping it simple."

— Joe Van Ert, Q Systems Architect

DAVERSLEY, EQUINE & JUNCTION

Riding toward more bouts on bikes

Creating Space for Everyone

Making diversity, equity, and inclusion (DEI) efforts an important part of our company's goals has led to important conversations and powerful actions that make us stronger. By inviting those who have traditionally felt stifled or ignored to share their experiences, ideas, and hopes for the future, we're cultivating an environment where everyone can feel welcome. We're all looking for a sense of belonging and acceptance, and DEI initiatives are just one way to get us there.

MAKING ROOM FOR OTHERS

Our DEI Strategic Plan includes insights on Q's work in this area along with plans for continued progress through 2024. Releasing this plan publicly increases transparency, accountability, and hopefully inspires companies that are looking for ideas to deepen their own DEI work.



image ??

We're Ready to Spark Change

Every Butt on a Bike is our vision, and it keeps us motivated to accomplish great things. We must find ways to eradicate injustice and inequality in our communities and the bike industry if we want to see our vision come to life. That's why, in 2020, we committed to achieving seven goals by 2030 to put into action the idea that we can, and will, improve diversity in cycling.

OUR PROGRESS WITH OUR 10-YEAR COMMITMENT

- 1. Invest, raise, and leverage \$1 million to support bicycle-focused projects in underserved communities.**
Progress: Q contributed \$50,000 towards 12 projects in 2023, bringing our project total to 41 and total investment to \$262,000 since making this commitment.
- 2. Create an additional 20 urban bike parks and/or trail systems.**
Progress: In 2023, we've contributed \$75,000 to the IMBA's Trail Accelerator Grants and have supported the creation of four bike parks and trail systems that actively benefit local communities.
- 3. Train 1,000 BIPOC (Black, Indigenous, people of color) individuals in foundational bicycle mechanic skills and 100 in intermediate bike mechanic skills.**
Progress: Created by Q's own Darrow Jones and funded by Q, Break the Cycle had 122 participants in the P3 program and 26 students in the Bicycle Tech lab program in 2023. Since we made our 10-year commitment, 296 students in total have completed training through Break the Cycle.

4. Hire 100 interns through our Equity and Diversity Internship program.

Progress: In 2023, we hired two previous interns as permanent, full-time employees of Q, bringing a unique perspective to both Q and the bike industry. Since making this commitment, we've hired a total of 12 interns to be a part of our DEI Internship program.

5. Provide 300 U of Q Institute scholarships to underrepresented individuals.

Progress: Since this commitment was made, we've allocated 42 U of Q scholarships. In 2023, we were unfortunately unable to distribute scholarships after we closed the U of Q Institute. We're brainstorming new ways of fulfilling this need in the community as we work towards replacing this program in the future.

6. Provide 100 League Instructor Scholarships to underrepresented individuals via the League of American Bicyclists

Progress: While we were unfortunately unable to distribute scholarships in 2023, we look forward to funding more training opportunities in the future. Since making this commitment, our overall scholarship total remains at 51.

7. Support Q employees with 10,000 hours of paid volunteer time.

Progress: In 2023, employees logged 1,469 paid volunteer hours. We've accounted for 3,878 hours total since making this commitment.



Opening the Door

In 2021, Q launched Break the Cycle — a grassroots program developed by employee Darrow Jones that creates pathways toward working in the bike industry and supports BIPOC community leaders. The program has two main offerings — P3 rides and Bicycle Tech Labs. On January 1, 2024, Break the Cycle became a stand-alone non-profit to further its mission of connecting underserved communities to opportunities within the cycling industry.

Break the Cycle 2023

123 riders participated in P3 rides

26 students completed training through Bicycle Tech Lab



PIZZA, PEDALS, & PROFESSORS (P3) RIDES
P3 Rides are designed to remove barriers to cycling and foster community connections via bikes and pizza. Rides are led by a local "bike professor." Professors cover safety and routine bicycle maintenance topics intended to empower BIPOC community members in attendance.

