

**DT SWISS**

# CSR REPORT 2023 DT SWISS AG

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# DEAR PARTNERS, FRIENDS AND READERS

With our second report, we proceed to transparently show how we deal with sustainability globally. The first report in 2022 not only provided external stakeholders with an insight into our business activities, but also served as a guide to structure the topic internally.

A major learning from the past year was that almost all material topics require a large amount of data. Data relating to the current status quo, but in particular data that helps us to identify potentials with great positive impact and leverage. Creating a solid database in all of our material topics helps us set ambitious targets. Based on this, we worked in particular in the area of emissions measurement in 2023. We are still a long way from where we want to be, but we have taken the first steps.

In addition to the internal projects, we have also been working intensively on the wave of ESG legislation. Aside from meeting our own legal responsibilities, we have invested a lot of time in addressing the requests of our customers. Quite often, their due diligence obligations are directly related to our entire value chain.

To cope with these bureaucratic tasks, we see standardized solutions and joint industry projects as key elements for a more sustainable and future-proof bicycle industry.



Frank Boeckmann



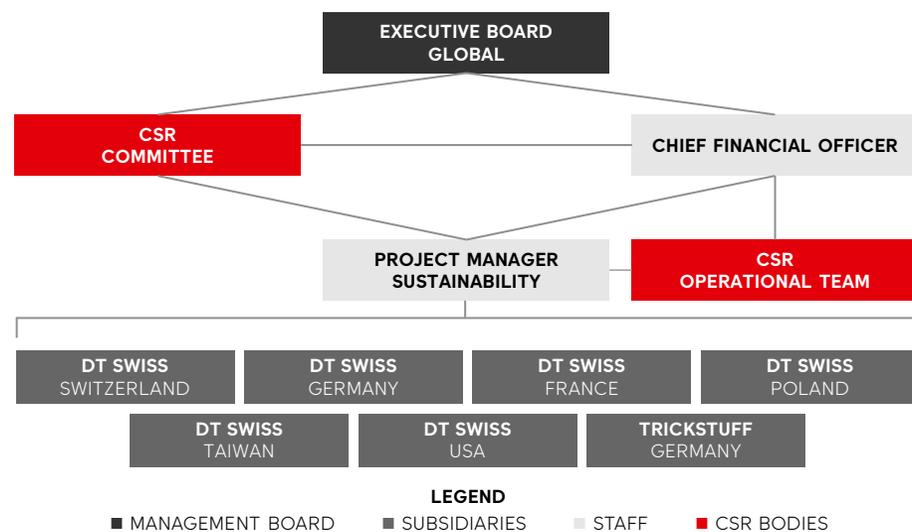
Michael Schuetz



# GOVERNANCE

The sustainability governance body at DT Swiss is called the CSR Committee. The committee is coordinated by a project manager. The decision-makers within the committee consist of one woman and five men, who hold the highest management positions representing human resources, finance, technology, procurement, production, product management, and sales and marketing. External stakeholders are not represented in the committee.

A CSR operational team was founded in 2023 for the operational implementation of goals and projects. With representatives from Supply Chain, Sales Administration, Quality Management, Human Resources, Controlling, Engineering and Accounting, the team aims to find efficient ways of anchoring sustainability issues in the company structure in the long term.



# MATERIALITY ANALYSIS

A first materiality analysis was carried out in 2022 and is explained in detail in the 2022 report. We identified 5 fields of action with 12 material topics. Due to ongoing projects and topics that emerged in 2023, some material topics from 2022 were adapted and grouped together. The overview shows material topics and areas where we see impacts, where we cause them, and / or where we expect them to occur.

A double materiality analysis will be conducted between the end of 2024 and the beginning of 2025.

