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We are people of good will, are we not?



Barbara Bigolin President and CEO, Selle Royal Group

Barbara Bigolin began her journey within the family business in 1983. Since then, she has held various roles in the company—from production to research & development to mergers and acquisitions—devising both process and product patents. Since 2014, she has held the position of President and CEO of Selle Royal Group's Board of Directors.

If this is the case, we should look to enact change, to help others and at the same time ourselves, proudly correcting our mistakes that, due to a lack of intelligence, vision and respect, have compromised our Planet.

Now, the whole universe is asking us to live humbly to restore the balance among humankind, nature, society, science, economy, and the future. It is asking us to commit ourselves to being sustainable, to act sustainably. Today sustainability is on everyone's lips, smoke and mirrors for many; in other words, said... but not done. It is for us a constant and progressive cultural commitment to create and strengthen ties between all parties who experience our business in all its facets.

So here it is, our first Sustainability Report; its purpose is not so much to tell you who we are, our history, how good we have been, but to prove to you, or rather to ourselves, that in order to right our wrongs, to regain our wellbeing, as well as the globalization of the economy that has distanced us from our origins, we must roll up our sleeves and find that balance that will put a smile on the faces of those who will succeed us.

Sustainability for us also means awareness and self-reflection, the tragedies we witness should be far more than a fleeting emotion. Hence why we want to remind you of the tragic event that occurred in our mountains: Storm Vaia.

The photo feature that introduces this report tells us how we use nature and enjoy its beauty... and what do we give in return? Our garbage. The destruction and degradation of forests affected by Storm Vaia is not the fault of old trees with tired roots, but their vengeful scream. It is so! Nature will always be stronger than we are, but we are the intelligence that dominates it, harnesses it, subdues it, and kills it. Her "revenge" is our shame.

We do, therefore we are
Barbara Bigolin

The following pages contain a selection of images from the photo feature *There's no calm after the storm* by Italian photographer Matteo de Mayda. The purpose of supporting and giving visibility to this project and its author is twofold: firstly, to raise awareness of the themes discussed in the 2030 Agenda—in this case, Goal 15: "Protect, restore, and promote sustainable use of terrestrial ecosystems"—and secondly, to have our company operate in a manner that appropriately reflects the current social and environmental context, in order to gain a more complex and less self-referential perspective on what we are doing in the field of sustainability.

There's no calm after the storm

















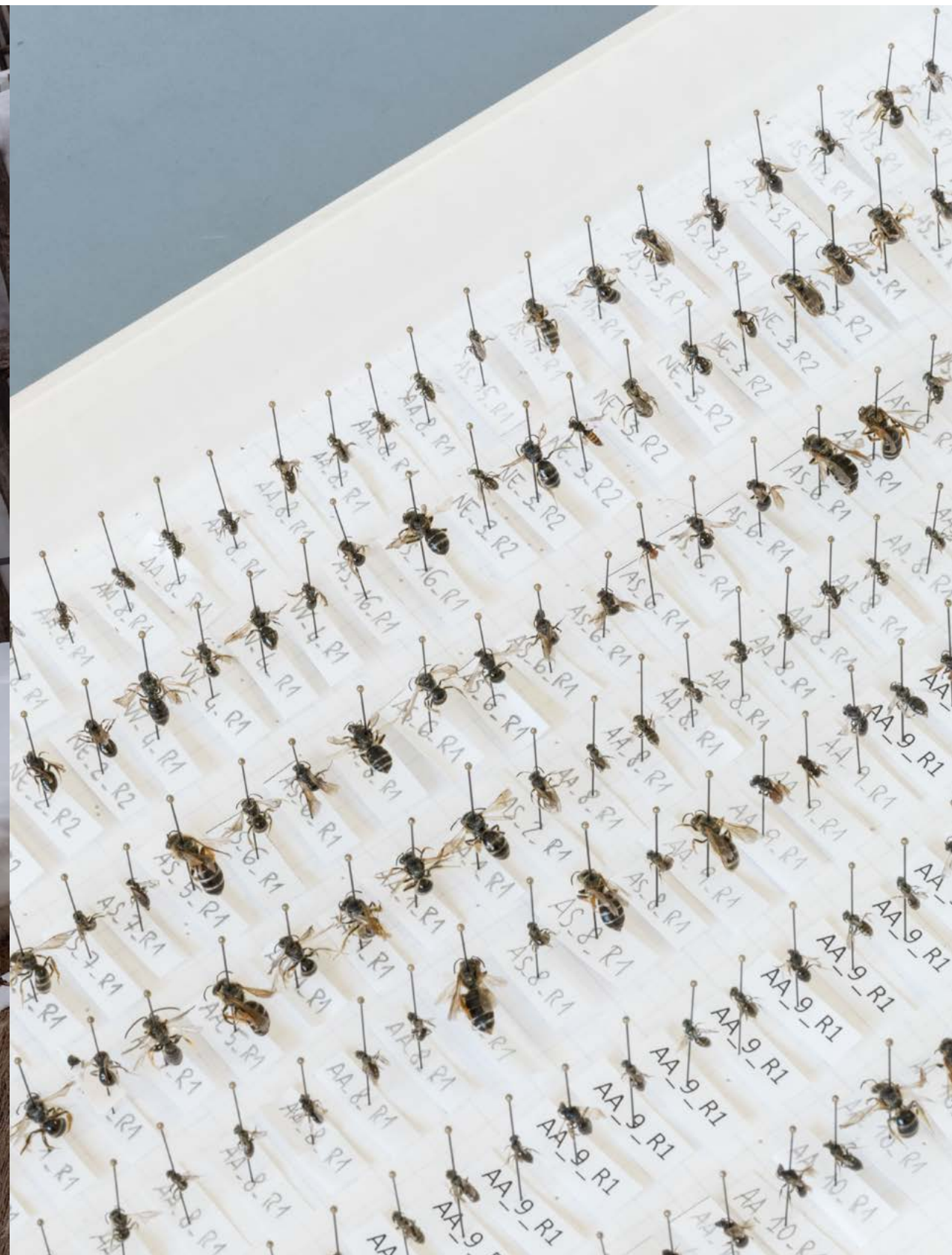








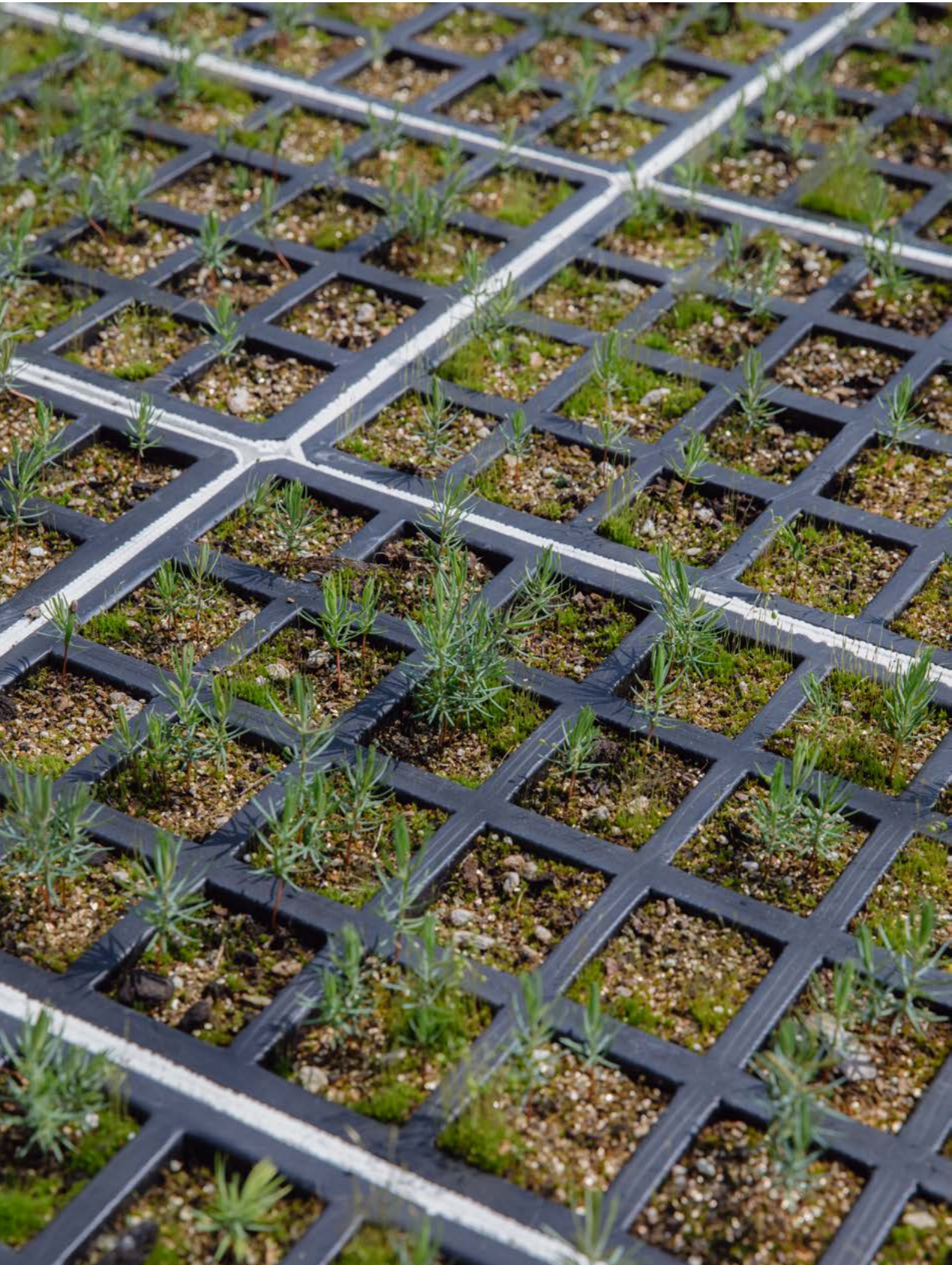
























I was in Treviso on the evening of 26 October 2018, when the sirocco began to blow through the Dolomite region reaching speeds of two hundred kilometers per hour, causing some 14 million trees to fall to the ground. The relentless rain caused streams to overflow, dragging logs and debris downstream. Overnight, the inhabitants of certain mountain communities in Veneto, Trentino and Friuli-Venezia Giulia found their cellars flooded and their houses roofless because of the strong wind. Images of the catastrophic damage to the forests devastated by Storm Vaia flooded the papers and newscasts, in Italy and around the world.

I began working on this topic a few months later, following the TESAF and DAFNAE departments of the University of Padua, whose researchers were measuring and analyzing the less visible consequences of the storm through field and laboratory research. For example, the increase in landslides and avalanches due to the lack of protective effect of trees or the presence in the forests of the *Ips typographus*, a parasitic beetle that feeds on bark creating six times more damage than the storm. Over the course of four years, I visited the affected areas several times. It was a slow endeavor that allowed me to immerse myself in this environment and get to know those who, in different capacities, are helping to rebuild forests and communities.

Storms like Vaia have always existed, but climate change is making them increasingly frequent and deadly. We need to think our relationship with nature and plan our actions over the long term if we are to ensure the resilience of the ecosystems we are a part of, despite the fact that we often need to be reminded of this.

Matteo de Mayda

Matteo de Mayda (1984, Treviso, Italy) lives in Venice. His visual research is focused on social and environmental causes. His work has been exhibited at the Venice Biennale, MUFOCO, the Milan Triennale, Camera Torino, and the Design Museum in London. In 2019 he published *Era Mare*, a book about the phenomenon of high water in Venice. In 2020 he was selected by ARTRIBUNE as the best young Italian photographer of the year. In 2021 he was one of the FUTURES talents selected by CAMERA (Italian Center for Photography) and won the Italian Sustainability Photo Award (ISPA) with 'There's no calm after the storm'. In 2022 he won the British Journal of Photography International Award. His images have been published in Italian and international newspapers and magazines, including *The New York Times*, *Financial Times Magazine*, *Internazionale*, *Zeit*, *6Mois*, and *Vogue*.



A strategy centered around the brands.
A multidimensional and integrated
business model. An entrepreneurial
project founded on shared principles.

1 About us

Over sixty-five years, a journey that started from the province of Vicenza has led us to become one of the world's most renowned companies in the bicycle industry.

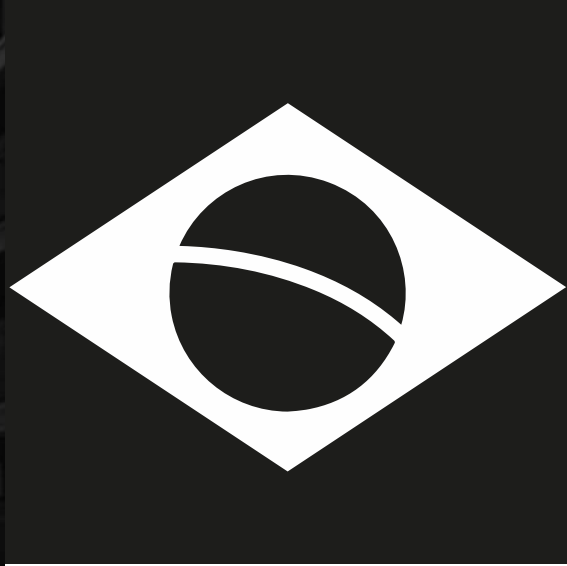
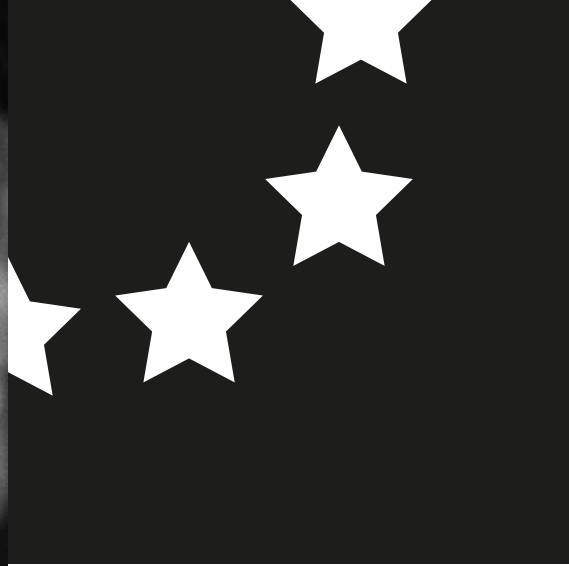
1.1 Our history

Founder Riccardo Bigolin—source: company archive



1956

Riccardo Bigolin opens a workshop in Rossano Veneto (near Vicenza, Italy), that manufactures bicycle saddles. In the 1970s, the company moves its headquarters to the Pozzoleone factory.



1960

100% of the saddle production is already exported to Europe, a clear sign that the company's core values are going to have an international focus.

1980s

Development of the RVS (Royal Vacuum System) patent for the production of vacuum saddles. The artisan business becomes an industrial company.

1995

Selle Royal Group acquires a saddle and bicycle manufacturing facility in Brazil. This is the first step in the creation of an interconnected network of production sites, distribution partners and local companies around the world.



H2



1997

Birth of fizik, the brand that produces saddles for professional cyclists. A few years later it will launch its first range of cycling shoes.

2002

Selle Royal Group acquires Brooks England, a British brand famous worldwide for its leather bicycle saddles.

2006

Selle Royal Group creates Highway2 (H2), a 50% joint venture with Continental Tyres North America for dealer-direct distribution of proprietary and third-party brands in North America.

2008

Selle Royal Group acquires Crankbrothers, a US brand of mountain bike pedals and components, with offices in California and an operational hub in Taiwan.



2010

Acquisition of a majority stake in the largest saddle manufacturing company in China, which then became Selle Royal China a few years later.

2011

Selle Royal Group acquires PEaLED, a brand with Japanese roots, active in the design, development and production of clothing for urban and professional cyclists.

2012

Creation of A4 Selection, for dealer-direct distribution on the European market of proprietary and third-party brands, now operating in Italy, France, Austria and Switzerland.



ROYALPRO
DIVISION

WISE
EQUITY



2013

Acquisition of British brand Pannier, a platform that organizes trips to unspoiled places around the world for bikepackers, outsiders and brands.

2016

Royal Pro is created for dealer-direct distribution in the Latin American market of the best bike components and accessories from proprietary and third-party brands.

2021

Selle Royal Group opens to third-party investors investors: the Wisequity V fund, managed by Wise Equity, acquires 33% of the parent company.

2023

Establishment of Selle Royal Romania s.r.l. and initial stages of the renovation of a manufacturing plant in Săcueni, Romania.

Our identity is inspired by simple founding values that have always guided us and kept us on the right track

Friction

Selle Royal Group believes the friction between different ideas and points of view is key to generating innovation—just like the friction between the road and the bike wheels is essential for moving forward.

Togetherness

Selle Royal Group acts in concert with its surroundings and its people. It sees itself as part of a system that goes beyond the single elements of its organization.

Momentum

Selle Royal Group puts impetus and enthusiasm in everything it does, to lead those who are brave enough to follow, and build the momentum it needs to reach the finish line.

Time

Selle Royal Group believes we need to take back control of time. A dimension that allows us to slow down, observe, reflect and accelerate, when necessary, with a renewed awareness.

Balance

The secret to bike riding lies in balance. Selle Royal Group actively works to find a balance between profit, respect for the environment and the wellbeing of people and communities.

Fostering positive change by connecting humans with the outside world.



Naked Bike Ride 2010, South Africa—source: World Wide Cycling Atlas

A future in which an ever-growing number of sensible, environmentally conscious people will choose the bike as their main way of getting around, exercising and experiencing nature.



A cycling expedition in Bosnia—source: Pamnier archive



Mission

We develop, produce and market saddles, components and accessories for different kinds of bicycles and cyclists, focusing on research, technology and style to improve the cycling experience and lead the global cycling revolution.

Five questions we ask ourselves daily to reinforce our values and inspire new ways of thinking and doing things, inside and outside the company.

1.3 Manifesto

FOR ONCE

WHAT IF IT WASN'T ABOUT ME,
ABOUT YOU, BUT ABOUT US TOGETHER,
AND THE OTHERS, TOO?

WHAT IF IT WASN'T THE FAULT
THAT WE FOUND BUT RATHER THE GOOD,
AND THE COMMON GROUND?

WHAT IF WE KEPT THE PLANET
ALWAYS IN MIND, AND OUR INTERESTS
SLIGHTLY BEHIND?

WHAT IF INSTEAD OF ANOTHER
NEW BUILDING, WE BUILT MOMENTUM
FOR TRAILBLAZING FEELINGS?

WHAT IF WE ALL STOPPED
AND TOOK THE TIME TO LOOK AROUND,
BEYOND AND BESIDES?

THERE'S A WORLD TO CYCLE.

SelleRoyalGroup

Selle Royal Group's business model is based on: multidimensionality, integration and innovation.

Multidimensionality

A wealth of brands, multiple product categories, distribution channels and markets, for a comprehensive and dynamic know-how.

6 brands At the core of our company is a portfolio of iconic brands—Selle Royal, Crankbrothers, fizik, Brooks England, PEdALED, Pannier—through which we satisfy the needs of different cycling communities ^[→2].

8+ product categories We develop and manufacture products that enable and optimize the cycling experience. They include saddles, wheels, pedals, footwear, apparel, bags and other accessories for bicycles and cyclists.

80+ markets We sell our products worldwide through physical and digital channels. Our customers are bicycle manufacturers, distribution partners, sports or bicycle shops and private customers who shop on our e-commerce platforms.

Integration

Companies that are different in their specific commitments, geography and culture enable the Group to operate flexibly and collaboratively.

9+ company sites Four manufacturing plants (with the fifth currently undergoing renovation) and six logistics hubs (two of which are managed by third parties) allow Selle Royal Group to oversee some of the key regions in terms of production and commercialization of bicycles: Europe (Italy, UK, Romania), Asia (China and Taiwan), South America (Brasil) and North America (USA).

9 companies Selle Royal Group controls 9 companies, locally registered in the countries where they are based. The corporate ecosystem is overseen by a Corporate Governance system ^[→1.6].

Innovation

A focus on product design and innovation, with in-house management of every aspect of research, development, industrialization and production, all of which have always been a competitive asset to the group in its target market.

7 R&D centers Selle Royal Group invests resources to constantly innovate its products in terms of quality, comfort, design and performance, thanks to the know-how of its research and development centers around the world and vertically specialized in different product categories.

Multidimensionality

6 Brands **8+** Product categories **80+** Markets

Integration

9+ Company sites **9** Companies

Innovazione

7 R&D centers **70+** Patents

70+ patents Since the early 1970s, Selle Royal Group has worked hard on R&D, resulting in the registration of numerous process and product patents.

1.5 Value chain

The Group has an integrated and vertical oversight of all major stages of the value chain, from research and development to production and commercialization.

Market strategy and analysis

The Group constantly monitors the market in which it operates in search of new growth opportunities to expand its offering and meet new customer demands. Senior members are directly involved in strategy and innovation, of both product and business model, which are shared with the heads of brands and those responsible of the various operational functions.

Research and development

Through the company's seven R&D centers, located in Italy (saddles, bags, footwear and apparel), China and Brazil (saddles) and the USA (hardware components, such as pedals, wheels, etc.), the Group carries out research and development with the following aims:

identifying raw materials, materials and production components and/or production techniques that can improve the comfort of the cycling experience and the quality, technological and environmental standards of the products;

continuously innovating the models and style of the products offered on the market, depending on the target audience and geographic area of reference.

Production

Through four proprietary manufacturing plants plus one under renovation, located in areas in which about 85% of the world's bicycle production takes place, the Group manufactures in-house bicycle saddles using different technologies and some additional accessories such as pedals, cranks, grips and seat covers, while outsourcing the production of all other products it markets, ensuring a particularly lean organizational structure. In brief, the production chain has three stages: programming and planning; procurement; processing and assembly. The logistics hubs of the Group are:

Pozzoleone (Vicenza—Italy): 44,000 square meters

Smethwick (Birmingham—UK): 3,600 square meters

Jiangyin (Jiangsu—China): 22,000 square meters

Rio du Sul (Santa Caterina—Brasil): 44,600 square meters

Săcueni (Bihor—Romania): 11,800 square meters (under renovation)

Logistics

Logistics is managed within the Group's own four operational hubs and two hubs operated by third-party partners, organized to ensure the best logistics service to support the global market. The location of the operational hubs is strategic, as they are located in the areas where approximately 70% of the world's bicycle consumption takes place.

Hubs

Pozzoleone (Vicenza—Italy)

Belfiore (Verona—Italy) (*)

Jiangyin (China—Jiangsu)

Rio du Sul (Brasil—Santa Caterina)

Olney (Illinois—USA)

Taichung (Taiwan) (*)

(*) Operated by third-party partners

Sales and customer relationship management

The Group serves more than 700 Original Equipment Manufacturer (OEM) customers, who use Selle Royal Group products as essential and original equipment components on the bicycles they produce. In addition, the Group markets its products in the Aftermarket segment, which includes distribution partners and bicycle retailers. The company also targets the consumer-direct market through its e-commerce platforms.

1.6 Governance and ethics

The Group's business model and the implementation of its strategy are ensured by sound governance geared towards responsible growth, which aims to generate value not only in the short but also the long term.

In 2021, the company DEC 28, 1928 HOLDING SpA, until then a sole trader, sold 33% of its capital to the WISE EQUITY SGR S.p.A. investment fund.

Selle Royal Group controls, directly or indirectly, the following Companies that carry out actions which are complementary and/or functional to the Group's core business:

Brooks England Ltd.

Pannier Ltd.

Selle Royal USA Inc.

Crank Brothers Inc.
 Royal Ciclo Ind. De Componentes Ltda.
 Selle Royal Asia Ltd.
 Selle Royal Vehicle (China) Co. Ltd
 Jiangyin Selle Royal Cycling Co. Ltd
 Selle Royal Romania s.r.l. (since June 2023)

The Group adopts a traditional administration and control system that includes:

the Board of Directors, composed of 7 members, including 5 men and 2 women, 2 with executive roles and 5 non-executive, all non-independent;

the Board of Statutory Auditors, consisting of 5 members, including 4 men and 1 woman;

the Shareholder Meeting, which appoints and removes the directors and the chairman of the administrative body, the statutory auditors and the chairman of the Board of Statutory Auditors, and approves the annual financial statements.

Lists for the appointment of shareholders may be submitted by those who, alone or jointly, own the equivalent of at least 20% of nominal capital. The lists don't allow more than 7 candidates, each linked to a serial number. The lists shall also contain information on the shareholders submitting them, with an indication of the total percentage of shareholding as shown by the results of the shareholders' register; comprehensive information on the personal and professional characteristics of the candidates, including a list of administrative and auditing positions held in other

[TABLE 1]
Board of Directors

Full name	Age	Sex	Role	Executive / Non-Executive	Independent / Non-independent
Bigolin Barbara	65	F	Chairman of the Executive Board & CEO	Executive	Non-independent
Scotto Di Clemente Antonio	67	M	Board Member & CEO	Executive	Non-independent
Bigolin Francesca	61	F	Board Member	Non-Executive	Non-independent
Limido Giuseppe	53	M	Board Member	Non-Executive	Non-independent
Gambarini Paolo	58	M	Board Member	Non-Executive	Non-independent
Ghetti Stefano	54	M	Board Member	Non-Executive	Non-independent
Vagnozzi Luigino	47	M	Board Member	Non-Executive	Non-independent

companies or entities; and a statement by the candidates accepting their candidacy.

