MAGAZINE

OFFICIAL PUBLICATION OF THE WORLD FEDERATION
OF THE SPORTING GOODS INDUSTRY

NEW STRATEGIES FOR A HEALTHIER, *MORE ACTIVE* PLANET

2024

WORLD FEDERATION OF THE
SPORTING GOODS INDUSTRY

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Message
Chair

It is with great pleasure that I address you as the Chair of the WFSGI following the conclusion of the first year of my term. Serving in this capacity has been a privilege, and I am honoured to continue working alongside our valued members and the WFSGI team to advance our collective mission. My connection to the WFSGI runs deep, rooted in a family legacy of commitment to our industry. I am proud to continue this legacy and contribute to the progress of our industry.

Despite the challenging times we are experiencing around the world, the WFSGI has achieved significant milestones during the last year that demonstrate our commitment and ability to make a positive impact on people and planet.

A historic Memorandum of Understanding was concluded with the World Health Organization (WHO) to improve global health through physical activity and sport, the first-ever collaboration between a business association and WHO in this area of health. This partnership reaffirms our industry's crucial role in fostering a healthier, more active planet.

Additionally, our new agreement with the International Olympic Committee (IOC) stands as a testament to the value our industry places on supporting and telling the stories of our athletes. This agreement provides our member brands with enhanced opportunities to share the inspiring narratives of their athletes in the lead-up to and during the Paris 2024 Olympic Games. It reflects our ongoing commitment to influence activity from the playground to the podium.

To ensure that we continue to grow and deliver value for our members, we have established a new Strategic Plan to 2025. Our purpose, "to unite and support the global sporting goods industry to ensure a healthier, more active planet for all," is embodied in four key pillars: enabling sustainable business, influencing activity from playground to podium, facilitating and promoting free and fair trade, and supporting transition in a changing world. I thank all members who supported the development and approval of the Strategic Plan. I am certain that its implementation will provide both a clear direction for the federation and a reminder of the value proposition that WFSGI offers its members.

I would like to acknowledge the departure of our longtime President & CEO, Robbert de Kock, who has played a pivotal role in our organization's success over the past 16 years. We appreciate all that he has done to bring the sporting goods industry together and to further the strength of the WFSGI during his tenure. We welcome Emma Zwiebler as our new Interim CEO, confident in her ability to guide us through the next phase of our journey.

As we enter the second year of my term, I am committed to continuing to support the collective work of our passionate industry to deliver a healthier, more active planet for all.

Andy

Andy Rubin
WFSGI Chair

Sustaining Members

The sustaining membership is a complementary membership. Companies that choose to be a sustaining member demonstrate a strong identification with the Sporting Goods Industry worldwide, the WFSGI and its objectives.

GOLD

SILVER

BRONZE

CHECK THE FULL MEMBERS DIRECTORY HERE

Message
Interim CEO

It is a privilege to address you as Interim CEO of the World Federation of the Sporting Goods Industry (WFSGI) for the first time, and to extend a warm welcome to 2024.

For those of you who do not know me, I am a former professional badminton player for Scotland who joined WFSGI six years ago, transitioning from a career in sports law with an academic background in Chemistry. During my tenure, I've led our engagements with the International Olympic Committee (IOC), International Sports Federations, and relevant United Nations Agencies, focusing on physical activity, sport, and health.

In the face of a challenging backdrop marked by a cost-of-living crisis, rising inflation, energy challenges, and geopolitical shifts, 2023 was a remarkable year for WFSGI. The WFSGI team worked hard with and on behalf of our members to navigate these complexities and advance our collective agenda.

A significant portion of 2023 was dedicated to formulating our new Strategic Plan to 2025. This plan, encompassing our collective purpose, values, and pillars, provides a sustainable framework for WFSGI's growth and delivery for years to come. Looking ahead to 2024, I look forward to leading the implementation of this plan, translating theory into impactful action.

In 2023, we secured two noteworthy agreements—a 'Road to Paris' pilot with the IOC and a unique MOU with the World Health Organization (WHO). Both underscore the significance of collaboration in addressing challenges within our industry and the wider world.

The 'Road to Paris' pilot aims to amplify excitement around the Paris 2024 Olympic Games by leveraging the industry's communications to tell the stories of athletes, teams, and sports in ways previously unexplored in the digital era. This collaboration with the IOC represents an opportunity to extend the reach of the Olympic Movement, particularly among new audiences and the next generation.

Simultaneously, our MOU with the WHO emphasizes the urgent need to combat global inactivity. Getting the world to move more is a business imperative for sporting goods companies. The latest global figures present a very worrying picture with over a quarter of adults and 81% of 11–17-year-olds not being active enough to maintain health. Without urgent action, these statistics put the future of our industry at risk, and it has been predicted that the cost to global healthcare systems to treat additional ill health caused by inactivity will be USD 300 billion to 2030. It is our aim that the implementation of this partnership will demonstrate the positive impact private sector collaborations can have, addressing critical societal issues to deliver meaningful change for global business and health.

I would also like to extend a heartfelt thank you to the incredible WFSGI team for their unwavering support during a pivotal year. Finally, I would also like to express my personal gratitude to Robbert de Kock for bringing me into WFSGI in 2018. The agreements we concluded this year are a testament to his impact over 16 years and it is a great honour to be able to build on the work that has been done before me.

For those members whom I have not yet had a chance to meet or speak to, please do reach out to me using the contact details below. I look forward to working with our members and collaborating with key stakeholders to shape the agenda for an industry that has played a significant part in my professional journey.

Emma P. (Mason) Zwiebler
Interim CEO
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Table of **Contents**

Enabling sustainable business

Influencing activity from playground to podium

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Our New **Strategic Plan to 2025**

The WFSGI team, Board, and Committees spent a considerable amount of time in 2023 establishing our new Strategic Plan to 2025.

Setting out our collective purpose, values, and pillars, **the new Strategic Plan** provides a sustainable framework against which **WFSGI** can continue to grow and deliver for our members for years to come.

We also began work to develop our external communications, seeking to reposition **WFSGI** around our **new Strategic Plan**, better capture the role that we play for the industry today, and clearly articulate the broad spectrum of work we do with and for members.

Agile:
we are focused on delivering our members' priorities but frequently assess and adapt as needed to ensure our work remains valuable to our members.

Proactive: we aim to be ready and take action for our Members' benefit rather than respond to circumstances.

Focused:
our attention is directed toward delivering on our purpose for our Members.

Inclusive:
we listen to and value all Members, staff, and stakeholders, and treat them with dignity and respect.

Collaborative:
we collaborate internally and with key external stakeholders to reduce inefficiencies and drive value for our members and the industry.

WORLD FEDERATION sgi SPORTING GOODS INDUSTRY

Enabling sustainable business, why you should start small to work within planetary boundaries

by Steve Evans,
Director of Research in Industrial Sustainability, University of Cambridge

After 12 years in industry Steve moved to the Centre for Industrial Sustainability, University of Cambridge. He wants to learn how to manufacture while not destroying the planet. He has delivered many new research directions, studying the Circular Economy in 1993! Steve has founded various cleantech start-ups, has been Special Adviser to the House of Lords, is an active cyclist and a Black Belt at Judo.

The most successful sustainability programs follow a pattern that includes buying clean energy, enhancing energy efficiency, focusing on material efficiency, understanding environmental impacts, and gradually innovating materials but, mental models that perceive sustainability as expensive can hinder progress. Manufacturers should focus on energy and material productivity and look for small changes that can lead to cost savings.

Firstly what is sustainability for people who make things? We produce the ‘stuff of life’ and bring joy and wonder to many, but we also use more resources, and pollute more land, air and water than any other sector. We can make over 20 billion socks each year! A million PET bottles a second! The manufacturing industry is amazing!
But the unintended consequence of our amazing ability to do things at scale, is the impact on the climate, land, and water. The most pressing concern among these is climate change, which we now recognize as a time-sensitive issue. However, climate is just one facet of a broader problem. Recent research indicates that soil health is even more critically compromised than the climate. In this brief piece, I will focus on climate change, as it is an issue many manufacturers are actively addressing, without delving into additional challenges. The good news is that the strategies, actions, and knowledge that prove effective in combating climate change can be applied to address various other environmental and social issues, from improving conditions for Tier 2 suppliers' employees to supporting local entrepreneurs in your community.

Let's focus on climate change. You may have heard about it, and you might be involved in various projects aimed at reducing your carbon footprint, regardless of whether you have a decade of experience or are just starting out. In this discussion, I'll share insights gained from working with both industry leaders and newcomers in this field, hoping to offer valuable guidance.

I have noticed many initiatives but limited consistent progress. Sustainability often gets treated as a unique and challenging issue that requires knowledge and demands changes that could complicate or increase the cost of manufacturing. However, it doesn't have to be this way.
The most successful programs follow a clear pattern. It is not: announce a target, buy clean energy and off-setting, impose targets on suppliers, and calculate the return on investment (ROI) of big tech investments. It is:

1. Buy clean energy.
2. Enhance energy efficiency within your own production processes.
3. Focus on material efficiency.
4. Gain a deeper understanding of your environmental impacts (through activities like Life Cycle Assessments) and aligning them with the Sustainable Development Goals.
5. Initiate incremental innovations in energy usage (e.g., electrifying heating and modifying processes).
6. Gradually innovate materials (often starting with packaging and expanding to waste reduction and sourcing environmentally friendly materials).

Only after mastering the basics, do these leaders educate their suppliers, emphasizing on education rather than enforcing strict targets. The most successful companies avoid major capital investments until they thoroughly understand the environmental challenges, have identified strategies to tackle the most accessible problems, and have determined the innovations required for the next stage.

In my experience the single biggest challenge for many manufacturers is their 'mental model'. In the manufacturing sector, I often meet individuals (leaders) who think that 'sustainability is expensive'. The ONLY guarantee I can give in this article, is that if you think that sustainability is expensive, then you will prove yourself right. You will look for high-tech, expensive solutions and then complain about the cost. Personally, I admire companies that do not want to simply throw money at challenges. I prefer to use my brain rather than using my wallet.

We have closely observed and collaborated with many factories on their sustainability journeys and have found a consistent pattern among the best performers. Typically, they manage to reduce their energy consumption by over 10% within the first year and sustain this figure at or above 6% for subsequent years. Attacking energy waste first not only benefits the environment but also translates into cost savings. These improvements are often a series of small changes, such as the simple act of switching off equipment that's not actively generating revenue but continues to consume energy. The best manufacturers then turn to material efficiency, working to reduce production waste (less waste in our bins = less material to purchase for the same output).

As we embark on this journey of sustainability, we can simultaneously save money and save the planet. However, the challenges will grow more complex and costly as we progress further along this path. Therefore, building a strong knowledge base early on is crucial.

So, what should you do? Re-purpose your existing expertise in labor and capital productivity and redirect that toward energy and material productivity instead. Over the last decades the lean transformation in manufacturing taught us how to see waste differently. What once seemed essential (like maintaining excess inventory) eventually evolved into a more efficient approach. That transformation was personally hard for me – I remember arguing late into the evening on the factory floor that we needed all that inventory. However, this revised perspective on waste is what we needed then and is exactly what we need now to tackle energy and material efficiency improvements.

Technology

You will know about the technologies that are regularly proposed in your own world – new dyes, new molding technology, paints that dry with less energy and the list goes on. It's like being a kid in a candy store, but here's the catch: the choices are endless, and your resources are limited. So, where do you start?
Most manufacturers are well-versed in the usual suspects of technology, but when it comes to understanding the performance gains and potential disruptions to their operations, hesitation sets in. Those who dive headfirst into tech exploration often find themselves in a whirlwind of stress. They know little about their sustainability challenges and haven't made any headway towards their targets. Others may have invested in the cheap ways to save energy and materials, like the options mentioned above, in which case they have pinpointed their problem areas and will probably seek out technology to help with that. Or you may also be one of the leaders, who has installed well-known technology and is now looking for new ways to innovate. In that case, my advice to you, don't wait too long to copy - invent for yourself. Explore other sources of innovation, for example go from a food sector to an aerospace sector to learn.

Let me briefly offer a story from a factory just a four-minute drive from my home. AB Sugar, in the business of turning sugar beets into sugar, faces fierce competition in a price-sensitive market. Rivals are building massive sugar refineries to cut costs. But AB Sugar took a different direction: they embarked on a 'Treasure Hunt' and started to analyze all their waste.

In this treasure hunt, they uncovered valuable molecules worth a staggering $5000 per kilogram, known as 'nutraceuticals,' hidden in the waste they were sending back to farmers. Recognizing their substantial energy demands and excess heat waste, they decided to harness their 'waste' CO2 emissions and surplus heat from various processes. They cascaded this heat up to 20 times before using the lowest-temperature heat, combined with CO2, to cultivate tomatoes in greenhouses. Believe it or not, a sugar company became Britain's largest tomato producer, growing tomatoes twice as fast and cheaper than the competition - all thanks to their own waste innovations.

So, do you know what treasures lie within your bins? AB Sugar needed biochemists to uncover those valuable molecules, but all it took was some good old common sense to see the potential in their CO2 and low-grade heat waste. It's a story of innovation that proves, sometimes, thinking outside the box can turn waste into wonder.

Green hushing

I want to briefly talk about this. Green Hushing is where manufacturers are doing great things but tell no-one. We seem scared to talk about our achievements. And this has important consequences.

Maybe we worry that we do not have the communications resources or skills of the massive Brands and worry that this is a new type of communications that has the potential to create negative reaction (what if Greenpeace finds out and screams 'greenwash'...). But that has a major impact. Fewer citizens (across our nations or just in our hometowns) know that we are doing these great things. Our staff cannot show pride in their achievements. Other manufacturers don't get inspired or learn from us.

I want to encourage you all to take your story outside. If you are worried about being accused of greenwashing the key is authenticity and relentlessness – explaining that this is just a part of a wider and longer journey that you will maintain your focus on.

I also want to encourage full recognition of staff. If someone has saved 10kWh of energy this year then talk about it, recognise it. The power to make one of your staff into a 'carbon hero' is immense and reaches to family and friends.