MATERIAL TOPIC	PILLAR	FIELD OF ACTION
<b>COMPANY STRATEGY</b>	GOVERNANCE	OUR MINDSET
<b>ENGAGEMENT</b>	GOVERNANCE	OUR MINDSET
<b>CIRCULAR ECONOMY</b>	ENVIRONMENT	OUR PRODUCTS
<b>TRANSPARENCY IN THE VALUE CHAIN</b>	SOCIAL / ENVIRONMENT	OUR VALUE CHAIN
<b>DT SWISS FACTORY SQUAD</b>	SOCIAL	OUR PEOPLE
<b>ENGINEERING PERSONALITIES</b>	SOCIAL	OUR PEOPLE
<b>CLIMATE ACTION</b>	ENVIRONMENT	OUR PLANET
<b>BIODIVERSITY</b>	ENVIRONMENT	OUR PLANET

**LEGEND**

- MATERIAL TOPIC WITH TOP PRIORITY
- MATERIAL TOPIC

# OUR PRODUCTS

We are a manufacturer of bicycle components. Our core business is the production of high quality products that fulfil our Engineering Performance standards.

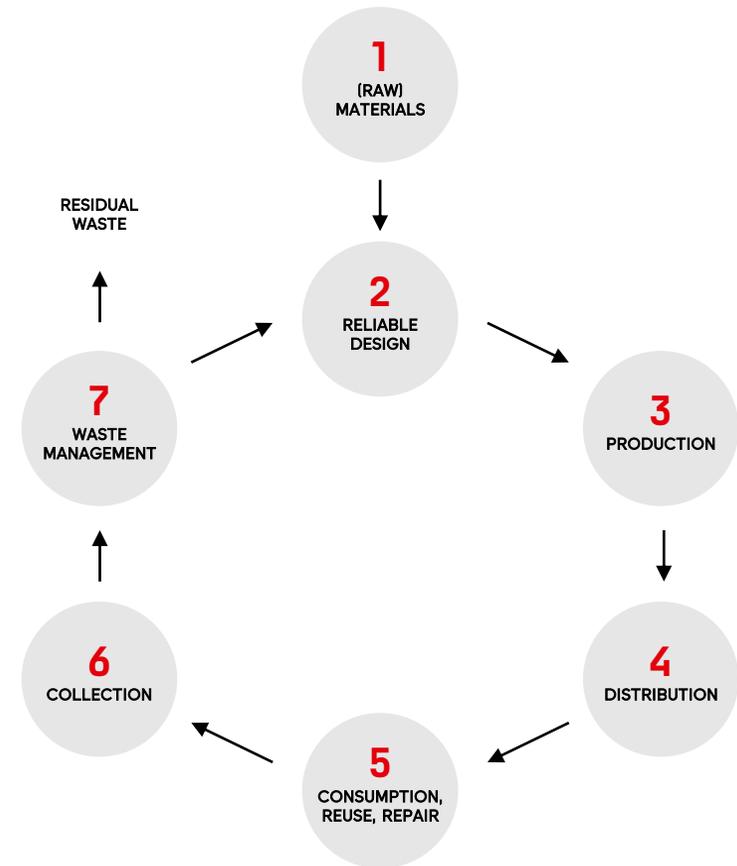
This means that core elements such as the raw material extraction, product design, production and supportive processes, logistics, after-sales support and many more stages within a product life cycle have a central influence on the company's success.

This success, however, is linked to a global value chain with often long transportation routes, different material purchases in different countries worldwide, global collaboration and a large network of buyers around the globe. All these business activities have an impact on our environment and our society.

We as a company, but also the entire industry and the economy in general need to rethink the way we develop products. The EU's circular economy model enables economic players to make their contribution to climate protection in the areas of production and consumption and thus provides precisely the impetus for society to rethink and transform the way it does business.

The idea is to extend the life cycle of products through reuse, repairability and recycling, and to reduce waste to a minimum. The materials used should remain in the cycle at the end of the life cycle to ensure continued value creation in the entire economic environment<sup>1</sup>.

Based on this model of the European Parliament's research service, we have transferred the idea to DT Swiss.



