Riding the wave of innovation: improving performance in Watersports for **People and the Planet**

DEC4THLON

FROM TO SEA



Editorial



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As the world's largest sporting goods brand and retailer, DECATHLON has an important role to play in helping to make sport and exercise accessible and enjoyable for everyone. As a manufacturer and retailer, we also believe in reshaping the way we do business to reduce the impact we have on the planet by working to transform our linear production and consumption models into truly circular economies. To do this requires a rewiring of the way we think and act as a business, and effective collaboration all along our value chain.

To help us achieve our ambitions, our global sustainability strategy focuses on five core drivers of action: limiting the impacts of climate change, eliminating waste and scaling circular economies, promoting social responsibility wherever we play, fostering and supporting new ways to unlock impact, and growing our business regeneratively. Our strategy is underpinned by targets and metrics to enable us to continually improve our performance and transparently report on our progress. We continue to learn and evolve our approaches, knowing that the issues we're tackling are complex and often require different interventions and actions.

We know that we can't do this alone, which is why DECATHLON is committed to working in partnership with other like-minded organizations and individuals. Together we can achieve a future that respects and promotes both human and planetary health.

Anna Turrell **DECATHLON Chief Sustainability Officer**



In today's world, physical and mental health and wellbeing have never been so important to our lives. Alongside good nutrition, exercise plays an incredibly important role in keeping us healthy and fit, long into the future.



Charting a more sustainable future



Every day, our teams around the world work tirelessly to develop products that are more sustainable by design and that use innovative materials to reduce our impact on the environment.

From conception to production, DECATHLON has developed systems and processes to ensure everyone along the value chain, including designers and manufacturers, is continuously committed to the reduction of our environmental impact.

DECATHLON is committed to becoming Net Zero by 2050. In order to achieve this we have established validated science-based targets, aligned with the Paris Agreement (1.5 degrees), which will require a 42% reduction in absolute CO2 eq. emissions in 2030 (compared to 2021).

In order to achieve this goal, our passionate and dedicated teams across the business are committed to not only helping move people through the wonders of sport but doing so in a way that reduces our impact on the environment. Recognising the important role that circularity plays in helping us to deliver on our climate targets and reduce our environmental footprint, we are doubling down on our efforts to scale circular business models with the deployment of



second hand offerings, buyback, rentals and subscriptions, as well as repairs and spare parts.

As a result of our efforts and for the second year in a row, in 2023 DECATHLON saw a net revenue increase while reducing our absolute CO2 eq. emissions.

We know that we cannot achieve our ambitions alone, which is why we are working with committed and innovative partners to help us reduce our environmental impact across our business. We are working hand-in-hand with suppliers and partners to unlock sustainable materials and innovations across the supply chain, decarbonise processes and pave the way for new business models based on circularity and increased product life cycles.

This is just the beginning

Each day, DECATHLON continues to innovate with products like the Yulex100 wetsuit manufactured with 100% certified natural rubber, the first of its kind on the sporting goods market.



Watersports **Centre:** 20 years of design and innovation



Watersports Centre: 20 years of design and innovation

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Water is an element that is as fascinating as it is frightening, and as attractive as it is inaccessible. DECATHLON is well aware of this and this is why our watersports teams are committed to developing 'feel confident' products and experiences to allow as many people as possible around the world to take the plunge and enjoy watersports. 77

Stéphane Saigre **DECATHLON Watersports Director**

Set up 20 years ago in former fish auction buildings in the port of Hendaye, our unique watersports design center brings together the world of watersports (kayaking, surfing, swimming, etc.) in an area of almost 10,000 m2. Every day, 280 teammates, half of whom are designers, engineers, product and quality managers, prototype specialists, model makers, come up with ever more innovative products. Since the creation of our Watersports Centre, the teams have registered 37 innovations (and more than 205 patents) and develop almost 1000 prototypes every year.



Sustainability at the heart of R&D

As sailors, divers, surfers and swimmers, we are on the front line when it comes to observing the effects of climate change and pollution. It's vital to the preservation of our active way of life that we take action to counter these phenomena by adopting and promoting more responsible behaviors. This is the reason why at Watersports, we strive to make our actions more responsible.