Organizational structure

Three Executive Directors have been appointed to support the operations management of the Group's companies and to oversee the main corporate functions. They also sit on all the Boards of Directors of the foreign subsidiaries, together with specific representatives from each company.

Alberto Pat as Group Chief Financial Officer responsible for finance, accounting, HR admin, Legal, Master data and management audit.

Nicolò Mannoni as Group Chief Commercial & Operations Officer responsible for Business, R&D, Manufacturing, Supply chain and IT.

Riccardo Losio as Group Chief Strategy & Brands Officer responsible for corporate and brand positioning, and marketing, product and digital functions.

The direction and supervision of regional responsibilities remains the responsibility of senior figures of the various entities: Gaspare Licata (Crankbrothers), Roberto Rossi (Selle Royal USA), Marco Prosdocimi (Crankbrothers Taiwan), Milton Jonathas Hobus (Royal Ciclo), Stefano Zorzi (Brooks England Ltd) and Liu Jijun & Wei Kai (Selle Royal China).

Code of Conduct and 231 Model

In 2018, the Board of Directors of the Italian parent company, then called Selle Royal Spa, drafted its Code of Conduct, which applies to all employees and collaborators, with the intention of reminding them of the fundamental ethical values by which the company is inspired and to draw attention to certain rules of conduct that govern working relations inside and outside the company.

In 2019 Royal Ciclo Industria de Componentes Ltda and Selle Royal China Vehicle Co. Ltd. drafted their codes of conduct too, drawing inspiration from the guidelines provided by the parent company.

The other foreign companies Brooks England Ltd, Selle Royal USA, and Crankbrothers Inc, drafted Employee Handbooks that take the principles of the parent company's code of conduct and adapt them to their British, American, and Taiwanese employees.

The purpose of Decree-Law No. 231 of June 8, 2001, was to align Italian law with international conventions by introducing, in the Italian legal system, a regime of administrative liability comparable to criminal liability, under which the entity is liable for offenses committed in their interest or to their advantage by a senior or subordinate person. Therefore, in 2022, the company adopted

Digital ecosystem

The Group is investing in building a digital ecosystem, which supports the corporate governance system and is the framework for connecting people, processes and products. It is a way to disintermediate and simplify certain activities and free up energy to continuously refine the operating model.

Creating the digital ecosystem means giving everyone the same level of access to skills and work tools—i.e. a management system, a unified CRM system, knowledge sharing, and business intelligence—in a multi-year development plan aimed at creating the infrastructure to support multidimensionality, verticality and innovation.

Specifically, during the three-year reporting period the company implemented the below applications, with a three-year release plan in the various companies, depending on operational needs.

To ensure maximum protection of people, data, and digital business systems, the company drafted a cybersecurity plan that, subsequent to an internal audit, involved all employees, including management, in training courses verified by penetration testing and vulnerability assessment.

Details of the server room in the Pozzoleone branch, Italy—source: company archive

[TABLE 2]
Company IT Applications ecosystem

ERP	Shift to a management software already adopted in some Group Companies
Procurement	Active collaboration with suppliers
Documentale	Simplification of business document management and new approval processes
BI	Business intelligence tool to monitor business performance
CRM	Gathering customer information to improve service delivery
APS and Schedulers	Advanced production resource planning systems
MES	Progress and control of production orders
PIM	Centralization and distribution of product master data information
DAM	Collection and management of digital assets
PLM	Management of the entire product development cycle

Team members involved in digital innovation, Pozzoleone, Italy—source: company archive

its own Organizational and Management Model (OMM) in accordance with Decree-Law No. 231/01, which amends and complements the Code of Conduct.

The main objectives of adopting the Model are as follows: raise awareness and remind the recipients of the Model itself of proper behavior and compliance with internal and external regulations; effectively prevent the crimes referred to in the Decree-Law No. 231/01;

concretely implement the values declared in the respective Code of Conduct, which represents the first and most important prevention protocol with regard to the commission of any crime.

There is a strong focus on ethical conduct as evidenced by the absence of corruption cases during the three-year reporting period.

1.7 Generating shared value

In the period between 2021-2023 the bicycle industry was characterized by many ups and downs, due to the continuation of the pandemic emergency, rising cost of raw materials and energy, congestion in global logistics flows, and heightened geopolitical tensions. Demand was strong in the first two years, slowing down in the last year due to an opposite imbalance from that of the previous two fiscal years. In fact, while the fiscal years ending on June 30, 2021 and June 30, 2022 had predominantly been characterized by an excess of market demand over supply, the last twelve months featured a saturation of demand and the accumulation of large levels of inventory along the production and logistics chain; this trend was initially observed in the aftermarket channel and, starting in early 2023, in the OEM channel too.

In the last fiscal year, Selle Royal owned 31% of the Group's total sales, followed by fizik and Crankbrothers with 20% of sales each, followed in turn by Brooks with 9% and PEdALED with 2%.

Today Europe is the most important market for the Group, with an incidence of 49% in the last year, compared to 32% of sales in the US and 19% in Asia.

The value generated and distributed is the first indicator of the value the company has created for its stakeholders.

The value added produced by the group in 2022-23, calculated as the difference between the economic value generated and the operating costs to produce the goods sold, amounts to 61 million euros. Of this, 57%, growing steadily over the three-year period, was distributed to workers, 6.1% to capital suppliers, 7.5% to the public administration, and 0.27% to the community, a val-

ue doubled from the year 2020-21. The remaining value of 17.9 million, which includes, in addition to operating income, depreciation, cushioning, write-downs, revaluations, and provisions for risks and charges, was retained by the company with a view to invest in the company's continued growth and improvement.

[TABLE 3]
Sales by brand (thousands of Euro)

	20-21	21-22	22-23
Total sales	205,090	223,763	176,477
Selle Royal	68,391	74,665	55,346
fizik	37,486	46,199	35,103
Brooks	18,859	20,246	15,257
Crankbrothers	35,548	41,775	34,451
PEdALED	2,382	2,809	3,059
Other	42,424	38,069	33,261

[TABLE 4]
Sales by region (thousands of Euro)

	20-21	21-22	22-23
Total sales	205,090	223,763	176,477
Europe	104,398	121,213	86,645
America	68,448	67,376	56,781
Asia	32,244	35,174	33,051

[TABLE 5]
Economic value generated and distributed

	20-21	21-22	22-23
Economic value generated	212,922	238,413	182,792
Economic value created (%)	78,912 37.06	84,635 35.50	61,051 33.40
Value distributed to employees (%)	39,112 49.56	41,959 49.58	34,973 57.29
Value distributed to capital providers (%)	2,417 3.06	2,227 2.63	3,749 6.14
Value distributed to the public administration (%)	11,121 14.09	10,330 12.21	4,306 7.05
Value distributed to the community (%)	104 0.13	157 0.19	164 0.27
Economic value retained by the company (%)	26,157 12.28	29,961 12.57	17,859 9.77



We have created an ecosystem of iconic cycling brands to improve the everyday experience of cyclists, whatever their tribe.

2 Our Brands

In 1956, Riccardo Bigolin founded a small bicycle saddle workshop in Rossano Veneto, in the province of Vicenza. It was the beginning of the great story of Selle Royal, the brand that supports cyclists around the world, literally through its saddles and culturally through initiatives that promote cycling.

2.1 Selle Royal



San Francisco, USA—source: Selle Royal archive

“Comfort is our purpose and our promise. It is the key to unlocking the beauty of every journey and embracing a carefree relationship with the world”

Roberto Bucci, Brand Director, Selle Royal

ABOUT

Selle Royal is the company’s first brand. Its story begins in 1956, when Riccardo Bigolin founded a small bicycle saddle workshop in the province of Vicenza. In the 1960s, Selle Royal began exporting its saddles to Europe. In 1984, it patented the RSV (Royal Vacuum System) technology for the production of sealed saddles, and in 1990 it collaborated with Bayer to develop and create the Royalgel patent, a gel that can substantially improve pressure distribution on the bike. Since then, Selle Royal has not stopped innovating its products and technologies, becoming a benchmark for the market and its customers.

PREMISES

Selle Royal’s headquarters are in Pozzoleone, in the province of Vicenza, where the Group’s offices are also located. Selle Royal saddles are also produced in Selle Royal Group’s Brazilian and Chinese factories.

PRODUCTS

Selle Royal offers a wide range of reliable and durable saddles and accessories designed to meet the needs of different types of cyclists worldwide. Selle Royal’s products use innovative technologies and materials, offering functional and cutting-edge design within the Premium segment. The main product lines are Urban Life, Adventure Time, and All Journeys and are differentiated according to the type of bike use. Sustainability plays an important role in Selle Royal’s product development. Recently, Selle Royal developed and launched Lookin EVO, a saddle that represents the Group’s concrete commitment to reducing the environmental impact of its products [→ 5.1].

COMMUNITY

Selle Royal is a popular brand, appreciated and recognized globally. There are two main target communities: cyclists who want to move efficiently in an urban environment while maintaining an active lifestyle and those who rely on the comfort of Selle Royal for solo or group adventures and trips away from the city.

COMMUNICATION

Selle Royal’s mission is to “support cyclists”. The brand does this literally with the saddles it produces, concretely with the services it offers, and culturally by creating or supporting initiatives that

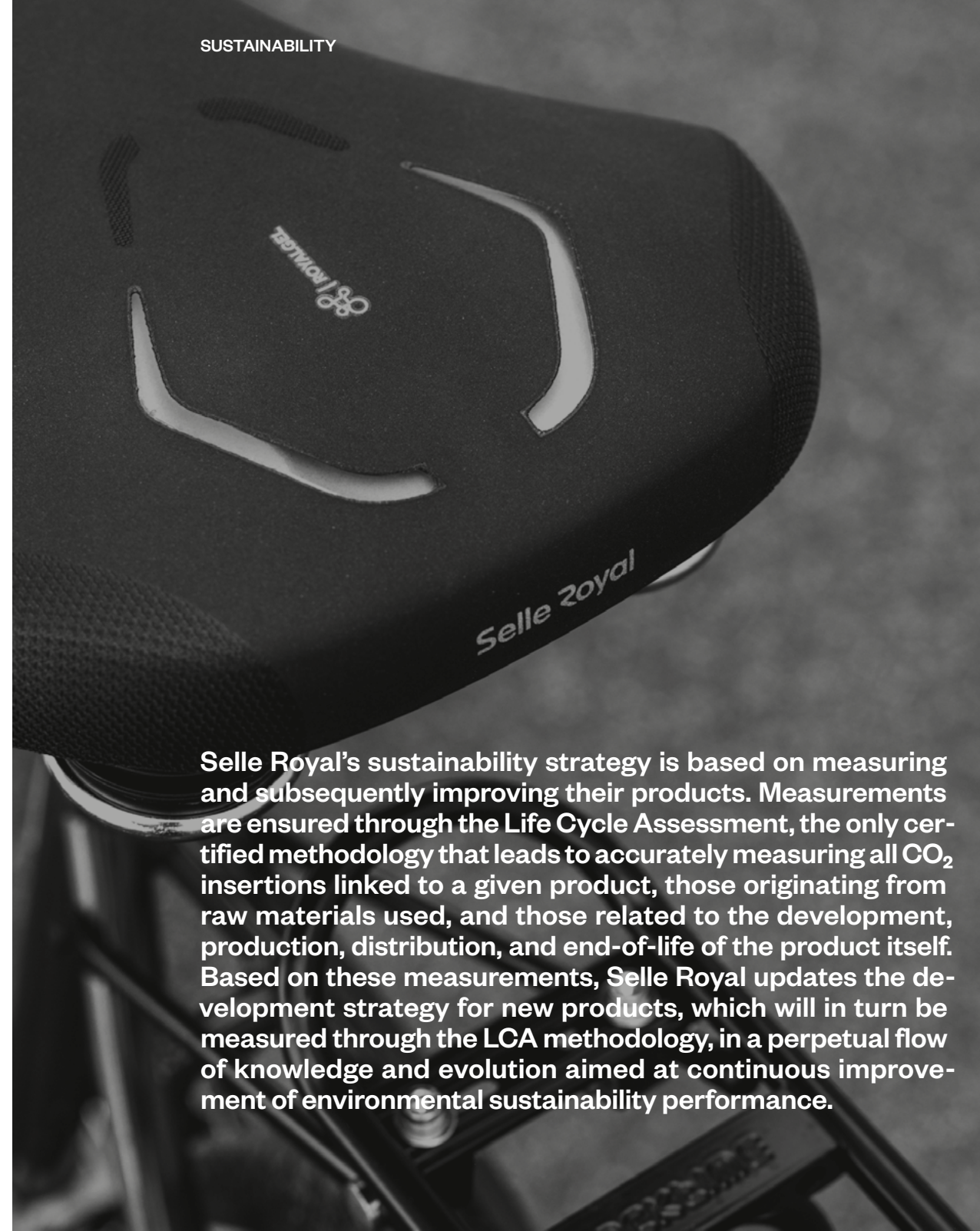


Munich, Germany—source: Selle Royal archive

enhance the world of cycling. It is mainly through these initiatives that Selle Royal creates a lasting dialogue with cyclists, resulting in real, enjoyable, and compelling communication.



Support Cyclists on the Road, Berlin, Germany—source: Selle Royal archive



Selle Royal's sustainability strategy is based on measuring and subsequently improving their products. Measurements are ensured through the Life Cycle Assessment, the only certified methodology that leads to accurately measuring all CO₂ insertions linked to a given product, those originating from raw materials used, and those related to the development, production, distribution, and end-of-life of the product itself. Based on these measurements, Selle Royal updates the development strategy for new products, which will in turn be measured through the LCA methodology, in a perpetual flow of knowledge and evolution aimed at continuous improvement of environmental sustainability performance.

Detail of the Lookin Evo saddle—source: Selle Royal archive



From the Essenza saddle + Heating Tech shoot—source: Selle Royal archive

Essenza+ Heating Tech

The Essenza+ Heating Tech saddle is the first heatable bike saddle and is destined to revolutionize winter cycling, introducing a new concept of comfort. Inspired by the shapes of the Essenza Moderate saddle, Essenza+ Heating Tech is fully integrated with the bike and powered by the e-bike battery. In about 30 seconds it reaches the optimum temperature of 37 °C, a value set on the basis of various tests following the perception of consumers in relation to the external temperature. Cyclists can therefore rely on a more comfortable seating surface even in extremely cold temperatures. In addition to giving a pleasant effect for those who are using it, the heating allows to maintain the consistency of the upholstery materials, ensuring the same level of comfort regardless of external temperatures. Essenza+ Heating Tech was presented at Eurobike, the world's leading trade fair for bicycles, and its development process, including the product itself, are currently patent pending. The saddle will be available soon on two pedal assisted bicycles by German brand Riese&Müller.

37°

30"

In 30 seconds Essenza+ Heating Tech reaches the temperature of 37 °C



From the Essenza saddle + Heating Tech shoot—source: Selle Royal archive

Whether you are in competition with yourself or with others, whether you're a professional or an amateur, if you're looking for the most beautiful, sophisticated and high-performance accessories on the market, the answer you are looking for is fizik, the brand that sees bicycles as an extension of the human body.

2.2 fizik



Team Movistar—source: fizik archive

“What I love about fizik is the creative attitude, the ability to innovate without fear of change and to welcome and grow talent, the attention to detail and quality of work, the love of doing things the right way”

Giovanni Fogal, Brand Manager, fizik

ABOUT

Founded in 1997, fizik is one of the best-known brands in the cycling world, chosen by professionals and major international road, off-road and triathlon teams. Its mission is to produce the best performing cycling equipment: products are design-oriented and characterized by sophisticated aesthetics and innovation. The product approach is scientific, and results are derived from collaboration with industry experts and academics in sports science, physical therapy, and bike fitting.

PREMISES

fizik is headquartered in Pozzoleone, in the province of Vicenza.

PRODUCTS

fizik designs, develops, manufactures and distributes premium saddles, shoes and accessories for on and off-road cycling disciplines. The products are known for their sophisticated design, degree of innovation, and attention to comfort and ergonomics, two key aspects of the riding experience.

Saddles fizik saddles ensure high performance and are designed with the assumption that the saddle is the foundational point of contact between the person and the bicycle. They feature discipline-specific designs and are refined to respond to different physical conformations and riding positions. Developed by a team of engineers with the help of experts and professional athletes, they guarantee a comfortable experience, whatever the discipline: road cycling, gravel, mountain biking and triathlon. Among the innovations introduced by fizik is the Wingflex patent, thanks to which the saddle adapts to the cyclist's inner leg movement.

Shoes fizik cycling shoes offer comfort, precise fit and high performance. They are made with advanced materials and construction—breathable knitted mesh, resilient ripstop fabrics, laminations, composite materials—and feature high-performance fastening systems such as BOA® or Powerstrap, which fully wraps around the foot. The design is discipline-specific, from the lightest shoes for road cycling to shoes with a grip optimized for mountain biking to dedicated triathlon shoes that are breathable and quick to put on in transitions.



Detail of the Aliante saddle—source: fizik archive

Handlebar tapes **Handlebar tapes increase riding comfort and control by reducing vibrations that can fatigue the hands. fizik's collection offers several options in various colors and types of density.**

COMMUNITY

fizik caters to demanding cyclists and professionals: road cyclists, mountain bikers, gravel riders and triathletes. People who ride to train, to compete, to challenge themselves or the status quo, to revolutionize the sport. fizik recognizes the importance of being part of the community in which it operates, which is why it is committed to support cyclists by inspiring and shaping the culture of the sport.

COMMUNICATION

fizik targets a specific audience, and is aware of its interests, motivations, needs and culture. Therefore, it has precisely identified touchpoints, both in real life such as events and races, and online such as their website, social channels, and media relations.



Mountain Bike Champion Pauline Ferrand-Prevot competing—source: fizik archive

SUSTAINABILITY



fizik's sustainability strategy is based on a series of activities that support and promote cycling culture around the world.

Sarah Swallow, creator of the One Hour a Day project—source: fizik archive



Jonas Vingegaard, winner of the 2023 Tour de France—source: fizik archive

Winning, together

fizik has been involved in historic sponsorships in the professional circuit since day one. In the past three years, the brand has won two Tour de France races with Jonas Vingegaard and all major women’s cycling events in one year with Team Movistar’s Annemiek Van Vleuten. In 2023, the Jumbo-Visma team accomplished an outstanding achievement, triumphing in the Giro d’Italia, Vuelta and Tour de France. Top ranking cyclists Primo Roglic, Sepp Kuss and Jonas Vingegaard all used Antares, a lightweight and versatile saddle by fizik, with carbon rails and a carbon-reinforced nylon shell.

Victories in the Grand Tours for the period 2021-2023

	Women	Men
Giro d’Italia	2	2
Tour de France	1	2
Vuelta	3	2



Annemiek Van Vleuten, winner of the 2023 Giro d’Italia—source: fizik archive

Legend has it that in 1866, after his horse died, John Boulton Brooks decided to use a bicycle to ride to work, but he found the wooden saddle so uncomfortable that he came up with a solution to the problem. Thus, Brooks England saddles were born.

2.3 Brooks England



Asiago, Italy—source: Brooks England archive

“I love Brooks England because it is an authentic brand that doesn’t just tell a story, it stars in it. It represents my way of doing and seeing things”

Elisa Corrà, Brand Manager, Brooks England

ABOUT

Founded in 1866 in Smethwick, Birmingham, Brooks England is the world’s first bicycle saddle brand. Legend has it that after the death of his horse, founder John Boulton Brooks decided to use a bicycle to ride to work, but found the wooden saddle so uncomfortable that he came up with a solution to the problem. In 1882, the first patent for a leather bicycle saddle was filed and the Brooks England brand was born. Throughout the twentieth century, Brooks diversified its range of bicycle saddles to meet the demands of amateur and professional cyclists, including Eddie Mercks and Fausto Coppi. Since 2002, Brooks England has been a brand of Selle Royal Group.

PREMISES

Brooks’ leather saddles are still made in the factory in Smethwick, Birmingham, where about thirty employees work following procedures that still require the experience and craftsmanship that only a human being can provide. Brooks England’s Cambium saddles are produced in the Italian factory, at the Selle Royal Group headquarters.

PRODUCTS

Brooks England has several product categories for cyclists. Saddles represent the core business, but Brooks also makes grips, bartapes, baskets, and backpacks to wear or attach onto the bike. All of Brooks’ products are characterized by quality, comfort, and durability.

Leather saddles Brooks England’s leather saddles are unique items on the market, made largely using the same methods as 150 years ago. Simple in their construction, hand-assembled and easy to repair, their leather is derived from the vegetable tanned hide of selected cattle. The most iconic model is the B17, launched in 1890 and still in production today.

Cambium saddles Cambium saddles are made of vulcanized natural rubber. Because of the material’s natural flexibility, they absorb vibration, provide better road feel, and last longer than traditional saddles. The construction of these saddles mimics that of leather ones, but Cambium saddles require less maintenance and are more water repellent.

COMMUNITY

The Brooks community is made up of a growing number of conscious cyclists who love their means of transport and identify



A workstation at the Smethwick plant—source: Brooks England archive

with Brooks' values. Brooks customers use different types of bikes and approach the experience of cycling in different ways, but they are united in their love for carefully designed and manufactured products that represent their way of thinking and are functional to their lifestyle.

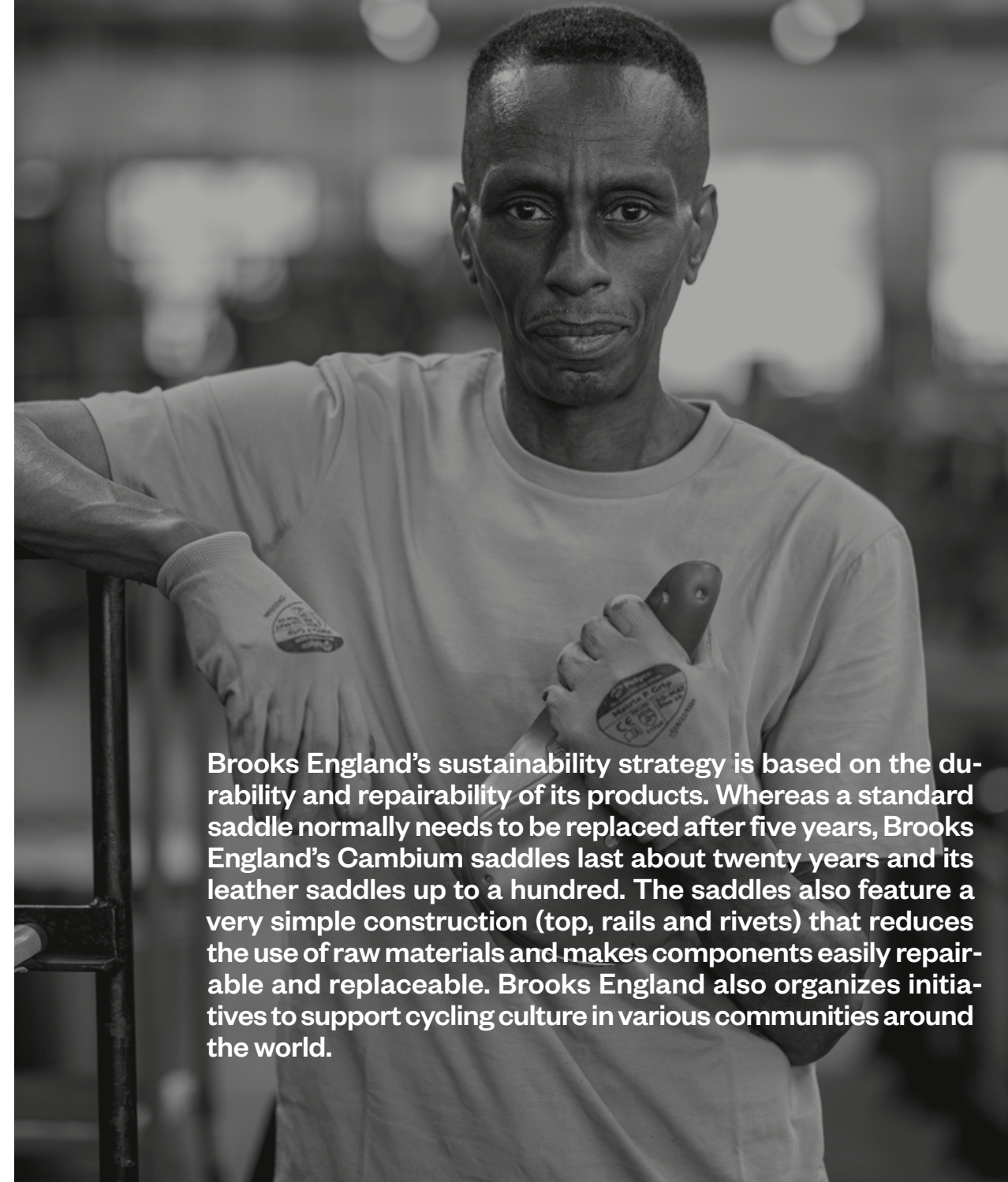
COMMUNICATION

Brooks England communicates mainly through its products and community. In addition to sharing content on brooksengland.com and its social channels, the brand produces documentaries and reports on cycling and sponsors cycling initiatives and events around the world.