<sup>1</sup><https://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1583933814386&uri=COM:2020:98:FIN>

Own illustration based on the circular economy model from the [European Parliament Research Service](#)

## OUR PRODUCTS



### (RAW) MATERIALS

As a manufacturing company, the use and management of raw materials is a decisive factor in our company's success. Our material management is directly influenced by our in-house production and a build-to-order approach.

Aluminum is one of the main ingredients of our products, especially in our rims, hubs and wheelsets. CFRP is irreplaceable for us due to its material properties, the product characteristics and the demand from the market. We are aware of the negative impacts of these raw materials on the environment. Therefore, we are investing many resources in research and development.



### RELIABLE DESIGN

We take the requirements for reliable product design into account as early as the product development stage. Our internal test range is considered one of the most advanced in the bicycle industry and offers test formats like drive torque and brake tests to simulate field runs or drum tests to simulate operating loads over the product lifetime to ensure durability. Next to rigorous testing, we try to design long-lasting solutions using a wide range of spare parts. We ensure that spare parts are not developed for specific product lines but are compatible across several product lines to maximize the product lifetime.



### PRODUCTION

We believe in smart standardization that conceptualizes processes in an integrative, structured, consistent and comprehensible way and seamlessly integrates digital and physical flows in holistically structured business processes. Our aim is to work as efficiently as possible and to use resources sparingly to minimize the potential negative impact on people and the environment. Examples such as our hand-building approach, internal Quality Management, the relocation of certain production processes and other case studies in the full version of the report show how we are trying to achieve this goal step by step.



### DISTRIBUTION

Through our corporate strategy of producing as close as possible to the sales market, we try to keep transportation routes as short as possible. With the help of differentiated distribution channels, we strive for efficient and resource-optimized processing.

# OUR PRODUCTS



## CONSUMPTION, REUSE, REPAIR

Bicycles and their components are commodities subject to wear and tear. In order to maximize the period of use, we offer end customers access to helpful information through manuals, How To videos, spare parts lists and conversion options via our Product Support. During the usage phase, our support team with over 45 Service Centers worldwide is there to help. No matter whether you need advice, repairs or warranty processing, we try to ensure that DT Swiss products can be used for as long as possible.



## COLLECTION

Aside from the conscientious execution of ongoing operational tasks, our Service Centers fully acknowledge the importance of environmental responsibility. As part of the development of a carbon downcycling program, the Service Centers play a decisive role in the collection of DT Swiss carbon rims through our worldwide network.



## WASTE MANAGEMENT

As a manufacturing company, waste management is of great importance to us, but at the same time a major challenge. We try to keep waste to a minimum in all of our production processes. Aside from the environmental aspects, it is also of economic interest to produce little waste. With reusable packaging solutions for some of our products, we started to actively offer solutions that reduce the amount of waste not only for us, but also for our customers.



## GOALS

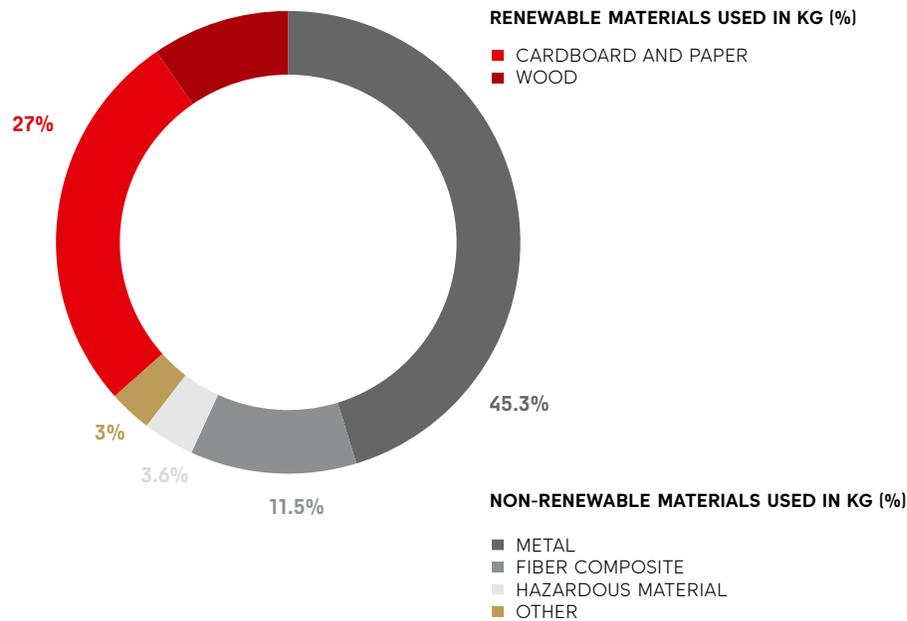
**MATERIALS:**  
Internal transparency of Tier 1 and 2 product suppliers by 2025