Strategy making

Many manufacturers have announced Net Zero targets, with varying levels of detail in their plans. These plans are publicly available for review, and I advise you to explore them.

In my work with these manufacturers, I can observe a common pattern in the most effective strategies. Interestingly, this pattern doesn't lie in the specific content of the strategy itself, so copying or editing a strategy isn't the solution.

The most successful strategies typically start by combining small internal projects with a strong emphasis on listening to scientific insights and stakeholder input. This process helps manufacturers determine what truly matters to them, often referred to as a 'materiality' exercise. By the end, they gain a deeper understanding of their operations, identify key environmental and social concerns as highlighted by experts, and grasp the worries of their stakeholders. Is climate the primary concern, or is it issues like water pollution or end-of-life product management, which consumers expect them to address?

Strategies typically contain specific projects across climate, clean production and clean materials that follow a broad flow from doing-less-bad efficiency projects advancing to innovations and in some cases transition to radical transformations that might be needed to deliver the final performances. For example, this journey might begin with material efficiency, then transition to sourcing fewer toxic materials, and ultimately establishing 'whitelists' of inherently benign materials.

The Future

The actions and strategies mentioned above can guide manufacturers on the path towards minimizing their impact on both the planet and society. However, the world is constantly evolving, with manufacturing at the forefront of many societal transformations, such as those seen in the automotive, mobile phone, and universal anesthesia industries.

Alongside the need of preserving the environmental and societal conditions necessary for human well-being, there are other megatrends at play, including the digitalization of manufacturing processes, globalization, and the rise of artificial intelligence. Considering these factors, what might the future hold for a sustainable industry in the long term?

I am writing this on a plane returning from Singapore where I have been working on a project to develop a de-carbonisation roadmap for the Singapore Chemical Sector (a major part of the local economy). The local chemical sector is centred around the fourth largest national petrol refinery in the world. One vision for the future is zero fossil fuel as a feedstock, replaced entirely with biological feedstock which would allow the plastics industry to remain largely unaffected (if it delivers efficiency, maximises use of electricity for heat, and captures residual carbon.)

This radical prospect involves the plastic industry shifting towards producing plastics from bio-feedstock and establishing extensive storage facilities for used plastics. This could potentially result in capturing gigatons of carbon, effectively reversing the carbon flow from the ground to the atmosphere. It entails cultivating crops that can be transformed into useful plastics and then storing these plastics instead of recycling them or incinerating them for energy. This particular future may not happen but we can be certain that the future is fascinating and unpredictable.

But some things can be predicted with reasonable confidence:

- We will not be using fossil fuels to drive industry.
- We will electrify all heat.
- We will grow ever more of our output (a switch from chemistry to biological processes)
- We will take back our molecules from the customer because we know best what to do with them.

Other futures are more speculative:

- We will be using the spare electrons from vast renewable electricity production to create materials – electrochemistry.
- We will use silicon to make plastics – geopolymers.
- Precision Fermentation will make the materials we use most.
- Factories will become part of the energy system – slowing production to help the Grid in tough moments.
- We will only use what is grown or available locally, making what is needed on our street, in a factory that is part of the street.

Making things will remain. How we make them will change, factories will be recognisable at first, then change radically. To deliver the benign conditions that will enable society to thrive and to need those new factories, we need to get serious about what we do in the next 10 years.

Good luck and have fun learning. And do it together with your great SGI friends.

Extended Producers Responsibility for E-Bike-Batteries

by Georgios Chryssos,
General Manager,
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GRS Batterie

Julia Hobohm,
General Manager,
GRS Batterien

Georgios Chryssos is General Manager of the German Foundation for Waste Batteries (Stiftung Gemeinsames Rücknahmesystem GRS Batterien) since 2009. He holds a master degree of science (Dipl.-Ing.), in mechanical and chemical engineering from the Technical University (RWTH) Aachen. Georgios has more than 30 years' experience in waste management, producer's responsibility and circular economy.

Dr.-Ing. Julia Hobohm is General Manager of GRS Batterien. Her phD at the TUHH was about WEEE collection. She is lecturer at HAW and DKU and is on the board of the DGAW and the IFAT. She also produces and moderates the podcast "TrashTalk". Hobohm is in the network of the Obladen Academy. She is the author or co-author of over 200 specialist articles in journals, conference proceedings and books.

The new European Battery Regulation obliges all producers of E-Bikes and E-Bike batteries to take over an extended Producers Responsibility (EPR). For this the producers must set up nationwide collection schemes to take back End-of-Life-Batteries from all end-users. The producers must achieve new collection and recycling targets. E-Bike batteries are dangerous goods and save collection bins and transportation logistics are necessary. Germany has already implemented an appropriate collection scheme which could be a blueprint for Europe.

1. Introduction

Batteries are taking up more relevance in our daily lives, and it is hard to imagine life without them, especially in the area of mobility, as the electrification of private transport is making progress. Batteries are a key technology to drive the green transition, support sustainable mobility and contribute to climate neutrality by 2050. Around 470,559 electric cars were newly registered in Germany last year. A large number - but compared to the more than two million E-bikes that were sold in the same year, it seems small.

During the Corona pandemic, sales figures stabilized at around two million E-bikes per year. Thanks to the possible drive support, longer distances are possible compared to a normal bicycle, and uphill climbing and difficult tours are also easier to accomplish. This makes the bicycle a real alternative for people when choosing their type of transport. The number of new registrations of electric cars this summer was 1.19 million and that of e-bikes was 11.63 million. (ZIV, STATISTA)

Due to the importance of batteries, the Battery Directive became a European Regulation and entered into force on the 17th of August 2023. According to this regulation, the standardized and harmonized implementation of the producer's responsibility in the field of battery collection, reuse and recycling will be guaranteed. In this frame there are legal requirements for a low carbon footprint, usage of minimal harmful substances and the need of less raw materials from non-EU countries. This will support the change from a linear to a circular economy and supports the urgent and overdue need of increasing security in the supply of raw materials and energy, thus enhancing the EU's strategic autonomy. This Batteries Regulation is the first European legislation taking a full life cycle into account. The focus is on sourcing, manufacturing, use and recycling and it is in line with the circularity ambitions of the European Green Deal. The types of batteries previously standardized in the Battery Directive are device batteries, industrial batteries and vehicle batteries. There are new definitions for traction batteries (EV batteries) and batteries for light means of transport (LMT).

By 2025 the Batteries Regulation will give declaration requirements performance classes and maximum limits on the carbon footprint of electric vehicles, light means of transport (LMT) and rechargeable industrial batteries.
Batteries for light transport are batteries that are encapsulated, weigh a maximum of 25 kg and are designed for the traction of light wheeled vehicles (e.g., E-bikes, pedecels, scooters, etc.).
The introduction of new types of batteries in the legislation leads to significantly improved product differentiation and enables manufacturers and distributors of batteries to implement product responsibility on a product and user-specific basis. The previous subsuming of traction batteries, stationary storage batteries and light e-bike or scooter batteries under the term so-called industrial batteries was completely inadequately defined.
The previous definition of industrial batteries meant that no practical take-back solution was provided for industrial batteries that were primarily used by private end users. This meant that private end users of E-bike batteries could return them to retailers - but the retailers obliged to take them back had no legal right to a free return from the manufacturer. It was not possible at all to return it to the public waste disposal authority. In Germany, this regulatory gap was only remedied through the voluntary establishment of take-back systems by the manufacturing industry in cooperation with retailers and the operator GRS. The new EU requirements set a regulatory framework that now better meets the return requirements of the individual battery types.

2. Collection Quotas

Minimum collection quotas will also be introduced for the new LMT battery type:

- 51% by the end of 2028
- 61% by the end of 2031

Take-back systems for LMT batteries must be set up that enable easy returns, especially for private end users. The template for this was apparently the GRS take-back system for E-bike batteries, which was voluntarily introduced by the German bicycle industry over 10 years ago and is currently unique in Germany.

3. Minimum recycled content for industrial, traction or starter batteries

The new regulation obliges manufacturers of industrial, traction or starter batteries that contain cobalt, lead, nickel or lithium to use recyclates of precisely these metals in new products in the future and to report the recyclate content.

From 2028, manufacturers will be required to provide technical documentation for the batteries they sell, which will provide information on the amount of recycled material they contain. From 2033, this information will also be provided for LMT batteries. Formats, calculation and verification procedures are to be regulated from 2025.
As from 2031 (2036), the raw materials used for the above--mentioned industrial, traction or starter batteries must be recycled metals conforming at least to the following numbers:

- 16% (26%) cobalt
- 6% (12%) lithium
- 85% (85%) lead
- 6% (15%) nickel

Due to the unclear future availability of end-of-life products and recycled raw materials, the Commission is authorized to adjust the above-mentioned targets by the end of 2027.

4. Take-Back-schemes, Collection and Recycling

The collection of End-of-Life (EoL) E-Bikes and single End-of-Life of E-Bike-Batteries must follow two different European regulations. E-Bikes including batteries must be collected by the national take-back schemes for Waste of Electrical and Electronical equipment (WEEE). In electrical appliances included batteries must be remove by WEEE recycling-plants and must be shipped to special battery recycling plants. E-Bike-batteries which have been separated by end-users have to be collected by retailers. In the future battery producers will be obliged to set up special take-back schemes for E-Bike-batteries.
Almost all E-bike-batteries are Lithium-Batteries (LiB). LiB are dangerous goods and the transportation of LiB has to follow the international ADR Regulations. That is reason why several packagings and collection bins are needed for safe transportation of LiB. GRS has developed an international accepted safety standard (concerning ADR):

Green: Small LiB < 500 gr can be collected and transported together with other small portable batteries.
Yellow: A mixture of small and bigger non damaged LiB > weight of 500 gr can be collected and transported.
Red: Bigger non damaged LiB > weight of 500 gr can be collected and transported.
Red non safe: Non safe LiB must be transported in special containers.

Figure 1: Containers for collection and transport

Lithium Batteries (LiB) can be reused, repurposed or recycled.

Reuse and repurposing (loop 1) is the highest priority according to the new European battery regulation. Due to the fact that LiB are dangerous goods and must be safety certified before transportation and use, reuse and repurposing is very difficult. That is why it has been recommended that reuse and repurposing be operated by the original producers themselves.

Production scrap and pure EoL-batteries can be recycled by mechanical and hydrometallurgical treatment. The recycled material can be used for cathode production (loop 2).

Mixed EoL-batteries and lower quality batteries can be recycled by mechanical pyrometallurgical treatment. The recycled material can be used as second raw material for battery raw materials.

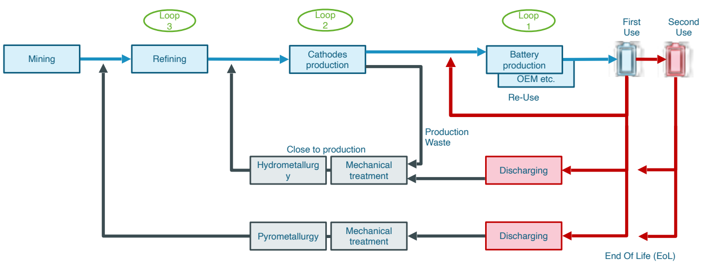


Figure 2: Raw material costs for Lithium Batteries

Another challenge will be the raw material cost for LiB. Producers will use cheaper raw materials for the production of LiB, but cheap raw materials are not attractive for recycling.

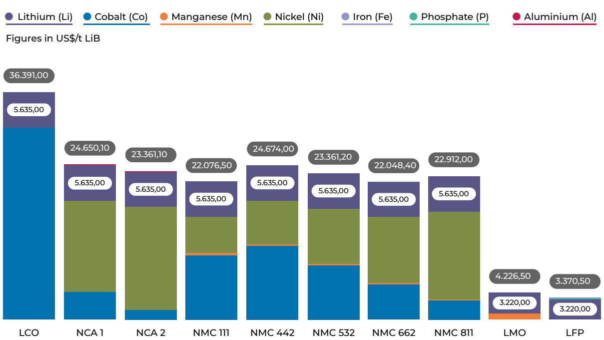


Figure 3: Costs of raw materials for the cathode materials of Lithium Batteries

5. Take-Back-Scheme in Germany as blueprint for Europe

In 2010 a new Take-back scheme for E-Bike batteries was implemented by the German Bicycle-Association - ZIV, the leading producers and GRS in Germany. In combination with the high-level GRS safety standard this take-back-scheme is a blueprint for other European countries.

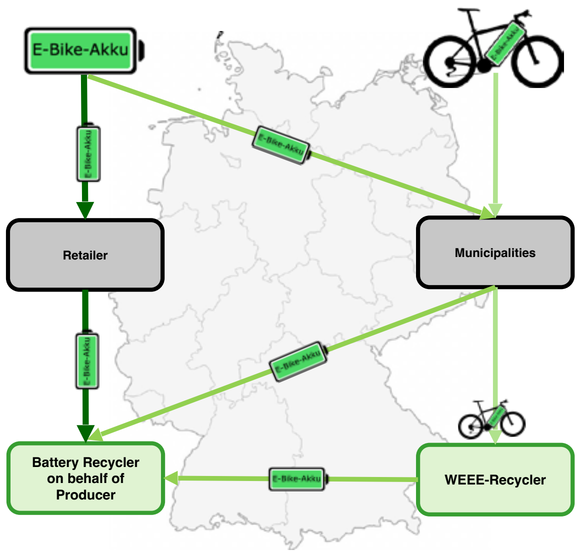


Figure 4: Mandatory take-back scheme for E-Bike batteries

6. Conclusion

The goal of making the use of battery recyclates mandatory in the future presents the manufacturing industry with a very big challenge. According to current expert opinion, the required recycling targets for lithium will not be achieved at all or will be very difficult to achieve. Due to the long service life of lithium batteries and as a result of the exponential market growth, there will probably not be enough end-of-life batteries available on the European market for years to be able to collect and produce enough recyclate. A global recyclate market must be expected here. The recycling targets set by the Commission can probably only be achieved with the use of secondary raw materials available outside Europe. It also remains to be seen whether the reuse of old batteries, which is prioritized in terms of waste policy, will have a counterproductive effect on the availability of battery recyclates.