On the road for the Roots project—source: Brooks England archive

SUSTAINABILITY



Brooks England's sustainability strategy is based on the durability and repairability of its products. Whereas a standard saddle normally needs to be replaced after five years, Brooks England's Cambium saddles last about twenty years and its leather saddles up to a hundred. The saddles also feature a very simple construction (top, rails and rivets) that reduces the use of raw materials and makes components easily repairable and replaceable. Brooks England also organizes initiatives to support cycling culture in various communities around the world.

A man at work at the Smethwick plant—source: Brooks England archive



On the road for the Roots project—source: Brooks England archive

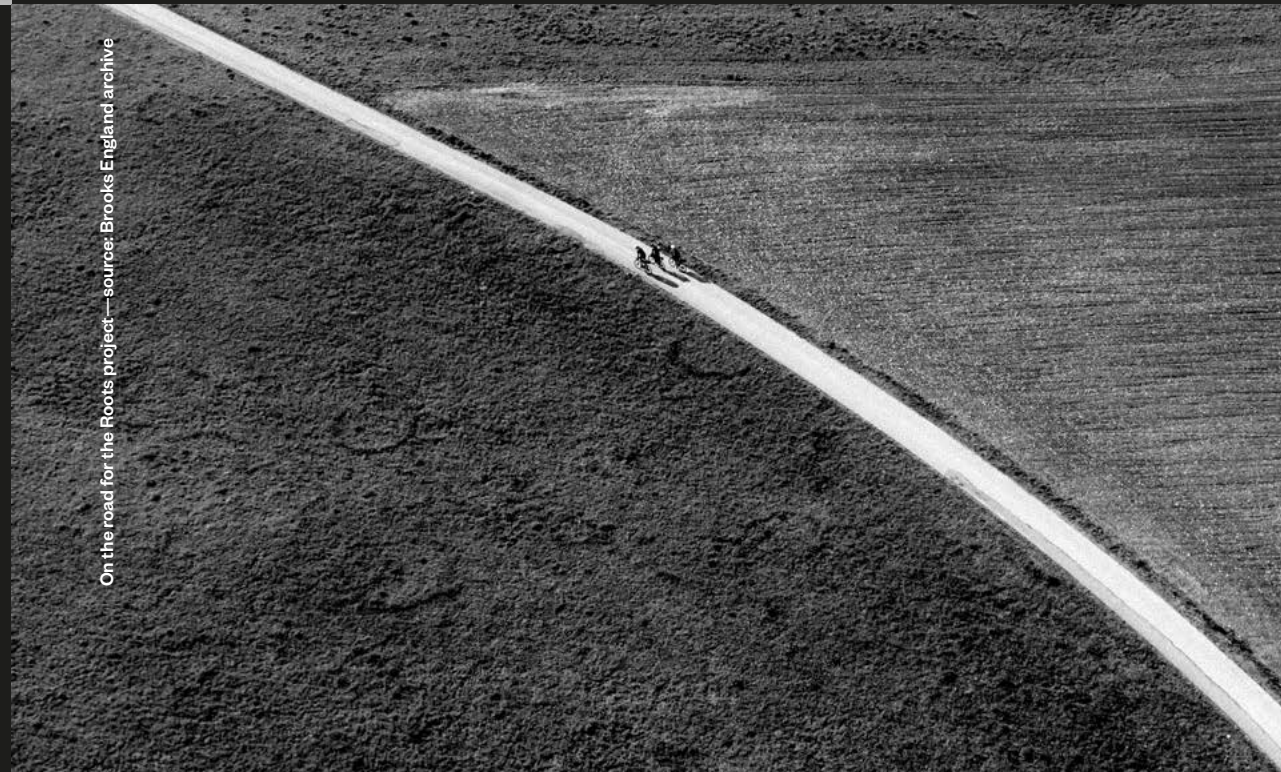
Roots

Roots is a project created to introduce Brooks England through the eyes of its community. The brand invited its fans and customers to cycle for 1,900 kilometers across Europe. Out of more than three thousand applications received, three cyclists of three different nationalities and with different stories were selected. They gathered in May 2022 at Selle Royal Group's headquarters in Pozzoleone, where the Cambium saddles are made, and set off along the path. The cyclists crossed the border between Italy and Austria at the Arlberg Pass, then descended to Lake Constance, rode into the Black Forest in Germany and crossed France up to the Arenberg Forest. They then climbed the Grammont Wall in Belgium, crossed the English Channel and admired the white cliffs of Dover, then cycled to London, immersed themselves in the English countryside and after three weeks arrived at the Smethwick factory near Birmingham, where the leather saddles are made to this day. The journey was captured in a documentary and a book that celebrate Brooks' authentic character and craftsmanship tradition and tell the story of three strangers who, through the once-in-a-lifetime experience of a bike trip through different landscapes and communities, each discover something about the other and become friends.

1,866 km
Distance covered

6
Countries

3
Cyclists:
Will Blackmore
Tiago Falcone
Magnus Lagher



On the road for the Roots project—source: Brooks England archive

In 1997, after a puncture that occurred at night, Frank Hermansen and Carl Winefordner invented the Speedier Tire Lever, a tool used to quickly remove and install bicycle tires without the risk of hand injuries. That light-bulb moment still echoes in Crankbrothers' philosophy today.

2.4 Crankbrothers



Source: Crankbrothers archive

“The thing I love the most about Crankbrothers is that it unites passionate people, who love the sport and make an effort every day to be the best version of themselves”

Miriam Bando, Marketing Manager Europe, Crankbrothers

ABOUT

Crankbrothers was born in Laguna Beach, California, in 1997. During a tire change at the night, Frank Hermansen and Carl Winefordner invented the Speedier Tire Lever, a tire lever that made tire installation easier and protected their hands in the process. The idea inspired what is still the brand’s design philosophy today: start from scratch to create products that make every bike ride better than the last, regardless of the riders’ gender, age, background, experience, or discipline (gravel, cross-country, trail, enduro, downhill). In 2008 Crankbrothers became part of Selle Royal Group.

PREMISES

Since its founding, Crankbrothers has been based in Southern California. A portion of the brand’s activities take place in Italy, in Pozzoleone, at Selle Royal Group’s offices and manufacturing facilities. Operations are managed from a dedicated hub in Taiwan.

PRODUCTS

Crankbrothers is a brand that sells pedals, shoes, multitools, pumps, droppers and wheels. Chosen by a growing number of riders and athletes, their products guarantee the best possible performance through innovative design.

Pedals The product that made Crankbrothers known around the world is their pedal. In 2001, the brand launched the iconic Eggbeater, a mountain bike pedal that allows the consumer to hook the shoe on more easily (on four sides instead of the conventional two) and in all trail conditions, thanks to its open structure that helps to drain mud more efficiently. The Mallet DH pedal, featuring a larger contact surface and ten adjustable pins, has been the pedal of choice for downhill world champions for thirteen consecutive years.

Shoes The brand’s newest category is shoes, featuring the aptly named match system, a technology that treats the shoe and the pedal as a single system and offers the best interface between the two. The models offered by the brand include shoes for flat pedals as well as shoes for clip-in pedals and different fastening systems to meet the needs of every type of rider.

Wheels Synthesis wheels offer grip, control, speed and durability—all the features riders look for in a high-performance wheel set. The carbon line, the athletes’ choice on the downhill world cup



Source: Crankbrothers archive

circuit, has a lifetime warranty, confirming that the wheel can withstand even the most violent impacts without breaking. The most recent addition of the dedicated gravel model completes the range, which covers all disciplines in the off-road world.

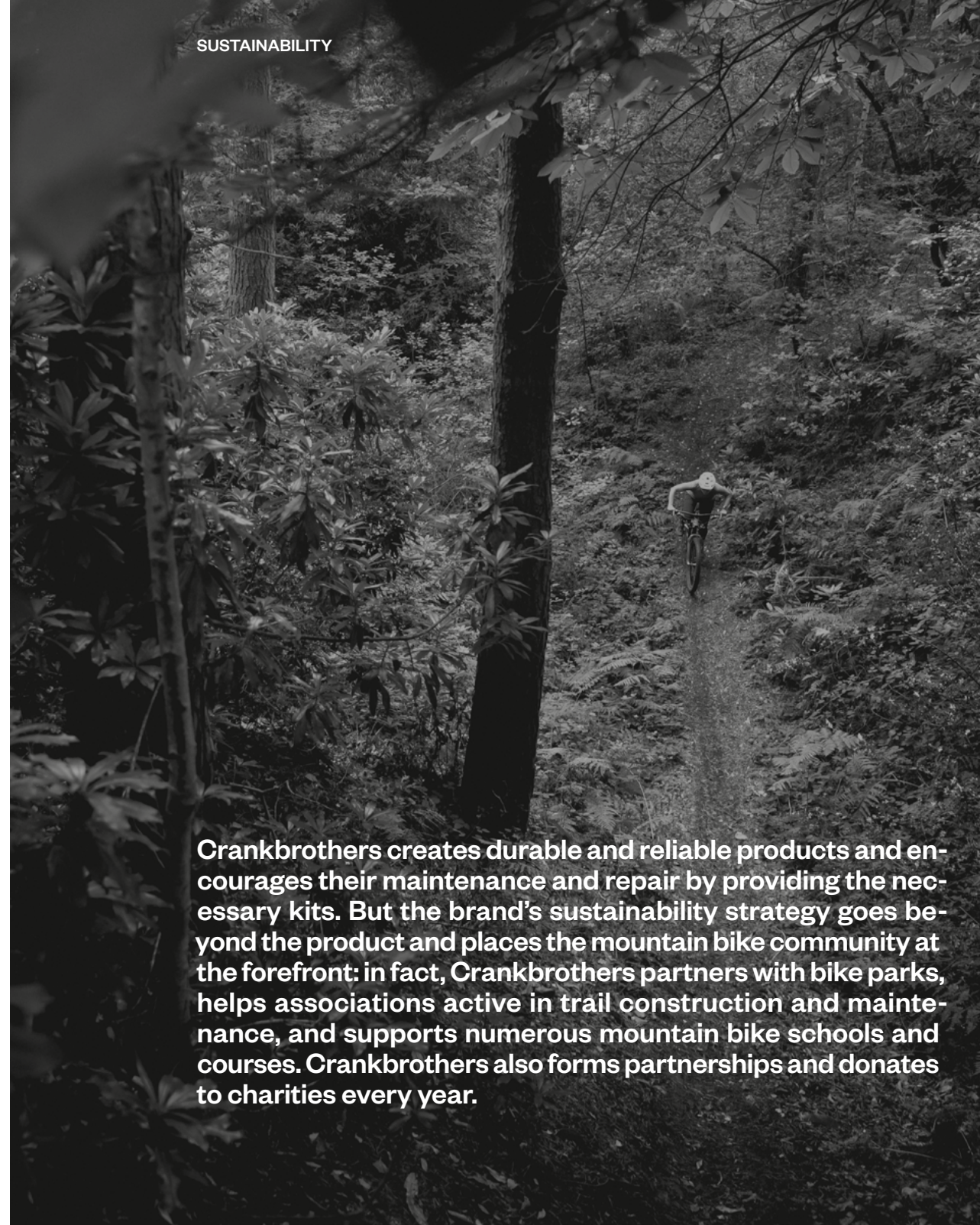
Multitool, pumps, dropper The Crankbrothers range also includes accessories such as multitools, pumps, and components such as dropper posts. Among the pumps, the Klic Floor Pump won the 2018 Design & Innovation Award. It is a floor pump for tubeless tyres that gets its name from the sound the individual components, connected by magnets, make when they are hooked up. In the multitool category, the M Tools line of portable tools is among the best known in the MTB world: its quality is ensured by the lifetime warranty the brand offers for these products. The line of dropper posts is also among the most comprehensive on the market, with a range of travel, diameter and weight/materials that meets any demand. The latest addition to the range, the Highline 11, is the only dropper post on the market that features a carbon stem, which significantly reduces its weight.

The Crankbrothers community is made up of people who are passionate about mountain biking, ranging from athletes to ambassadors, from everyday riders to members of the bike industry. While having very strong roots in downhill and gravity, Crankbrothers is not only about competition, but also about adventure and fun. Whatever the discipline—downhill, enduro, trail, down-country, cross-country, gravel, and street bike—Crankbrothers riders are people who simply love to spend meaningful moments riding their bikes.

Crankbrothers markets itself through digital channels, such as social media and crankbrothers.com, events, partnerships with bike parks and mountain bike destinations. Thanks to the sponsorships of international athletes (such as Loic Bruni for downhill, Jesse Melamed for enduro, Fabio Wibmer and Danny Macaskill for street riding) and relationships with major industry media (press, youtubers, online magazines), the brand is known worldwide. Crankbrothers also cherishes its various collaborations with charities and projects.



Danny Macaskill and Cedric Gracia on the Crank Line in Massa Marittima, Italy—
source: Crankbrothers archive



Crankbrothers creates durable and reliable products and encourages their maintenance and repair by providing the necessary kits. But the brand's sustainability strategy goes beyond the product and places the mountain bike community at the forefront: in fact, Crankbrothers partners with bike parks, helps associations active in trail construction and maintenance, and supports numerous mountain bike schools and courses. Crankbrothers also forms partnerships and donates to charities every year.

Source: Crankbrothers archive



Testing the pump track built in Kathmandu—source: Crankbrothers archive

Pump for Peace

Crankbrothers helped build the first pump track, a track with bumps, curves and descents to be ridden on a bicycle, in Kathmandu, Nepal. In 2022, the brand launched a special edition of shoes to support Pump for Peace, the charity associated with pump track construction company Velosolutions, with the goal of helping to fund a track in a disadvantaged area of the world. Crankbrothers has donated 20% of the proceeds from each shoe sold, in hopes of encouraging people from all walks of life to ride bicycles, an activity that can have transformative power, bring joy and make people experience a great sense of freedom. Pump Track Nepal, the first in the Kathmandu Valley, opened in February 2023.

7,500

Pairs of shoes sold

+23

Countries of distributors who have participated in the project

×5

Total donations collected compared to the set target



Building the pump track in Kathmandu, Nepal—source: Crankbrothers archive

The story of PEdALED began in 2007, when designer Hideto Suzuki left Japanese high fashion to focus on cycling apparel. A new way of experiencing cycling was born, from a small store in Tokyo’s Shibuya district, that blends aesthetics and adventure.

2.5 PEdALED



Odyssey collection launch campaign—source: PEdALED archive

“PEdALED is research, exploration, and cycling culture as a means of discovering the world. These values are deeply rooted in the people who are part of our brand”

Jacopo Porreca, Brand Manager, PEdALED

ABOUT

PEdALED was born in 2007 in Tokyo, when Japanese designer Hideo Suzuki left high fashion to focus on cycling apparel. His idea was to create cycling garments that are both beautiful and functional. Over the years, from his small store in Tokyo’s Shibuya district, PEdALED has reached cycling enthusiasts around the world. In 2011 PEdALED joined Selle Royal Group, and the focus shifted to the world of adventure cycling, a concept far removed from the industry at the time. The brand decided to approach the world of apparel from a different angle. Today, its mission is perfectly in line with their pay off, to offer products “Made to explore the world”, and become an adventure cycling brand that people look to.

PREMISES

PEdALED is based in the same historical headquarters as Selle Royal Group, in Pozzoleone, in the province of Vicenza.

PRODUCTS

PEdALED produces clothing that combines aesthetics and functionality, suitable for every riding style: from road to gravel to the most demanding trails. Men’s and women’s jerseys, jackets, shorts and pants, underwear and accessories (socks, gloves, hats, etc.) are characterized by sophisticated design, the use of natural fibers, state-of-the-art technical fabrics and durable materials.

The Element collection **Element** combines versatility, comfort and timeless style. Performance is ensured by the use of recycled technical fibers combined with merino wool, a natural fabric that provides thermoregulation and breathability. Element is available for men and women.

The Odyssey collection **Odyssey** offers high-performance solutions for ultra-distance cycling, from a seven-pocket jersey made with cutting-edge fabrics to waterproof and reflective gloves and bags. Designed to face all kinds of challenges and conditions, it stems from the years of experience supporting endurance races such as the Transcontinental Race, the Silk Road Mountain Race, the Trans Pyrenees and Atlas Mountain Race. Available for men only.

The Jary collection **The Jary** line brings together all-road and gravel clothing for men. It is designed to face all kinds of roads and adventures, and is made from technical fabrics that withstand all weather conditions.



2021 edition of the Silk Road Mountain Race, Kyrgyzstan—source: PEdALED archive

COMMUNITY

The PEdALED community is made up of people who view biking as a way to explore the world. They are travelers, bikepackers, gravel, MTB, and adventure riders, or simply enthusiasts.

COMMUNICATION

PEdALED markets itself through its pedaled.com website, newsletter, Instagram and Facebook pages, and the cycling and running app Strava. The brand proudly supports some of the world's most challenging cycling competitions, from ultra-distance events in Europe to stage races in East Africa. Some of them are: Octopus Gravel in Switzerland; the Migration Gravel Race, which crosses the Maasai Mara National Reserve in Kenya; the Silk Road Mountain Race in Kyrgyzstan; the Transcontinental Race, an event created by legendary cyclist Mike Hall; the Atlas Mountain Race that takes riders from Marrakech to Agadir; the Trans Pyrenees, which covers 1,500 km crossing some of Europe's most challenging mountain passes; and the Guadix Gravel Festival in Spain.



Waterproof Thermo Jacket Odyssey—source: PEdALED archive

SUSTAINABILITY



PEdALED's sustainability strategy includes people-oriented activities, such as the Team Armani project, and a commitment to the planet. The clothing collection is made from recycled fabrics, and great care is taken in the packaging choices. The products are designed to be long-lasting, both technically and aesthetically.

A Team Armani racer—source: PEdALED archive



2021 edition of the Silk Road Mountain Race, Kyrgyzstan—source: PEDaLED archive

Silk Road Mountain Race

The Silk Road Mountain Race is a 1,800-kilometer stage race that goes through the mountains and valleys of Kyrgyzstan, a wild and mountainous area where the Silk Road once passed through. Created in 2018 by Nelson Trees, an endurance cycling enthusiast and race director, the Silk Road Mountain Race is the first event of its kind organized in Central Asia and presents a unique set of challenges for those brave enough to participate. Like the Transcontinental Race, Europe’s premier endurance cycling event, the Silk Road Mountain Race requires complete self-sufficiency: whether individually or in teams, participants cannot count on any form of outside help to reach the finish line. The route is fixed and features dirt roads, singletrack and old rutted Soviet roads. Cyclists are forced to endure the effects of high altitude, constantly changing weather and extreme isolation, with no ultimate prize other than the pride of having completed one of the most extreme endurance cycling routes on the planet.

Participants
95

Cyclists at the finish line
52

Altitude
30,000 m



Distance
1,800+ km



2021 edition of the Silk Road Mountain Race, Kyrgyzstan—source: PEDaLED archive

Intriguing destinations. Fantastic groups of people. The perfect balance between adventure and exploration, in the slow lane. Born from the mind of a London architect passionate about cycle tourism, Pannier has been organizing trips around the world for bikepackers, outsiders and brands since 2013.

2.6 Pannier



Cycling expedition, Slovenia—source: Pannier archive

“Pannier’s glory is reflected in its freedom and authenticity. We travel to amazing places and do amazing things, without rushing. Slow adventure at its finest”

Stefan Amato, Brand Manager, Pannier

ABOUT

Pannier was born in 2012 and is the brainchild of Stefan Amato, a London-based architect with a passion for bike touring, who together with two friends started a blog and map app to share adventures, routes, and tips with other cyclists. Pannier takes its name from the bags mounted on bikes and aims to celebrate the joys of bike touring by making it cool. Soon after, the three found themselves witnessing a revolution in the industry as more and more people began to travel by bike. Pannier became an all-round hub for cycling tourism and was acquired by Selle Royal Group in 2014.

PREMISES

Pannier is based in Castleton, Peak District, in the UK.

PRODUCTS

Pannier organizes trips to uncontaminated destinations around the world for bikepackers, brands, and anyone who is a curious adventure seeker. Discover fascinating locations in the United Kingdom, France, Italy, and Spain but also Kyrgyzstan and Nepal—with a mix of dirt and paved roads, and a focus on local group experiences and off-road bonding moments.

During expeditions, Pannier rents bicycles and kits for bike touring and adventure cycling. A portion of these products are for sale on the brand’s online store.

COMMUNITY

Pannier’s community includes: experienced bikepackers who are looking for a group to share an experience with and explore a destination they would not otherwise visit on their own, experienced cyclists who have no bikepacking experience and wish to try their hand at a multi-day expedition for the first time, and experienced travelers who do not usually bike but fancy a new experience.

COMMUNICATION

Pannier’s storytelling is forged on “The Journal”—a blog that chronicles cycling adventures, on Instagram, and on the monthly “Bikepacker’s Digest” newsletter.



Cycling is a form of sustainable tourism, yet getting to the locations where Pannier’s tours take place can be environmentally impactful. That is why one can reach all the locations in Europe by train or car. When locations are further away, the brand is fully committed to supporting local communities and offsetting emissions caused by group travel.

2021 edition of the Silk Road Mountain Race, Kyrgyzstan—source: PEDALED archive



The secret lies in the balance between the cyclist and their bike. Between human beings and the planet. Between the search for profit, people's wellbeing and the protection of the environment.

3 Our sustainability strategy

3.1 The path towards sustainability

Environmental, social, and governance issues have always been a crucial aspect of Selle Royal Group’s strategy, as evidenced by its history and pillars of corporate identity [→1].

Starting in 2014, the company launched its internal social responsibility program iCare (Corporate Assets for Responsibility and Ethics), inspired by the Sustainable Development Goals set forth in the United Nations 2030 Agenda. The main initiatives implemented were divided into three sections: [CHART 1]

People attention to individuals,
Planet care for the environment,
Participation focus on the community.

In the following years, work on sustainability continued through a series of social and environmental projects, such as: the first product Life Cycle Assessment in the Italian plant, the various explorations in eco-design and sourcing for the products of the Group’s brands [→ 5.1], and initiatives to promote cycling culture, inside and outside the company [→ 4.3], especially during the three-year reporting period influenced by cultural and lifestyle changes following the Covid-19 pandemic.

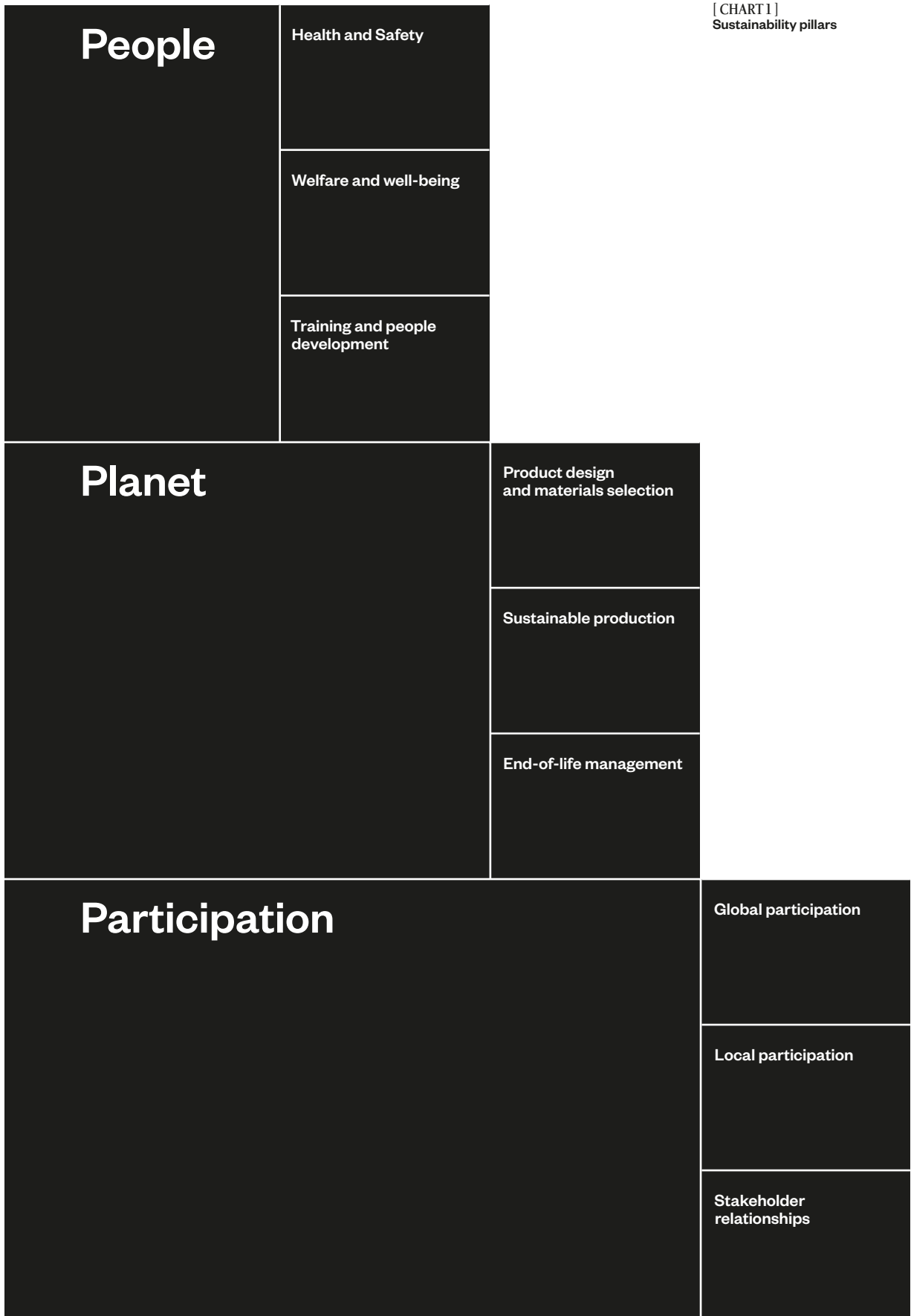
In February 2021, the company was among the first signatories to the Cycling Industry Climate Commitment [→ 6.4], a commitment made by key players in the cycling industry to recognize their share of responsibility for the ongoing climate emergency and to act together to achieve the goals set by the Paris Agreement.