**CONSUMPTION, REUSE, REPAIR:**  
Implementation of a collection concept for end-of-life CFRP rim downcycling via all Service Centers worldwide by 2025

**WASTE**  
Avoidance of waste and reduction of material quantities in packaging

# OUR PRODUCTS

## MATERIALS



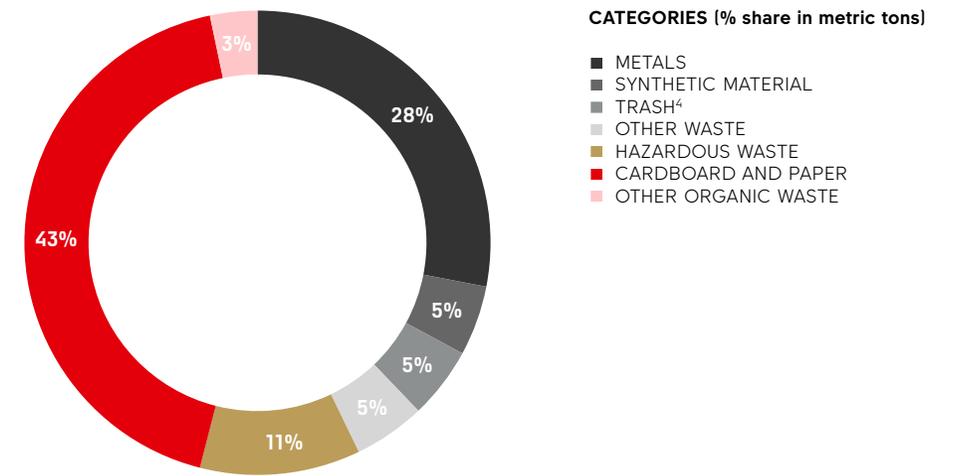
**1998.96**

TOTAL WEIGHT – DT SWISS GROUP  
**NON-RENEWABLE MATERIALS IN METRIC TONS**

**1151.19**

TOTAL WEIGHT - DT SWISS GROUP  
**RENEWABLE MATERIALS IN METRIC TONS**

## WASTE



	UNIT	2022	2023	TREND
<b>TOTAL WASTE GENERATED<sup>1,2</sup></b>	<b>METRIC TON</b>	<b>1175.94</b>	<b>665.33</b>	<b>(-43%)</b>
TOTAL WASTE DIVERTED FROM DISPOSAL	METRIC TON	841.61	479.87	(-43%)
TOTAL WASTE DIRECTED TO DISPOSAL	METRIC TON	330.89	165.27	(-50%)
TOTAL WASTE WITHOUT CLASSIFICATION <sup>3</sup>	METRIC TON	3.44	20.19	(+487%)

<sup>1</sup> If data was calculated in m3, the following [conversion table](#) was used to calculate the amount in metric tons.  
<sup>2</sup> In France, we only have the quantities of cardboard waste. In Taiwan, we lack data on the quantities of synthetic materials.  
<sup>3</sup> Most of this waste is waiting at our own facilities to be collected and downcycled. As we do not yet know what percentage can be recycled, we did not categorize this amount.  
<sup>4</sup> For «trash» the quantities are based on estimations only.