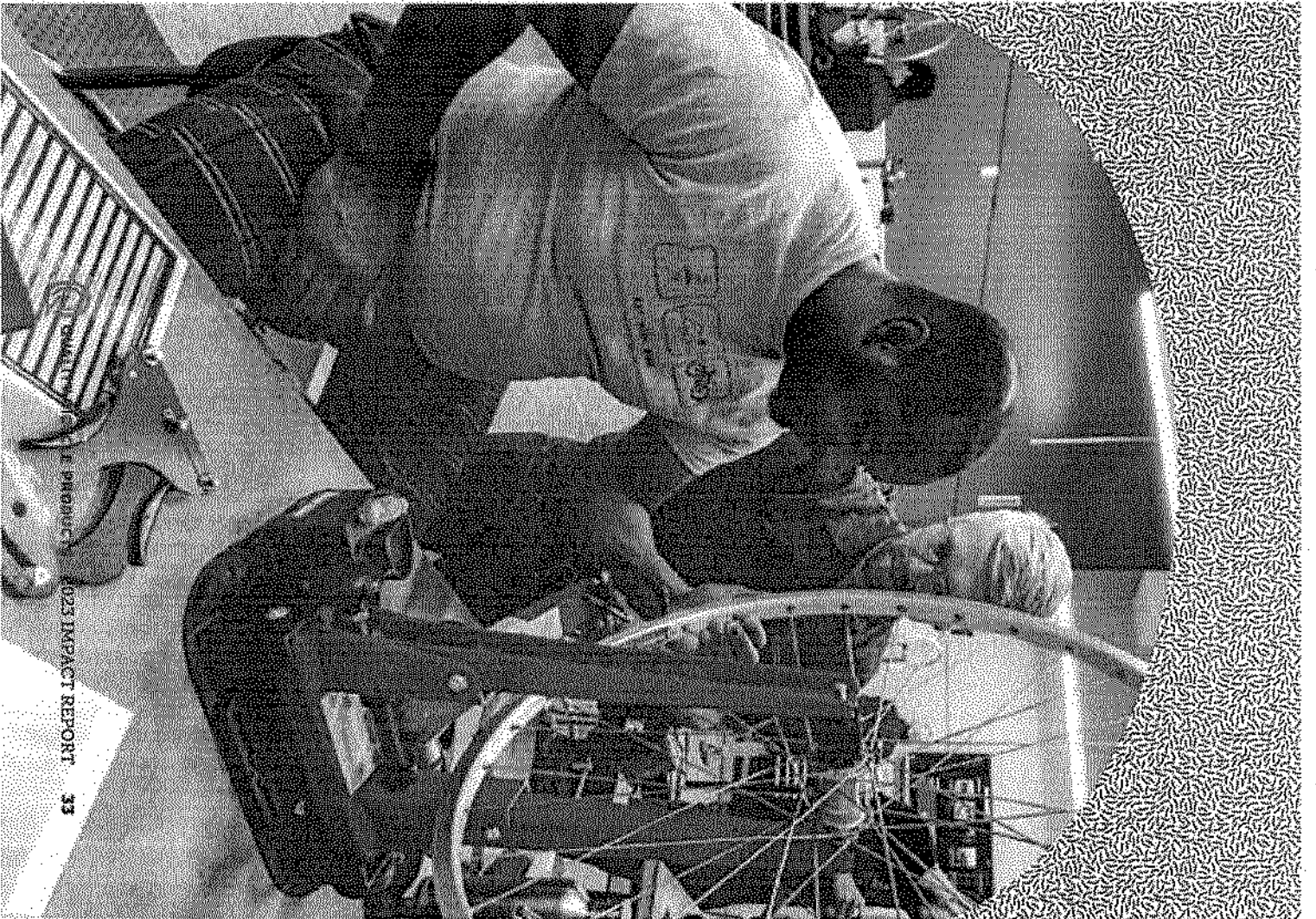
- Each P3 Ride Includes:**
- Road safety clinic
 - Food (pizzai)
 - Childcare
 - Free multi-tool
 - Community ride and basic bike maintenance class

BICYCLE TECH LAB
Bicycle Tech Lab offers bicycle maintenance education courses to BIPOC community members. The curriculum was developed with Q's Break the Cycle curriculum and Barnett Bicycle Institute's materials.

- Bicycle Tech Lab courses include:**
- Flat Fix Class
 - Derailleur Adjustment Class
 - Wheel Alignment Class
 - Brake Adjustment Class
 - Bicycle Fit Class
 - Bearing Adjustment Class

[Sharing the Tools that Spark Change]

Helping bike shops improve their ability to serve everyone in their community makes everyone stronger. While we had to make the difficult decision to close our U of Q Institute in 2023, and in turn, our Q Bike Mechanic Scholarship, our mission to build upon bike skills and community among underserved communities hasn't waned. We look forward to finding new ways to educate and share knowledge, skills, and resources that empower others.



DIVERSITY, EQUITY & INCLUSION

Finding Community at Work

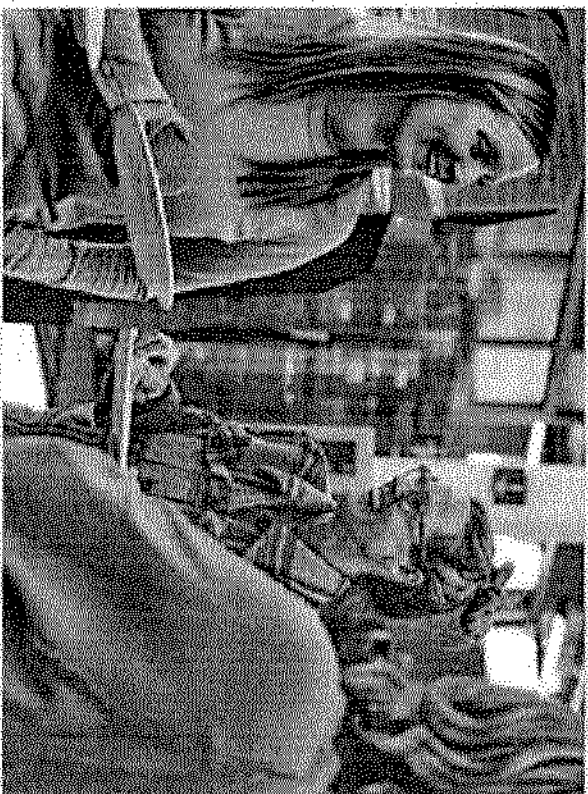
The need to stay connected and foster a sense of belonging is still a vital part of company culture as we continue to work remotely or at distribution centers scattered across the country. We rolled out Employee Resource Groups (ERGs) in 2022, and we've continued them throughout 2023, making space for employees to cultivate identity-specific community at work despite being geographically dispersed.