After institutional investor Wise Equity joined the corporate structure, Selle Royal Group carried out an annual ESG Monitoring process and defined some sustainability goals. In addition, the materiality assessment made it possible to define three strategic guidelines for the sustainable development of Selle Royal Group, in addition to what has been achieved with the iCare program, complemented in turn by the topic of ESG Governance.

With this first edition of the Sustainability Report, Selle Royal Group has taken another step forward, presenting its sustainability strategy, and set in motion a materiality process that has already sparked important conversations that can drive change.

3.2 Sustainability governance

Selle Royal Group has recently taken steps to promote participatory engagement within the entire organization and to create widespread awareness of the need to combine business growth and financial strength with social and environmental sustainability.



Senior staff were involved in a working group dedicated to sustainability-related cross-functional projects. In addition, the culture of sustainability has been conveyed through training initiatives for all personnel.

The company is committed to maintaining a participatory approach and ensuring that all employees are aware of their role and responsibilities, also thanks to the annual survey that, through the iCare project, allows the whole staff to propose initiatives and see them implemented [→43].

Distributed across different business functions, sustainability governance will become an integral part of the goals set by management and all those who are most involved among employees. The aim is to effectively and quickly integrate sustainability values and policies into day-to-day work.

3.3 Materiality analysis and stakeholder engagement

When drafting its first Sustainability Report, Selle Royal Group reflected on the most impactful sustainability issues for its strategy and stakeholders and carried out the first Group materiality analysis.

Sustainability reporting focuses on issues that reflect the impacts, whether positive or negative, actual or potential, caused by the organization's activities on the economy, environment and people—including impacts on human rights—and capable of significantly influencing the perception of Stakeholders.

In addition to being the focus of sustainability reporting, these issues are central in guiding corporate strategy.

The process of identifying the issues with the greatest impact was developed through the following steps:

Analysis of the internal and external environment and identification of potentially relevant issues

Major global trends, public policies, and national and European regulations on sustainable development (European Green Deal, SASB, GRI Standard) were analyzed. In addition, industry trends were analyzed through sector reports, customer requests for sustainability, and a benchmarking analysis that looked at key national and international competitors and leading companies when it comes to sustainability, in order to understand the main issues and how the industry as a whole communicates and reports on said issues. The analysis resulted in the identification of 20 topics and 74 sub-topics potentially material for the Group sustainability strategy.

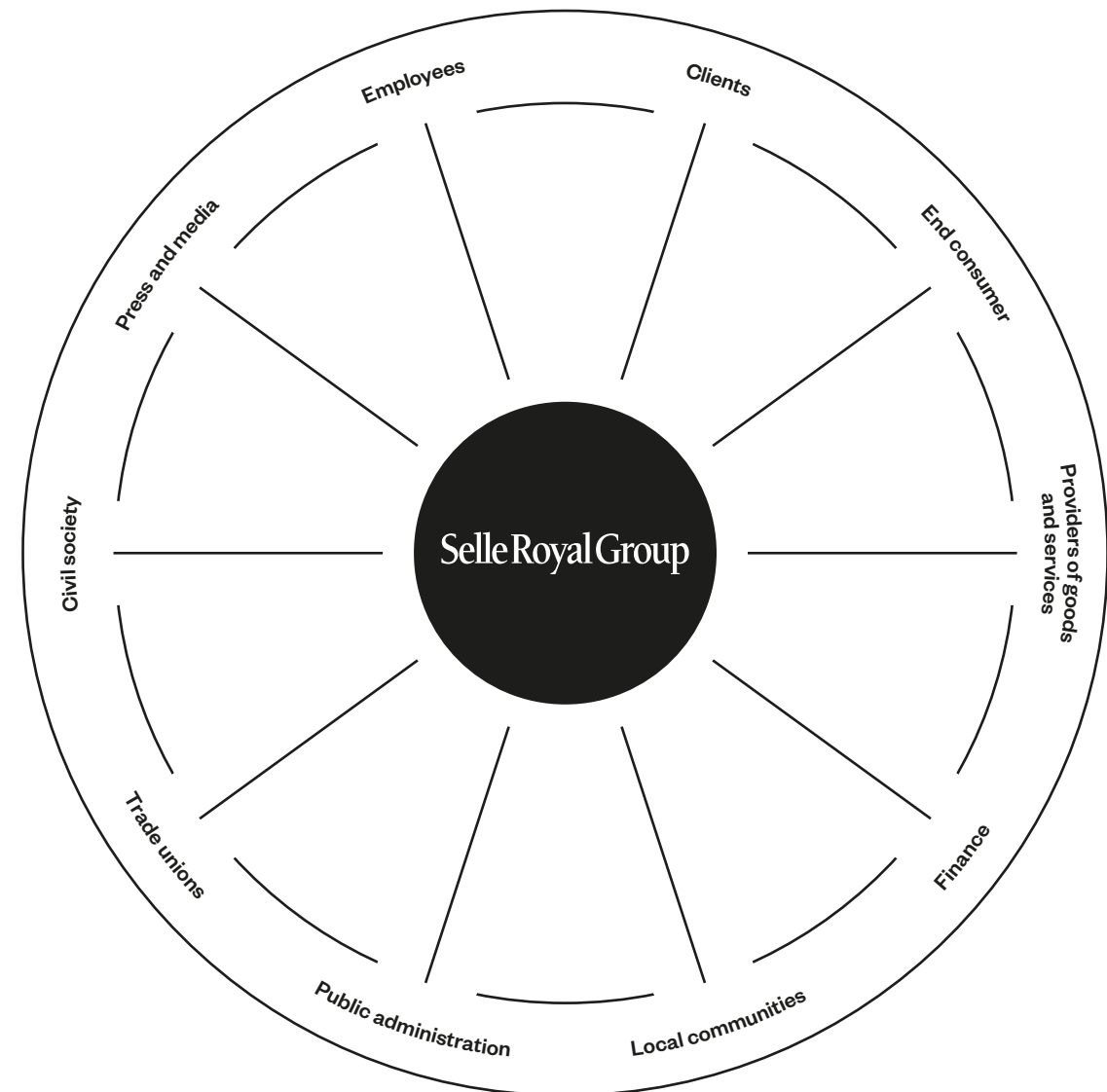
Stakeholder engagement

To complement the identification and evaluation of the issues that emerged from the analysis, one-on-one interviews with a number of stakeholders including customers, suppliers, civil society, partners and the media were conducted [→6.4]. Here below is the stakeholder mapping [CHART 2] carried out in order to understand the categories to be involved in the materiality analysis [CHART 3].

Internal assessment

The issues identified were subjected to Selle Royal Group's internal evaluation, also involving all operating countries and the main corporate functions, in order to assess the significance of each issue based on their ability to generate impacts of an economic, social and environmental nature and the potential of each issue to

[CHART 2]
Stakeholders map



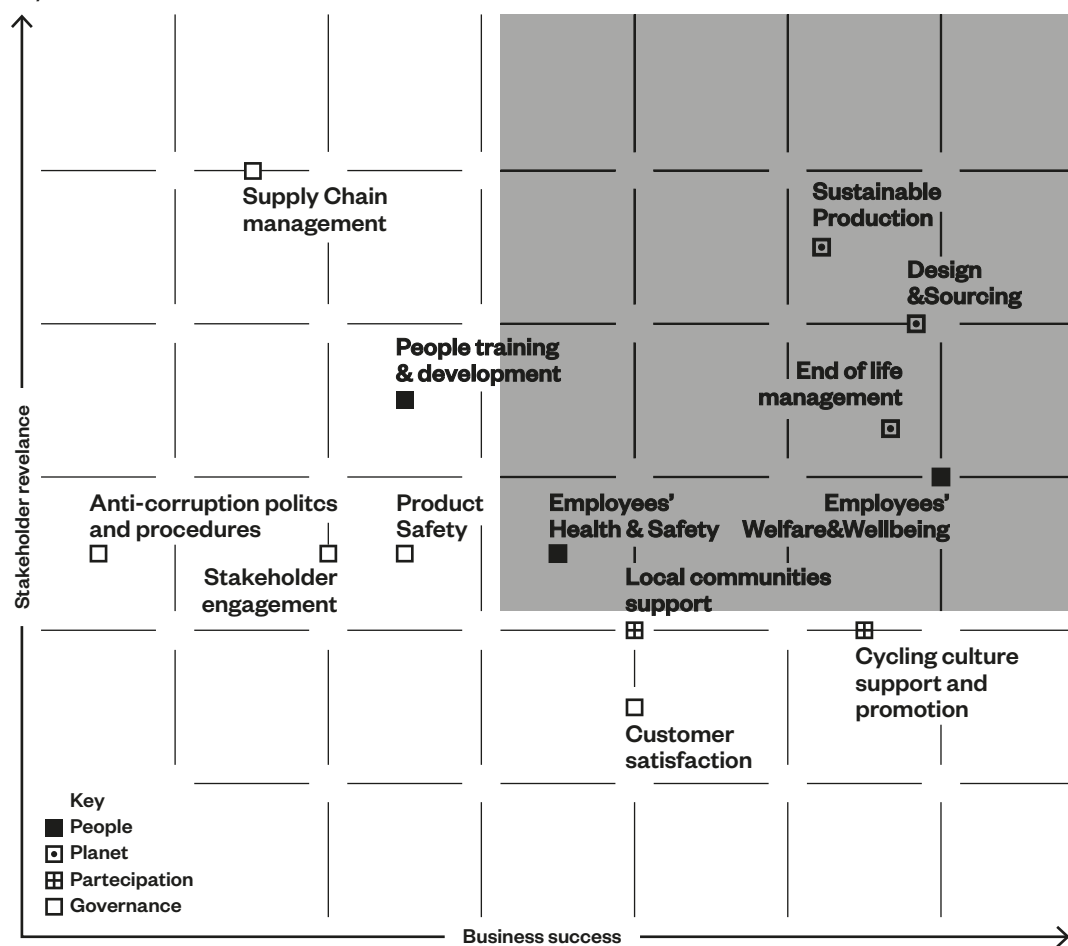
affect the company with a vision that encompasses the three-year reporting period but also looks to the future as a policy tool. The data that emerged from the assessment was shared and approved by the Executive Board.

The outcomes of the surveys conducted led to the definition of the material topics for Selle Royal Group as described below. They were divided into the three key strategic pillars, on top of the topic of governance. Special consideration was given to Planet; to redesign the framework for approaching this topic, three action, measurement and mitigation plans were redesigned, namely: Product Design and Material Selection (Product Design, Sustainable Raw Materials, Product Emissions Measurement), Sustainable Production (Waste Management, Scope 1 and 2 Emissions Monitoring and Management), and End of Life Product Management (Product Recyclability, Durability and Repairability, Stakeholder Relationships).

3.4 Strategy and goals for the future

A gradual internalization of ESG issues by the entire management team, thanks in part to the cultural diffusion of the UN's SDGs,

[CHART 3]
Materiality matrix



Planet

At the heart of Selle Royal Group's sustainability strategy is a commitment to safeguarding the environment, viewed as an extended responsibility that takes into account not only the company's manufacturing activities but the impact of the entire supply chain and a sector that enables the ecological transition. Three guidelines that encompass the entire product life cycle were identified: from the conception and design of sustainable products, through the expert use of raw materials and waste and in-depth knowledge of related emissions (Product Design and Material Selection), to the optimization of low-impact production and distribution processes (Sustainable Production) to the exploration of new approaches to reparability, recyclability and recovery to extend product life (End-of-Life Management).

Participation

Selle Royal Group is not only a player in the cycling industry, but is committed to being a global driving force for the sustainable development of the industry. In particular, the company is actively working to develop cycling communities, promoting sustainable production and spreading the cycling culture as a means of ecological and social transformation through sports, mobility, communities and employment opportunities.

Locally, Selle Royal Group recognizes the impact of its presence on the communities in which it operates, as its production sites directly or indirectly employ a considerable number of people. This bestows on it an even greater responsibility to understand the context in which it operates and to support the surrounding area.

Action Plan

The operational plan, outlined over the period that is surveyed in this report, grounds the pillars of the sustainability strategy in a path of short, medium and long-term activities. Each year the various points are updated through a process of continuous alignment with corporate goals and performance, with respect also to the Group's cultural growth in regard to sustainability.

Pillar	Target & actions
People	Initiating a Group Performance Management process, respecting cultural diversity, to promote a shared company-wide model of competencies, values, and objectives
	Listening to the workforce on an ongoing basis to implement welfare, well-being and career development initiatives that support personal and professional growth at Group level
	Defining HR metrics to create a Group People Dashboard and monitor alignment with business performance and strategy
Planet	Product design and materials selection
	Life cycle assessment activities for the different product categories (make & buy) in accordance with international standards (e.g. ISO 14040) to quantify the main environmental impacts of products

	Integrating information from Life Cycle Assessment processes into product briefing guidelines
	Researching and experimenting with certified raw materials/logistics supply solutions with lower environmental impact
	Packaging changes
	Sustainable production
	Activate a Group-wide process to monitor and report greenhouse gas emissions (broken down by GHG Protocol Scope 1, 2 and 3)
	-55% by 2030 (baseline 2020-21) for Scopes 1 and 2, prioritizing activities to reduce energy consumption and the gradual transition to systems based on alternative energy sources
	Mobility plan and sustainable mobility culture
	Researching and experimenting more effective waste management solutions, favoring forms of circular economy
	End-of-life management
	Applying principles for a more sustainable end-of-life of products, both by extending the life of products and by encouraging repair and reuse practices among consumers.
Participation	Promoting both corporate-level and brand social initiatives, in line with the Group's principles, encouraging forms of organizational citizenship
	Adopting a Group-wide Supplier Code of Conduct that incorporates ESG factors into the supplier selection and audit process
	Implement a Group-wide supplier screening and evaluation process that includes ESG criteria
	Establishing partnership projects with industry players or stakeholders to activate joint ESG transformation processes
Governance	Establishing a cross-functional team to deal with ESG topics and projects at Group level and assign roles
	Formalizing material ESG topics and related KPIs in reference frameworks, adopting common processes and tools across the Group
	Sustainability reporting activities (e.g. sustainability report)
	Completing the process of adopting the organization and control model in Selle Royal Group S.p.A. in accordance with Legislative Decree 231/01
	Adopting a Group-wide code of conduct

“Sustainability is an across-the-board and integrated element in our business model”



Riccardo Losio Chief Strategy & Brands Officer, Selle Royal Group

With a business background at consulting firms operating in innovation, strategy and branding, he has held the position of Chief Strategy & Brands Officer at Selle Royal Group since September 2021.

Where does Selle Royal Group’s commitment to sustainability originate from?

Sustainability, in its many forms, has always served as a founding principle of our history and work. Above all else, we are a company that produces and sells components and accessories for bicycles, a means of transportation that, in our eyes, will play a preeminent role in the next ecological transition. We are a company that is strongly linked to the local areas in which it operates, and has always been attentive to the people and communities with whom it works. Our ultimate goal, the reason we leave home and come to work every day, is to generate positive change by connecting human beings with the outside world. We are aware that it will be a long journey, but the most important thing is that our sustainability strategy mirrors, and is a concrete consequence of, our principles.

What role does sustainability play within your business model?

Sustainability for us is not a trend, nor is it a marketing exercise where one person in charge preaches to everyone else. We like to think of it as an across-the-board cultural approach, integrated into our business model. This means that sustainability must be considered for all business functions and go hand in hand with the Group’s strategic and growth objectives. Our method is ‘measure and learn’: we measure the impact generated at the Group level to identify areas for improvement and push for concrete and shared projects.

How does sustainability go hand in hand with the growth of Selle Royal Group?

Our commitment is to foster healthy and sustainable growth through an operating model that is less and less “impactful.” Sustainability goals must go hand in hand with long-term growth objectives (both organic and inorganic), with the ultimate and virtuous goal of generating value. From now on, to

give one example, product briefs will also contain targets for reducing CO₂ emissions throughout the entire life cycle, according to the Life Cycle Assessment, so that a new or improved product allows us to simultaneously increase business and reduce our environmental impact. Such is the case with Lookin EVO, a saddle created by Selle Royal designed with the goal of decreasing the impact on the environment.

How and how much has the company grown in recent years?

We are a company that has always grown and reinvested in the business. Over the past three years, the bicycle industry has experienced both periods of expansion and stabilization. Our goal has remained the same: to stand on healthy market values that will allow us to grow ethically and responsibly in the long run.

How does Selle Royal Group relate to other industry players?

Although cycling is an industry with deep roots in sustainability, we should not assume that our business model is sustainable by definition. We are aware that there is still much to be done to make our business environmentally friendly and that we could never achieve this on our own. That is why we are at the forefront of promoting and facilitating decisive change in the industry, alongside companies, organizations and individuals involved in different capacities in the cycling world. One of these is Shift Cycling Culture, a cultural project that aims to generate awareness and promote a virtuous systemic change. In 2021, there were about ten of us who signed the Cycling Industry Climate Commitment promoted by Shift Cycling Culture. In two and a half years, that number has risen to a hundred. It's a long road but it is good to see that we are not alone in this journey.



The Multitinker e-bike with a Lookin Evo saddle by Selle Royal—source: Riese&Müller archive



It is always the people who make the difference. That is why we care about the health, well-being and individual development of everyone who works in our company.

4 People

4.1 Culture and people

Selle Royal Group cares about the well-being, development and growth of its people. In fact, it is committed to allowing employees to work in a creative, informal, organized and humane environment, in which they feel valued and inspired to improve themselves and the environment in which they work.

The role of HR People & Culture is to foster high competence, freedom of expression and well-being, for the purpose of creating value in all areas of the company world-wide, while adhering to a set of principles such as interconnectedness, awareness, ingenuity, initiative, and reliability. One of the biggest challenges it faces is creating a global, shared culture of employee care. Starting from the corporate values, the HR departments of the different realities that make up Selle Royal Group act with a degree of autonomy that create the conditions for the emergence of different models, inspired by local cultural backgrounds and aimed at generating enrichment, in every sense of the word, within the Group. For instance, the Italian headquarters seek to attract talented in-

[TABLE 6]
Permanent and fixed-term workers and full-time and part-time workers

Fiscal year	Men			Women			Total		
	20-21	21-22	22-23	20-21	21-22	22-23	20-21	21-22	22-23
Total number of employees	564	551	532	620	573	523	1,184	1,124	1,055
Permanent workers	545	535	523	598	557	518	1,143	1,092	1,041
Full-time workers	540	530	518	589	549	508	1,129	1,079	1,026
Part-time workers	5	5	5	9	8	10	14	13	15
Fixed-term workers	19	16	9	22	16	5	41	32	14
Full-time workers	13	12	2	10	7	1	23	19	3
Part-time workers	6	4	7	12	9	4	18	13	11

[TABLE 7]
New employee hires and employee turnover

Fiscal year	Men			Women			Total		
	20-21	21-22	22-23	20-21	21-22	22-23	20-21	21-22	22-23
Total employees hired	153	103	78	184	92	63	337	195	141
Under 30	78	45	35	83	35	23	161	80	58
Aged 30-50	67	54	41	95	53	40	162	107	81
Over 50	8	4	2	6	4	0	14	8	2
Total employees terminated	104	115	93	119	140	117	223	255	210
Under 30	38	48	29	40	54	34	78	102	63
Aged 30-50	55	51	48	53	72	47	108	123	95
Over 50	11	16	16	26	14	36	37	30	52

dividuals passionate about the world of cycling through galvanizing company projects and initiatives dedicated to promoting cycling; in Brazil, the company boasts a welfare program informed by the concept of sharing, especially in support of the local community; in England, special attention is paid to on-the-job training, to impart the fundamental know-how that underlies the uniqueness of the Brooks England brand.

The corporate culture has always been oriented toward creating and maintaining employment in the territories in which Selle Royal Group operates, both in the most favorable and the most complex phases. The commitment to employee stability and security is evidenced by the fact that 99% of employees are reported to be employed on permanent contracts.

Personnel trend

The 2021-23 period was characterized by a significant fluctuation in the number of employees in the workforce, both incoming and outgoing. The trend affected all Group companies, particularly the production sites in Italy, China and Brazil. In the past year at Brooks Ltd. reduced its workforce by 15 employees, with a subsequent agreed-upon restructuring of working hours for the remaining staff. In 2020-21, following the strong sales acceleration that began the previous year, well above the industry average, Selle Royal Group bolstered its workforce to support production needs. From 2021-22, there was a gradual manufacturing slowdown, which forced the company to reduce its workforce.

The number stabilized in 2022-23 at a total of 1,055 employees, down 11% from 2020-21 and 6 % from 2021-22.

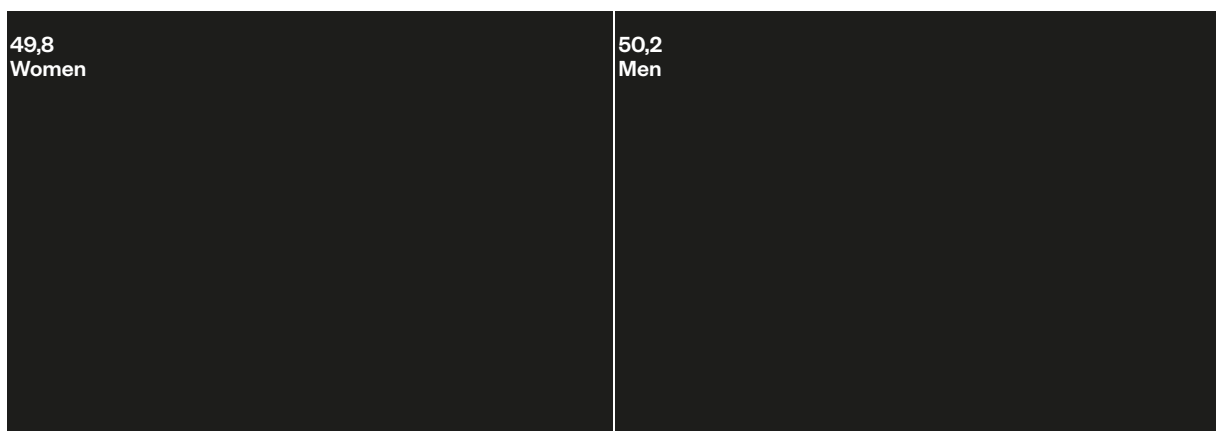
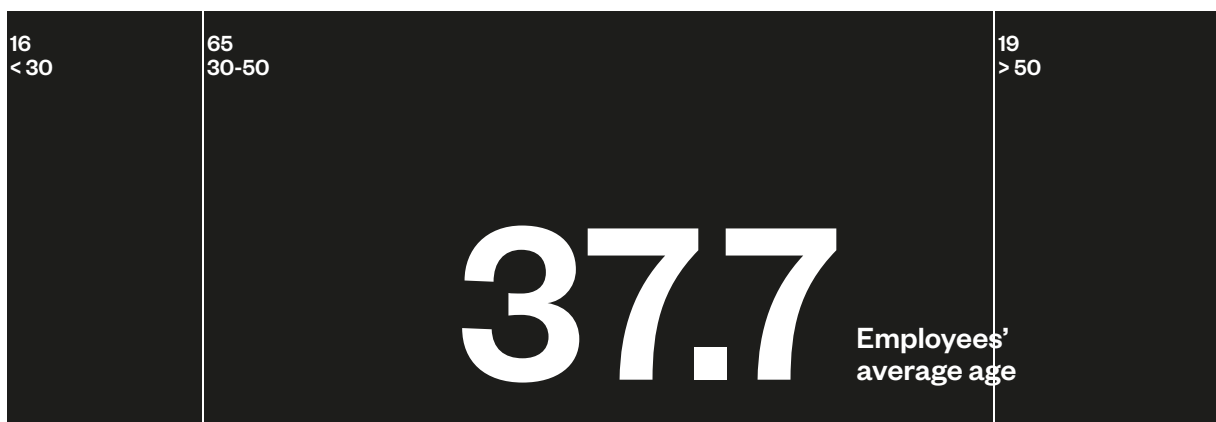
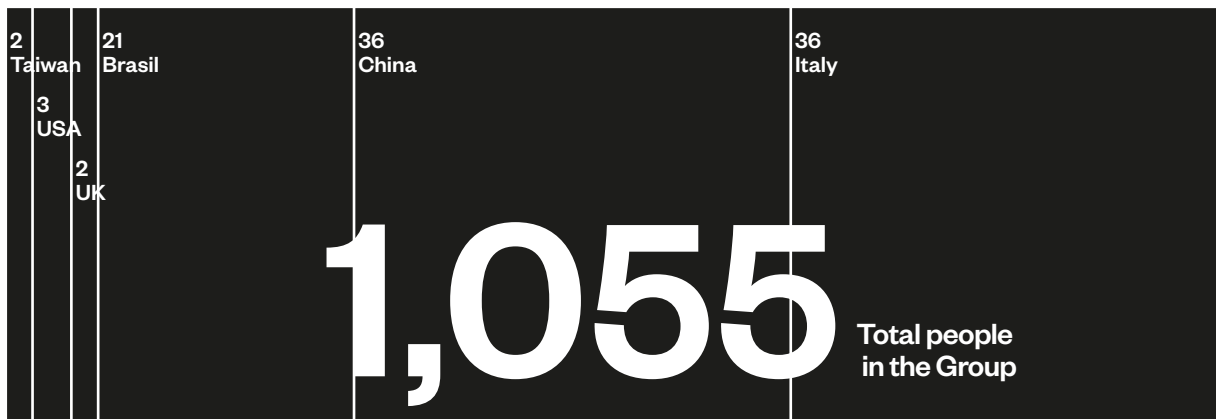
Attention has been paid to workforce adequacy, necessary for the proper management of production activities, especially to cope with market singularities, requiring additional external resources, in addition to employees. At peak production periods in 2020-21, the company made use of 353 external workers (staffing/agency workers), which grew to 431 in the following year and dropped to 81 in 2022-23.