When it comes to research and development, our commitment is always the same: to take into account environmental concerns early on in the design of our products. The solutions we have devised to meet our goal to reduce our impact are as varied as our unique products: removing elastane from our swimwear to make it easier to recycle; making kayaks, stand-up-paddles and even softboards repairable; and working on new ways to increase the usage rate of our products.

The specific requirements of our watersports, such as the temperature of the water, have led us to use materials like neoprene. In this case, optimizing the raw material is the first design step we have taken to limit the unit impact of our wetsuits. Making their repair possible thanks to our shop networks is an additional service that can extend their lifespan even further.

Committed to preserving aquatic environments

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As water is the element that connects all our sports together, we plan to become involved in protecting and even restoring natural aquatic environments. Blue Point, a regenerative project initiated by a European consortium and financed by Interreg Atlantic Area 2021-2027 Program, illustrates our desire to support solutions aimed at cleaning the seas and finding new promising sources of raw materials.

Edouard du Doré Watersports Sustainability Director

The OECD's Global Plastic Outlook, published in June 2022 highlights the scale of the threat posed by plastic waste to our oceans and their fragile ecosystems: there are 140 million tons of garbage in the oceans, among which 80% of plastics. This amount of marine plastic pollution is increasing dramatically as 4,8 to 12,8 million tons are added annually. Plastic may outnumber fish by 2050, damaging marine biodiversity, health and economies. According to the French Marine Institute, in the Bay of Biscay (France) alone, we are facing a real challenge with 55,000 tons of marine plastic pollution.

In response to this crisis, the Blue Point project, brings together universities, institutions and companies from France, Portugal, Ireland and Spain, with DECATHLON as an associated partner, and aims to turn this problem into an opportunity.

Blue Point's goals include the protection and restoration of aquatic environments, research on new sources of raw materials from plastic waste and job creation.



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DECATHLON's collaboration as an associate partner in the Blue Point Project is of great interest, since it allows us to use their knowledge and experience to help in defining industrial requirements for recovered marine plastics, but also provides an excellent platform to raise awareness about marine pollution among watersports users.

Nerea Egia

Blue Point Project Manager Directorate-General for Ecological Transition, Gipuzkoa Provincial Council

We want to contribute to develop efficient waste sorting methods and environmental quality standards that can ensure the effective use of recovered materials.By working closely with local stakeholders, we aim to become a leader in this essential fight to preserve our oceans.







DECATHLON **YULEX100**, the world's first neoprene alternative based on 100% certified natural rubber

A revolutionary innovation in watersports

Since the 1970s, most wetsuits have been made of neoprene, a synthetic rubber derived from petroleum or limestone. Since then, people who wanted to practice watersports all year long had no choice but to use these types of wetsuits. Although neoprene is stretchy and efficient at keeping people warm, its production is also highly polluting. Alternatives to neoprene do exist on the market, such as wetsuits made from 85% Yulex[®] natural rubber and 15% synthetic rubber. But our engineers wanted to go further. Because we want to lead the wave of change and create wetsuits made from 100% certified natural rubber, without the use of synthetic rubber.





From trees to seas

To push the limits and finally offer a component that is less impactful on the environment than neoprene, DECATHLON and American-based company, Yulex, decided to join forces to develop this revolutionary material.

The result? An 80% reduction in CO2 eq. emissions compared with neoprene foam and a result that is just as light, warm, durable and stretchy, meeting all the technical requirements of users.

The challenge was to find a replacement for the polymer, which is the main component in the foam without altering the production process, product performance or the price. More than 50 lab tests, 50 different formulas and two years of research were necessary for the DECATHLON and Yulex teams to succeed in designing an exclusive component. Yulex100 is the first and currently only alternative to neoprene made from 100% certified natural rubber.

Thanks to this unique component, DECATHLON is replacing 100% of neoprene with natural rubber that is exclusively sourced from PEFC® or FSC® certified forests.





DECATHLON's journey out of neoprene



Our mission at DECATHLON has always been to make sport accessible to as many people as possible. We want everyone to be able to enjoy the wonders of sport, and to do so in a more responsible way.

