



CLIMATE COMMITMENT

CEO LETTER TO INDUSTRY

Objectives of the Letter

- To inspire companies, suppliers, events and network organizations in the cycling industry to sign to, and actively work on, the commitments set out within the letter.
- Be the catalyst for wide scale, positive change in the fight against climate change.

Positioning

- This letter is a start, not an end goal;
- The signatories and companies they represent do not claim to be perfect and may already have sustainability strategies in place, however they want to take greater responsibility in tackling climate change and encourage others to do the same;
- These signatories and companies stress that they are not alone in recognising the urgency of climate change and their role as business leaders in tackling this global issue, they explicitly address and hope to involve the wider cycling industry;
- The commitments within the letter are not groundbreaking, but if every company in the cycling industry delivered on them, it would have a far-reaching impact and could serve as an exemplar for other industries;
- This is not a PR effort; to create an industry-wide forward movement, a first step needs to be taken - publicly and collectively - to reach as many industry leaders and suppliers as possible.

FAQs

Doesn't cycling have a low environmental impact already?

It does, to an extent. The use of bicycles significantly improves several problems faced by congested and highly populated cities, including air quality and overall health of the population. However, the production of bicycles has its own environmental impact, and although there is potential to offset this, the use of bikes in a wider context currently plays too small a role in balancing its production footprint and reducing cars on the roads.

What are the signatories committing to?

- **REPORT:** To disclose their company's carbon impacts by measuring the Scope 1 & 2 Greenhouse Gas (GHG) emissions, in accordance with the GHG Protocol, by 2023 (latest) and to continue to do so on an annual basis.
- **REDUCE:** To disclose plans to reduce their Greenhouse Gas (GHG) emissions by at least 55% by 2030 (against a baseline of no earlier than 2015)

What is a carbon footprint, and how do I calculate the carbon footprint of my company?

A carbon footprint is the sum of all greenhouse gases (including carbon dioxide and methane) an organisation generates from its operations. Typically, this is calculated on an annual basis.

To calculate your carbon footprint, you first collect data on various business activities, ranging from the extraction of raw materials to energy for heating, powering machinery, as well as logistics. From here, we multiply the quantity of each activity by an 'emission factor' resulting in the total carbon emissions. The sum of the emissions from each of the various sources is your carbon footprint.

By calculating the carbon footprint, organisations can strategise the best approach to reduce their emissions and set robust targets on the path towards net-zero transition.

Why measurement and transparency are important.

Because we can only manage what we measure, calculating our carbon footprint is the first step to reducing it. Knowing your carbon footprint opens the door to a number of climate related strategies, such as achieving carbon neutrality, but most importantly it enables a deeper understanding of your business. 'Hotspots' identified in your carbon footprint assessment allow for a targeted approach to reducing emissions, which can save both time and money in the long run, ensuring you are targeting resources to the most pressing issues.

To create the change necessary to reduce our emissions, we need to work together. To combine our knowledge and resources effectively, we need basic information about each other's operations, to fully appreciate the size of the challenges we each face. It is likely that these challenges we face are shared, and are therefore better tackled in unison. The need for transparency is greater than ever and is what enables this collaborative way of working, ultimately benefiting everyone.

Do I have to measure & report before I start reducing my emissions?

Absolutely not! The sooner we all start reducing our emissions, the better. There are numerous places where you can make immediate and mid-term impact, often reducing costs at the same time, for example:

Your 'own' carbon footprint (Scope 1 & 2):

- Reduce energy consumption of buildings and factories through better energy management
- Contact your electricity supplier to change to a renewable energy contract from verified sources
- Install your own renewable energy production facilities, e.g. wind and solar
- Change your car-policy to promote cycling to work instead of driving cars or zero-emission vehicles
- If distances are too great for cycling, encourage remote-working some days
- Avoid flying when possible
- Schedule inspection and maintenance of air conditioning system, checking for leaks

Your 'product' carbon footprint (Scope 3):

- Search for alternative, low carbon, materials from renewable or recycled sources
- Design products with a longer lifetime
- Design products to allow for accessible maintenance and repair
- Design products for compatibility and upgradeability, making spare parts available
- For products at end of life stage, set up return systems to recover used products and materials
- Ensure products can be recycled in standard processes
- Reduce (or better even, stop) transport of goods via air
- Reduce transport emissions by sourcing materials and production closer to customers
- Require suppliers to produce your products with renewable energy

What is the GHG Protocol?