Diversity

Selle Royal Group is a young and multicultural company: today the average age is 37.7 years, and employees include women and men of more than twenty nationalities and different cultures.

The company's workforce is largely composed of employees involved in production, accounting for 72% of the total, who are critical to the Group's business continuity. 52% of employees in production are women. Seeing as the business requires

[CHART 4]
Percentage of employees by country, ethnicity, age and gender



experience, 84% of the workforce is composed of workers over the age of 30. Selle Royal Group's younger employees are mostly office staff. Directors and managers are represented almost exclusively by the 30-50 age group with a few cases even under the age of 30. Women in managerial roles account for 26% of the total.

In the last reporting year, out of 382 employees in Italy (with 345 representing the calculation base in relation to Law 68/1999), 24 belong to vulnerable groups. The commitment signed in the convention with the local employment office was confirmed in the year 2022/23. Among the initiatives stipulated by the convention was the partnership program with Riesco, a social cooperative that runs catering services, whose social mission is to integrate people with disabilities into the workforce, allowing the company to add 2 people to the total, in accordance with Article 14, Law Decree 276/2003. There are also 5 employees from vulnerable groups in Brazil.

[TABLE 8]
Employees by category, age and gender

Fiscal year	Men			Women			Total		
	20-21	21-22	22-23	20-21	21-22	22-23	20-21	21-22	22-23
Total employees	564	551	532	620	573	523	1,184	1,124	1,055
Directors	19	22	23	4	4	4	23	26	27
Under 30	1	0	0	1	1	1	2	1	1
Aged 30-50	12	16	18	3	3	3	15	19	21
Over 50	6	6	5	0	0	0	6	6	5
Executives	32	32	28	8	8	10	40	40	38
Under 30	0	1	2	0	0	0	0	1	2
Aged 30-50	26	26	24	7	7	8	33	33	32
Over 50	6	5	2	1	1	2	7	6	4
Employees	91	104	117	108	115	110	199	219	227
Under 30	17	24	25	33	29	21	50	53	46
Aged 30-50	66	70	83	69	78	79	135	148	162
Over 50	8	10	9	6	8	10	14	18	19
Workers	422	393	364	500	446	399	922	839	763
Under 30	106	79	71	87	62	52	193	141	123
Aged 30-50	205	205	190	331	294	280	536	499	470
Over 50	111	109	103	82	90	67	193	199	170

Caring for and protecting the health of employees is a priority for Selle Royal Group. The company is actively committed to establishing and strengthening a culture geared towards safety and well-being, encouraging responsible behavior by all workers and increasing awareness of potential risks through training and information initiatives.

In 2021, the holding company adopted a worker health and safety management system certified to the UNI ISO 45001 standard. The system covers all employees at the Italian plants in Pozzoleone and Rossano Veneto, temporary workers, and contractors working in-house.

In Italy, corporate risk assessment is managed by the Health, Safety and Environment (HSE) office, which, with the support of the Manager of Prevention and Protection Service (RSPP), evaluates the remedial actions to be implemented in order to reduce the risk index.

Workers are required to stop the task they are performing whenever they identify a situation that is hazardous to their own health and that of their colleagues. They are also required to inform their supervisor, who in turn will update the Health, Safety and Environment Manager, who is responsible for identifying the cause of the hazardous situation and planning remedial actions to eliminate or reduce the risk.

The organization has appointed a contracted physician working alongside two associates to carry out an annual inspection to identify any health hazards and carry out the medical examinations necessary to adequately monitor the health of all the people (workers, employees,...) in the company. Starting with the risk assessment for each task, a health protocol is drafted in which the risks are indicated and the checks to be carried out, together with their frequency, are evaluated. All workers can request an extra medical examination at any time via a form to be given directly to the physician.

The company promotes worker consultation and participation at all levels through a series of activities planned and carried out on a regular basis:

A quarterly meeting at which the Workers' Health and Safety Representatives (RLS) draft reports or proposals, and are then updated by the HSE Manager on any changes to the health and safety management system;

Involvement of the Health and Safety Representative in activities required by current regulations (periodic meeting art.35 or DVR consultation);

A quarterly meeting where RLSs flag issues or propose solutions and are updated by the Health, Safety and Environment Manager on any changes to the health and safety management system.

In addition, the company offers all employees the opportunity to put forward ideas for improvement in all areas, including health and safety, by sending an email to a designated email address and responding to the annual "iCare" questionnaire in the Health & Safety section.

In Italy, education, training and information activities are directed at each worker according to their task and can be carried out either prior to the start of the employment relationship, or during the course of it. Everything is accounted for and screened through a management system that supports the monitoring of deadlines and special training depending on the circumstances the company may find itself in.

In the other operating countries, Selle Royal Group looks to spread a health and safety culture in accordance with the parent company's regulations and agreed on continuously improving the implemented policies. China, for example, has seen training hours per capita in production departments increase and all personal protective equipment verified. In Brazil, health and safety practices and welfare interventions aimed at achieving a state of good health for all male and female workers have been put in place, such as the daily postural gymnastics session.

Selle Royal Group also promotes the well-being and health of its employees through:

Medical services in company facilities (medical consultations, physiotherapy/osteopathy) and delivery of medicines from the local pharmacy to foster a healthy work-life balance;

Sports activities and bike rides with in-house services (showers, lockers, etc.), and discounts for sports events and products

Days centered around prevention and the promotion of a healthy lifestyle

Monitoring of menus provided by company cafeterias and snacks at food outlets that favor healthy, natural and organic foods.

Injuries at work among employees

As a result of the Group's commitments, the rate of injuries at work per one million hours worked is decreasing in the three-year period 2021-23. In particular, there has been a 70% reduction in the total number of injuries at work and a containment of the most serious injuries compared to 2020-21, partly due to constant training and continuous work to make facilities safe beyond compliance.



Workers at the Pozzoleone factory, Italy, during the Covid-19 pandemic—source: company archive

Among outside workers in 2021–22, there was an increase in injuries, albeit low severity ones, undoubtedly related to the production peak, which resulted in more complex management of outside staff placements. In the three-year reporting period, no cases of occupational diseases were recorded.

Covid-19 emergency management
 FY 2020–21 was marked by the complex scenario brought about by the Covid-19 emergency. Like most companies, Selle Royal Group, in all its locations, had to act promptly, in a highly uncertain and constantly changing environment, with the aim of protecting the health and safety of its employees while ensuring business continuity. In particular, specific organizational solutions were studied, such as differentiating access and schedules in production facilities, creating buffer points, and providing incentives to work remotely if the job description allowed it. All locations were managed with protocols in line with regulations in the relevant countries, providing personal protective equipment and, where possible, inserting partitions between workers. The growth in product demand, which led to an increase in the company’s workforce, coincided with the need to protect employees while simultaneously training new staff members. The company has therefore promoted an ongoing in-house training and information campaign on the hygiene and social behaviors to comply with, with the involvement of external professionals and an internal communication plan disseminated via email, text messages and notice board displays. Specifically in Italy, from

[TABLE 9]

Injuries at work among employees

Fiscal year	20–21	21–22	22–23
Total number of severe injuries at work	2	0	0
Total number of recordable injuries at work	29	17	15
Total hours worked	2,212,635	2,038,301	1,934,883
Working days lost	450	196	430
Rate of severe injuries at work¹	0.90	0	0
Rate of recordable injuries at work²	13.11	8.34	7.75
Injury severity index³	0.20	0.10	0.22

Injuries at work among external workers

Fiscal year	20–21	21–22	22–23
Total number of recordable injuries at work*	2	7	2
Total hours worked	754,828	760,222	497,014
Working days lost	6	37	11
Rate of recordable injuries at work²	2.65	9.21	4.02
Injury severity index³	0.01	0.05	0.02

* Injuries reported consider outside workers employed in Italy; no injuries were reported in other nations

1 The rate of serious work-related injuries is calculated according to the GRI Standard, as follows: no. of serious work-related injuries / no. total hours worked × 1,000,000.

2 The recordable work-related injury rate is calculated according to the GRI Standard as follows: no. of recordable work-related injuries / no. total hours worked × 1,000,000

3 The injury severity rate is calculated as follows: lost days / total hours worked × 1,000

an emergency governance point of view, in compliance with the Prime Minister’s Decree of April 10, 2020, the Implementation Plan of the “Shared Protocol for the Regulation Measures to Combat and Contain the Spread of the Covid-19 Virus in Workplaces” has been drafted and the Covid-19 Commission has been established, with the task of verifying its implementation.

4.3 Welfare and well-being

Consistent with the company’s founding principles, Selle Royal Group sees the work environment as a context of well-being, where workers can pursue a healthy lifestyle, thanks to a series of initiatives to promote their training, health, inclusion and involvement. In 2022, for the fourth year in a row, Selle Royal Group received recognition as a Welfare Champion of the Welfare Index PMI, the index that assesses the level of corporate welfare in Italian small and medium-sized enterprises. The index takes into account three factors: the breadth and content of the initiatives implemented for each of the 12 areas placed under analysis, the way the company involves workers and manages its welfare choices, and the originality of the initiatives and their ability to stand out in the Italian landscape.

Listening and engagement

HR People & Culture organizes meetings to discuss the employees’ progress and well-being 3, 30 and 300 days after joining the company and at the end of each working relationship to collect feedback useful to the organization (exit interview). The People and Culture team is available for meetings on individual issues in order to facilitate relationships and communication among employees.

iCare questionnaire

Each year employees receive a questionnaire on the iCare project topics so they can provide feedback and suggestions to the organization.

Mind the Gap

Mind the Gap is an initiative launched in Italy in 2022 that promotes exchange, inclusion and freedom of expression between workers and the organization. Employees, especially those who joined the company in an exceptional period such as 2020–21, have the opportunity to meet with the president one-on-one. This meeting aims to create an inclusive environment and foster con-



Employees with their bikes in Pozzoleone, Italy—source: company archive

Promoting bicycle use

Selle Royal Group naturally attracts many cycling enthusiasts to its workforce. To meet their needs and encourage regular sports activities, the Italian and U.S. headquarters have given employees the opportunity to benefit from flexible schedules in order for them to cycle to work or cycling training during lunch break, and use company facilities (showers, locker rooms, lockers) before returning to work. In addition, in 2023, the company inaugurated the Bike Garage at the Pozzoleone headquarters: a space dedicated to the maintenance of employee-owned bicycles, where more experienced staff members support their colleagues with less practice in the proper maintenance of their bikes.

The online equivalent is the Bike Academy, a series of video tutorials made by bike expert employees for other colleagues to spread cycling culture among Selle Royal Group employees. Available on internal communication and training channels, the videos delve into various cycling-related topics and the lifestyle of a cyclist. For instance, certain clips compare different categories of bicycles and types of cycling, others present aspects of bike mechanics, and others yet give tips on how to ride a bike to work or how to ride safely in urban traffic.



The Bike Garage at the Selle Royal Group HQ—source: company archive

nection among team members, thus solidifying a corporate culture based on trust and collaboration.

Internal newsletter

In 2020, a corporate-wide internal communication plan was initiated to engage employees in the various offices around the world with a periodic newsletter that features key updates from the organization.

Special offers and incentives

Under the iCare People program, Selle Royal Group employees and their family members can access, through a digital platform, discounts or special offers for hundreds of services, products and brands. In Italy, these offers are selected based, where possible, on the preferences expressed by employees in the end of year survey, and favor local initiatives, in the spirit of regional welfare. In 2021 and 2022, welfare vouchers worth €500/year were given to each employee. Royal Ciclo also gives employees a series of vouchers that can be spent at various affiliated businesses.

Scholarships

Since 2016, Selle Royal Group HQ has been supporting deserving children of its employees through the “Riccardo Bigolin” scholarship, which helps them with educational-related expenses from the start of elementary school through graduation, awarding more than 40 children and teens a total sum of about €15,000 each year.

Health-care benefits

Selle Royal Group, in its Italian and Brazilian offices, offers its employees in-house blood tests, arrangements with medical centers in the area, and the periodic services of a doctor or other health care professionals on premises.

In-house corporate events

The Brazilian calendar is packed with employee engagement and socio-cultural initiatives set up by Royal Ciclo: some examples are self-defense courses for women organized on the occasion of Women’s Day; training and awareness events on breast and prostate cancer in the months dedicated to their prevention; workshops to raise awareness about the risks associated with drunk driving. The Italian and Chinese plants also organize employee engagement activities and get-togethers on major holidays. In Italy, for example, the company organized a flash mob with the Te-

atro Olimpico Orchestra for Christmas 2021, while for Christmas 2022 they staged a play on the story of Annie Londonderry, the first woman to cycle around the world in the late 1800s.

Agile Working

With the aim of promoting organizational autonomy, flexibility, responsibility and a healthy work-life balance, the company introduced the Time Policy and Smart Working Policy in Italy, tools that introduce flexible working hours and spaces for office staff. British and American subsidiaries have also equipped themselves with organizational tools to support agile working needs.

Parental leave

In the three-year period from 2021 to 2023, 42 employees took parental leave, with 37 returning in the last year, of which 31 are still in the company’s workforce twelve months after returning to work. This data reflects the Group’s commitment to ensure an adequate work-life balance.

In some of the operating countries in which family leave legislation offers less support to new parents than in Italy, Selle Royal Group has started evaluating possible improvements in relation to welfare.

[TABLE 10]
Parental leave

Fiscal year	Men			Women			Total		
	20-21	21-22	22-23	20-21	21-22	22-23	20-21	21-22	22-23
Employees who took parental leave	16	20	24	26	25	17	42	45	41
Employees who returned after parental leave	16	19	23	14	19	14	30	38	37
Employees still working for the company 12 months after returning	14	18	20	8	15	11	22	33	31

Sustainable mobility

Selle Royal Group has launched a number of projects to promote sustainable micro-mobility for employees, such as encouraging carpooling and offering discounts for the purchase of bicycles. In Italy, the company has started analyzing the travel habits and needs of its employees and developing alternatives to motorized vehicles, especially for home-work routes. The past year has seen a growth in more sustainable practices, especially cycling to work or carpooling among colleagues, with an estimated 20% reduction in CO₂ emissions. In addition, the conversion of the corporate fleet to electric vehicles has been underway for some

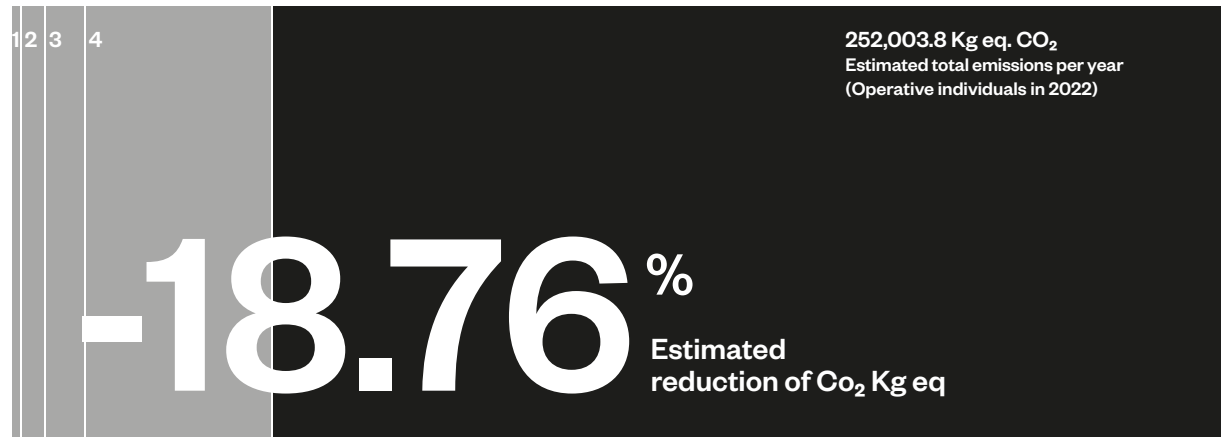
years now, and employees have been encouraged to adopt driving behaviors that produce lower emissions and fuel consumption. In China, employees can record their trips via an app on their smartphones: those who adopt the most sustainable behaviors are rewarded with company products or vouchers. In Brazil, the company is working with local authorities to develop cycling routes in the local area. In the future, the goal is to increasingly promote sustainable mobility through training, services and offers that encourage two-wheeled commuting, route sharing or the choice of more efficient means, thus helping to reduce the impact on the environment.

4.4 Training and people development

A total of 7,723 hours of training were provided in 2022–23 (on average about 7.5 hours of training per person globally), in continuity with the first year of reporting (+3%), showing a smooth

[CHART 5]
Reduction of CO₂ emissions (Kg eq CO₂) due to the promotion of hybrid working and sustainable mobility, at the Italian HQ

- 1 -38,479
Estimated reduction in CO₂ per year thanks to WFH days in 2022
- 2 -7,734
Estimated reduction in CO₂ per year thanks to eco car trips in 2022
conservative estimate of 13 hybrid cars per 100 working days (impact of 2,016kg eq. CO₂ vs impact of 9,750kg eq. CO₂ for the same number of days using a fossil fuel vehicle)
- 3 -4,500
Estimated reduction in CO₂ per year thanks to Bike to Work days in 2022
Conservative estimate of 3 people per day for 200 working days on average
- 4 -1,575
Estimated reduction in CO₂ per year thanks to carpooling days in 2022
Conservative estimate of a group of 4 people per 2 trips/week



resumption of training activities from the previous year, which saw a reduction in average hours. The investment is intended to address the need to develop new hard and soft skills, to keep improving in the areas of sustainability, health and safety, and to equip each employee with the personal skills to bring increasing value within Selle Royal Group and the market as a whole.

Training plans have a dedicated budget in each cost center and are also financed through interprofessional or public (European/regional) funds.

In the past year, training has focused particularly on management; however, there has been a growth in average training hours at all company levels.

The training plans, which include both technical and soft-skills-related courses, begin with the first day in the company to ensure that employees experience their induction optimally and receive the essential information they need to perform their role to the best of their abilities right away. Training objectives emerge from the needs analysis of employees and their managers, prepared every six months by HR People & Culture. Each course delivered, mainly through qualified external entities, includes an evaluative feedback phase by the employee in order to ensure monitoring of the necessary quality of training.

Broadly speaking, training is designed not only for the generation of skills necessary for the Group's operations, but also for the development and growth of human capital. Horizontal and vertical ad hominem growth paths are designed in-house, which include career-building experiences, training projects or specific certified courses aimed at acquiring skills necessary for career development. A hallmark of Selle Royal Group are internal and inter-company growth paths to provide international opportunities for employees and the company itself.

Currently, Selle Royal Group is working on a competency assessment and development model based on company values that will be launched globally in the next three years. The goal of the project is to professionalize growth path management and propagate corporate values throughout the company. Once finalized, the model will be provided to managers for them to manage the development interviews that are periodically organized with members of their respective teams to exchange feedback.

Onboarding and on-the-job training

Each production staff member who joins the company receives a technical and operational on-the-job training plan to acquire the skills needed to operate safely and efficiently. The skill set is de-

[TABLE 11]
Average training hours by category and gender

Fiscal year	Men			Women			Total		
	20-21 ¹	21-22 ²	22-23 ³	20-21 ¹	21-22 ²	22-23 ³	20-21 ¹	21-22 ²	22-23 ³
Average training hours							7.3	4.7	7.5
Directors	9.2	4.3	7.9	16.0	39.0	15.0	9.6	7.8	9.0
Managers	24.0	9.6	24.6	8.9	27.3	10.3	11.5	13.1	20.8
Office workers	13.6	9.3	12.4	15.5	13.4	11.3	14.6	11.4	11.8
Factory workers	4.4	2.3	5.3	1.4	2.1	5.5	3.1	2.2	5.4

1 The data for 2020-21 does not include the training provided by Selle Royal China Co. Ltd, by Brooks England Ltd. as it was not possible to find the data in the company information systems, and by Royal Ciclo seeing as the new hour tracking system does not allow for the retrieval of the number of hours spent on work-related activities from previous years.

2 The data for 2021-22 does not include the training provided by Royal Ciclo and Brooks England Ltd.

3 The data for 2022-23 does not include the training provided by Brooks England Ltd.

defined by the Production Skill Matrix, screened periodically by the production manager and department heads, to ensure growth and replacement plans. Within the offices of all branches, a structured on-boarding plan is devised, which features training on company pillars and policies and on brands and markets, helpful for staff to have a better approach to their job. In 2021, Rack Up was created; it is a training format employed by co-workers for co-workers, with the aim of conveying the specifics of each brand (at the marketing, product, digital and commercial levels) to all those who do not work directly with brands.

Technical courses

Technical courses in the last three years have involved about 20 participants. The topics covered were the main raw materials used in the company, production time management, planning and production methods, quality and production standards.

Digital transformation courses

Courses related to the use of IT tools, digitization of systems, cyber security and project management are conducted.

Language courses

All employees had the opportunity to access group or one-on-one language courses in English, French, and German, or specific training on other languages according to individual needs. In 2023, Speaker's Corner, a new English-language corporate initiative was introduced. Speaker's Corner meetings focus on topics closely related to the company's core values and aim to promote professional growth and improve communication among employees, thus helping to strengthen corporate identity and culture.

Soft skills courses

The soft skills development courses covered different types of activities: from managing multicultural teams to effective communication, leadership and public speaking.

Sustainability course

In Italy, at the behest of employees, the training course "Corporate Sustainability" was delivered in which more than 80 people participated. In addition to regulatory background information on sustainability and its evolution, topics such as the following were covered: reporting, stakeholder engagement, communication and greenwashing, circular economy, ecological footprint, measurement tools and sustainability certifications.



A training event—source: company archive

Partnerships with schools

For years, Selle Royal Group has been collaborating with several secondary schools and technical high schools (ITS) in the municipalities near the headquarters, as well as with universities (Verona, Vicenza, Padua, Trento, Venice), Business Schools (CUOA, Master SBS, 24ore Business School) and graduate schools (SID, IED, Politecnico Calzaturiero) regionally and nationally, providing content and case studies in lectures and workshops organized or sponsored by the company. In the past three years, the company has hosted more than twenty students for internship training projects, who were often required to write a paper on a company project, as well as several students included in work-school projects. About half of them were later offered fixed-term contracts, demonstrating the company's commitment to promoting the professional development of young talent and dialogue between academia and the professional world. Each year the company participates in several Career Days and organizes open house events dedicated to students, offering them the opportunity to immerse themselves in the professional world and gain a deeper understanding of the skills and professionalism relevant in different business contexts.

20⁺ Students involved in internship programs in the Group

50[%] Students hired at the end of the internship



A training event with local schools—source: company archive

“Relationships with people are key to the company’s success”



Karina Ketlen Hobus Censi | Human Resources Manager, Royal Ciclo

Karina Ketlen Hobus Censi is the Human Resources Manager and member of the Strategic Council at Royal Ciclo, the Brazilian subsidiary of Selle Royal Group. She has nearly 24 years of experience in the company: after starting at age 17 as a receptionist and billing administrator, she spent about 18 years as Finance Manager before focusing on human resources management and development.

Can you tell us about Royal Ciclo?

Royal Ciclo was born in 2005 out of the joint venture of Metal Ciclo, a company that mostly produced bicycle pedals and stands, and Selle Royal Bras, a Selle Royal Group company marketing saddles in Latin America. We are based in Rio do Sul, in the Brazilian state of Santa Catarina, and employ more than 200 people. We produce bicycle accessories such as Selle Royal saddles, pedals, stands and cranks. We have a direct distribution unit, Royal Pro, which specializes in the distribution of selected products of the Group’s brands and third-party brands within the South American market.