However, it is still unclear to what extent production waste from battery production can be included in the recyclate quota. If it were possible to offset production waste, this would certainly lead to a recyclate gap from EoL-Batteries being covered.

Sustainability in sport: for a true global impact, bring all your events along

by Bob Ramsak,
Head of Sustainability,
World Athletics

Bob is working to ensure that the No. 1 Olympic sport and its stakeholders are positively contributing to the global fight against climate change. His role also includes coordinating and growing the World Athletics Athlete Refugee Team (ART) programme. Bob's professional career includes more than three decades working as a journalist and photographer covering culture, politics, international development, environmental and social justice and Olympic sport. He has covered four Olympic Games and visited 62 countries.

When World Athletics set out to develop its sustainability strategy in 2018, we knew that it was critical to bring all events under our remit along with us to create the widest possible front from across the sport to tackle, together, the triple planetary threat of climate change, pollution, and biodiversity loss. We did so guided by the recognition that while our events do have an impact on the environment and are being impacted by the changing climate, they also wield the power to help push for some of the changes necessary to meaningfully address the challenges we face. How?

By making all those events re-examine how they're staged and begin a push towards a delivery model where sustainability becomes a key guiding principle.
After two years of planning, that journey finally begins in January 2024 with the implementation of our Athletics for a Better Standard, an evaluation system that's at the core of the World Athletics Sustainability Strategy.

The power of events

By events, we mean those we own, such as our six world championship events (and the World Relays), and those we jointly manage, grant permits for or otherwise have an influence on, like the Wanda Diamond League series of one-day athletics competitions or the label road races like the World Marathon Majors.
In 2023, 472 events from 85 countries on six continents were part of our label and tour event series. Those events reach tens of thousands of people in the communities hosting them, and collectively, hundreds of millions more around the world who watch and follow them. Some are the largest or most important annual sporting events hosted in their cities. Many are firmly rooted in their communities with visibility year-round and activities that stretch well beyond their annual event.

Our sport's influence in those events is packaged in the examples we set – through the ways that we stage and deliver our competitions, by the lasting community partnerships we forge and through the commercial sponsors we choose to associate with. Amplify that influence through platforms that are driven by the unique power that sport can provide, and you have a truly powerful delivery mechanism to drive change.

Developing a strategy

In April 2020, World Athletics unveiled its sustainability strategy, a 10-year road map whose goals include achieving carbon neutrality across all World Athletics operations and world championship events by 2030. The strategy was designed to deliver tangible benefits across those three pillars of sustainability – the environmental, social and the economic - by using the power of sport to accelerate athletics towards a more sustainable future and contributing to a better world.

It was broken down into six pillars, or focus areas:

1. **Leadership in sustainability.** An aim to be a recognised driver in sports sustainability by promoting sustainability across the entire sport. A large part of that means embedding sustainability principles into our events, our daily operations and sponsorship and partnership agreements.
2. **Sustainable production and consumption.** To positively manage the impact of our procurement to ensure that we're minimising any social or environmental impact from the procurement of products and services. It also means maximising local economic impact around our events.
3. **Climate change and carbon.** To transition to carbon neutrality by 2030 across all World Athletics operations. That includes implementing a sustainable travel policy, to ensure that all sanctioned events commit to carbon neutrality targets and to identify credible means to offset unavoidable emissions.
4. **Local environment and air quality.** To ensure environmental conditions that enable individuals to participate safely.
5. **Global equality.** To demonstrably share our skills across the world so we can help create and expand recognised opportunity pathways for both genders in all professions in athletics across a wider geography.
6. **Diversity, accessibility and wellbeing.** To ensure that athletics is and remains open to everyone and safe for everyone.

Developing the tools

To embed principles of sustainability into the delivery of our events, actions around each of those pillars were then built into two tools that we developed: a Sustainable Events Management System, or SEMS, which offers best practice guidance in 15 key areas of event planning and delivery, and the Athletics for a Better World Standard, a certification that evaluates, measures and scores an event's achievement in sustainable delivery and in delivering the event in alignment with the six pillars that frame our strategy.

The SEMS begins with advice on how to develop a sustainability plan and includes chapters that cover every facet of an event's delivery. It looks at procurement, waste management, energy, food and water management and travel and accommodation planning. Diversity, accessibility and inclusion of staff and volunteers is also addressed. So is ensuring the health, safety and wellbeing of all participants and stakeholders. It concludes with guidance on monitoring, reporting and finally communicating about the work organisers are doing.

Given our global remit as an international federation, it wasn't possible to create a one-size-fits-all package, but we did endeavour to make it relevant and applicable across as wide a geography as possible. It's also been translated into 16 languages to ensure that most of the world's population could give it a careful read.

Alongside that is our Athletics for a Better World (ABW) Standard, the scoring and evaluation tool. It consists of 42 questions with 120 total available points and is tiered, with platinum, gold, silver, bronze, and recognised event achievement levels that will eventually have to be met as part of the evaluation process of all World Athletics-licensed events as from 2024.

It's scalable so that any event at any level, from a local parkrun or club track meeting to a national or world championship, should be able to achieve the highest standard of sustainable event achievement. Through close engagement with our 214 member federations, those events will also be encouraged to use the standard.

The strategy was the foundation of the management system we developed to ensure that sustainability is firmly embedded in our events. That system achieved ISO 20121 Sustainable Event certification in April 2023, an important milestone that lent credibility to our efforts and illustrated that the path we're creating is the right one.

That certified system also includes our Athletics for a Better World Standard.

From pilot to implementation

Since it was unveiled in December 2021, organisers of nearly 300 one-day competition series events and label road races have been introduced to the system. Several dozen piloted the standard in 2022 and about 100 were expected to pilot it in 2023, providing valuable input prior to its implementation from January 2024.

The system is also being incorporated into the delivery of all World Athletics Championships and increasingly into all World Athletics Series events. Cities bidding to host upcoming World Athletics Series events, for which bids launched in the first half of 2023, will be required to commit to a gold level achievement, making sustainability a core feature of all future World Athletics championships events.

Organisers of the World Athletics Championships Budapest 23 were the first local organising committee to fully embrace the ABW standard, giving it a full throttle test run at the recently held event in the Hungarian capital. Organisers of the World Athletics Indoor Championships Glasgow 24, set for March, have also announced their strong ambitions in delivering against the standard. Planning meetings with sustainability leads of the 2025 World Championships in Tokyo are already underway.

Implementation will have different objectives, depending on the event category. Annually held events, such as those that are part of the Wanda Diamond League, the Continental Tour or Label Road Race series, will be able to set longer term targets and objectives and chart their progress year-on-year. World Athletics championship events will focus on both strong delivery and the sustainability legacy they create for their host venues and cities.

Besides the SEMS best practice guidance, we have offered guidance with a series of webinars and info sessions for race and event organisers. We're continuing to expand a resource centre on the World Athletics website which will also host a regularly updated information hub of case studies and best practice examples from events. We will also continue to provide support for organisers via one-on-one meetings, the ongoing webinar series, a range of e-learning modules and visits to live events.

An online portal for event organisers, designed to help streamline the monitoring and reporting process, will be ready to launch in January.

Collaborations

Collaborations play a key role in the successful roll-out and implementation of new systems, for both World Athletics and event organisers.

In May 2023, World Athletics and WFSGI signed a Memorandum of Understanding to expand and strengthen its collaboration, which includes the sustainable development of the sport for the benefit of the sport, the athletes, the industry and the planet.

We've also regularly collaborated with academics and researchers who work at the intersection of sport, climate and sustainability and increasingly engage with other sports who have chosen similar paths. At the moment we're working with the International Biathlon Union, the International Floorball Federation and the Swedish Floorball Federation through the GAMES Project, a European Commission Erasmus+ funded initiative investigating ways that the respective sports can adopt more practices to mitigate their impact on climate change.

The role of athletes

Finally, the role that athletes can play, and their level of concern about the climate crisis, cannot be overstated

A survey of nearly 800 athletes who competed at four World Athletics Championship events in 2022 found that 76% were either extremely concerned or very concerned about climate change. The data also revealed that 66% are feeling impacted directly by the effects of climate change and that 72% believe climate change has already impacted athletics directly. Finally, 90% said that World Athletics does have a role to play in addressing sustainability in the sport.

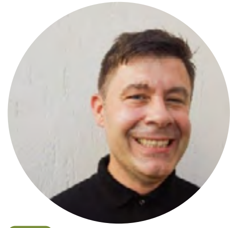
There is no clearer sign than that to tell us that we are on the right course.

That's why the sustainability strategy also encourages athletes to take a more active role in promoting sustainability and aims to provide support to have their voices heard.

To push that forward, in November 2022 World Athletics announced its inaugural group of 'Champions for a Better World', athletes recruited to lend their voices to sustainability campaigning within the sport. Under our Athletics for a Better World initiative, the nine athletes from nine countries representing each of our continental areas, will advocate for more sustainable practices across athletics and encourage other athletes to take a more active role in addressing their environmental concerns.


MAKE IT YOUR
GAME
INTERSPORT
THE HEART OF SPORT

Sustainability, Self-Regulation and Collective Action



by Dai Forterre,
Academic and Senior Corporate and Governmental Sustainability Advisor

Dr. Dai Andrew Forterre is a sustainability professional with global experience across government, business, and civil society.
He currently works in international Economic and Climate Affairs and as an Adjunct-Professor, and most recently led a national Responsible Business Conduct programme as a civil servant. Earlier, he managed Sustainability programs in the logistics and sporting goods sectors across the Asia-Pacific and Europe.

The opinions and observations expressed in this article, are strictly personal and do not reflect his current employer.
He encourages you to contact him with any questions or observations at: dai.forterre@luissbusinessschool.it or daiandrew.forterre@polimi.it

The EU is showing significant Green and Responsible Business ambitions, including transformative strategies, a taxonomy and new regulation on Corporate Sustainability such as the CSRD and CSDDD.
In the article, we explore these two directives, their why and how they mark a transition from self- to public regulation.
So far, we have seen businesses respond in largely two ways: Those who applaud this regulation and those who are concerned. If we focus on the latter group, this author posits that collective action might be key to overcome some of the perceived obstacles and help drive a sector towards greater sustainability.
Furthermore, he elaborates on the possible ''how'' of such collective action.

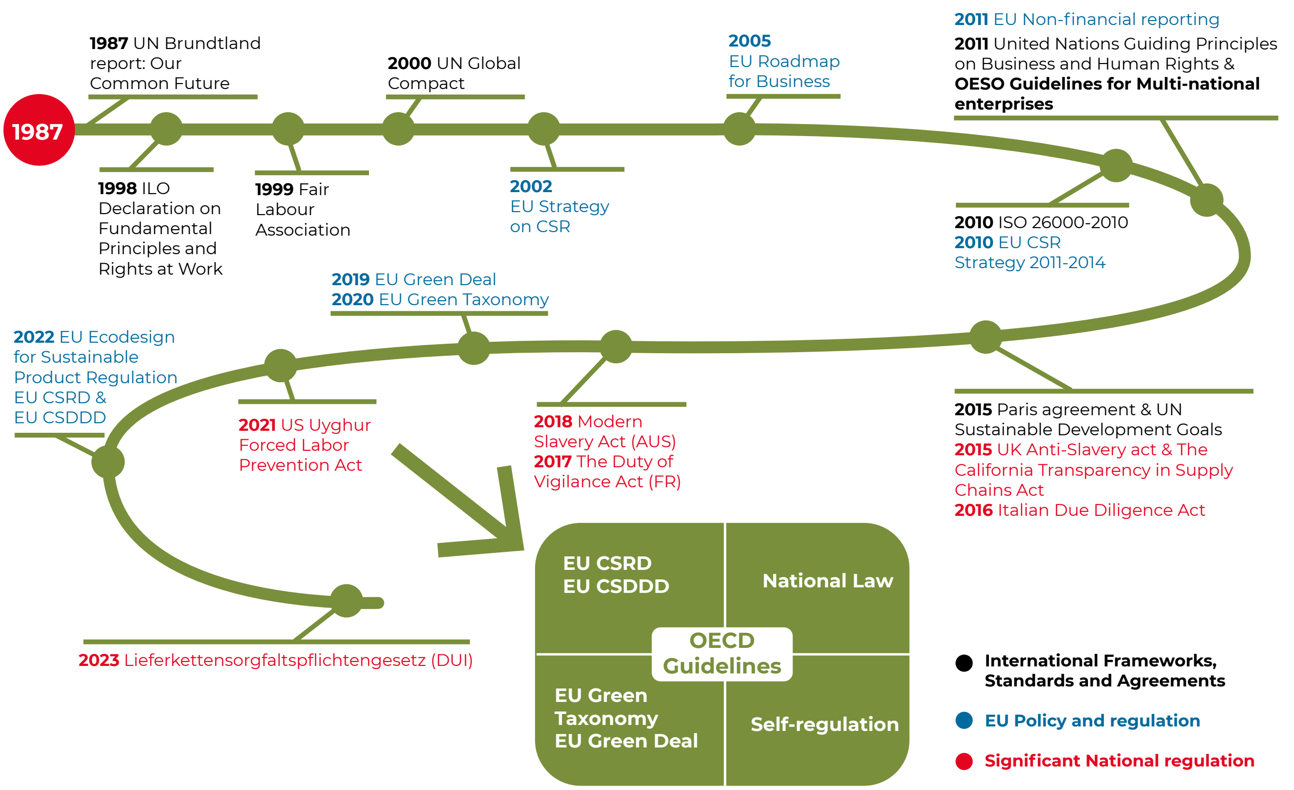
Never before, have the need for social and environmental sustainability become more publicly debated and evident.
The question however, is ''how to'' balance social, environmental and economic considerations.
For the Sporting Goods and Bicycle industries, we see four major sustainability developments: (1) The transition from self-regulation to public regulation, (2) the rise on advanced manufacturing and value chain digitalization, (3) a stronger focus circularity and climate change, and (4) changing expectations around the License to Operate for business.
For now, we will dive into the first development. More specifically, against the background of two principal EU directives, we look at ''the how'' through the lens of collective action.