The Greenhouse Gas Protocol is the international standard for calculating the carbon emissions of an organisation. See [here](#) for more information. Following a standardised methodology means our results will be consistent and comparable across our industry and from one year to the next.

What does 'Scope 1 & 2' mean?

The GHG Protocol makes a distinction between 'direct' and 'indirect' emissions. The GHG Protocol defines direct and indirect emissions as follows:

- *Direct GHG* emissions are emissions from sources that are owned or controlled by the reporting entity.
- *Indirect GHG* emissions are emissions that are a consequence of the activities of the reporting entity, but occur at sources owned or controlled by another entity.

The GHG Protocol further categorizes these direct and indirect emissions into three broad scopes:

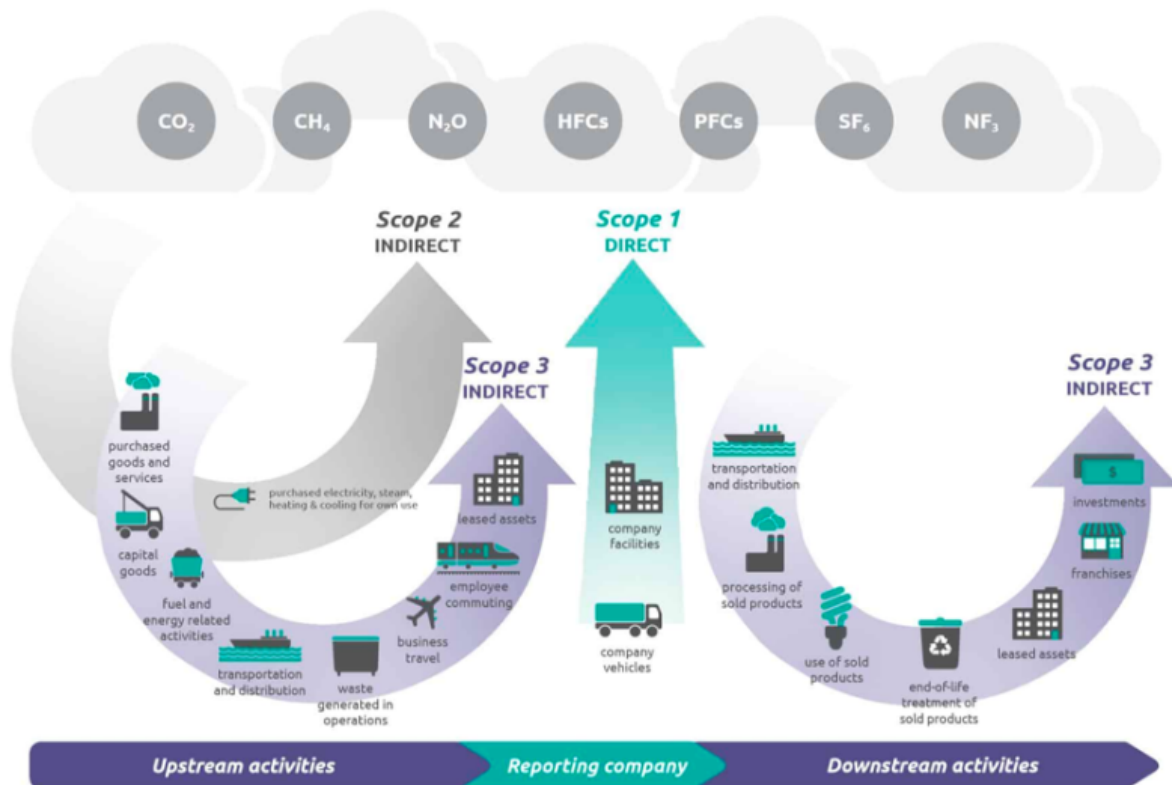
- Scope 1: All direct GHG emissions.
- Scope 2: Indirect GHG emissions from consumption of purchased electricity, heat or steam.