How has the bicycle market in Brazil evolved in recent years?

The pandemic has revolutionized the way Brazilians relate to bikes. Before, they were mainly considered as means of transportation. But during the lockdown, when team sports were banned, many began to use bicycles to exercise, regain health and well-being, and to get in touch with nature in a sustainable way. Some became progressively enthusiastic and now seek out mostly high-end brands. Local institutions have also contributed to the growth of the sector, and have recently begun to invest in building cycling-related infrastructure.

What is the philosophy that guides your work as Head of People & Culture?

The Hobus family, who represent the leadership of the company, has always invested in the relationship with people, central to the company’s success. With this in mind, the People & Culture team always value our employees and collaborators and treat them with the utmost respect, making them feel like the key figures they are. This year, for example, we carried out a participatory project, asking everyone to indicate what they see as the core values of the company. It was a process that started from the ground up, culminating

in the drafting of a document that identifies the values that embody our identity and beliefs.

What are the most interesting initiatives you have launched for your employees in the past three years?

We invest heavily in events that create internal engagement. For example, we organize days when employees can enter the headquarters with their families and show their children and partners around the workplace, in a convivial atmosphere where we eat and socialize together. We want to share important moments with our employees: this year, on the occasion of International Mother's Day, we produced a video that features all the faces of mothers working in the company and showed it to employees, to make everyone understand what it means to combine work and parenting. We also provide all workers on maternity leave with a kit that contains useful products for the first few months of their babies' lives.

Do you organize community events too?

Yes, we do. This year we held a fundraising and food drive event to support a local animal shelter. We also hold initiatives to encourage cycling among our employees and promote the creation of bike lanes in our municipality.

What do you love most about working for Selle Royal Group?

Selle Royal Group is always one step ahead. Since I have been here, it has always been an innovative company in the world of bike accessories, and today it is also a forward-thinking company in terms of social and environmental sustainability. My goal is to continue to learn, to be supportive of management and teams, working to develop human capital, and to raise awareness of the responsibilities we have as leaders in our industry.



Postural gymnastics at the Royal Ciclo branch—source: company archive

“Collaboration is paramount in spreading sustainability culture”



Wei Kai | General Manager, Selle Royal Cina

Wei Kai has been serving as General Manager of Selle Royal China since 2018. She began her journey in 2000 working as Sales & Marketing Officer for a Chinese company, which was later acquired by Selle Royal Group in 2010. From then to 2017, she worked as Sales Manager for the Chinese market, also supporting export activities. Today she presides over all the activities of Selle Royal China.

Can you tell us about Selle Royal Vehicle China?

The company is located in Jiangyin, two hours from Shanghai, where both the production plant and offices are based. Today, about 550 people work here, including office and production workers, who contribute to almost every stage of the value chain seeing as most of the processing steps are handled in our plant.

How has the market for bicycles and accessories in China changed in recent years?

A lot has changed since Covid, there have been changes both in terms of market opportunities and environmental policies. Our government is very aware of sustainability issues, and our company goes beyond compliance and industry standards.

Have you implemented any sustainability-driven projects or initiatives in recent years?

Sustainable development goals are a priority for us at this time. For this reason, we have established a group of multi-departmental staff and managers who meet periodically to propose new ESG initiatives and update colleagues on the progress of existing projects. It is important to foster collaboration and participation to spread a culture of sustainability and to encourage collective accountability. Constant dialogue with suppliers to identify materials with less environmental impact and the reduction of waste or chemicals are just two examples. Right now we are also studying how to replace a certain number of processes with more efficient, less energy-intensive and environmentally impactful technologies. We are also working on recycling materials within our factories: from the plastic waste of some of our saddles, for instance, we make nonstructural components such as side guards or other aesthetic inserts that are applied to the product.

Of all the projects, is there one that seems particularly important to you?

A special project overseen by multiple co-workers is that of replacing traditional glue with a water-based glue. We carried out a very long and complex study. In the end, after several tests, we identified the solution that, while guaranteeing a standard of quality fitting for the Group's brands, could also be clean, odorless and more sustainable.

How are bicycles perceived in Chinese culture?

In the past, many people in China rode bicycles regularly. Today, the situation has changed. Cycling is considered a way of life and a physical activity, young people are willing to invest more to buy one that makes them feel cool.

And among your collaborators?

Many of our employees see cycling as their sport, especially early in the morning or after dark, when traffic is less intense. But still very few of them cycle to work every day. As a form of encouragement, we have provided them with an app that tracks how many kilometers they cycle each day. One kilometer corresponds to one point. After they accumulate a certain number of points, they receive a prize, such as a bike helmet or other products that promote safe cycling.

What do you love most about working for Selle Royal Group?

When I was Sales Manager, I appreciated being able to travel, visit different cities and continents, and meeting new people in an industry that is really exciting. Today I have the responsibility of running a manufacturing company as best as I can in a challenging market. My goal is to continue to build the company's reputation and contribute as much as possible to the well-being of employees and the communities around it.



Beijing, China—source: World Wide Cycling Atlas



Cycling respects the environment. But we want to go beyond that, by actively working towards reducing the carbon footprint of our products and supply chain.

5 Planet

Product design and materials selection

Design and the circular economy are two pivotal and complementary elements in adopting a sustainable production model. Indeed, designing a new product, or innovating an existing one with sustainability in mind, poses the challenge of understanding and working on its entire life cycle, so not only the type of raw materials, but also their origin and availability, not only the environmental impact of in-plant production, but also the issue of production location versus supply and final distribution. And what's more, from the perspective of circularity, the possibility of reusing, recycling or properly disposing of the finished product and also of all production waste. Indeed, a design based on the efficient use of resources and materials makes it possible to decrease the environmental impact of the product by helping to reduce the waste generated.

Measuring product emissions

In the chapter dedicated to our strategic approach to sustainability ^[→4] we established that self-analysis is a necessary step towards future improvement. This attitude was what prompted the collaboration of Selle Royal Group with Spin Life s.r.l., a University of Padua spin-off, aimed at setting up the first Life Cycle Assessment (LCA) at the Italian plant. LCA is an analytical tool that facilitates gathering of information and allows a company to make forward-looking decisions about their processes from a life cycle perspective. The project is aimed at quantifying the environmental impact of certain products, from design to end-of-life, through prototyping, production, launch and actual customer use, in order to feed the process with information and expertise around sustainability.

Tested initially in 2022 on three representative models of three different manufacturing technologies, the study uses a parametric calculation model that has been validated by the ISO 14040–Environmental Management and Life Cycle Assessment certification. The ultimate goal is to develop a thorough understanding of the environmental impacts of each product, “cradle to grave”, to intervene in the processes from which the greatest negative impacts arise and improve the design of new products according to eco-design principles.

The results of the study allowed the company to identify three areas of study, action and measurement. The first has to do with input materials: it is important to set up strong partnerships with suppliers to nurture an ongoing, collaborative process of research and development of alternative materials or more

sustainable processes. The second has to do with product end-of-life: the company already has projects underway related to reparability, but is considering new avenues that look towards separability and recyclability. Finally, logistics, an issue common to all global businesses and one that Selle Royal Group is already addressing through reducing the radius of supply chains and moving closer to markets.

From the well-established experience of the LCA, a decision was made to develop the product briefs that product managers periodically draft for the R&D department taking into consideration eco-design principles and specific requests when it comes to a Life Cycle Assessment target value.

Product design

The know-how generated by the seven research and development centers, in the Group's various hubs, enables Selle Royal Group to constantly innovate its products in terms of quality, comfort, design and performance, and to research, develop and industrialize new technologies. In this respect, the sustainability strategy poses the need for further growth in skills and data recovery capabilities to work on three axes of improvement:

choice of materials to be used,

reduction of impacts at the production stage,

modular design of products so as to ensure reparability or encourage the recycling of their components.

The company is strongly committed to researching and evaluating alternative solutions, in terms of materials and processes, that will ensure a reduction in environmental impact. For each project, we go beyond simple regulatory compliance, seeking to anticipate consumer needs and create sustainable solutions that can innovate the way the cycling industry operates.

Raw materials and process materials

Selle Royal Group has always been committed to reducing the quantity of components and raw materials while maintaining high quality to ensure safety, comfort and durability. A perfect example is the Brooks England brand that, since its origins, has offered saddles with a minimalist design and fully represents, even in production, the vision of optimizing raw materials. When not reused to make the brand's accessories, production scraps are sold to a local company that produces small washers and seals.

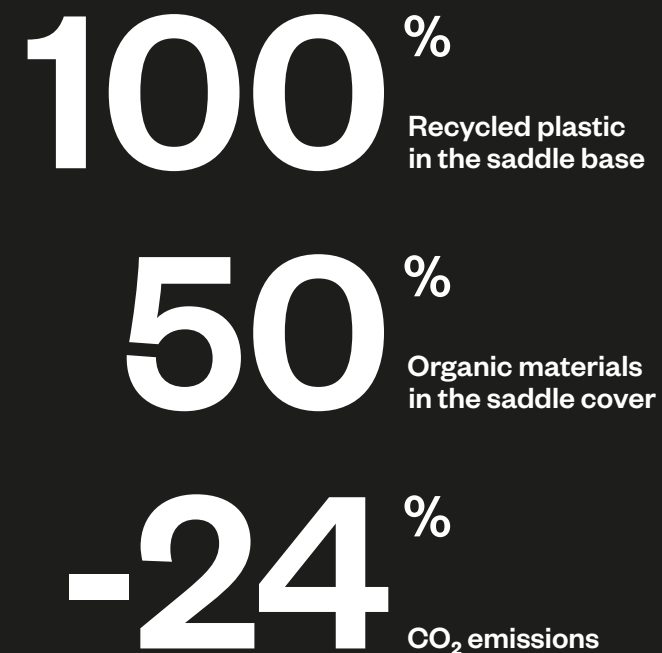
In general, raw material selection plays a key role in the life cycle of the Group's products. In line with the evidence gathered through product LCA, the R&D and Sourcing departments coop-



California, USA—source: Selle Royal archive

Lookin Evo

The Lookin Evo saddle is a further development of the iconic Lookin 3D saddle and is the first result of a series of actions taken by Selle Royal to actively reduce the carbon footprint of its products and supply chain. The saddle base is made from 100% recycled plastic from discarded electrical and electronic materials, with features that maintain the same level of flexibility, performance and comfort as the materials used in the original Lookin 3D saddle. The cover is composed of 50% organic materials, including soybean oil not used for food purposes, without the use of any chemical plasticizers. While using exclusively natural polymers, this organic material provides the same elasticity and abrasion resistance as the original saddle. Lookin Evo also represents the first result of a study aimed at measuring and reducing the environmental impact of Selle Royal products, following the Life Cycle Assessment method, which takes design, prototyping, production, launch, use and end of life into account. Thanks to the choices made in the design and material selection processes, the LCA showed that Lookin Evo has a 24% reduction in carbon emissions compared to Lookin 3D.



Details of the Lookin Evo project—source: Selle Royal archive

erate to find innovative solutions to meet performance requirements, starting with the main components of core products.

Saddle bases 100% recycled post-consumer plastic (RPP) pellets are used to make the bases for Selle Royal saddles (Lookin Evo and Essenza Evo lines). fizik Transiro Aeris and Antares Versus Evo bases are made with Rilsan PA11 pellets, a polyamide of plant origin with excellent mechanical and chemical properties.

Saddle covers and tops Lookin Evo saddles by Selle Royal use the Biotex cover, which is 50% made from organic materials and without the use of any chemical plasticizers. Brooks England employs a patented blend of plant ingredients for the tanning of the raw materials in leather saddles and other sustainable materials such as recycled nylon in Cambium saddles—C17 Special Recycled Nylon. Furthermore, the company achieved its goal of bringing the amount of phthalates in saddle covers produced in its factories in Italy and Brazil to a near-zero threshold, well below what regulations require.

Other saddle components The front nose piece and back plate of the Brooks C17 Special Recycled Nylon saddles are made of Liquid Wood, an innovative biopolymer that is 100% biodegradable.

Grips Brooks Plump grips are made with leather washers from scraps when cutting the Brooks England saddle tops.

Fabrics PEdALED garments also include recycled fibers supplied by four suppliers certified by the Global Recycled Standard, the leading international standard for sustainable production of garments and textiles made from recycled materials. Most of the fabrics used in the collections have Oekotex or Bluesign certifications.

Accessories Crankbrothers launched the first cleat fitting tool, a useful tool for attaching shoe cleats, made of recycled material. Other small tools, such as levers or connectors, are also made from materials derived from previous recycling.

Materials used in support of the production process are also constantly evolving. Some examples: the replacement in the Italian plant of almost all release agents with water-based solutions; the replacement of glues with water-based alternatives in China; and to date undergoing pilot testing on some processes, the transition to anti-corrosion coatings for organic-based metal components in the Brazilian plant.

Performance measurement is the first step in defining actions for improvement. For this reason, in recent years materials consumed during production have been under monitoring [TABLE 12].

The three-year period 2021–23 saw a reduction in materials used resulting from the concurrent reduction of manufacturing activities. Overall, in the past year, steel comprises, per unit weight,

40% of the material used and 27% comes from recycling, followed by raw materials for saddle padding (polyurethane foam) and other chemicals (30%). Recycled leather used in the Brooks England plant ranged from 6% in 2020–21 to 14% in 2022–23, peaking in 2021–22 when it reached 26%. The reduction in the share of recycled plastic bases is due to the material’s inability to meet industry and company quality standards.

More than 90% of the materials used are purchased from local suppliers [TABLE 13] based in the same country as the Group’s production companies. Two examples are synthetic leather (PVC) upholstery, purchased almost exclusively from local suppliers, and rubber tops, purchased in Italy and assembled at the Pozzoleone plant.

Providing its customers with a full range of products is possible also thanks to the purchase of about 1,8 million product parts from third-party manufacturing partners, which in all cases make

[TABLE 12]
Materials used in the manufacture of the products (t)

	Type of material	Fiscal year	Renewables	Non-renewables	Total	% recycled material
Total materials used		20–21	72	18,200	18,271	12%
		21–22	86	13,651	13,736	17%
		22–23	45	9,507	9,552	12%
Seat foams and chemical components	Chemical products	20–21	0	5,028	5,028	0%
		21–22	0	3,900	3,900	0%
		22–23	0	2,872	2,872	0%
Plastic base and aesthetics components	PU, PE, PA66	20–21	0	3,748	3,748	2%
		21–22	0	2,712	2,712	18%
		22–23	0	1,775	1,775	1%
Profile rails and spring	C30, C40 Steel	20–21	0	7,764	7,764	25%
		21–22	0	5,350	5,350	34%
		22–23	0	3,844	3,844	27%
Synthetic leather upholstery	PU/PVC	20–21	0	1,498	1,498	6%
		21–22	0	1,500	1,500	2%
		22–23	0	921	921	4%
Rubber saddles	Vulcanized rubber	20–21	0	16	16	0%
		21–22	0	21	21	0%
		22–23	0	8	8	0%
Leather	Leather	20–21	72	0	72	6%
		21–22	85	0	85	26%
		22–23	45	0	45	14%
Metal components	Metal	20–21	0	146	146	0%
		21–22	0	168	168	0%
		22–23	0	87	87	0%

products designed, engineered and patented by Selle Royal Group. Realizing that integrating social and environmental factors into its supply chain is one of the major challenges of the future [→ 6.4], the Group has set up a supplier evaluation and selection process for new product categories that also takes ESG parameters into account, followed by certified audits at each factory.

Sustainable packaging

Selle Royal Group has also embarked on an ambitious sustainability path with regards to packaging choices. All secondary and tertiary packaging was reviewed, reducing the number of packaging formats (masterboxes and polybags) in use at the Italian production facility. All packaging components inside masterboxes were evaluated to reduce, where possible, ancillary elements such as cardboard and nylon partitions. In particular, after validating the logistics tests, all components that do not impact product quality during transport were replaced with certified materials or materials with reduced environmental impact: the cardboard of the masterboxes is certified recycled (75-80% on average), while the plastic bags were replaced with 100% recycled and recyclable plastic poly bags. There are plans in place to extend these guidelines to the Group's other plants in the next three-year reporting period.

With regards to primary packaging, each brand has worked to ensure brand positioning while simultaneously adhering to sus-

tainability principles, striving to reduce components and materials or implement more sustainable solutions with recyclable, recycled, compostable materials or materials from certified or environmentally and socially responsible sources.

Selle Royal Selle Royal saddle hangtags produced in Italy and China are made of 100% recycled and recyclable cardboard that is FSC (Forest Stewardship Council) certified. Saddle hangtags produced in Brazil since 2023, currently in a transitional phase, are made of eco-biodegradable cardboard: inside, they contain seeds that, when planted, can generate a plant.

fizik The brand has drafted a packaging guideline with eco-sustainability goals, the most important of which is the reduction of raw material used; in fact, in the reporting period, the company is estimated to have saved 46,400 kg/year of paper destined for shoe packaging and 3,200 kg/year for saddle packaging. In addition, accessory items such as manuals and labels were removed, as well as all plastic items. Another implemented action is the reduction of the array of raw materials used in the same package, with preference given to the use of paper to facilitate recycling. Printing areas have also been reduced to be able to ensure optimal quality for second life products. fizik is gradually converting all packaging to FSC (Forest Stewardship Council) certified paper.

Crankbrothers The brand has launched several activities to help reduce packaging. More specifically, box sizes have decreased by an average of 20%, ink usage has decreased by 70% to facilitate post-consumer recycling, and all ancillary polybags in the pedals have been eliminated. What's more, the percentage of post-consumer recycled material increased from 85% to 100%.

Brooks England The packaging (saddle hangtags and boxes) of the Brooks England brand is made of mostly recycled paper.

PEdALED The bags containing PEdALED garments are made from TIPA® compostable material, while the e-commerce packag-

[TABLE 13]
Proportion of spending on local suppliers (€)

	Type of material	Fiscal year	Spending with local suppliers	Total spending	% Spending with local suppliers
Total materials used		20-21	39,044,146	42,830,547	91.2%
		21-22	34,958,324	38,220,443	91.5%
		22-23	22,395,255	25,169,639	89.0%
Seat foams and chemical components	Chemical products	20-21	11,345,246	13,252,784	85.6%
		21-22	8,936,645	10,439,935	85.6%
		22-23	6,754,027	8,222,614	82.1%
Plastic base and aesthetics components	PU PE PA66	20-21	7,728,979	7,943,280	97.3%
		21-22	6,555,403	6,583,511	99.6%
		22-23	3,639,241	3,684,464	98.8%
Profile rails and spring	C30, C40 Steel	20-21	11,644,547	11,968,539	97.3%
		21-22	10,605,737	10,883,347	97.4%
		22-23	6,305,468	6,592,656	95.6%
Synthetic leather upholstery	PU/PVC	20-21	6,895,837	6,902,024	99.9%
		21-22	7,058,093	7,069,453	99.8%
		22-23	4,805,634	4,860,143	98.9%
Rubber saddles	Vulcanized rubber	20-21	971,043	971,043	100.0%
		21-22	1,294,724	1,294,724	100.0%
		22-23	545,022	545,022	100.0%
Leather	Leather	20-21	0	1,318,793	0.0%
		21-22	0	1,416,296	0.0%
		22-23	0	904,879	0.0%
Metal components	Metal	20-21	458,493	474,085	96.7%
		21-22	507,722	533,176	95.2%
		22-23	345,863	359,852	96.1%

[TABLE 14]

Materials used for packaging (t)

	Fiscal year	Renewables	Non-Renewables	Total spending	% recycled material
Total	20-21	2,750.7	604.7	3,355.4	23.2%
	21-22	2,522.6	696.0	3,218.5	23.4%
	22-23	1,754.0	302.5	2,056.5	20.6%
Paper and cardboard	20-21	2.106	0.0	2,106	36.9%
	21-22	1,808.8	0.0	1,808.8	40.0%
	22-23	1,267.0	0.0	1,267.0	33.0%
Plastic	20-21	0.0	581.8	581.8	0.1%
	21-22	0.0	595.3	595.3	0.3%
	22-23	0.0	289.8	289.8	0.3%
Pallets	20-21	644.7	22.8	667.5	0.0%
	21-22	641.8	23.7	665.5	0.0%
	22-23	487.0	8.6	495.6	0.0%
Fabrics	20-21	0.0	0.1	0.1	0.0%
	21-22	0.0	77.0	77.0	0.0%
	22-23	0.0	4.0	4.0	0.0%

ing (which can also be reused for any returns) is designed entirely from paper. The goal is to reduce the consumption of single-use plastic, while still ensuring the garments receive the best protection during transportation.

Overall, 90% of the packaging used is purchased from local suppliers, with peaks on the bulkiest components, such as pallets (100%), or on consumer products, such as zip ties and plastic bags (97%).

[TABLE 15]

Proportion of spending on local suppliers (€)

	Fiscal year	Spending with local suppliers	Total spending	% Spending with local suppliers
Total	20-21	3,540,642	3,853,258	92%
	21-22	3,340,460	3,729,132	90%
	22-23	2,175,779	2,399,105	91%
Paper and cardboard	20-21	2,821,514	3,129,948	90%
	21-22	2,702,940	3,086,626	88%
	22-23	1,683,447	1,890,535	89%
Plastic	20-21	565,334	569,205	99%
	21-22	481,461	485,163	99%
	22-23	337,290	347,994	97%
Pallets	20-21	153,794	153,794	100%
	21-22	156,059	156,059	100%
	22-23	155,042	155,042	100%
Fabrics	20-21	0	312	0%
	21-22	0	1,284	0%
	22-23	0	5,535	0%

5.2 Sustainable production

Selle Royal Group's commitment is also expressed through its focus on the management of the production process, that is, the impacts derived from within its organizational boundaries, particularly the reduction of waste generated in the activity, the monitoring of energy consumed, and the analysis of emissions produced and water consumption.

Since 2021, Selle Royal Group S.p.A has been adopting an integrated management system with the environmental (ISO 14001) and energy (ISO 50001) management systems, while Selle Royal Vehicle (China) Co. Ltd has been adopting the environmental management system (ISO 14001) and Royal Ciclo Industria de Componentes the ISO 50001 management system. The company's established integrated management system has allowed it to increase its monitoring and control of its environmental, energy and occupational health and safety performance.

In recent years, major investments have been made in the digitization of certain phases of the production process, which have led to the installation of Industry 4.0 equipment and machinery at the Pozzoleone plant.

Energy consumption, monitoring and management of Scope 1 and 2 emissions

Although not classified as an energy-intensive company, Selle Royal Group has always been committed to developing continuous monitoring and energy-saving initiatives. Attesting to this commitment, a 1.3 MegaWatt photovoltaic system was tested in April 2023, installed on the roof of the Pozzoleone plant, which will cover about 40% of current energy needs. Moreover, since 2019, the Group has put in place a procedure that takes into consideration energy performance levels as well as economic indicators when purchasing new machinery and equipment.

A series of initiatives carried out at the Pozzoleone plant during the three-year period are described below.

Energy recovery A project was carried out to refurbish the compressor room from which part of the plant's heating is derived. The system allows heat to be recovered via exchangers from the compressor oils and reused to heat the cutting and welding department.

Automatic voltage regulators Two automatic voltage regulators have been installed between the input power and the power consumed in the company, allowing the regulation of the voltage level and the subsequent reduction of energy overconsumption and damage to electronic equipment resulting from voltage restoration.

Plant and machinery renewal In 2019, a new automated system adopted to lay out and cut saddle cover rolls was installed, allowing for an increase in productivity and thus a reduction in energy intensity. Moreover, since 2018, all robots that apply release agents to the saddle mold have been gradually replaced to enable the use of water-based solvents and concentrated solvents leading to a subsequent reduction in waste and emissions.

Automated carousels During the reporting period, two carousels were installed with automated systems to differentiate the heating temperature of the molds, based on the specific requirements of the saddles, allowing for better product execution and energy saving.

The Group's energy consumption derives mainly from the electricity used for the production process, lighting and office heating, and to a lesser extent from the consumption of other fuels such as natural gas, LPG, and water vapor used in China. Com-

pared with previous years, 2022–23 recorded an energy consumption of 67,110.1 Gigajoules, down 8.4% from 2021–22 and 12.4% from 2020–21, due to reduced production. Fuel consumption of fleet company vehicles, particularly diesel (up 14% compared to 2021–22 and up 11% compared to 2020–21), is on the rise as a result of the resumption of post-Covid travel.

On the energy intensity front, the data shows an increase over the three-year period, as it is calculated on sales data that first reflects the post-Covid peak with a subsequent demand stabilization; in addition, the data discounts certain energy costs that are fixed regardless of volumes and are therefore not proportional to them.

Supporting and joining the Shift Cycling Culture initiative underscores Selle Royal Group's focus on emissions monitoring and reduction. As required by the initiative, this first report provides evidence of Scope 1 emissions, i.e., direct greenhouse gas (GHG) emissions from sources owned or controlled by the company, and Scope 2, i.e., emissions related to energy sources acquired by the organization for self-consumption. The reporting standard employed (GRI Sustainability Reporting Standards 2016) establishes two different approaches for calculating Scope 2 emissions: location-based and market-based. The former involves the use of average emission factors related to specific national electricity generation mixes, while the latter involves the use of emission factors defined on a contractual basis with the power supplier.