From self-regulation to public regulation

Traditionally, Corporate Sustainability was characterized by self-regulation.[1] Marking the publication of the Brundtland report in 1987 as a historical starting point, the general consensus was for business itself to tackle long-standing environmental, social and labour issues within the boundaries of national law, through voluntary and business driven led action.

1 den Hond & de Bakker, 2007; Epstein-Reeves, 2010; Locke and Romis, 2007; Zadek, 2005; Utting, 2002

HOW CORPORATE SUSTAINABILITY IS INCREASINGLY MOVING FROM SELF- OR INDUSTRY REGULATION TO PUBLIC REGULATION.



Examples of this self-regulation are the development in the late nineties through multi-stakeholder initiatives (MSI)[2] and the audit-based system for labour practices, or business led initiatives (BLIs)[3] for example to reduce the toxicity and increase safety of textile production.
Over the last decade however, we have seen a steady move towards public regulation (see model above.)

The question is, why do we see this transition? Despite profound and comprehensive efforts of particularly front-running companies, some key longstanding social and environmental issues have essentially remained unresolved, whilst others have gained urgency.[4]
Two current principal regulatory developments, worth highlighting are the EU Corporate Sustainability Reporting Directive (CSRD) and the EU Corporate Due Diligence Directive (CSDDD) which will affect the sporting goods and bicycle industries in the EU and far beyond.
Here too, we see companies which applaud these regulatory efforts including the need for binding norms, whilst others prefer a more moderated approach.

Corporate Sustainability Reporting Directive (CSRD)

On the 5th of January 2023, the Corporate Sustainability Reporting Directive (CSRD) entered into force. The first in-scope companies[5] will have to apply its rules for the first time in the fiscal year 2024, for reports published in 2025. [6]

What is the goal?

The directive aims to ensure that investors can fully assess financial risks and opportunities arising from social and environmental issues. Equally, it should provide civil society organisations, consumers and other stakeholders' sufficient information to assess the impact of companies on people and the environment.
Furthermore, the logic is that by harmonising required information, reporting costs should decrease over the medium to long term.[7]
All this should help evaluate the sustainability performance of companies, contribute to EU's 2050 climate targets and the European Green deal ambitions.[8]

2 Marques, 2016
3 idem
4 Examples of the latter, include forced labour and egregious health and safety issues, whilst under the latter, we could think of Climate Change, Biodiversity, Nitrogen, Waste, and Gender and Inclusion.

5 For in-scope companies, see: https://normative.io/insight/csrd-explained/
6 Corporate sustainability reporting (europa.eu)
7 EUR-Lex - 32022L2464 - EN - EUR-Lex (europa.eu)
8 The EU's Corporate Sustainability Reporting Directive explained - IBM

What are the most significant elements of CSRD? [9]

Whereas CSRD mandates companies to report on sustainability issues, the European Sustainability Reporting Standards (ESRS), determine how and what companies need to report against ESG metrics, so to meet the directive's requirements.

Notably, CSRD aims to streamline and align with other international reporting frameworks such as GRI and ISSB.

Central to CSRD is the double materiality assessment concept. This concept requires companies to identify both their impacts on people and environment as well as the sustainability matters that economically affect the business along the whole value chain.

In line with this, CSRD requires organizations to set targets, select a baseline and report progress against these targets, in addition to disclosing forward looking policies and initiatives.

EU Corporate Sustainability Due Diligence Directive (CSDDD)

Last June, the European Parliament reached an agreement as to its position on the Corporate Sustainability Due Diligence Directive (CSDDD).[10]

We can expect that the directive to be completed in 2025, with businesses with significant operations or sales in the EU in its scope. [11]

CSDDD aims to strengthen sustainable and responsible corporate behaviour and integrate human rights and environmental considerations in companies' operations and corporate governance[12]. The directive does so by requiring the companies in-scope to conduct due diligence on, and take responsibility for, human rights abuses and negative environmental impacts (again) along their global value chains.[13]

The main goals of CSDDD are fivefold:

Improve governance: Integrate the due diligence principle into the company's strategy and enable management to take better account of human rights and environmental issues;

Create a level playing field: Avoid fragmented due diligence rules within the EU, provide certainty around expected behaviour and liability, and establish a common minimum threshold;

Function as a Horizontal Instrument by targeting all sectors and non-EU value chains, whilst complementing sectoral value chain schemes;

Strengthen accountability through bolstering of supervision and sanctions, civil liability of the company and the directors, and improvement of remedies;

Lastly, it serves a number of political goals: It puts action behind the Green Deal and the EU Human Rights Action Plan, provides an obligation to contribute to sustainable development and overcomes the current weaknesses of ESG reporting;

Due Diligence as a concept is not new as it has been at the heart of the OECD Due Diligence Guidelines for Multi-National Enterprises since their adoption in 2011.[14] As such, different sporting goods companies already have robust systems and processes in place.

CSDDD has six Due Diligence duties[15]:

1. Integrate Due Diligence into the company's policies.
2. Identify and assess actual or potential adverse impacts on human rights and the environment.
3. Prevent, mitigate and / or end such negative impacts (actual or potential)
4. Implement an internal grievance procedure (also for external workers.)
5. Monitor the effectiveness of policies and vigilance measures.
6. Publicly communicate on Due Diligence.

Possible industry responses to developing regulation

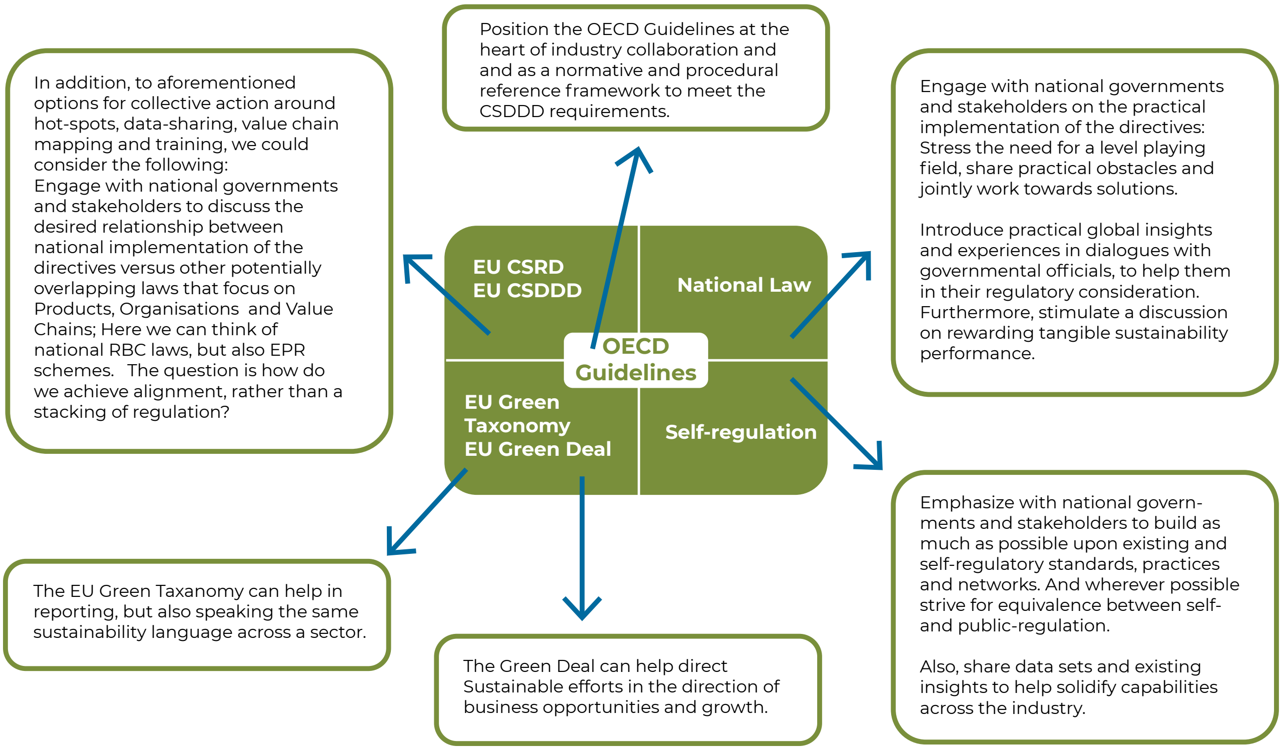
We can safely assume that both directives will affect in--scope and out-of-scope companies alike.

Let us thus look at ''the how'' of achieving individual compliance through the lens of collective action to overcome some of the obstacles and help drive sustainability across the industry.

Reporting and materiality assessments

A first possibility, is that when we look at regulated reporting, we should embrace the inherent alignment between CSRD with universally applied international frameworks. Hence, companies that are more mature in sustainability reporting should have little issue transferring to CSRD. Moreover, many of their suppliers will also be familiar with the annual reporting cycle and its demands. However, for those companies and their suppliers with less experience, the administrative requirements could be challenging; Supply chain partners should therefore consider collaboratively addressing their administrative capabilities and aligning them as much as possible.

9 Based on The EU's Corporate Sustainability Reporting Directive explained- IBM, Corporate Sustainability Reporting Directive - KPMG Netherlands & CSRD.pdf (pwc.com.au)
10 See: https://www.loyensloeff.com/insights/news--events/news/the-corporate-sustainability-due-diligence-directive-csddd-the-position-of-the-european-parliament-and-the-impact/
11 See for likely companies in-scope: https://www.laborsolutions.tech/post/csddd-practical-guide & https://kpmg.com/xx/en/home/insights/2023/02/the-eu-corporate-sustainability-due-diligence-directive.html
12 See: https://commission.europa.eu/business-economy-euro/doing-business-eu/corporate-sustainability-due-diligence_en
13 See: https://www.loyensloeff.com/insights/news--events/news/the-corporate-sustainability-due-diligence-directive-csddd-the-position-of-the-european-parliament-and-the-impact
14 See: https://www.oecd.org/investment/due-diligence-guidance-for-responsible-business-conduct.htm
15 See: https://www.europarl.europa.eu/RegData/etudes/BRIE/2022/729424/EPRS_BRI(2022)729424_EN.pdf



In addition, more mature companies can potentially play a leading role, by sharing their best practices.
An added challenge for SMEs specifically, is the lack of access to dependable, robust, and current environmental and social data. One solution here is for sectors to collectively develop and share open-access lifecycle datasets.
Similarly, industry bodies should support Materiality Assessments through training and tracking and sharing findings.

A second example of possible collective action: Value Chains and Hot spots

We should admit that surprisingly little is known about actual sectoral value chains, which became glaringly clear during Covid when most supply chains proved brittle and irresponsive.
Therefore, industry partners should collaborate in identifying and disclosing archetype value chains. In a highly scattered value chain, environmental or social issues are usually not only beyond the reach of individual companies, but often also insufficiently operationally understood, and discussed between partners.
Once value chains are defined, sector players could jointly conduct hot-spot analyses of the most pressing social and environmental issues and implement the required operational interventions.

Equally notable is that proven advanced science and engineering-based standards, protocols and measurement frameworks to monitor and target specifically environmental performance have seen little adoption along value chains. Usually only advanced materials suppliers or frontrunning brands have these competences if they are present at all.
The goal should be to develop and disseminate these competencies widely to help manage economic, social and environmental performance at organisational, product and value chain levels. Thereby making it possible to explicitly define sector baselines underpinned by aforementioned collective hot-spots analyses and more easily leverage advanced digital means and platforms.

Ultimately, robust, scientific performance measurement can help create the market conditions to explicitly reward improved environmental or social performance.
To close off, in a hyper competitive market, collective action can feel counterintuitive.
Yet, the model above depicts how collective norms, capabilities and perspectives can enable and bolster individual compliance and competitiveness; it does so by focussing on five specific building blocks for sectoral and Value Chain collaboration, stakeholder and government: engagement and building a progressive performance-based agenda based on shared norms.

Environment Social Governance Committee

2023 ACTIVITY REPORT

Mandate

The ESG committee is focusing on global societal, social and environmental trends like climate change, resource depletion, labor and health issues.
Its work is targeted at developing and promoting an understanding within the World Federation about the relevance of global social and environmental challenges for each individual member company offering members an opportunity to tackle challenges through guidance and sharing best practice services, supporting members in identifying synergies to tie resources and enhance leverage through collaborative work.

Summary

The importance of environment, social and governance--related subjects is further growing and remains of relevance for the sporting goods industry. Accordingly, in 2023 the name of the CR Committee was formally changed to ESG Committee.
2023 has shown that international sports federations are pursuing their ESG efforts. In that context the WFSGI was invited to participate in a panel at the World Athletics World Championships in Budapest discussing collaboration for sustainable events.
In regard to the social side of mega sports events the WFSGI discussed how to support positioning of the industry around the political sensitive issues like f the exclusion of Russian and Belarussian athletes from sport events.

The WFSGI continued to actively participate in the advisory council and the working groups of the Centre for Sports and Human Rights (CSHR). The WFSGI will represent the sector at the Sporting Chance Forum hosted by the CSHR after some years of interruption due to the pandemic.
The CSHR has also made a pledge in view of the 75th anniversary of the Universal Declaration of Human Rights: "The Centre for Sport and Human Rights, together with our members and participants, reaffirms commitment to the Sporting Chance Principles, advancing a culture of responsible sport."
In 2023 the WFSGI also took part in the “Sport, Human Rights & Leadership” workshop conference hosted amongst others by the CSHR.

The WFSGI has also commented on the updated FIFA procurement code which also addresses ESG-related matters. In 2023 the WFSGI has continued to successfully run its pledge service for the FIFA Quality Program.
In addition, the pledge service was adopted beyond FIFA for the first time. The WFSGI has been pleased to collaborate with the GAA – Gaelic Athletic Association to ensure the verification of working conditions amongst companies involved in Gaelic sports.

The WFSGI was also solicited by the European Club Association for support with information on ESG subjects in the sporting goods industry in 2023.

When it comes to governmental engagement, the WFSGI took part in consultations with the Dutch government regarding the draft of a responsible business conduct legislation.
In addition, several sustainability experts from the industry contributed as panellists to a successful WFSGI session at WTO Public Forum 2023 which focused on sustainable actions.