# OUR PEOPLE

## DT SWISS FACTORY SQUAD

We are an international company in the bicycle industry, with a strong team spirit, cooperation at eye level and a respectful, business casual culture. In addition to a high level of enthusiasm and a pronounced willingness to learn, our internal cooperation is characterized by commitment, passion and mutual appreciation. We enjoy what we do as we want to achieve exceptional results together.

2023 was a challenging year for the entire industry, including DT Swiss. The aftermath of the COVID-19 pandemic has continued to affect our internal collaboration as with our stakeholders along the supply chain. Full warehouses have led to postponements and cancellations of already confirmed orders. These circumstances had serious impacts on DT Swiss in general and thus also on our workforce.

To better respond to the needs of our workforce, internal communication was one focus area in 2023. In addition to the established intranet, a regularly published business report and the opportunity to submit questions before and during personnel information supports the exchange between management and employees. To communicate and explain our fundamental values and principles, as well as how to deal with working conditions, human rights, data security and the environment, the DT Swiss Code of Conduct was communicated to all our employees in 2023.

More data and details about concrete projects that are already implemented or planned can be found in the extended version of the sustainability report.

## SAFETY, HEALTH AND WELL-BEING

The health, safety and well-being of employees and partners are a central concern of all business activities and are treated with the same priority as quality, productivity and profitability. Through active cooperation, regular information and further training we try to foster these principles.

Due to the fact that we have our own production sites, there are a number of risks when handling materials and substances. Production processes require physical labor and the storage and disposal of certain materials may cause harm to people in incorrect storage and disposal. To minimize these risks, we abide by recognized standards and carry out all relevant employee trainings on a regular basis. Safety equipment and manuals are provided and a system of safety officers and first responders was established to minimize risks as much as possible.

To underline the importance of occupational health and safety, we aligned our guidelines to the recognized local standards at all our production sites and for all DT Swiss employees. These are reviewed at regular intervals by specially trained internal colleagues or, where not available, through external experts via audits, in order to give the issue the permanent attention it deserves.

# OUR PEOPLE

## OUR FACTORY SQUAD



**EMPLOYEES**

42.4% MEN WORLDWIDE  
 57.4% WOMEN WORLDWIDE  
 0.2% NON-BINARY WORLDWIDE



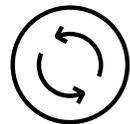
**WOMEN**

20% WOMEN IN LEADERSHIP POSITIONS



**NATIONALITIES**

17 NATIONALITIES WORLDWIDE



**HIRES AND TURNOVER**

44 TOTAL HIRES WORLDWIDE  
 374 TOTAL TURNOVER WORLDWIDE



**GOALS**

Implementation of an online whistleblower system in 2024.  
 Opening the system to the entire supply chain in 2025.

Development of a needs-oriented training portfolio for employees and managers.

-20% of work-related days of absence in 2024 compared to 2023 at DT Swiss headquarters

## OUR SAFETY TEAM

**SWITZERLAND**

1 safety officer, 1 deputy safety officer, 9 first aid staff, 11 floor authorized trained staff, 8 contact persons for occupational health and safety issues

**GERMANY**

2 safety officers, 14 first aid staff

**POLAND**

2 safety officers, 27 first aid staff

**TAIWAN**

2 safety officers, 16 first aid staff

**U.S.**

11 first aid staff/CPR/AED certified through the American Red Cross

**GERMANY - TRICKSTUFF**

2 safety officers, 9 first aid staff

# OUR VALUE CHAIN

## SUPPLIER RISK ASSESSMENT

Transparency in the value chain is essential for today's business models and the challenges of the future. Clarity about the origin of materials, emission values, business practices and the handling of human rights within the value chain supports future-oriented decision-making that pursues ecological and social goals in addition to economic interests.