Emissions are mainly attributable to power generation and its supply. Specifically, more than 80% of total emissions come from Scope 2 (87% location-based, 88% market-based). In 2022–23, Scope 2 emissions are down 8% from the previous year, due to the energy efficient activities described above, as well as the reduction in manufacturing activities. In the same year, direct emissions (Scope 1) drop by 12% compared to 2021–22 and by 15% compared to 2020–21.

Selle Royal Group is aware that most of its emissions come from Scope 3, i.e., all indirect GHG emissions from activities that oc-

cur from sources not under its ownership or control. As revealed by the Life Cycle Assessment analysis, the predominant share of indirect emissions comes from raw material procurement. Therefore, the company is implementing collaborative projects with partners along the supply chain to monitor their environmental and social performance.

[CHART 6]
Emissions reduction target, one of the Cycling Industry Climate Commitment goals



[CHART 7]
Direct and indirect emissions related to energy consumption (tCO₂eq)

Fiscal year	20–21	21–22	22–23
Scope 1 ²	1,001.20	960.19	845.77
Scope 2–Location based ³	5,877.92	5,919.34	5,466.92
Scope 2–Market based ⁴	6,494.40	6,652.41	6,078.03
Total emissions–Location based	6,879.14	6,879.53	6,312.69
Total emissions–Market based	7,495.62	7,612.60	6,923.80

[TABLE 16]
Energy consumption (Gj)¹

Fiscal year	20–21	21–22	22–23
Total energy consumption	76,634.5	73,236.8	67,110.1
Natural gas	13,324.5	12,712.9	9,678.6
GPL	3,020.6	2,795.3	3,037.1
Gas for fleet	117.5	153.7	140.0
Diesel for fleet	654.3	1,208.3	1,383.3
Saturated vapor	5,551.6	5,368.4	5,412.8
Electricity from grid	53,318.1	50,761.8	46,023.8
—of which renewable	0	0	0
Self-generated electricity	0	0	721.6
Energy for cooling	648.0	776.3	712.8

[TABLE 17]
Energy intensity (Gj/unità vendute)

Fiscal year	20–21	21–22	22–23
Energy intensity per sales volume	0.0039	0.0043	0.0048

1 Energy consumption was calculated in terms of Gigajoules (GJ) using the following as a source for conversion factors: "UK Government GHG conversion factors for company reporting 2021–22–2023"

2 For the calculation of Scope 1 emissions, the document "UK Government GHG conversion factors for company reporting 2021–22–2023" was used as the source for emission factors.

3 For the location-based calculation of Scope 2, ISPRA's CO₂ emission factors for electricity production, heat production, and electricity consumption were used as the source.

4 For the market-based calculation of Scope 2, the sources used were AIB Residual Mix for Europe and Terna—international comparisons for the rest of the world.



Solar panels on the roof of the Pozzoleone HQ, Italy—source: company archive

Other Emissions

In addition to verifying the amount of CO₂ emitted, Selle Royal Group S.p.A, Royal Ciclo Industria de Componentes Ltda and Selle Royal Vehicle (China) Co. Ltd analyze the emissions of dust and pollutants coming from their factories through specific measurements, in particular volatile organic compounds (VOCs), which in 2022–23 amounted to 12.9 tons (8.5 in 2021–22 and 10.0 in 2020–21).

In China, the local government is focused on VOC emissions, which the company is committed to keeping stable despite increased activity and production, thanks to improvements such as the introduction of water-based glue and the overhaul of machinery to avoid the use of solvents.

In Brazil, atmospheric emissions from stationary sources such as gas scrubbers and LPG gas stoves are monitored annually. The parameters for carbon monoxide (CO), nitrogen oxides (NOx) and sulfur oxides (SOx) remain extremely low, and particulate matter derived from gas scrubbers does not show significant values.

Waste Management

Selle Royal Group is committed to waste management, a strategic issue that helps make production increasingly circular and reduce impacts on the environment and disposal costs.

In particular, in recent years, the company has been working on a new way of trimming saddle covers that reduces plastic waste destined for recycling, thanks to a collaboration with a specialized company in Italy. Moreover, 2023 saw the introduction of an industrial technology that enables the recovery of production waste, which is fed back into the production cycle, in accordance with the principles of the circular economy.

In 2022–23, the company produced 1,620 tons of waste, a significant reduction compared to previous years (-25% compared to 2021–22 and -32% compared to 2020–21), due to the decrease in production volumes in the last year. In the first months of the year, the launch of a new plant led to a slight increase in the percentage of discarded products, which was brought back to normal (around 6%) in six months, thanks in part to the attention paid throughout the entire production process that allowed for the timely identification of non-conforming products, reducing the number of defective and therefore discarded finished products.

Over the past year, thanks to targeted recovery activities, Selle Royal Group recovered 58% of generated waste.

The commitment to waste recovery is widespread within the Group. In Brazil, Royal Ciclo recycles waste from the trimming process, selling it to shoe companies that in turn use it as raw material to produce new shoes and sandals, as well as various oily substances used in production and intended for industrial recycling. In addition, Royal Ciclo compensates for 22% of plastic (23 tons)

[TABLE 18]
Waste not intended for disposal (t)

Fiscal year	On-site			Off-site			Total		
	20–21	21–22	22–23	20–21	21–22	22–23	20–21	21–22	22–23
Total waste not intended for disposal	966.8	936.2	642.3	546.8	337.5	297.3	1,513.6	1,273.6	939.6
Hazardous waste	127.8	36.9	30.7	0.0	82.0	89.0	127.8	118.9	119.7
Preparation for re-use	87.0	0.0	0.0	0.0	82.0	89.0	87.0	82.0	89.0
Recycling	8.7	4.4	4.7	0.0	0.0	0.0	8.7	4.4	4.7
Other recovery operations	32.1	32.5	26.0	0.0	0.0	0.0	32.1	32.5	26.0
Non-hazardous waste	839.0	899.2	611.6	546.8	255.5	208.3	1,385.8	1,154.7	819.9
Preparation for re-use	2.0	2.0	0.0	0.0	0.0	0.0	2.0	2.0	0.0
Recycling	28.7	35.0	32.6	546.8	255.5	208.3	575.5	290.5	240.9
Other recovery operations	808.3	862.2	579.0	0.0	0.0	0.0	808.3	862.2	579.0

[TABLE 19]
Waste intended for disposal (t)

Fiscal year	On-site			Off-site			Total		
	20–21	21–22	22–23	20–21	21–22	22–23	20–21	21–22	22–23
Total waste intended for disposal	34.6	41.6	21.2	835.4	853.9	659.3	870.0	895.5	680.5
Hazardous waste	31.8	38.9	9.0	304.1	217.4	162.5	335.9	256.3	171.5
Incineration (with energy recovery)	0.0	0.0	0.0	65.0	43.0	28.0	65.0	43.0	28.0
Landfill	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	129.5
Other disposal operation	31.8	38.9	9.0	236.2	169.1	129.5	236.2	169.1	13.9
Non-hazardous waste	2.8	2.7	12.2	531.3	636.5	496.8	534.1	639.2	509.0
Incineration (with energy recovery)	0.0	0.0	0.0	403.0	539.0	434.0	534.1	639.2	434.0
Landfill	0.0	0.0	0.0	128.3	97.5	62.8	128.3	97.5	62.8
Other disposal operation	2.8	2.7	12.2	0.0	0.0	0.0	2.8	2.7	12.2



Born Again

Like any quality-driven industrial process, saddle production produces solid waste. Thanks to the Born Again research project, Selle Royal Group has developed a new technology that makes it possible to recover multi-material (PVC, PU, PP), expanded and non-separable production waste, reduce it to microgranules, and reintroduce it into the foaming process of new saddles, thus reducing the amount of waste sent to landfills, activating internal circularity. In the development process, the first issue to be addressed was the processability of the soft substances. Once the technology needed to carry out this operation was identified, machinery was chosen that would allow the granules obtained from grinding the waste to be placed in the liquid part of the saddles during the foaming process. An additional focal point of the project was the quality of the final product, as it is crucial for Selle Royal Group to guarantee consumers the same level of comfort as standard saddles. Presented at Eurobike 2023, Born Again is currently under development: in 2024 it will be tested on two Selle Royal saddle models. In the future, through a parallel development of the entire plastics sector, this technology can be applied to the entire Selle Royal Group production and also to other types of products.

Collect

Like any quality-driven industrial process, producing saddles creates a certain amount of solid waste. We don't throw it away.

Crush

Thanks to a long-term research project, we have devised a new technology that grinds waste, turning it into a black powder.

Recycle

This powder gets injected into the foam that we use to make new saddles, thus reducing waste and boosting a circular production model.

and cardboard (144 tons) waste used for packaging through Euciclo, a Brazilian company that offers reverse logistics solutions for packaging throughout Brazil. In China, Royal Vehicle reuses about 2 tons of plastic scrap and structural components, which are ground up and reused to make non-structural components of the product. In England, at the Brooks England plant, leather processing scraps, if not reused to make the brand's accessories, are sold to a local company that makes small washers and seals.

Water consumption

Water used in production processes in Italy and Brazil to wash machinery and products amounted to 22 megalitres in 2022, stabilizing after the reduction occurred the year before.

In 2022, about 87% of the water extraction took place in Brazil via two wells and partly via the local water supply system. With regard to wastewater discharge, the company complies with the Licença Ambiental de Operação (LAO), and recorded 6 megaliters in 2022–23, 4 megaliters in 2021–22, and 9 megaliters in 2020–21, treated in the effluent treatment plant and discharged to surface water. 16.5% of the treated water is reused within the production process.

In the Italian plant, water is drawn entirely from a well and there are no industrial water discharges.

[TABLE 20]
Water withdrawal (Megaliters)

Fiscal year	20–21	21–22	22–23
Total water withdrawal	24,5	19,2	22,1
From surface water	6,8	4,2	4,2
From groundwater	16,1	13,1	16,0
From third-party water resources	1,6	1,8	1,9

5.3 End-of-life management

Made from quality materials and subjected to internal quality controls that exceed the protocols defined by the relevant ISOs, all products from Selle Royal Group brands are designed to be long-lasting. The next challenge for the company relates to end-of-life management, which involves designing products that are modular, recyclable and repairable. Bicycles and their components, in fact, are by nature durable goods, which lend themselves to a long service life if optimally maintained. In order to work towards a circular economy, it will prove important to collaborate with other players both along the value chain and at the regional level in the target markets.

Replaceable components **All parts subject to wear and tear in fizik and Crankbrothers shoes (e.g., lacing, BOA lacing system, metal parts for the fixing of cleats, removable rubber plugs, and removable insoles) are user-replaceable.**

Pedal repair **In 2022, Crankbrothers began producing and disseminating a series of video tutorials encouraging its customers to take care of their bike pedals autonomously. The initiative raises awareness of the lifecycle of products by spreading the culture of repair.**

Pedal maintenance—source: Crankbrothers archive





Saddle maintenance—source: Brooks England archive

Take Care by Brooks England

Take Care is a Brooks England project that helps cyclists extend the life cycle of the brand's saddles, bags and accessories, in line with the brand's philosophy. Each Brooks product, in fact, is built to last. Take Care consists of a series of videos and instructions made available to users and pinpoints three main actions.

Maintain

By regularly taking good care of Brooks products, cyclists can significantly extend their longevity. A series of video tutorials explains how regular maintenance of a Brooks saddle is critical to its well-being and longevity. For instance, Brooks recommends checking the condition of your saddle every six months and, if the leather has dried out or stretched, applying a leather moisturizer or turning the saddle on the pivot nut to maintain tension.

Repair

Brooks products are designed to be easily repairable should they break or sustain damage from a fall or accident. For more serious damage, cyclists can contact an authorized Brooks product vendor or ship their product directly to the factory. The most basic repairs—such as changing a spring or fixing saddle rivets—can be done at home with just a few tools, following video tutorials, and using replacement parts available on the brand's website.

Recycle

Brooks invites its customers to give new life to products that have become unusable. Cyclists can download a guide from Brooks' website on how to recycle the various components of its products properly and autonomously. Alternatively, products that have reached their end of life can be shipped to the factory, where they will be disassembled, reduced to their individual components, and recycled to make new products or for other practical applications.

5 Years
Average spanlife of a standard saddle

20 Years
Potential spanlife of a Cambium saddle of Brooks England

100 Years
Potential spanlife of a leather saddle of Brooks England

“A well-made and durable product is an environmentally sustainable response to market demands”



Marco Malfatti R&D Director—saddles & accessories

Marco Malfatti began his experience at Selle Royal Group in 2007. After starting out at Brooks England Srl, he spent two years at the company's Chinese headquarters, where he helped establish a local R&D department. Today he is R&D Director for the saddles and accessories categories at the headquarters.

Can you tell us about your role at Selle Royal Group?

I am in charge of R&D for the saddles and accessories division, across all brands and have operational responsibility in other group locations. The main scope of work of R&D is product development, from design to first production. We collaborate with the various business functions (quality, industrialization, purchasing, product management, marketing, and factory), researching, validating, developing, and eventually internalizing new technologies. It is a role that has a substantial impact on corporate sustainability.

How are Selle Royal Group products evolving?

Our saddles already consist of a few components (plastic base, foam, cover, metal frame, and decoration). We are therefore not working on reducing them further but rather maintaining this approach, while avoiding an increase in material use, complexity and costs. Of course, we comply with the relevant ISO standard, which defines the mechanical requirements to meet the minimum quality standard, and we carry out several additional tests at the company's lab to ensure greater durability and safety.

What is your team doing in the areas of sustainable and certified raw materials?

On the environmental front, it is critical to use materials produced by companies that are themselves committed to ESG principles. We are currently using post-consumer recycled plastics, which have a direct benefit on the Life Cycle Assessment, but they require a lot of planning to ensure a proper structure that also limits the use of plastics. On the other hand, a well-made and durable product is an environmentally sustainable response to market demands. This is why we also use virgin raw material in our products, but carefully designed in order to find the most suitable shapes for whatever the purpose is. The latter approach, which is very analytical,

requires specific instrumentation and expertise, which we are constantly updating so that we use less material and only where strictly needed.

Are you launching any projects soon?

We are working on the concept and patent for a saddle that can be disassembled into each of its individual components so it can be repaired; if this is not possible, all the separate components can be properly disposed of. From a methodology perspective, we, as a company, have decided that the briefs that the product manager requests from R&D will also include an LCA target value, as well as product specifications. This is a very important step to start thinking about sustainability in a systemic way.



Product development in the bike fitting room in Pozzoleone, Italy—source: company archive

“The main challenge is to research and broaden the range of suppliers with attention to ESG issues”



Luisa Grappone | R&D Director, Crankbrothers

Maria Luisa Grappone, an aerospace engineer, started her career in innovation and product development at cycling-related companies in Italy and the United Kingdom. Since 2023, she has been working as R&D Director for Crankbrothers (part of Selle Royal Group), leading the brand's R&D team.

What exactly do you do for Selle Royal Group?

I am R&D Director at Crankbrothers. I follow and oversee the research and development of products such as wheels, pedals, seatposts, gears, pumps, grips, etc. Design, testing and prototyping are done in-house, while manufacturing is done by external partners and suppliers. The main materials we work with are various metals, carbon fibers and plastics, mainly of synthetic origin.

What is the role of Research and Development in charting a path of sustainability for Selle Royal Group?

The technical Research and Development department plays a key role. Choosing environmentally sustainable materials, reducing packaging materials, digitizing communication and logistics processes, developing production processes with reduced energy costs—these are just some of the actions we are implementing in order to make and market products with a lower environmental impact.

What areas of sustainability is Crankbrothers working on specifically?

We have started to make components from recycled material: one example is a cleat alignment tool, used to fix cleats to shoes. We are researching the use of bio resins and bio fibers to make a flat pedal that can meet the structural requirements and be 100% sustainable at the same time. Finally, thermoplastic resins and carbon fiber can be the starting point in making existing products more sustainable.

How is sustainability integrated into your team's processes?

As R&D Director, I do the utmost so that my team can engage with the latest technological innovations in the field of environmental sustainability through refresher courses, trade shows and specific events internationally. Being able to invest time

and resources to the study and development of alternative environmentally sustainable processes, technologies and materials allows the company to have the right approach toward environmental sustainability policies.

What are the challenges for the next five years in the R&D field you're responsible for?

The main challenge will be just researching and expanding the range of suppliers with a focus on ESG principles. Our goal is to work with companies that have made their production processes more sustainable and, at the same time, have managed to maintain or improve costs, but more importantly product quality.



Team Operations in Taiwan—source: Crankbrothers archive



Our work is a collective effort, we stand as a team, support each other and bring value to the communities in which we operate.

6 Participation

6.1 A path to share

In recent years, the Covid-19 pandemic, and the urgency to adopt more sustainable measures have presented the cycling community with an unprecedented development opportunity for the bicycle industry. The growth in orders and sales volumes has been accompanied by a strong cultural and social push: many people have realized the value of two wheels as an alternative for getting around and as a chance to take care of their well-being.

Selle Royal Group sees the bicycle not only as a tool to improve people's quality of life, but also as an opportunity to create value and jobs. The company sees itself not as a single player within the bicycle industry, but as a civic and global one operating in a highly relevant sector within the ecological transition we all find ourselves in. As such, it has a responsibility to promote sustainable mobility and community building, widening its understanding of cyclists' needs and fostering the emergence of groups of enthusiasts who will in turn help spread positive values.

For Selle Royal Group, "participation" is also synonymous with partnership with stakeholders at all levels. Hence, the company, in its sustainability journey, began early on to share and generate stories of change in partnership with its suppliers and long-standing customers. Without question, the ecological transition must be a collective and continuous process, especially when it comes to creating circular economy processes that will have a considerable impact on society.

6.2 Global participation

Through its brands, Selle Royal Group supports a wide range of initiatives supporting the communities in which it operates, all over the world, with a preference for those that promote cycling and support cyclists of all backgrounds, genders and walks of life.

Team Amani

Team Amani is an international cycling team with a goal that goes far beyond individual achievements. The project, based in the Netherlands but with a much wider reach, has a clear mission: to lead initiatives aimed at promoting inclusivity in sport while laying the groundwork for more equitable races for East African cyclists. One of Team Amani's main goals is to create new opportunities. By partnering with cycling teams in Kenya, Rwanda and other African countries, Team Amani offers cyclists the opportunity to train and compete on equal terms in major international races.

Migration Gravel Race

As part of the Amani project, the brands PEdALED and Brooks England are supporting the Migration Gravel Race, a four-day cycling race through Kenya's Masai Mara Park, with the aim of fostering local racing opportunities, building independent financial models to support local teams, and helping to promote indigenous cycling culture by employing dozens of Masai tribe members for the organization of the event and highlighting the intrinsic value of pristine land.

Summer of '22

Summer of '22 is a documentary film that tells the story of Team Amani as they participate in the Migration Gravel Race and the Evolution Gravel Race, two races that represent a turning point for the recognition of African cycling. Supported by the two brands PEdALED and fizik, *Summer of '22* shows how Selle Royal Group is constantly striving to help promote cycling also as a lever of social development. The film was presented at Sea Otter Europe 2022, the European bike festival, which took place in Girona. An additional screening was held at Selle Royal Group headquarters in memory of Sule Kangangi, captain of the Team Amani team, who passed away prematurely.

Brooks Cambium C17 Migration Gravel Race

To celebrate the Migration Gravel Race, East Africa's first official gravel race, Brooks England created a fifty-piece limited-edition C17 saddle, with a design that evokes the concept of timu moja, "a team" in Swahili. The special edition MGR Cambium comes with a beaded pendant, handcrafted by Maasai artisans, and an exclusive set of three analog prints made during the event. Proceeds from sale of the saddles were used to support cycling in East Africa via the Amani Project.

Bike Parks and Trail Centers partnerships

Crankbrothers is committed to supporting the maintenance and construction of new trails within bike parks or trail centers around the world through collaborations with a network of local partners. Specifically, the brand gives visibility to various local entities through social media, organizes on-site activations, gives free products to mountain bike guides, and makes donations that are used to build, clean, and maintain trails and paths, making them accessible to all cyclists. To date, the project has supported trails in Massa Marittima, Frontignano Bike Park and Paganella Bike Park in Italy, Geisskopf Bike Park and Willingen Bike Park in Ger-

many, Petzen Bike Park in Austria, Viana do Castelo in Portugal, Loudenvielle Bike Park and Chatel Bike Park in France, and Whistler in Canada. These are organizations and locations that over the years have become a benchmark for the international mountain biking community.

Crankbrothers × Stevie Smith Legacy Foundation

Crankbrothers has launched several projects to support the Stevie Smith Legacy Foundation, the foundation that supports Canadian gravity racers, established in 2016 in memory of Stevie Smith, champion of the Devinci Global Racing team. To fund the lighting system at the Vancouver Island bike park dedicated to him, Crankbrothers launched the F15 Stevie Smith Memorial Edition Tool and put it on sale. Proceeds were donated to the foundation.

Crankbrothers × Marek Turkiewicz

Since 2022 Crankbrothers has been at the side of Marek Turkiewicz, a mountain bike aficionado who in 2013, as a result of a bad motorcycle accident, was paralyzed in one arm and had his leg amputated. Crankbrothers has not been indifferent to such an extraordinary person, who decided to get back in the saddle despite his dire situation: in addition to offering him support, they continue to tell his story to show how mountain biking can change people's lives for the better.

Crisis Text Line 2022

To raise mental health awareness, Crankbrothers has partnered on US soil with the 24/7 free service Crisis Text Line, offered by qualified volunteer counselors, who help people going through times of crisis. To this end, Crankbrothers partnered with Forbidden Bike Co, Cane Creek, TRP, fizik, Continental and SpokeX to create a special edition trail bike. The brand's online community was able to win the bike through a donation. All proceeds were then donated to Crisis Text Line.

Wheels4Life

In 2021 Crankbrothers donated 20% of Black Friday on-site proceeds to Wheels4Life, a charity founded by world trials racing champion Hans Rey along with his wife Carmen with the aim of providing bicycles to people in need in countries such as Uganda, Malawi, and Nepal. In such countries, a bicycle can make a big difference because it allows people to move faster, reach more distant places and carry much more weight than on foot. Wheels4Life works with volunteers and local organizations to

make sure recipients receive instructions on bicycle use, safety, and basic maintenance.

Ride Like A Girl

Since 2021, Crankbrothers has supported Ride Like A Girl, a project started in 2015 in Italy to create a community of women who love mountain and road biking. The goal is to make women autonomous when out on their bikes, both in managing mechanical issues and in organizing tours, so they can enjoy the experience to the fullest.

Pedal to Empower

For the 2022 and 2023 World Bicycle Day, Selle Royal Group took part in Pedal to Empower, a global initiative sponsored by World Bicycle Relief. The project consists of a collective ride whose ultimate goal is to raise funds to mobilize 4,000 women and girls in developing countries by providing them with the means (in this case, bicycles) to break down socio-cultural and physical barriers, such as the inability to access educational facilities and health services. Between June 3 and June 5 of both years, around one hundred Selle Royal Group staff members pedaled a total of about 12,000 kilometers, contributing to the global goal of one million kilometers traveled, and to the purchase and donation of dozens of bicycles, which positively impacted the lives of nearly 6,000 people.

Lookin EVO × BiciCouriers

As part of the campaign to launch the Lookin EVO saddle in Italy, Selle Royal has formed a new partnership with BiciCouriers. Founded in 2014 to help make the city of Milan more sustainable, BiciCouriers is one of the first bike delivery companies in Italy, and today it also operates in Rome. As of this year, sixteen cargo bikes, ridden by twenty couriers who make more than eight thousand deliveries a month, are equipped with Lookin EVO saddles.

fizik × Know No Borders

In 2022 fizik, in collaboration with Komoot, a platform that helps plan outdoor activities, and a network of international ambassadors, came up with Know No Borders, an initiative to encourage cyclists to discover amazing new destinations. People were asked to report and share their favorite routes with the community in exchange for a small reward.

Ride Now Shop Later

Since 2020, during Black Friday weekend, fizik has been shutting down its e-commerce and encouraging people to go out for

a ride rather than spending time in front of the computer looking for discounts and promotions. By using partner apps Strava and Komoot during their bike ride, participants get a 30% discount on the brand's e-shop, valid for six months. In addition to being in line with the values of the Group and a community that puts sports first, the campaign offers a possible solution to issues of excessive consumerism, trying to limit the hectic shopping sprees on Black Friday.

fizik × One-Hour-A-Day Challenge

In May 2023, fizik partnered with adventure cyclist and activist Sarah Swallow for the One-Hour-A-Day Challenge, an initiative launched to raise awareness about mental health among cyclists. The premise of the initiative is that engaging in regular outdoor activity benefits not only the physical, but also mental well-being and overall cognitive function, as it has been shown to improve mood and affect depression, sleep and overall quality of life. In May's Mental Health Awareness Month, fizik invited its community to embrace the challenge of devoting at least one hour a day to outdoor activities, sharing their journeys and thoughts on social media using the hashtag #onehouradaychallenge. He also urged people to donate to non-profit organizations working in the mental health field.

fizik for Sisters in the Wild

Sisters in the Wild is a British women's cycling collective founded to support women's and LGBTQ+ empowerment projects through cycling and get-togethers. The collective supports bikepacking and gravel adventures, annual trips and festivals to female, non-binary, and trans cyclists. fizik supported the collective's annual Summer Gathering in 2022 and 2023, in favor of the development of local mobility, by carrying out dedicated product training at each event.