Furthermore, the WFSGI continued to collect members'reports for the Communication on Action (CoA) program. In addition, the WFSGI CR Heads-Up Newsletter has been regularly published throughout the year and is experiencing continuous success as the number of subscriptions increases.

Finally, the ESG Committee has developed a climate action survey. This exercise is in line with the new WFSGI Strategic Plan which defines climate change as one of the top priorities for the federation. The purpose of this survey will be to define a common baseline of the industry, to determine the level of commitment and to outline joint actions taken by WFSGI member companies in the field of climate change. The outcome of the survey will help to steer further WFSGI actions around climate change for 2024 and onwards.

Chair

Frank Henke
Senior Vice President Sustainability, Global Operations
adidas AG

Vice-Chair

Sara Brennan
Head of Corporate Responsibility
Pentland Brands Ltd.

Ex Officio

Marc-Ivar Magnus
COO and Head of ESG and Trade

CHECK ALL COMMITTEE MEMBERS

Interview with **Etienne Thobois**

CEO of the Paris 2024 Organising Committee

a. Thank you for your time. When was your first contact with the Olympic Games and how did this experience influence your life?

Strangely enough, my first important contact with olympism was not with the Games themselves but with the annual session of the International Olympic Academy in 1989 on the antic site of Olympia. I think I understood the power of Olympism during that week of exchanges around sport with people from all over the world, from different religions, culture, or academic background. It was very inspiring. The Olympic vision of “A better world through sport” makes a lot of sense for me since then, and I have been keen to contribute ever since.

b. What is your vision for the legacy of Paris 2024 and how would you like it to be remembered?

Every edition of the Games wants to be special, wants to have its own DNA. We are no different. Paris 2024 wants to be remembered. Paris city center will become an Olympic and Paralympic Park during the Games, which will be a spectacular and formidable setting for the best athletes in the world to inspire people through their performances and leave emotions for decades. We want the organisation to be flawless. But we want more. We want our Games to be “wide open” and to set a new blueprint for the Games to come. We are proud to be the first Games where gender parity will be reached with as many women participating as men athletes. We want the opening ceremony, on the river Seine, in the heart of the city, allowing hundreds of thousands to be part of a special moment for the athletes to enjoy and for the world to watch. For the first time, there will be a mass event, the “Marathon for all” on the exact same course, where thousands of people will be able to effectively participate in the Olympics in their own way and capacity. It is also about the way we organise these Games, setting a new blueprint in terms of halving the carbon footprint or changing the attitude of people towards disability.

Last but not least, we also want to leave a positive legacy with “more sports in people’s lives” in France after the Games through the many initiatives that were started thanks to the 50 million euros endowment fund that we created.

c. What concept do you have to make a better world through sport in regard to politics and humanity? And how are you trying to achieve this through the Paris Games?

That is a very interesting question. First, we try to act locally by setting up many programmes to make sure that everyone that wants to engage with the games has the ability to do so, with the “Terre de Jeux” programme and the “Paris 2024 club” which now has more than 4 million members!

Another example is that we made sure small businesses could access Paris 2024 markets. Our purchasing strategy systematically included clauses to incentivize offers for people with disability or coming from inclusion pathways. We ran many programmes, in schools with for example the “Olympic and paralympic week at school” that is held every year – reaching out to hundreds of thousands of kids and teachers - to promote olympism and sport. We launched the “Paralympic day” in October for people to better understand paralympic sports and all the benefits it can bring to people with disability. We ran “an around the world relay” through the French embassies that went through 24 time zones in a day to celebrate olympism. All these actions, no matter how big or small, are important to us.

d. What is your biggest challenge for the coming months?

We are now entering the home stretch, and we are exactly where we want to be. The infrastructures necessary for the Games (2 sports venues and the village) will be delivered on time. Probably, our biggest challenge is to keep the ambition as high as on day one. There are always plenty of reasons to give up this or that, and we constantly need to find the motivation and the creativity to keep the bearing point. Another big challenge is to align and coordinate the incredible number of actors who have a role to play in the delivery of such a unique and complex event. Whether it is – at random - the Paris 24 staff, the 45,000 volunteers the public authorities, the media, the NOCs and NPCs, the IFs, the athletes, the IOC and the NPC, the delivery agencies in transport and security, the thousands of suppliers, etc. Everybody has a role to play and needs to work hand in hand, towards the same direction. Paris 2024 is at the center of that ecosystem that needs to come together.

Another challenge worth mentioning is the promotion of the 1st Summer Paralympic Games organised in France. The Paralympics are not yet as popular as the Olympics, and raising the awareness for parasport, giving visibility to all para-athletes is at the heart of our agenda so that hosting these paralympic games will create a real change in society towards people with disability from the eve of September 9th, 2024.

e. In the news, we hear that Paris 2024 will be the Greenest Games ever. What are you concretely doing to achieve this?

Paris 2024 has made numerous commitments since the beginning, with the aim of emitting 50% less greenhouse gases than previous editions and offsetting more than 100% of emissions.

To achieve this, Paris 2024 relies on 95% of existing or temporary facilities, building only 2 new sports venues. Spectators will come to the venues by public transport as they are all accessible. Our fleet of vehicles will be green, and we will rely on the grid to deliver the necessary power to operate the games, reducing the use of temporary generators. Our food vision will allow the reduction of the carbon footprint by half for the millions of meals served during the games. We have deployed the circular economy concept wherever possible with a responsible purchasing strategy encouraging service providers to use eco-design, to limit the use of non-renewable resources and to describe the second life strategy for each equipment provided. We try to address sustainability issues in everything we do, and we make sure this is an essential part of Paris 2024's DNA, raising awareness to all new staff during their on boarding process.

f. What is your challenge for the Sporting Goods Industry to make Paris 2024 even more sustainable?

I still see several challenges to overcome to make the sporting goods industry more sustainable. First, it seems important to continue the efforts to reduce CO_2 emissions by using appropriate materials or by reusing materials to manufacture sporting goods.

In the same way, the sporting goods industry needs to explore the second life possibilities of the sports equipment produced even more by being more innovative. Short circuit and local production should also be encouraged as costs of transport and freight could become higher and higher.

g. The impact of physical inactivity on society and the next generation is one of the biggest challenges of our time. What is your vision for the sport legacy of Paris 2024 for the Parisian and French people?

I am positive that the Paris 2024 Olympic and Paralympic Games will help the place of sport within French society. I hope that witnessing the performance of the athletes will be an inspiration for younger generations. Paris 2024 put in place several initiatives such as the "30 minutes of physical activity a day" initiative in primary schools. We know that establishing the habit of doing sport from an early age successfully reduces the problem of a sedentary lifestyle. In the workplace, Paris also supports the dynamic of "moving more" (Bouger + program) and particularly on construction sites with the practice of daily warm-ups before starting work.

Paris 2024 has also transformed neighborhoods with the aim of facilitating sports practice, particularly in Seine-Saint-Denis with the construction and renovation of around twenty swimming pools. Many cycle paths have also been built to encourage use in the city for any daily-life trip. Active design in order to make people move around more is being promoted throughout the country.

Partnering for **More Active, Healthier Lives**

by Fiona Bull,
Head of Physical Activity Unit
World Health Organisation (WHO)

Emma P. (Mason) Zwiebler
Interim CEO, WFSGI

Dr Fiona Bull heads the Physical Activity Unit in the Department of Health Promotion at the World Health Organization (WHO) headquarters in Geneva, Switzerland. Prior to joining WHO in 2017 she was Professor of Public Health and Director of the Research Centre on Built Environment and Health at the University of Western Australia. Previous positions include Professor of Physical Activity and Director of the United Kingdom's National Centre of Physical Activity and Health and Senior Scientist at the CDC in the Department of Health and Human Services, USA. Dr Bull was also President of the International Society of Physical Activity and Health from 2014 to 2016 and co-authored over 200 scientific publications. At WHO, Dr Bull leads a team working on promoting physical activity through active transport, sport and every-day activities through advancing the science, policy and practice to support countries implement WHO's "Global Action Plan on Physical Activity 2018-2030: More active people for a healthier world".

Emma is the Interim CEO at the World Federation of the Sporting Goods Industry (WFSGI), effective 1 November 2023. Emma joined WFSGI in 2018 and has led the industry's relations with the IOC/IPC, the International Sport Federations, and the United Nations Agencies relevant to physical activity and health. Emma is a former professional badminton player for Scotland with an undergraduate degree in Chemistry. Before WFSGI, she worked as a sports lawyer in London.

Signing of a historic MOU

On March 31st, 2023, a historic moment unfolded as the World Health Organization (WHO) and the World Federation of the Sporting Goods Industry (WFSGI) came together to sign a groundbreaking Memorandum of Understanding (MOU). This partnership was a significant step toward leveraging the private sector's potential to advance global public health and well-being through increased levels of community sport and physical activity.

This MOU represents the first agreement between WHO and an international sports business association and builds upon years of informal collaboration between the two organisations, particularly during the COVID-19 pandemic.

The MOU aims to support WHO in its efforts to scale the implementation of effective policies set out in the WHO Global Action Plan on Physical Activity (GAPPA) 2018-2030. Regular physical activity and sport help to prevent heart disease, diabetes, obesity, cancers and other noncommunicable diseases. It also improves well-being – and is particularly effective for managing the symptoms of depression and anxiety.

"Helping to overcome barriers to enjoying sport, and encouraging greater participation in physical activity and sport, are all areas the Federation has been working on," said Fiona Bull, Head of WHO's Physical Activity Unit. "They have a wealth of knowledge and experience that can and should be harnessed to contribute to improving global health and saving lives. In particular, the industry understands consumers and has great insights into motivations and barriers to behaviour change"

We expect this MOU to help mobilize the sporting industry to showcase good practice and provide opportunities for a valuable exchange that will help WHO support countries to increase physical activity levels.

The Context: The State of Global Physical Inactivity

However, the MOU signing was set against the backdrop of the WHO's first Global Status Report on physical activity, released in November 2022. The report offered a comprehensive snapshot of the current global state of physical activity and the profound impact of physical inactivity prevalence on global public health.

The report summarized progress of countries in implementing key evidence-based policy outlined in the Global Action Plan on Physical Activity 2018-2030 (GAPPA) which aim to enable more people to be more active. The overall finding that global progress has been too slow and uneven between countries and regions is worrying and WHO has called out that all countries will need to accelerate action and partner better if the GAPPA target of a 15% relative reduction in global inactivity levels is to be met by 2030. This finding singularly underscores the pressing need for joining forces between all sports industry to create concerted action to reverse what is increasingly viewed as a global physical inactivity crisis.

Other key takeaways from the Global Status Report 2022 were:

1. A Global Health Challenge: The Report emphasized that regular physical activity promotes health, prevents disease and is a cornerstone of action to achieve SDG target 3.4, namely a one third reduction in prevalence of premature death from noncommunicable diseases (such as heart disease, cancer, diabetes). It reiterated that reducing levels of inactivity is a global public health challenge, affecting individuals of all ages and backgrounds.

2. Call for Inclusivity: The Report highlights the importance of increasing the availability and access to diverse opportunities for people to be active in places where they live, work and play; it particularly emphasizes the need for more effort to ensure opportunities are inclusive of people of all ages and abilities. This priority is echoed in the emphasis in the MOU on making sport and physical activity accessible to all, with a particular focus on youth, girls, women, and individuals with disabilities.

3. Economic Impact: The Report provides a new estimate of the global financial implications of physical inactivity - which are staggering. WHO estimates that the economic cost of treating new cases of preventable NCDs will reach nearly US$ 300 billion by 2030, around US$ 27 billion annually. These figures are derived from using the estimate that nearly 500 million more people are expected to develop noncommunicable diseases due to physical inactivity between 2020 and 2030.

4. Gaps in data are limiting progress: The Report identifies significant gaps in knowledge sharing and effective data systems which could inform local action. National data tracking levels of activity is incomplete, and in too many countries it is over 5 years old. Globally there are limited data on key areas and strategic priorities, including no global comparable data on provision of school PE and sport participation. The opportunity for digital technologies and innovation to help countries track levels of physical activity and drive better decision making is highlighted. Creating better information systems is another key area where partnerships between sectors is likely to bring multiple benefits and accelerate advancement.

5. The Role of the Private Sector: Given the magnitude of the physical inactivity crisis, and the challenges outlined in the Global Status Report, the need for private sector involvement becomes evident. The MOU between WHO and WFSGI, signed in March 2023, aligns with the recommendations and data presented in the Global Status Report by facilitating a collaborative approach to address this challenge.

MOU Implementation

WFSGI and WHO wasted little time in starting to implement the MOU and work has commenced across the six objectives. Highlights of collaboration carried out under the MOU in 2023 are:

- **Amplifying WHO public health messages.** WFSGI has ensured that WHO public health messages on sport and physical activity were distributed throughout the industry sector. This included ensuring WHO representation as a speaker at ISPO Munich 2023 and in this WFSGI Magazine. WFSGI also discussed the MOU and the unique alignment of public and private sector goals at the "Business at the OECD Health Forum".

- **Sharing industry expertise to ensure industry knowledge can help globally promote physical activity** Three renowned sporting goods brands provided their expertise to WHO to inform their work on developing a global toolkit for countries on how to best implement public communication campaigns. This technical support was designed to enable WHO provide member states with insights and experience and inform the recommendations on how to conduct comprehensive national campaigns on physical activity.

- **Leveraging the power of sport industry** - In October 2023, a workshop was held, bringing together representatives from WHO, WFSGI, the Physical Activity Committee, the WFGSI cycling Committee and the broader WFSGI membership focussed on two main topics increasing cycling and leveraging the power of sports in global communication to promote physical activity. Over two days discussions identified opportunities for greater engagement of the sport industry in urban health, road safety, and sustainable mobility agendas and share experiences on initiatives and actions already undertaken by WFSGI members to increase engagement in sport and tackle gender inequality.

Some of the plans for WFSGI and WHO collaborative work under the MOU In 2024 are:

1. Update the WFSGI policy and position statements to ensure alignment with WHO and global priorities and including calls for action on creating supportive environments and 'upstream' policy and regulation to ensure safe places for physical activity including walking, cycling and sport participation.