In 2023, we began to focus more intensively on our supplier management regarding corporate responsibility. Thanks to long-term partnerships, issues such as transparency, formalization and professionalization have not yet been of major concern. Due to an increasing number of requests from customers about supply chain transparency and our own interest in recognizing supplier risks at an early stage, we conducted our first sustainability-related risk analysis of our direct suppliers in 2023.

The aim of the risk analysis is to analyze all suppliers regarding social, ethical and environmental issues and to identify any need for action. To this end, relevant direct suppliers were pre-filtered and assigned to a country and sector risk with the help of global indices and publicly available risk checks. This first step in the abstract risk analysis confirmed our assumptions regarding risk countries and sectors. We are now in the process of obtaining more specific information from our suppliers to match and compare the general risk with supplier specific data.

## PROCUREMENT PRACTICES

In principle, we strive for local procurement. However, for some of our required materials, local sourcing is not possible due to resource availability and raw material origin. We are gradually trying to obtain more data to ensure that our requirements regarding compliance and business practices are met.

	<b>DT SWISS AG<sup>1</sup></b> SWITZERLAND	<b>DT SWISS POLSKA</b> <b>SP. Z O.O.<sup>1</sup></b> POLAND	<b>DT SWISS</b> <b>[ASIA]</b> <b>LTD.<sup>1</sup></b> TAIWAN	<b>DT SWISS INC.<sup>1</sup></b> UNITED STATES
<b>% OF BUDGET SPENT ON LOCAL SUPPLIERS</b>	72% [+16%]	28% [-41%]	84% [-1%]	41% [-52%]
<b>% OF BUDGET SPENT ON SUPPLIERS FROM RESPECTIVE CONTINENT<sup>1</sup></b>	89% [-1%]	61% [-4%]	100% [0%]	41% [-53%]

<sup>1</sup> This analysis is based on suppliers external to the DT Swiss Group. DT Swiss subsidiaries are not considered.



80 % signed Code of Conduct documents from all Tier 1 product suppliers by 2027.

Internal audits of all high-risk Tier 1 suppliers by 2026.

# OUR PLANET

Our products are designed to be used outdoors and thus we must take responsibility for our actions and protect the environment within the scope of our influence. We are a manufacturing and global company with business activities that have a great impact on the environment. For this reason, it is our duty to analyze where we can minimize our impact.

Climate Action, which covers the topics of energy and emissions at DT Swiss, is one of the most important material topics that we defined for our company. We want to identify concrete activities, products and processes where we see great reduction potential for our energy management and greenhouse gas emissions and can thus help to weaken the effects of climate change.

In addition to our commitment to act more responsibly, we have already had the opportunity to benefit from projects derived from the climate action targets we set for ourselves in 2022. For example, by collecting data for our global company carbon footprint, we have discovered and already implemented efficiency improvements in intercompany transportation routes. For 2023, we have redefined and expanded the scope of our emissions measurements to include all relevant emission sources along the whole value chain. The result of the scope definition, which was also discussed with our sustainability consultants, now includes Scope 1, 2 and selected Scope 3 emissions. As we would like to acquire expertise in the field of emissions measurement step by step, we decided to carry out the emissions measurement for 2023 by ourselves with the help of the carbon management software.

In addition to climate action, we will also pay more attention to water management and biodiversity in the future. At the moment, however, we are still at the very beginning of our learning path.

We see that those topics are becoming increasingly relevant in our industry. Guest lectures and an industry exchange make it easier for us to slowly gain a better grasp of the topic.



## GOALS

Reduce Scope 1 and 2 emissions by 55 % by 2030 with base year 2022. Set Scope 3 target in 2024 with compliance date by 2030.

70 % of the energy demand is covered by renewable resources by 2030 for the whole DT Swiss Group.

Better understanding of how water stewardship in the world affects our business activities and vice versa. Improvement of the database on actual water usage at all sites.