Mike Hall Bursary

Thanks to the Mike Hall Bursary, PEdALED backs the participation of five athletes from disadvantaged backgrounds or countries in the Transcontinental Race. Among those supported in 2023 is Taniya Denisenko, a Ukrainian ultra-distance cyclist who was able to take part in the race despite coming from a war-torn background.



The Gyptotheca Canova in Possagno was chosen as the location for the shooting of the Decos shoe by fizik, in support of the Canova Foundation and its cultural activities



Support Cyclists on the Road, Berlin, Germany—source: Selle Royal archive

Support Cyclists on the Road

10,000 Cyclists

3,000+ Bike checks

18 European cities

Support Cyclists On The Road is a project launched in 2018 to give continuity and substance to Selle Royal's brand mission: to support cyclists, allowing them the opportunity to experience every ride at its best. On top of this, Selle Royal travels across Europe with a van that stops at major bike paths in several cities offering free bike checks and assessments. Cyclists who stop by the van have access to an experienced mechanic who checks their bike for free, diagnoses any issues, and fixes the simplest ones (e.g., inflates a tire, tightens a brake, oils the chain, etc.) on the spot, and provides the address of a mechanic in town in case there is more serious damage. During this bike check, Selle Royal staff offer coffee to cyclists and chat with them. Support Cyclists On The Road is an engaging project that allows Selle Royal to meet cyclists in their natural environment, providing a memorable brand experience. In the three-year reporting period, Support Cyclists on the Road touched eighteen European cities, carried out about three thousand bike checks and involved a total of about ten thousand cyclists.



Support Cyclists on the Road, Strasbourg, France—source: Selle Royal archive

The story of Sule Kangangi and Team Amani, the professional gravel team that is changing the face of African cycling

Uphill dream

Iten, Kenya. On a plateau two thousand meters above sea level, the temperature hovers around 20°C all year round. This is where the world's fastest marathon runners train. But there's more. For some time, Iten has also been home to Team Amani, a coalition supported by various partners, including Selle Royal Group, which has the ambition to grow cycling as a sport and movement in East Africa, inspiring future generations to reach the highest levels in the sport. Now let's change down a few gears, as this story starts uphill.

The first to ride out of the saddle was Sule Kangangi, a child living in Kapsuwa, a neighborhood on the outskirts of Eldoret, about three hundred kilometers from Nairobi. Growing up without parents, Sule dropped out of school at age 11 to earn a living tending livestock, cleaning and selling secondhand clothes. One day, while visiting his grandfather, he discovered a black fixed-gear bicycle in the garage: a black mamba, as these two-wheelers are known in East Africa. He hopped on. He started pedaling, realizing after a few moments that once he overcame road friction, it was easy to find balance and start moving. And, who knows, once you get going you might even go far.

Years went by, and Sule jumped from one job to another: first he worked in a print shop, then he was a clerk in a convenience store. But he never stopped riding his grandfather's black mamba, to which he has since added a back seat to carry passengers around Eldoret. At nineteen, he assembled his first road bike by himself. He began training, riding longer and longer distances, and cultivated his dream of changing the world, one ride at a time.

In 2016, he got married and started a family. He was recruited by the Kenyan Riders, a team of Kenyan professional cyclists with whom he participated in races in China, Australia and the United Arab Emirates. In the meantime, he put on a number of races locally and worked to grow the African cycling movement for both men and women, fighting for the

continent's athletes to be put in a position to compete internationally with Western ones.

The climb, however, was not over. In 2018, Sule met Mikel Delagrange, a human rights lawyer and amateur cyclist who had already sponsored several African road cyclists through his cafe—the Lola Bikes & Coffee in The Hague, Netherlands. Mikel had an obsession: to promote cycling in Africa using off-road gravel bikes. Sule accepted the challenge: from then on, he would devote his heart and soul to fostering gravel cycling culture in Kenya, while Mikel would take care of finding the necessary funding to start the project. This is how Team Amani and the idea of organizing East Africa's first official gravel race were born.

Thanks to the support of several partners including PEdALED and Brooks England, in 2021 Mikel and Sule presented the first edition of the Migration Gravel Race. A four-day competition, covering approximately 650 kilometers and 8,000 meters of climbing, in which African and international athletes participate. The race takes place in the Masai Mara—a Kenyan national reserve where cyclists share the red dirt roads with giraffes, lions, zebras and elephants—and is representative of a momentous transition: African cyclists will no longer have to travel to compete with riders from around the world, instead the rest of the world will travel to Kenya to compete in an exhilarating race.

Team Amani—recognizable by the iconic colors of the PEdALED suit—soon reaped its first rewards: in 2021 Sule, team captain, finished second, beaten only by Dutch legend Laurens ten Dam. The following year Sule trained even harder. After twenty hours on a bike, at an average altitude of 1,900 meters above sea level, he crossed the finish line first. He fulfilled his dream of not only succeeding in bringing the international competition to East Africa, but actually winning it.

In August of that year, Team Amani traveled to the United States to compete in the country's three major com-



Charles Kagimu, Team Amani, competing at Unbound Gravel 2023, USA—source: PEdALED archive



Mary Aleper, Team Amani, Kenya—source: PEDaled archive

petitions, including Vermont Overland: 95 kilometers and 2,300 meters of climbing through the forests of Vermont. At the finish line, John Kariuki, the team's young prospect and the first black rider to win one of the major gravel competitions in the United States, came first. Then everyone else crossed the line, except Sule. They found him unconscious, lying near a tree, with blood gushing from his mouth. A little further on was his bike, with the fork broken by what must have been caused by a big collision. He died while being taken to the hospital, at age 33.

After the funeral in Iten, silence fell on the endless red dirt roads. Now that Sule is gone, who will muster up the strength to get back on the bike and pull the pack? But a story like Team Amani's cannot end with a broken bike. So with the tears used up, the team set to work to build the Amani House, a permanent facility where young Africans can train to ride bikes, with the proper means and equipment.

All the while, Team Amani continues to organize gravel bike races. In 2023, the AMANI Race Series—the series of competitions organized with the support of PEDaled, Brooks England and fizik—has expanded: the now famous Migration Gravel Race and Evolution Gravel Race have been joined by the Safari Gravel Race, the first Amani-signed competition that also offers gravel and mountain bike enthusiasts access to one of Kenya's most breathtaking landscapes.



Team Amani in a local gravel race, 2021—source: Pedaled archive

Local participation

Selle Royal Group's factories are located in territories where the relationship with the community, also in light of the company's role and strategic component, plays a fundamental role. For this reason, the Group launches a plethora of initiatives to support and benefit those who live near the headquarters.

It's time to...

Since 2018, Selle Royal Group's Italian headquarters has been organizing "È ora di..." ("It's time to..."), a company solidarity initiative aimed at raising awareness and involving employees in a series of free donations to social, local or pressing causes. The name evokes a sense of urgency to act concretely and collectively, but it also refers to the format of the initiative, whereby employees can donate the cash equivalent of one, two or three hours of their own work, according to each person's economic means. In line with the values of the internal project iCare, the initiative aims to promote a sense of collective action and active participation. Over the three-year reporting period, the company supported several campaigns:

2021: "È tempo di...risuonare" ('It's time to...make music again') for musicians affected by Covid, in aid of the Teatro Olimpico in Vicenza.
2022: "È tempo di...aiutare" ('It's Time to...help') for the Ukrainian people affected by the war, in aid of the Hope Ukraine Association.
2023: "È tempo di...riscaldare" ('It's time to...warm up') for the Turkish and Syrian citizens affected by the earthquake, in aid of UNHCR, the UN Refugee Agency.

2023: "È tempo di...risanare" ('It's time to...restore') in support of the municipality of Faenza, Emilia-Romagna, which was severely damaged by floods.

For each of these initiatives, the company added an amount equivalent to or greater than that raised by the employees.

Forest Day

For the 2021 holiday season, Selle Royal Group donated holm oak and juniper plants, local species that contribute to capturing carbon dioxide emissions, to employees at its Italian headquarters, inviting them to plant them in their home gardens. Moreover, in June 2022, Selle Royal Group celebrated Forest Day, a corporate day organized in collaboration with WoW Nature, during which employees came together to plant trees, and in doing so helped to reforest a wooded area near the Italian headquarters. Forest Day was created to raise awareness about the consequences of climate change and to empower people to take care of the environment, starting with where they live and work.

Cycling promotion initiatives

Selle Royal Group has always supported biking/cycling initiatives organized by municipalities, associations and schools near the Group's headquarters. In the last three years, the commitment to promote bicycle use has ramped up, taking on a strategic value within the sustainability plan, with an eye towards dialogue with stakeholders. In 2020, the "In bici tra i Colli Euganei" initiative, in collaboration with the municipality of Vo' Euganeo, offered a free guided tour along the Euganean Hills Rings bike path and free bike health checks available to cyclists passing through the municipality. It was the first stage of a corporate project to use bikes to promote cycling culture and enhance and develop the area, which continued with the Milano Bike Talks, a series of educational gatherings in Parco Sempione dedicated to this new bicycle culture, and ended with the support of the Mobilitars initiative [→ 6.4].

Other social initiatives

The company supports associations and initiatives in line with its corporate values. To give an example, for Christmas 2022, it gave each employee handmade blankets from the Viva Vittoria association, a collaborative project handmade by women for women, and displayed them around the headquarters. Purchase proceeds were used to fund projects to support anti-violence centers in the province of Treviso.

Stakeholder relationships

Global warming, ecological transition, and social inclusion are complex issues that even a market leader like Selle Royal Group cannot tackle individually. This is why the company has begun to forge alliances and collaborations with other players in the industry at all levels. Moreover, implementing effective circular economy processes starting with industrial and product experimentation and innovation, requires listening to and exchanging ideas with customers and suppliers. Over the three-year reporting period, several clients have asked for Selle Royal Group's support to measure, report and certify certain ESG objectives, leading all corporate teams involved to refine their skills and tools. Setting the sustainability strategy also revealed a growing focus on Selle Royal Group's supply chain. Following the publication of this report, the company will plan a series of actions concerning the selection and evaluation of suppliers and the introduction of tools to monitor performance and share sustainability principles.

Cycling Industry Climate Commitment

President and CEO of Selle Royal Group Barbara Bigolin is among the first signatories of the Cycling Industry Climate Commitment, a commitment by all those working in the bicycle industry to recognize their responsibility in the ongoing climate emergency and act together to achieve the goals of the Paris Climate Agreement, by 2030.

Launched in 2021 by Shift Cycling Culture, a global movement that advocates for bicycles to play a key role in the ecological transition. The idea was born out of the realization that up to 80% of the carbon dioxide emissions produced by bicycle companies occur in the extraction, sourcing, and production of components and materials. Conversely, there is little recycling of materials, products and components.

Therefore, we need to work together to: reduce production-related emissions; create longer-lasting products; work with customers to extend the life cycle of products; and develop a circular system for materials recovery.

The above goals will translate into concrete actions for Selle Royal Group.

First: **By 2023 and annually thereafter, publish the company's carbon footprint impacts by analyzing greenhouse gas (GHG) emissions in accordance with the GHG Protocol.**

Second: **submit a plan to reduce greenhouse gas (GHG) emissions by at least 55% by 2030.**

For Selle Royal Group, the Cycling Industry Climate Commitment is just the first step the bicycle industry must take to reach the Net Zero goal, meaning zero carbon dioxide emissions throughout the whole supply chain.

Connecting Humans at Eurobike

At the 2022 and 2023 editions of Eurobike, the international trade fair dedicated to cycling, Selle Royal Group turned its booth into an inclusive social and cultural venue. In both editions of the fair, the exhibition space hosted a series of talks open to the B2B audience centered around the theme Connecting Humans, in which prominent figures from the world of cycling shared their experience and delved into the deeper meaning of their projects. Among them were Tarek Rasouli and Danny MacAskil from Rasoulution GmbH, Sandra Brandt and Erik Bronsvort from Shift Cycling Culture, Mikel Delagrangue and Suleiman Kangangi from Team Amani, Rachael Burnside and Doug Baker from Shift Active Media, Sandra Brandt, Executive Director of Shift Cycling Culture, and Erik Bronsvort from Circular Cycling.

Cracked Earth

Brooks England and PEdALED supported the production of Cracked Earth, a documentary film made by Shift Cycling Culture, the foundation that aims to accelerate collective climate action in the global cycling industry and community. The film chronicles the lives of cyclists living in areas of the world where climate change is not just a future threat but an everyday reality, showing how local communities are affected by this global issue. The film aims to bring the cycling community together, highlighting how essential it is to act now to address the climate emergency.

MobilitARS

Selle Royal Group was a co-partner, along with Bikenomist, of the 2021 and 2022 editions of MobilitARS, a free symposium open to all, during which the world's leading experts in urban mobility, environmental protection, and urban planning discuss how to make cities healthier and more livable for everyone. MobilitARS is aimed mainly at municipalities, students and urban mobility experts. The project revolves around the bicycle, seen as a tool to better one's quality of life and to create value and jobs in the local area. The first edition of MobilitARS took place in February 2021, digitally, and consisted of two modules: the healthy city, which explored issues such as road safety, tackling the sedentary lifestyle and mobility management, and the resilient city, on intermodality, tactical urbanism and the effects of a new kind of mobility on local economies. The 2022 edition, held in Reggio Emilia, centered around the car-free city, addressing its implications for the environment, safety, and people's well-being.

“Bicycles are one of the most powerful tools we have at our disposal”



Paolo Pinzuti CEO & founder of Bikenomist and Bikeitalia.it

Bikenomist is a company involved with communication, consulting, training, publications and events centered around cycling. Bikenomist CEO and founder Paolo Pinzuti deals with new mobility and bikenomics and is one of the promoters of MobilitARS, the educational symposium dedicated to the art of urban mobility management, supported by its partner Selle Royal.

What is Bikenomist and how was the idea conceived?
Ten years ago we founded Bikeitalia.it, a website that strived to tell the story of cycling as the main way to experience cities and of Italy as a potential paradise for (cycle)tourism. In a world of news outlets that treat bicycles as sporting items, we immediately decided to focus on those who make daily use of them (or would like to). This approach attracted the attention of public administrations and companies with whom we began to collaborate. The newspaper turned into a company called Bikenomist and today it is growing at an annual rate of 35%, but the underlying question is still the same: “what is Italy lacking to become a bike-friendly country?”

What are your objectives?

Bikenomist is a firm believer that cities can be more beautiful, that the air can be cleaner, that money can be better spent, that time is too precious to spend stuck in traffic, that life needs quality and not chaos or inefficiencies. The bicycle is one of the most powerful tools we have at our disposal to achieve all these goals. Bikenomist’s role is to facilitate this change by generating economic opportunities for those who share the same vision, so that the bicycle era has the potential of being beautiful, sustainable, and affordable for as many people as possible.

What are “30 km/h cities” and “15-min cities”? How far along are we in Italy regarding their development?

Cities that have introduced a 30 km/h speed limit that deters people from using their cars, which, in public areas, are the main competitors of bikes. Instead, 15-min cities are an urban planning model that aims to provide essential services within a 15-minute radius. Both types of cities, each in their own way, aim to reduce the impacts of car use and put accessibility for their citizens at the heart of urban mobility. A few Italian cities have already started going in this direction: Olbia above



The Lookin Evo project for BiciCouriers, Milan, Italy—source: Selle Royal archive

all, but also Bologna and Milan. However, they face a number of technical difficulties, which only a new generation of urban planners will be able to overcome. All in all, we have to wait five to ten years for these initiatives to finally catch on.

Will bikes continue to be private goods in the future or do you envision a strengthening of the bike sharing concept?

Bike sharing is not a substitute for bike ownership; the two concepts are complementary. A more interesting development, however, is bike rentals, featuring a range of additional services such as maintenance and repairs. We foresee a hybridization of this sector, with an increase in bike sharing, for specialized use or general urban use where population density allows it. Cargo bikes, designed to carry children or goods, will also soon be available on the market in large amounts.

European policies, e.g. the Green New Deal, are investing in soft mobility. Does this open up new opportunities?

Today, sustainability is driven primarily by the topics of energy crisis and resource scarcity. On the one hand, there is a focus on mobility decarbonization, with the shift to electric mobility, which, however, will be insufficient to cover all the cars in circulation. On the other hand, money is being invested in urban reforestation, which, in the face of a reduction in the number of cars in the city in favor of tree planting, promotes the reduction of temperatures in buildings and on the streets. When it comes to both of these points, the bicycle is a key ally.

What role can the companies operating in this sector play?

There are two kinds of business strategies: reactive and leadership. There is a need for the bicycle industry to move in the

latter direction and “come of age”, moving from the sport&leisure industry to the mobility industry. More specifically, I believe there are three paths to leadership. Firstly, the creation of alliances between players and competitors. Secondly, lobbying for institutions that propose a new model of urban development, geared towards the planning of public spaces instead of traffic engineering. Thirdly, promoting a culture of wellbeing among the population. A pertinent example is the Fancy Women Bike Ride, an event that has been drawing attention to the issues of freedom, women, and mobility since 2013.

What sustainability issues are companies directing their focus on the most?

I see a great deal of focus on the issue of reshoring, which is strongly connected to energy and local community development. Then you have the Life Cycle Assessment analyses, used as tools to guide business decisions. Repairs and second-hand equipment are also areas that are being greatly addressed. Lastly, I would like to reiterate a warning: avoid greenwashing, which still occurs, especially when it comes to packaging.

“It’s very important for us to find solutions together with our suppliers”



Sandra Wolf Riese&Müller CEO

The German company Riese&Müller, a long-term client of Selle Royal Group, is a global leader in the production of high-end e-bikes and cargo bikes. In addition to constant product improvement, environmental and people responsibility is also part of Riese&Müller’s overall strategy. Since 2023, Sandra Wolf has been serving as the company’s CEO, who is also responsible for its sustainability strategy.

How long has Riese&Müller collaborated with Selle Royal Group?

We mounted Selle Royal’s first Lookin saddle on one of our bikes, the Culture model, in 2001. Since then we have been constantly collaborating and supporting the growth of the Group. Today, Selle Royal Group makes saddles for almost all of our models, and there is continuous feedback shared amongst our development teams on product features. In fact, the two teams also collaborate together on the development of new saddles.

Regulations around sustainability are rapidly evolving in the bicycle industry, how do you see companies organizing themselves to tackle these challenges?

Quite frankly, most companies are afraid of the new regulations, which translate into more work, more transparency and more accountability. And I have to admit that it would be easier for me if the sustainability piece was optional in my line of work. But we must all agree that most companies will not take it seriously unless there are regulations in place. This means that sustainability will be an important part when setting goals and tasks within a business, and this is a good thing that will move us forward as a society.

What expectation do you have of your suppliers?

We are using a cloud platform called Sustainabill, which helps us make our supply chain transparent and strive for continuous improvement, because transparency goes hand in hand with the problems that arise. This is a complex, long-term project, so we broke it down into phases. Phase 1 allows our suppliers to familiarize themselves with the platform and get started, by having them sign the Code of Conduct, for instance. In phase 2, we aim to solve problems and collaborate on selected sustainability projects related for example to waste reduction or a joint commitment to use sustainable materials. In addition,

we look to encourage our partners to continuously improve in their sustainability commitments. In the third phase, we analyze the origin of our products and make the entire supply chain transparent. It is crucial for us to work together with our suppliers—most of whom have been our partners for more than ten to fifteen years—and find solutions together.

What trends are expected to emerge for the future development of the industry?

I see that the whole industry is moving forward and adapting. We have acknowledged that we need to take action, that we have a responsibility not only to sell products that help our customers follow a more sustainable lifestyle, but also to provide a sustainable product. We are walking down a long road, with many priorities and urgencies. Currently, most companies are working on the issue of reducing CO² emissions and waste. I personally see the most potential in the area of hazardous materials and circular design issues. The good thing about these areas is that we are forced to work together. No one can do it alone.



The Multitinker e-bike with a Lookin Evo saddle by Selle Royal—source: Riese&Muëller archive

“Together with Selle Royal we have focused on research, development and quality control”



Giovanni Cogo HR Manager, SPAC

Founded in 1973 and always run by the Bedeschi family, SPAC is a company with two manufacturing sites in the province of Vicenza, Italy, that specializes in the production of PVC and PU coatings and the lamination of technical fabrics. It is one of Selle Royal Group's long-time suppliers. Giovanni Cogo has been SPAC's Human Resources Manager since 2016 and the contact person for all sustainability projects.

What is your approach to sustainability?

In recent years, our clients have been increasingly inquisitive about our sustainability practices and performance. This is why we felt the need to publish our first sustainability report, which allowed us to tell the story of the many initiatives already in place. SPAC is a company that strongly focuses on product, and this is where our sustainability journey begins.

What are the main areas of activity, related to sustainability, that you are working on?

On the product side, we began a process of innovation and transformation as early as 2008, with the use of the first plant-based plasticizers, obtaining certifications proving that products have a bio-based content of at least 25%. Today, this mission continues within our R&D department, with organic percentages exceeding 60% and a focus also on LCA (Life Cycle Assessment) values, which measure CO₂ emissions and water and energy consumption in the production of each individual material. We have also started working on circular economy issues with a partner who reuses our production waste, a project that is growing with time. Over the past year we have also been working to tackle the energy issue; in fact, a project pushing self-produced energy through photovoltaic panels has been approved in both of our factories, one of which will be able to be 100% autonomous.

What actions are you taking to ensure the well-being of your employees?

We started supporting the education of our employees' children by purchasing books for them. Last year we launched a welfare platform and set a dedicated budget for employee benefits. Certain initiatives also bring benefits to the community: in fact, to widen the offer of the welfare platform, which positively impacts local businesses, we worked together with a local company that was activating this service for its workers like we were.

Are you planning to launch a sustainability project in the immediate future?

Significant energy-efficiency work is planned for 2024 through the replacement of the most energy-intensive electric motors with more efficient equipment, a feasibility study of heat recovery from afterburners to produce power and heat, and the self-generation of energy through photovoltaic panels at both of our plants, one of which will be 100% autonomous. As an energy-intensive company, this is a step forward for us in terms of energy sustainability.

What are the sustainability challenges a company like yours faces?

Nowadays it is very important to pay close attention to one's supply chain, which is considered a strategic asset to compete and grow in the market. The values of reliability, technical competence and ability to respond quickly to requests are basic requirements of the supply chain, which is constantly monitored by the purchasing department and internal quality control. Wherever possible, a highly sustainable supplier or a local supplier is preferred; this is to increase the sustainable components of our products and to contribute to the growth and development of the local area, while also optimizing transportation and reducing environmental impacts. We intend to further focus and improve on these aspects.

In what way can you collaborate with Selle Royal Group?

There are long-time clients like Selle Royal with whom we have fostered a close working relationship. So far we have focused on the issues of research, development and quality. But in the future it will be interesting to work together on social issues as well.



Cutting saddle covers at the Pozzoleone HQ, Italy—source: company archive



A methodological note and a list of standards we followed when drafting this Sustainability Report, in order to provide readers with clear and transparent information.

7 Appendix

Methodological note

Selle Royal Group has voluntarily drafted this report, which refers to the period from 1 July 2020 to 30 June 2023 (fiscal years 2021, 2022 and 2023) and includes Selle Royal Group S.p.A, Royal Ciclo Industria de Componentes Ltda, Crank Brothers Inc., Crank Brothers (Taiwan branch), Brooks England Ltd. and Selle Royal Vehicle (China) Co. Ltd.

The present sustainability report is drafted annually. To assess and track the evolution of the results achieved, the following is reported: trends from the previous two years together with the calculation methodology were useful for greater understanding and comparability of the data.

The report was drafted with reference to the Sustainability Reporting Standards of the Global Reporting Initiative (GRI). The report was not subjected to a limited audit by an independent firm; instead, the following table chart gives an account of the correspondence of the contents featuring the standard's indicators. The data and information contained herein are reported accurately with respect to the accounting, non-accounting and other information systems in use at the relevant Departments, and validated by the relevant Managers. This document was drafted under the coordination of the Corporate Management.

For any further information, do not hesitate to contact us at: icare@selleroyalgroup.com

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**Selle Royal Group
Sustainability Report 2021–23**

Strategy consulting
Collectibus

Creative consulting
Fabio Fedrigo

Editorial coordination
Cosimo Bizzarri

Design
bruno, Venezia

Photo feature by
Matteo de Mayda

With thanks to
**Barbara Bigolin, Riccardo Losio,
Roberto Bucci, Giovanni Fogal,
Elisa Corrà, Miriam Bando,
Jacopo Porreca, Stefan Amato,
Karina Ketlen Hobus Censi,
Wei Kai, Marco Malfatti,
Luisa Grappone, Paolo Pinzuti,
Sandra Wolf, Giovanni Cogo
for their contributions and to all
the women & men of all Selle
Royal Group companies that
have actively collaborated for
the redaction of this first
Sustainability Report.**

WHAT IF IT WASN'T ABOUT ME,
ABOUT YOU, BUT ABOUT US TOGETHER,
AND THE OTHERS, TOO?