2. Support efforts to improve global and national data systems and knowledge transfer to strengthen tracking and reporting at all levels as well as decision-making.

3. Identify data gaps and research priorities to provide a strong evidence base for physical activity interventions.

4. Collate industry experience and examples of contribution to promoting physical activity through increasing opportunities for sport, physical activity, and cycling.

5. Development of aligned industry commitments.

Summary

The signing of the MOU on the 31st of March 2023, between WHO and WFSGI was not just a symbolic gesture but a strategic response to an urgent global health concern that is not getting sufficient coverage in media or attention in government.

This partnership, with its commitment to inclusivity and data-driven priorities, has the potential to accelerate tangible change in the worldwide promotion of physical activity, and thereby improve global health, and economies. There is no time to waste in addressing the challenges outlined in the Global Status Report on physical activity as we have just seven years to reach the 2030 SDG targets.

As this partnership unfolds and evolves, WFSGI and WHO hope it will serve as a model for multi-stakeholder collaboration in addressing the critical issue of physical inactivity and its impact on public health.

Aquatics Committee

2023 ACTIVITY REPORT

Mandate

The Aquatics Committee is the aquatics-specific industry representative body towards World Aquatics, World Triathlon, organisers of major aquatics events, international standards institutions and Non-Governmental Organizations with the intention of fostering the general development of aquatic sports with an eye on athlete safety in aquatic sports.

Summary

2023 continued to be a challenging year for the Aquatics industry. The cost-of-living crisis and inflation continued to pose a threat to swimming pool operators in terms of electricity costs. The Aquatics Committee work in 2023 was largely focused on the outcome of the EU PPE Working Group discussions concerning the PPE Regulations and building relations with World Aquatics.

Update on Key Activities

In 2023, the Committee focused on the following activities:

- **World Aquatics relations** – formerly known as FINA, World Aquatics had a rebrand and fresh name and visuals to commence 2023. At the Aquatics Committee meeting in February, Johan Lefebvre the Director of Sport Science joined our meeting to present the new WA logos and homologation marks and to share some ideas around possible future regulations with the members, seeking industry feedback. This required a consolidation of feedback to report back to World Aquatics and was a productive discussion. Unfortunately, Johan was unable to attend the Committee meeting in Munich but welcomed the new WFSGI lead to their offices in Lausanne to provide an update on equipment process, future timelines, events and a manufacturer's meeting in 2024.

- **EU PPE Regulation** – many of the WFSGI members are wetsuit manufacturers. A contentious previous decision to categorise all surface wetsuits as Category II PPE would have been very challenging to the industry (not to mention the organisers of multiple sporting events where surface wetsuits are used). A PPE wetsuit webinar was arranged for the members in early 2023 and we invited experts from TUV Rhineland to talk us through the testing process and to discuss the potential requirements and costs of PPE II compliance, product testing and certification by an external body. This would have caused a huge cost for all surface wetsuit brands which would need to be passed on to the consumer given the small margins in this product category. The second EU Commission PPE Expert Group meeting of the year took place in October. Following from that meeting, it could be possible to move the 'risk' from Category II to Category I which would be a positive result for our members, but which needs further work and collaboration at a European level and could still be a lengthy process.

- **ISO standards** – the WFSGI has developed new contacts within the global and European standardisation working groups for 'Eye and Face Protection' – more particularly goggles. We have received the discussion documents to work on updates to ISO 18527-3 and look forward to working with the technical programme manager and convenor to share the industry's expertise on matters going forward and attend the plenary meeting in 2024.

Chair

Greg Steyger
Product Category Director
Arena S.p.A.

Vice-Chair

Mark Upshall
VP of global category Speedo
Pentland Brands Ltd

Vice-Chair

Franck Horter
President
TYR Sport, Inc.

Ex Officio

Michelle Smyth
Head of International Sports & Cycling

CHECK ALL COMMITTEE MEMBERS

The IOC and WFSGI: Ensuring greater support and visibility for athletes on their Olympic journey

by Elisabeth Allaman,
Deputy Managing Director of IOC Television & Marketing Services

Elisabeth has worked for the IOC for more than 20 years. She oversees a wide portfolio including Games Commercial Integration and NOC Commercial Integration, as well as Licensing, E-Commerce & Merchandising and the Ticketing, Hospitality & Games Experiences Unit.

Discover the inspiring journey of Olympic hopefuls, from grassroots to the ultimate global stage, thanks to new opportunities for WFSGI members to tell the stories of their athletes on the road to the Paris 2024 Olympic Games. As a result of the IOC's new "Road to Paris" pilot project with WFSGI Sports brands will now be able to collectively unlock new athlete narratives and celebrate the essence of the Games for the first time in the digital era.

The International Olympic Committee (IOC)'s mission is to place athletes at the heart of the Olympic Movement. Under President Bach's leadership, Olympic Agenda 2020 and Olympic Agenda 2020+5 set out the strategic roadmap to achieve this mission. The athletes' dreams, dedication and determination are what inspire and captivate us at each edition of the Olympic Games, as they strive for excellence on sport's biggest stage.

In recent years, the IOC has reinforced this commitment to ensuring that athletes' interests are central to everything that we do. This has included strengthening and expanding various programmes that aim to assist athletes at every stage of their careers – from providing funding for athlete development through Olympic Solidarity to offering career and education programmes, helping athletes develop off the field of play during and after their careers.

It was this commitment that paved the way for our transformative partnership with the WFSGI and the creation of the National Olympic Committee (NOC) Competition Uniform Support Programme – a shining example of supporting athletes and Olympic teams on their Olympic journeys.

Established ahead of the Olympic Games Rio 2016, the programme emerged from a shared belief that Olympic teams and athletes should not face barriers due to a lack of access to cutting-edge competition clothing. Athletes, no matter where they come from, should have equal opportunities to excel and shine on the Olympic stage. By providing competition apparel to athletes whose NOCs do not have a sponsor or the means to provide it, the programme ensures every athlete can feel proud wearing their national colours.

This solidarity lies at the core of the Olympic Movement, and we are incredibly grateful for the support that the WFSGI and its members have provided through this programme, which has now equipped 94 NOCs since its inception.

Pilot programme

As the sporting world evolves, so too does our partnership with the WFSGI and its members. Recognising that sporting goods brands are a key part of an athlete's journey, our new "Road to Paris 2024" pilot programme will offer eligible companies greater flexibility to use images of the athletes they sponsor – both during the qualification journey and at the Olympic Games themselves.

With the investments that the WFSGI's members are able to make in their marketing campaigns – and their large social media reach – this initiative promises to amplify and celebrate the achievements of athletes on a whole new scale, as well as the promotion of the athletes on the road to the Olympic Games Paris 2024.

Through this project, sporting goods brands will support athletes in narrating their journeys to the Olympic Games, increasing engagement with younger generations and driving awareness of the Olympic Movement. It offers a thrilling opportunity for these companies to showcase athletes' stories through their unique perspectives, providing athletes with an additional platform to share their remarkable journeys.

For the IOC, through closer collaboration with WFSGI members, we share the aim to promote athletes' journeys and thereby amplify the Olympic Games. This embodies the power of collective efforts in advancing the Olympic Movement and ensuring that the magic of the Olympic Games reaches every corner of the globe.

As we eagerly await Paris 2024, we can look forward to witnessing the stories of Olympians and Olympic hopefuls come to life through the lenses of global sports brands, enriching the Olympic experience for us all.

With the One Year to Go milestone already behind us, all eyes and efforts are now firmly focused on the final stages of the Road to Paris 2024. The excitement and expectations for these Olympic Games are high; more than 6.8M tickets[1] have already been sold, there will be unprecedented global broadcast and social media coverage, and we expect they will be the most widely distributed and engaged-with Olympic Games in history.

Paris 2024 is well on track to living up to its slogan of "Games Wide Open" – and the enhanced collaboration between the IOC and the sporting goods industry epitomises this approach.

1 6.8 million tickets already sold for the Paris 2024 Olympic Games. Ticket sales for the Paralympic Games to open on 9 October

Committee on **International Sports Organizations**

2023 ACTIVITY REPORT

Mandate

The Committee on International Sports Organizations (CISO) represents the WFSGI as the industry consensus voice to all sports federations and organizations. The CISO Committee promotes maximum and equal benefit to all WFSGI members and the sporting goods community at large.

1. Summary: a Significant Milestone for Sporting Goods Industry

In 2023, the sporting goods industry and CISO members achieved a significant milestone with the official signing of the WFSGI IOC 'Road to Paris' pilot. This historic agreement grants eligible sporting goods brands greater flexibility to leverage the imagery of their individually sponsored athletes and teams in the lead-up to and during the Paris 2024 Olympic Games. It also represents the culmination of the industry's longstanding efforts through CISO to evolve Rule 40 in partnership with the IOC.

2. The WFSGI IOC 'Road to Paris 2024' Pilot Program

On June 28, 2023, in the presence of the WFSGI Board and the Chair of CISO, the WFSGI Chair and President & CEO and the IOC President formally signed the Road to Paris Agreement.

This pivotal agreement serves as the framework for a pilot program that spans the periods leading up to, during, and following the Paris 2024 Olympic Games, concluding on December 31, 2024. To participate in this groundbreaking pilot program, brands have to be WFSGI members and to meet specific criteria, demonstrating their investment in the Olympic Movement above a predefined threshold.

In return, eligible members will have the opportunity to enhance their Olympic-related storytelling, showcasing their athletes and teams in the buildup to Paris 2024 and, for the first time, talk about their athletes and team performance and progress during the Olympic Games.

Companies participating in the pilot have also pledged their support to the IOC in various ways, including continued investment in the Olympic Movement, raising the profile of their sponsored athletes and teams, contributing to the fifth edition of the joint Uniform Support Programme, and actively participating in initiatives to elevate the appeal of the Olympic brand among the next generation.

This collaborative achievement signifies a long-awaited and substantial leap forward for our industry, benefiting both the athletes and teams we sponsor and the IOC's mission to strengthen and promote the 'Road to the Olympic Games.' It aims to make Olympians and Olympic teams relevant to communities beyond the Olympic family and foster increased digital engagement with fans by delivering engaging content during and between the Olympic Games.

We extend our sincere thanks to all WFSGI members who have steadfastly supported us throughout this journey, making this milestone achievement possible. In particular, we express our thanks to our working group members of adidas, NIKE, PUMA and ASICS, and to those who have now moved on from their roles at WFSGI including Robbert de Kock, Craig Masback, and Alex Junco who each played a key and critical part in making this pilot programme possible.

We also thank the IOC and the IOC President for their support in concluding this agreement and being willing to explore a new relationship with the industry. In particular, we thank the IOC TMS team who led the final months of the negotiations. Elisabeth Allaman, Deputy Managing Director, Coralie McConnell, Commercial Manager, Leo Avery, Marketing Legal Counsel, and Anji Fisher. Please refer to the IOC article about the pilot Road to Paris on page 34 of the Magazine.

3. Technical Accreditations

Through WFSGI's MOU with the IOC, WFSGI was able to support its members in obtaining vital Technical Accreditations to support their sponsored athletes during the Paris 2024 Olympic Games. Brand representatives are a vital support for athletes during the Olympic Games as they provide the highest standard of servicing and support to allow them to perform at their best when it matters most. It is estimated that WFSGI members will support thousands of athletes on the ground.

4. Rule 50

During 2023, WFSGI and CISO members also worked closely with the IOC on a range of Rule 50 queries relating to the Paris 2024 Olympic Games to ensure that all products provided is compliant for the field of play.

5. FIFA Equipment Regulations

WFSGI's Football Working Group again worked closely with FIFA's competition team to provide input on the

development of their Equipment Regulations in force as from the 1st of January 2024. WFSGI looks forward to working closely with FIFA on future editions of the Regulations as they move on to their new four-year update cycle that will provide the industry with a regular opportunity to give input on their development while also allowing the brands certainty concerning the regulatory framework against which the need to design and produce product in the intervening years.

6. Conclusion

In conclusion, the signing of the Suppliership Agreement represented a groundbreaking moment in our industry's relationship with the IOC. The pilot program during the Paris 2024 Olympic Games marks a significant step forward in bridging the gap between sporting goods brands, athletes, and the Olympic Movement. And a great opportunity to further engage Gen Z and Gen Alpha while also raising the profile of Olympians and Olympic teams beyond the traditional Olympic fan base.

We look forward to the continued cooperation of our members and the IOC as we work towards a successful implementation of the pilot program at Paris 2024. In doing so, we lay the groundwork for the extension of the program for Milan/Cortina 2026 and LA 2028.

Chair

Johan Adamsson
Global Director of Sports Marketing and Sports Licensing
PUMA SE

Vice-Chair

Jens Jacobsen Jensen
Vice President Global Brand & Sports Marketing, Legal & Business Affairs
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Ex Officio

Emma P. (Mason) Zwiebler
Interim CEO

CHECK ALL COMMITTEE MEMBERS

Physical Activity Committee

2023 ACTIVITY REPORT

Mandate

The Physical Activity Committee's (PAC) mission is to promote physical activity on a global level. The Committee also seeks to foster and encourage the participation of citizens of all countries in healthy sporting activities.

The PAC coordinates the industry's joint response to the global physical inactivity epidemic by focusing on the following areas:

- Working with the United Nations Agencies and other multi-lateral organisations to prioritize physical activity on the global development agenda.
- Providing a global forum for WFSGI members to share best practices and lessons learned on approaches that increase participation in sport and physical activity.
- Supporting global, regional and national level advocacy work to promote physical activity and sport.

Context

The global landscape of physical activity and sport faces unprecedented challenges. The World Health Organization's (WHO) Global Status Report on Physical Activity for 2022 revealed that the world's progress (available here) towards implementing the Global Action Plan on Physical Activity has been slow and uneven. Global inactivity levels are not likely to improve from the already concerning 2018 and 2019 statistics of 28% for adults and 81% for adolescents.