Understand the impacts on biodiversity and initiate measures to mitigate negative impacts.

Conduct an environmental risk analysis in 2025

# OUR PLANET

## ENERGY

Our energy consumption has changed significantly compared to 2022. This reduction in energy consumption in general is mainly due to lower production capacity utilization and only minimally due to improved energy efficiency improvements.

The personnel measures in 2023 especially impact the energy intensity ratio per employee, as a lower number of employees leads to a correspondingly higher indicator

	UNIT	2022 <sup>1</sup>	2023	TREND
<b>ENERGY CONSUMPTION FROM NON-RENEWABLE RESOURCES</b>				
TOTAL FROM NON-RENEWABLE RESOURCES	MWH	6486.82	5833.84	(-10%)
TOTAL FROM RENEWABLE RESOURCES	MWH	7244.99	6217.78	(-14%)
RENEWABLE ENERGY SOLD	MWH	32.66	421.81	(+1191%)
<b>TOTAL</b>	<b>MWH</b>	<b>13699.15</b>	<b>11629.81</b>	<b>(-15%)</b>

<sup>1</sup>We have recalculated the energy data from 2022 to include Trickstuff, which has been part of the DT Swiss Group since December 2021. This change and corrections in the calculation method resulted in slightly different values, which may differ from the published energy data from the 2022 report. Moreover, the electricity demand from Poland that is covered by RECs is now allocated to the section of renewable energies.

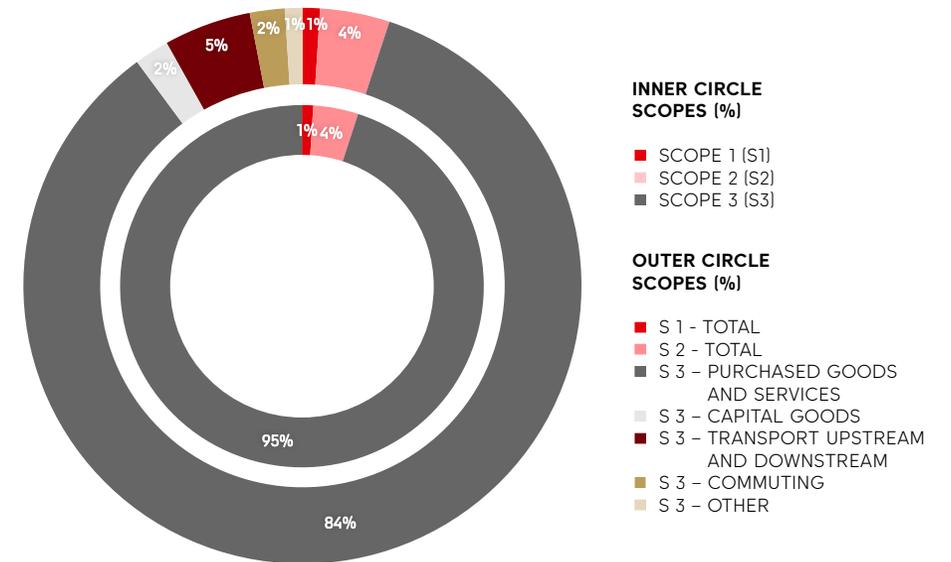
## WATER

**14.81** **THIRD-PARTY WATER WITHDRAWAL**  
TOTAL DT SWISS GROUP (ML FRESHWATER)

## EMISSIONS

**75438** t CO<sub>2</sub>e DT SWISS GROUP  
LOCATION BASED

**72644** t CO<sub>2</sub>e DT SWISS GROUP  
MARKET BASED



Around 90% of the data basis for the calculations derive from ecoinvent 3.10 and ecoinvent energy. 8% come from the US EPA Supply Chain for the spend-based emission factors we used. The IPCC 2021 assessment method (GWP 100) was used for the measurement.

# YOUR CONTACT

For more information, please contact us:  
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***DT SWISS*** ENGINEERING PERFORMANCE