What does 'Scope 3' mean?

The hardest emissions to calculate, the so-called Scope 3 emissions, are not part of this commitment.

They include:

- Other indirect emissions, such as the extraction and production of purchased materials and fuels,
- Transport-related activities in vehicles not owned or controlled by the reporting entity,
- Electricity-related activities (e.g. T&D losses) not covered in Scope 2,
- Outsourced activities, waste disposal, etc.



Source: based on [GHG protocol](#)

Signatories are committing to disclosing company information? What does disclose mean, and does this refer to a specific instrument of reporting?

This refers to Scopes 1 & 2. By 'disclose' we mean that the plans will be published on your corporate website. There is no specific instrument for reporting, however we would suggest using a recognised framework, such as the environmental standards provided by the GRI (Global Reporting Initiative) or SASB (Sustainability Accounting Standards Board).

How can I contribute/join this climate commitment?

We invite all companies working in the cycling industry to join this initiative, even if your company is only at the start of the journey. Please reach out to your CEO and ask them to sign up [here](#).

Which organisations are part of the climate commitment?

You can see the full list of organisations that signed the letter [here](#).

Where can I get help to get started?

Check <https://ghgprotocol.org> for more information. There is a '[Reporting Template](#)' and a '[calculation tool](#)' available on the website that can help you get started.

There are various large and small consultancy firms that can help you with calculating your carbon emissions. Depending on the size and complexity of your organisation, it might be worthwhile finding one that can help you get started.

Why do we not commit to calculating Scope 3 emissions, and what is the role of the supply chain?

For many companies, this is the first step in calculating their carbon emissions. Calculating the emissions in the supply chain (Scope 3 emissions) is more difficult than calculating your own carbon emissions (Scope 1 & 2 emissions). If more companies in the supply chain calculate and share their own emissions, it

will become easier to understand the emissions in the bicycle supply chain and calculate Scope 3 emissions.

Regardless, it is essential for companies to start designing and developing products with an overall reduced environmental impact, even before they have calculated the Scope 3 emissions, as reliable Scope 3 emission calculations will likely be years away. Suppliers will have a role to play in offering products with lower carbon footprints than the current standards to help brands reduce the emissions related to their products.

Where does the 55% emission reduction by 2030 target come from?

The [European Climate Law](#) writes into law the goal set out in the European Green Deal for Europe's economy and society to become climate-neutral by 2050. The law also sets the intermediate target of reducing net greenhouse gas emissions by at least 55% by 2030, compared to 1990 levels.

The target in the letter is equal to the EU target, aside from the base year, which is set to 2015. This is because, in many cases, emissions of a company cannot be calculated as far back as 1990, and because the nature of companies in the cycling industry has changed too much for proper comparison.

Will this help me get ready for regulation from governments and investors requiring me to disclose my carbon impact/risks?

Yes, more and more governments and investors are asking you to disclose your carbon emissions and will require or expect you to cut your emissions.

This will likely intensify over the next decades as **governments** will have to meet their own emission reduction targets, which will in turn require companies operating within their borders to limit their emissions as part of the national emissions.

More and more **investors** are divesting from carbon intensive industries. They will want insight in the emission from companies they will potentially invest in.

Are there any schemes I can join who will be able to help me with this?

- **US:** People for Bikes partners with the Outdoor Industry Association to guide and support companies in each step in the journey through the [Climate Action Corps](#).
- **Germany:** [BIKEBRAINPOOL](#) recently launched the BIKE Charta.
- **EU:** The Confederation of the European Bicycle Industry ([CONEBI](#)) and Cycling Industries Europe ([CIE](#)) have a joint [sustainability working group](#).