The low levels of physical activity among populations worldwide have direct implications for public health, contributing to the rising burden of non-communicable diseases. It is also a substantial threat to the sustainable future of the sporting goods industry. These respective concerns do provide an opportunity – to bring together the public and private sector in aligned goals of uniting our efforts and inspiring action to improve global physical activity levels and champion global health.

Key Highlights in 2023:

1. Empowering the World: A historic Memorandum of Understanding with WHO

In 2023, WFSGI and WHO marked a historic milestone with the signing of a unique Memorandum of Understanding (MOU) between our respective organizations.

This MOU marked a pivotal moment in our commitment to promoting increased physical activity and sport on a global scale. The MOU is the first of its kind with a business association- a particularly proud achievement for WFSGI and its Physical Activity Committee. The MOU outlines a collaborative framework to encourage physical activity participation to improve global health. More details about the MOU can be found here.

2. Inclusion of Physical Activity as a Strategic Priority:
Recognizing the profound impact of physical activity on global health, the WFSGI Board determined that physical activity would be one of its key strategic priorities for the plan period to 2025. The new WFSGI Strategic Plan has a specific focus on the partnership with WHO and implementing the MOU. This focus underlines the commitment of the sporting goods industry to supporting WHO in its efforts to get more people globally to lead healthy and active lifestyles.

3. Game-Changing Collaborations:
In October, a pivotal kick-off meeting brought together representatives from WHO, WFSGI, and the Physical Activity Committee. The meeting was dedicated to the implementation of the MOU. Two critical topics were addressed during this meeting:

- Cycling for Physical Activity and Road Safety: A comprehensive discussion on the promotion of cycling as a means of physical activity, active transport, and improving road safety.

- Leveraging Industry Communications for Global PA (MOU Objective 5): Exploring innovative ways to utilize industry communications to enhance physical activity levels on a global scale.

4. Supporting WHO Member States:
In line with Objective 4 of the MOU, three renowned sporting goods brands provided their communication expertise to WHO. This support was used in WHO training for Member States to enable them to conduct comprehensive national campaigns on physical activity. The collaborative efforts aimed to encourage healthier lifestyles in the Member State's inhabitants via physical activity.

5. Advocating for Change:
The WFSGI Secretariat actively participated in key events, including the OECD Health Forum, the WHO's 7th Sport Sector Dialogue, and the IF Forum in 2023. WFSGI continues to advocate for a multistakeholder approach to raising physical activity levels. Reversing (or even halting) the inactivity crisis requires large-scale societal change to embed physical activity in daily lives across families, communities, and countries. It can only be achieved via systems change and collaboration across the key stakeholders impacting physical activity including the sporting goods industry, the Olympic Movement, government, the third sector, and the UN Agencies.

Conclusion:
The WFSGI Physical Activity Committee has made remarkable strides in 2023, fuelled by the collaborative spirit embodied in the MOU with WHO and our advocacy for a multistakeholder approach. Our efforts to promote physical activity, encourage healthier lifestyles, and engage in advocacy work are essential to WFSGI's mission to ensure a healthier, more active planet for all.
We look forward to continuing our work in 2024 and advancing the cause of physical activity for the betterment of individuals and communities worldwide.

Chair

Rosalynn Kennedy
Social and Community Impact, Communications & Partnerships
Nike Inc.

Vice-Chair

Bettina Benzing
Senior Manager Government & Community Affairs
adidas AG

Vice-Chair

Simon Rowe
Head of Global Sports Marketing
Pentland Brands Ltd.

Ex Officio

Emma P. (Mason) Zwiebler
Interim CEO

CHECK ALL COMMITTEE MEMBERS

Interview with **Rakhil Hirdaramani**

Director at Hirdaramani Group

a. Hello Rakhil, thank you for your time. The industry was confronted with geopolitical challenges, inflation, high inventories, etc., and this straight after the pandemic, how are manufacturing companies impacted by the current situation?

To say that the industry has been volatile is an understatement.

In 2021, there was a significant shift towards athleisure as people spent more time at home. This trend, coupled with shipping delays, led to a situation where demand far exceeded supply.

In 2022, as daily routines resumed, both online and physical commerce made a comeback, resulting in a surplus of demand. Consequently, many manufacturers were prompted by their customers to expand capacity in anticipation of future demand extending into 2023 and beyond.

However, a notable difference this time was the significant rise in inflation. Central banks, including the Federal Reserve, responded by increasing interest rates. What distinctly set this inflation apart was that it wasn't solely driven by demand this time, but also supply-side factors, the Ukraine-Russia conflict and escalating oil and food prices all serving as contributing factors.

The interest rate hikes further compounded the situation as consumers had declining disposable income, slowing down spending and, therefore, demand for discretionary items.

These circumstances have created one of the most challenging periods for the industry. Brands and retailers have held back on purchases due to excessive inventory, surpassing even the previous year’s numbers. Department stores have also been cautious about providing forecasts to brands, affecting wholesale channels.

Manufacturers must have substantial financial reserves to sustain their operations in this environment. What was initially expected to be a six-month issue now appears to be a horizon of 18 months as we await the outlook for the upcoming holiday season. Encouragingly, positive signs are seen from the Back-to-School season in 2023, making us optimistic as we look towards 2024.

b. What are the takeaways for the future of manufacturing companies?

The fundamental point is that it is the ecosystem that makes a company strong. We are only as successful as the weakest link in our supply chain. As manufacturers, our primary focus is on selling capacity, and our attention must be directed towards two key aspects:

- Lead Times that represent the culmination of our effectiveness in collaborating with stakeholders across Tier 2 to Tier 4 across our supply chain.
- Efficiency and automation are critical to ensure consistent delivery of high-quality products On Time and In Full.

With this in mind, even amid the challenges faced in 2023, we have steadfastly continued investing in our factories and supply chain, strategically poising ourselves for the opportunities ahead in 2024.

c. Based on such experiences, how has the SGI industry as a whole changed? (e.g., sourcing strategies, stocks, etc.)

Change within the industry has been a recurring topic of discussion, but historically, what we have witnessed is brands emphasising short lead times and duty-free sourcing. In the past, this often meant that forecasting responsibilities from brands were transferred down the supply chain, placing the burden on manufacturers, mills, and fibre suppliers to assume liability in the form of garments, fabrics, yarns, or fibres. This was a winning model as long as the business was growing, but in a downturn like 2023, this can severely impact manufacturers as well as supply chains. From the perspective of Hirdaramani Apparel, we are fortunate to have strong partners who recognise these challenges and continue to strategically collaborate with us.

We have witnessed renewed interest in several areas:

1. Strategic Raw Material Investments: Factories are exploring opportunities to access fabric closer to the point of production.
2. Near-shoring: This isn't a complete shift away from factories in Asia but rather a value addition to provide regional responsiveness.
3. Vendor Consolidation: Brands and retailers are seeking partnerships with manufacturers capable of providing products from multiple countries of origin.

Moreover, brand expectations have evolved beyond traditional factory key performance indicators (KPIs) to reiterate focus on Sustainability and Traceability, propelled by new laws set to take effect from 2025 onwards.

However, despite these changes, it is crucial to recognise that there is currently no feasible way to replace China in the short term. Despite a decline, in 2021, China still accounted for a significant 41.4% of the global textile export value. Even considering that cut-and-sew operations may have shifted elsewhere, the pace of investment in textile mills has not moved at a fast enough pace.

d. The WFSGI's new strategy is highlighting climate change, amongst others. How relevant are these areas for the manufacturing sector?

The WFSGI's new strategy aligns closely with our approach at Hirdaramani Apparel, and I am privileged to be part of a fourth-generation family business. In our journey, sustainability is not just a goal, it is at the heart of everything we do. Despite being a privately held company, we have taken the initiative to release two consecutive sustainability reports to the public as part of our efforts to be transparent in disclosing our efforts in this space.

We are actively aligning ourselves with the Science-Based Targets initiative (SBTi), and our 2022 report reflects our commitment to this direction.

The Apparel industry has come under intense scrutiny for its significant environmental footprint. Collectively, we bear responsibility for 10% of global carbon emissions and 20% of industrial wastewater pollution. In response, we have made notable progress which includes - 6.5% YoY reduction in energy consumption per standard minute in our cut-and-sew operations in 2022, improving our Renewable Energy share by 4.5% compared to 2019, ensuring that 61% of our industrial water is recycled and reused back in the process, and improving our Higg FEM scores (an evaluation of environmental performance in Apparel and footwear manufacturing) from 74.6% in 2021 to 83.1% in 2022. This indicates that we recognise that it is our collective responsibility to sustain these efforts moving forward.

e. Running a leading manufacturing company, what would be your wish for the future?

The dominant force shaping the industry's trajectory in the coming years is Sustainability and Traceability. However, an issue that needs to be addressed is the lack of standardisation in raw materials. Specifically, the industry grapples with an abundance of textile variants, and this contributes to a significant portion of waste throughout the supply chain. Within the portfolio of Cotton Products alone, we find a complex array of choices, including BCI, Better Cotton, Regenerative, Fair Trade and Organic Cotton. For multi-brand Original Equipment Manufacturers (OEMs) like us, this often leads to stocking multiple fabric pools across these variants, and in instances where it is left unused, it either ends up discarded or sold at a fraction of its value. This challenge ripples throughout the supply chain, impacting not only us but also mills, spinners, and other stakeholders who must shoulder the burden of unused material liability.

Supporting Transition in a Changing World: Impending Trade Challenges and Changes for the Sporting Goods Industry

by Juhi Dion Sud & Edwin Vermulst,
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Juhi specializes in EU and International trade law, WTO law and EU Customs law. Over the past 15 years she has represented numerous governments, exporters, importers and trade associations in EU trade defence proceedings, customs matters and trade cases in the U.S., Canada, India and South Africa. She is recommended in the leading legal directories including Who's Who Legal, Legal 500 and Chambers.

Edwin represents governments, trade associations, exporters and importers in WTO, trade remedy and customs cases and is, among others, the trade counsel of the SGI. He is invariably selected as a top trade practitioner by the leading legal directories such as Chambers, Legal 500 and Who's Who Legal.

The sporting goods industry has been constantly adapting to the diverse trade-related policies and actions of economies across the globe. Most often however, the trade-related actions of countries have been influenced by protectionism and geo-political ambitions and strategies more than actual growth or developmental objectives. While this dynamic is unlikely to change, greening initiatives and policies to support sustainable and responsible value chains by mainly the developed world are key upcoming trade challenges.

These are not new themes, and the sporting goods industry has been working on improving labor conditions and ensuring respect for human rights in supply chains, greening and sustainability initiatives for years. In fact, the sporting goods industry is perhaps one of the sectors with most experience in these areas.

The myriad of private and public initiatives and the experience of the sporting goods industry show that green transition and sustainable supply chains are important and have positive effects across value chains. However, they come at a cost. Against this background, the transition from voluntary to mandatory compliance with green, sustainable and responsible trade policies, i.e., from doing something to a certain extent to doing everything required by the varying laws being adopted by different countries, is likely to be a mammoth task and in trade terms, will pose several challenges and result in changes that the sporting goods industry has to brace for.

First, overall, as more laws are adopted by individual countries, the lack of regulatory harmonization will result in a wide spectrum of approaches from under-regulation to over-regulation. Second, more compliance requirements entail enhanced audit and certification protocols as well as reporting obligations leading to higher costs to be borne by companies and which will have to be passed on to the downstream economic actors and consumers. The problem however will be that practically not all aspects of transcontinental supply chains can be controlled and segregated per the differing legislative requirements in different markets. Moreover, the sporting goods industry relies on complex supply chains built over time with significant human and capital investments. Thus, to de-risk, supply chains may have to be reformulated which will not be an easy task and, in any event, would require change in business strategy and operations. Third, while according to Newton's third law, for every action (force) in nature there is an equal and opposite reaction, in the implementation of green and sustainability laws adopted by leading trading partners, some of which may not currently apply to the sporting goods industry, there is likely to be some reaction and retaliation which could nevertheless extend to the sporting goods industry and also fuel protectionism.

The situation in the European Union ["EU"] provides a perfect example to understand the upcoming trade challenges in terms of over-regulation and overlapping regulation as well as lack of harmonization and everything that follows from that.

To ensure that EU trade policy supports and propels the EU's climate and sustainability goals, in addition to the emphasis on this issue through the existing trade tools such as trade defence measures and trade and sustainability chapters in the EU's modern free trade agreements, particularly since the EU adopted the Green Deal in 2019, multiple horizontal and sectoral policy initiatives have been proposed that are at varying stages of development or implementation.

Looking at some of the numerous legislative initiatives likely to affect the sporting goods sector, in 2022 the European Commission put forward a proposal for a Directive on corporate sustainability due diligence, and a proposal for a Regulation on forced labor. The proposed corporate sustainability due diligence Directive lays out horizontal due diligence obligations to identify, prevent, mitigate and account for actual and potential adverse impacts on human rights, including forced labor, and the environment in a company's own operations, its subsidiaries and in its value chains, in accordance with international human and labor rights standards and environmental conventions. This proposed law concerns EU enterprises with specific turnovers and employment levels, as well as non-EU companies active in the EU with EU generated turnover thresholds as applicable to the EU companies. Being a Directive, it will need to be transposed into the law of the different EU Member States that will also be responsible for the implementation of their laws.

The proposed Regulation on forced labor on the other hand aims to effectively prohibit the placing on the EU market of products made by forced labor, whether imported or domestically produced. Being a Regulation, it is automatically applicable across the EU, but its implementation will be in the hands of the EU Member State authorities.

Clearly there is an overlap between these two legislative proposals. Moreover, a serious and clearly foreseeable practical problem is the lack of harmonization in the implementation of these laws at the EU Member States' level. Added to this, the de-risking and accountability requirements under these laws are so onerous that they may not be feasible and will negatively affect established supply chains and trade flows.

While these legislative proposals are being deliberated upon by the EU institutions, in 2023, the EU adopted the Regulation on deforestation-free products which prohibits placing on the market certain commodities and derived products if the requirement of "legal" and "deforestation free" cannot be ascertained through due diligence. This Regulation covers among other commodities, rubber and downstream products and therefore, affects the sporting goods sector. In 2023, the EU also adopted the Carbon Border Adjustment Mechanism ["CBAM"] which is currently limited to six sectors, but is eventually aimed at covering all GHG-intensive sectors of which apparel is clearly a key industrial sector. If that were to happen, it would also imply an additional cost for imported sporting goods into the EU.