That's why we've focused our efforts to introduce YULEX100 into our beginner junior shorty range, as they represent 34% of our surf wetsuits sold in 2023, and into our snorkeling tops, representing 27% of the diving and snorkeling top and wetsuit pieces sold in 2023. This leads to a significant reduction in our use of neoprene, with more models to follow in the adult range in 2025.

It hasn't been easy. The main challenge was to change the main ingredient of neoprene foam to natural rubber, without modifying the manufacturing process, all while keeping the same technical properties. The second challenge was to guarantee the same price in order to make this new technology accessible to our many watersports lovers.

The work has only just begun. Our ambition is to transform our wetsuit range to be as neoprene-free as possible in the shortest time possible, expanding from our surf wetsuits and snorkeling tops. We don't underestimate the scale of the challenge ahead of us. There's a reason that this hasn't happened before.



It's technically complex to deploy natural rubber to a full range of watersport products because each sport has its own requirements, uses and aesthetic codes.

We have started with surfing and snorkeling products, but our next challenge will be to develop those solutions in other watersports including diving and open-water swimming.

The technical challenges to develop materials that ensure comfort, warmth, freedom of movement and durability regardless of the sport are high but we're working on it. Yulex100 is an industrial revolution as the first neoprene alternative, free of synthetic rubber. Yulex100 is just the beginning.

Our commitment to transform the universe of watersports is only starting.



Key figures

DECATHLON group & sustainability

The Group has built a decarbonization trajectory based on the Paris agreement and in line with the Net Zero standard. DECATHLON's decarbonization targets, validated by the Science Based Target initiative are (scopes 1, 2 & 3):

- -42% reduction in absolute CO2 eq. emissions in 2030 (compared to 2021).
- Net Zero by 2050.

For the second year in a row, in 2023, DECATHLON decreased its absolute CO2 eq. emissions (scopes 1, 2 & 3) by a sharp -10%, compared to -2% in 2022.

DECATHLON multiplied its sales generated by products benefiting from an ecodesign approach by 3.7 compared to 2021, reaching 38.8% in 2023. This same year, circular sales accounted for 420 million euros, representing a strong increase of +24,7 % compared to 2022.

Sustainability in watersports

Watersports reached 42,5% of sales generated by products benefiting from an ecodesign approach in 2023.

We decreased our absolute CO2 eq. emissions (scopes 1, 2 & 3) by 11% the same year. To contribute to DECATHLON GROUP commitment, Watersports target to reach 50% of eco-designed products in 2024 and 65% in 2025.

We want to promote long-life products for some of our core products, such as surf boards, SUP and kayaks. For instance, 72% of our Stand-Up Paddle and Kayak range is repairable within our European workshop network.



Watersports centre

280 employees in Hendaye (+40 in La Rochelle) and half of them are engineers, designers, prototypists, model-makers, quality and product managers.

- More than 10 nationalities. —
- On the way to gender equity with 60/40 men and women. -
- 3 processes hosted in Hendaye: Water Thermal Insulation -(WTI), Aqua, Dry in Hendaye + 1 hosted in La Rochelle: Personal Flotation Device (PFD).
- Hendaye workshop is DECATHLON's second largest (after the fitness centre (DOMYOS) in Bondues-France) in terms of number of machines.
- The largest sewing workshop of Atlantic Pyrenees -(French region - 64).
- Since creation, registration of 37 innovations, 205 patents.
- Every year, almost 1000 prototypes are developed by teams.

Cradle of one famous innovation: the Easybreath snorkeling mask (2014) offering a 180 degree view with anti-fog and anti-leak features for an immersive snorkeling adventure. Experience the underwater world like never before with our full-face snorkel mask.

EASYBREATH numbers: 5 final prototypes & 7 years to design.









About DECATHLON

A global multi-specialist sports brand catering for everyone from beginners to top athletes, Decathlon is an innovative manufacturer of sporting goods for all skill levels. With 101,000 teammates and 1,750 stores worldwide, DECATHLON and its teams have been working ever since 1976 to fulfill an ongoing ambition: Move people through the wonders of sport, to help them be healthier and happier in a sustainable future.

More news: decathlon-united.media

Click here to find out more about our commitments.

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