"Our Women's ERG is like a workplace ally, offering a space where women can share insights, experiences, challenges, and support one another. It enhances our company by harnessing the strength of diverse perspectives, sparking creativity, and making sure every woman here feels empowered and heard."

— Amber Auer, Women's ERG facilitator and Q employee

OUR EMPLOYEE RESOURCE GROUPS

BPOC ERG
Queers of Q
Women of Q
Q Allies



DIVERSITY, EQUITY & INCLUSION

Creating Pathways

Our Equity and Diversity Internship program is a powerful gateway for students from underrepresented communities and identities to find paid internship positions within the bike industry. Over the years, we've brought in a diverse pool of people, each bringing their own unique experience and perspective to Q. While we had to temporarily pause our program in 2023, we were able to hire two full-time former interns, and we're excited to see this program expand again in the future.



DIVERSITY, EQUITY & INCLUSION

Our Brands Pave the Road Ahead

Behind every great brand is a team of hard-working individuals who bring these ideas to life. We're proud of the work done to further DEI work through the lens of our brand families.

HERE ARE A FEW OF THE THINGS ACCOMPLISHED IN 2023:

- **Salsa donated \$15,000 to support the Radical Adventure Riders' growth and educational efforts,** as well as gear for their libraries. We're looking forward to highlighting each chapter's efforts to engage more people within the bikepacking community.
- After discovering some problematic origins of the name, **Teravall recently announced that the tire formerly known as Coronado will now be named Oxbow.**
- We identified the Salsa Mukluk as an appropriated name due to its meaning of traditional indigenous footwear in arctic regions. We have since remedied this with a name change – **the Salsa Heyday!**
- **Salsa donated \$3,000 to the Beargrease family** to support their fundraising efforts for the John Beargrease Sled Dog Marathon.
- **Surly's "Humanoids of Surly" blog series continues to feature diverse ridership,** giving participants the chance to share their story, get paid, and choose a charity to receive a \$300 donation from Surly.



QUALITY BICYCLE PRODUCTS

LOOKING FORWARD

Riding toward a
brighter future

1993

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LOOKING FORWARD

[new headline please]

We're proud of how far we've come, even though we know we're just getting started. As we continue brainstorming long-term goals and ways to accomplish even more, here's what we plan to tackle next.

Being an active member of our communities

- In 2023, 18% of our employees volunteered on company time. Next year, we're aiming to have 30% of employees volunteer.

Eliminating the use of "forever chemicals" (PFAS) from softgoods

- We plan to bring our new clothing and other softgoods into compliance with California PFAS regulations by 2025.

Going further on minimizing packaging materials

- In 2023, we reduced the use of corrugated cardboard by 8% and plastic poly bags by 26% vs 2022 levels. Our goal for 2024 is to reduce cardboard by an additional 10% and usage of bubble wrap by 30%.

Using recycled resources in manufacturing

- In 2023, we identified our rubber material usage as an area of opportunity for us to reduce our impact. We're now working with PeopleforBikes to source recycled rubber and identify better ways to sustainably dispose of tires and tubes nationwide.

Ditching single-use plastic with 45NRTH

- We accomplished our goal of packaging all 45NRTH clothing without plastic poly bags, which is one more step towards keeping winter (and the earth) cool.

Ramping up our solar reliance

- By 2025, we plan to have 79% of our energy use for U.S. operations come from on-site solar panels.

Leading with our commitments to diversity, equity, and inclusion

- We remain committed to our 10-Year Commitment to Inclusion and DEI Strategic Plan. We'll use 2024 to strategize how we can advance these goals in the future.

We Couldn't Do It Without You

Sharing our progress is only a fraction of what it takes to bring these initiatives, goals, and visions to life. We wouldn't have anything to share if it weren't for the active support of our employees, partners, and customers who hold us accountable and champion the same mission of creating a more inclusive and sustainable environment for all. As we pedal forward, we're bound to come across more bumps and bruises, as well as more exciting changes to be proud of. We appreciate you taking the time to read this report.

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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**QUALITY BICYCLE
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Annual Benefit Report
Quality Bicycle Products, GBC
A MN General Public Benefit Corporation
Report Covers Period Jan 1, 2023 – Dec 31, 2023



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Work Item 1465897400039
Original File Number 4U-910

STATE OF MINNESOTA
OFFICE OF THE SECRETARY OF STATE
FILED
03/27/2024 11:59 PM

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Secretary of State