Just these four legal initiatives show the amount of regulation being envisaged which companies importing and selling goods in the EU would have to comply with.

In sum, as these and other legislative proposals pile up and come into effect in the EU, the sporting goods industry will have no choice but to comply with the massive regulatory burden and costs and to adjust supply chains and business and sales strategies. Moreover, the financial implications of such significant regulatory compliance will also flow to the downstream economic participants and ultimate consumers. This could negatively affect consumption in the current economic environment thereby reducing imports and negatively impacting trade flows. Finally, it cannot be excluded that countries indirectly affected by such high compliance requirements and losing export competitiveness for sporting or other goods, may respond innovatively in a way which again affects the sporting goods industry.

Supporting Better Transparency in the Arena of World Trade

by Cherise Trotman,
Young Professional, WTO

Cherise Trotman is a Barbadian trade specialist and a 2023 Young Professional at the WTO in the Trade and Environment Division. Within the division, she worked with the Technical Barriers to Trade (TBT) unit, supporting various workstreams of the TBT Committee with focus on the ePing platform, transparency mechanisms and stakeholder engagement. Prior to joining the WTO, she has worked in the international public sector supporting and leading trade, environment and innovation projects in the Latin America and Caribbean region.

In a fast-evolving regulatory landscape where new measures are being adopted to address environmental protection, where can stakeholders find the latest information? The WTO via its digital platform ePing is supporting this transition by providing a powerful online resource for public and private stakeholders to monitor, give feedback and keep updated on their markets of interest. The work of the Committee on Environment is also expanding its space to encourage discussion and cooperation on emerging environmental issues.

The World is Changing

In the last 10 years, we have seen an acceleration in both digital transformation and impacts of climate change in our daily lives. Digitally, we can do almost everything online: conduct business, shop, coordinate work, teach, conduct research, connect with family, business partners, conduct trade and the list continues. There has also been an increase in environmental challenges with the triple planetary crisis of pollution, loss of biodiversity, and climate change. As the trading system evolves with these major changes, the World Trade Organization (WTO) has been adopting digital solutions to support its work to improve transparency while also encouraging more sustainable trade.

Transparency in the Trading System

The international trading system can often feel like the world's most complex sports arena with many rules and regulations. At the level of day-to-day commerce, exporters and importers need to be aware of a list of rules in their markets of interest or markets through which their goods transit. These can include new or modified:

- procedures and regulations affecting exports and imports.
- export and import restrictions.
- border tariffs
- internal taxes and regulations
- customs rules and regulations
- transportation regulations

Disclaimer: The views expressed are those of the author and do not necessarily reflect the opinions of members of the WTO

For example, if a major market changes regulations on a product such as footwear, all major footwear manufacturers or producers in this market need access to this information in a timely manner. Predictability through transparency is therefore one of the key principles of the WTO. Transparency is essential because it allows governments and businesses to remain updated in this complex and rapidly evolving trade landscape. At the global level, the WTO requires Members to fulfil their transparency obligations which can include notifications, including of draft/proposed measures, publication of relevant information and availability of other instruments to ensure access to trade-related information. These obligations are detailed across several WTO Agreements. Members ensure their obligations are met via the WTO's transparency mechanisms which set out the timing of notifications and the type of information that members must provide according to the different agreements.

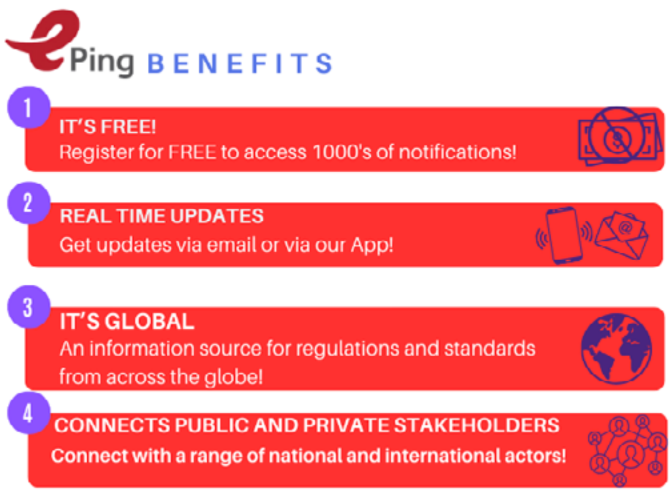
For the sporting goods industry, one WTO Agreement of interest would be the Technical Barriers to Trade (TBT) Agreement – which covers all technical regulations, standards, and conformity assessment procedures, including testing and certification. One of the primary aims of the TBT Agreement is to ensure that technical regulations, standards, and conformity assessment procedures are non-discriminatory and do not create unnecessary barriers to trade. At the same time, the Agreement recognises WTO Members' right to implement measures to achieve legitimate policy objectives, such as the protection of human health and safety, or protection of the environment. The TBT Agreement also strongly encourages members to base their measures on international standards as a means to facilitate trade.

Regulations or standards on footwear, apparel, and sporting equipment are all discussed under this Agreement. The TBT Committee oversees the implementation of this Agreement. It acts as a clearing house for Members to share information and a forum to discuss concerns about the regulations and their implementation.

Making Transparency Easier – The ePing Platform

The WTO directly engages with governments but businesses of all sizes and from a wide range of sectors are the active trading players. In 2022, WTO Member governments submitted over 4,000 TBT-related notifications of upcoming changes to their regulations, with about 15 per cent of these focusing on environment-related objectives. With thousands of notifications, how can manufacturers, producers, or interested stakeholders navigate and identify the information relevant to their sector, products and key export markets? The digital solution to this has been the creation of the **ePing platform**[1] - an online alert system to manage information flow in this fast-paced regulatory space. With ePing, public and private sector stakeholders can manage and track not only technical barriers to trade (TBT) but also sanitary and phytosanitary (SPS) measures. ePing allows for better national coordination with regulatory agencies, helps keep track of all notifications submitted and gives access to comprehensive TBT and SPS transparency related information from WTO members on one platform.

It is estimated that trade rules affect US$ 15 trillion of global merchandise trade flows annually[2], ePing is therefore an incredibly valuable resource for businesses, particularly micro, small and medium-sized enterprises (MSMEs), to keep updated on a specific sector or market through filtering options and offers several communication features to share information on and discuss notified measures. It facilitates rapid dissemination of information which is essential for helping businesses adapt to the new requirements, encourages coordination among Members, and facilitates better regulation. An increasing number of governments are adopting ePing to operate their national regulatory notification systems and reach out to their stakeholders. The tool is multilingual and is currently available in English, Spanish, French and most recently, Portuguese.



1 Visit the ePing platform at: https://epingalert.org/
2 Lucian Cernat. "How valuable is WTO transparency: the 15 trillion-dollar question" (2023) Available at: https://ecipe.org/blog/how-valuable-is-wto-transparency/.

In practice, ePing supports the work of the TBT Committee. Member governments notify of upcoming regulatory changes before they enter into force for two main reasons: (i) feedback from their trading partners and interested stakeholders and (ii) to allow time for necessary adjustments. As a rule, TBT Agreement recommends a 60 day commenting period. During this time, public and private sector stakeholders can provide comments via their national Enquiry Point which then compiles this information to share with the Notifying Country.

If countries are unsatisfied with the impacts of a measure (sometimes even after providing comments), they can raise their concerns and engage with their trading partners in the TBT Committee.. Early notification and dialogue on regulatory changes can siginifcantly diffuse trade tensions and allow Members to work towards a negotiated solution and reduce the chance escalation. In 2022, Members reviewed a total of 241 STCs, including 53 new concerns.

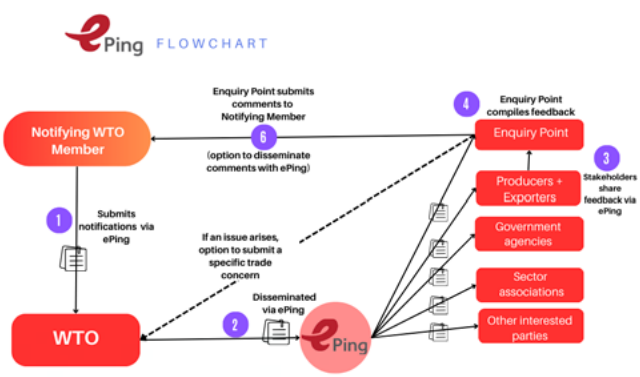
WTO terms
What is an Enquiry Point?

"Each member must put in place an Enquiry Point that is able to answer reasonable enquiries from other members, including on any adopted or proposed technical regulations, standards, conformity assessment procedures."

- Article 10, WTO TBT *Agreement Contact information for all EPs are found on ePing!*

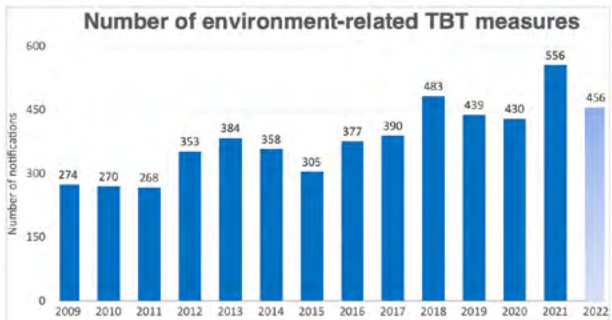
The TBT Committee and the wider WTO are rich sources of information on regulatory developments affecting sports industry! Examples of notifications related to sporting goods:

- **Burundi, Kenya, Rwanda, Tanzania and Uganda** – Regulation on sports balls with a focus on footballs (G/TBT/N/BDI/313, G/TBT/N/KEN/1362, G/TBT/N/RWA/754, G/TBT/N/TZA/877, G/TBT/N/UGA/1724 DEAS 1122: 2022)
- **India** – Quality control regulation with a focus on gymnastics equipment (G/TBT/N/IND/290)
- **Australia** – Safety standard on bicycles (G/TBT/N/AUS/149)



WTO and Environmental Sustainability

While there is no specific WTO agreement comprehensively dealing with the environment, the WTO Committee on Trade and Environment (CTE) looks at the intersection of these two issues. As the world is changing to become more environmentally conscious, not only are regulations and standards incorporating environment friendly measures, but Members are also keen to discuss environmental practices in the trade space. This is visible in the work of the TBT Committee and as well as in the other WTO workstreams There are several initiatives addressing pressing current topics which also affect the sporting goods industry such as the Dialogue on Plastics Pollution and Environmentally Sustainable Plastics Trade (DPP), the Trade and Environmental Sustainability Structured Discussions (TESSD) as well as the regular work of the CTE.



Source: WTO Environmental Database (2023)

UNCTAD estimates that global exports of plastics or goods made from plastic have reached nearly US$1.2 trillion in value and 369 million tonnes in 2021 and continues to grow[3]. More sports manufacturers are working to make their operations and products more sustainable in line with changing consumer trends and preference for more sustainable products. More businesses are also incorporating a transition to more circular business models. Recycled plastics are now a new material for sports manufacturers. For example, there is a growing trend with some sports companies repurposing recycled PET plastic bottles to make merchandise such as basketball shorts, and engineered leather and shoes[4].

3 UNCTAD."Global plastics trade hits record $1.2 trillion"(2022) Available at https://unctad.org/data-visualization/global-plastics-trade-reached-nearly-1.2-trillion-2021.
4 Becker, Sabine, et al. "Sporting goods 2022: The next normal for an industry in flux." McKinsey & Company (2022)

At the WTO, the DPP initiative was launched in 2020 to explore how the WTO could contribute to efforts to reduce plastics pollution and promote the transition to more environmentally sustainable trade in plastics. The DPP promotes coordinated action on key areas including how to improve transparency of plastic trade flows, supply chains and trade policies; strengthening regulatory cooperation with other international bodies; identifying environmentally sustainable trade policies and mechanisms; and strengthening trade-related technical assistance for vulnerable economies, including least-developed countries (LDCs) and Small Island Developing States (SIDS).

Current priorities of the DPP include collaborating with the World Customs Organization (WCO) to support amendments to the Harmonized System (HS) for traded goods to ensure more effective monitoring and regulation of plastics trade and supporting the timely conclusion of the UN negotiations on a binding instrument on plastics pollution by 2024. Other priority areas include identifying how trade-related cooperation could support efforts to reduce unnecessary or harmful plastics and plastic products (including single-use plastics and plastic packaging), promoting the adoption of sustainable and effective non-plastic substitutes, alternatives and re-use systems and facilitating access to technologies for environmentally sound waste management.

In addition to plastics pollution, wider discussions are held under the Trade and Environmental Sustainability Structured Discussions (TESSD). Another initiative of interest to the WFSGI community, this forum is intended to complement the existing work of the Committee on Trade and Environment and other relevant WTO committees and bodies, to advance discussions at the intersection of trade and environmental sustainability. As of August 2023, there are 75 Members as co-sponsors of the work of TESSD accounting for 85% of global trade. These members represent all regions and at all levels of development working together with stakeholders from the private sector, civil society, international organizations and academia who support discussions through technical expertise, experience, and transparency. TESSD's work is divided across 4 informal working groups: (i) trade-related climate measures; (ii) environmental goods and services; (iii) circular economy - circularity; and (iv) subsidies.

Under the TESSD working group for circular economy, the 2023 priorities included:

- A Mapping exercise to build a broader understanding of the trade aspects of the circular economy which are relevant to each part of the life cycle.
- Discussion of trade issues associated with specific sectors such as renewable energy and electronics along the full life cycle of products.

This year, the conversation on trade, environment and sustainability took centre court at the WTO's 2023 Public Forum under the theme "It's Time for Action". The forum focused on discussing how trade can contribute to a greener and more sustainable future. Specifically, attendees from international organizations, private and public sector stakeholders, members of the civil society participated in over 130 panels tackling different angles on how trade can facilitate access to environmental goods, services and technologies, help achieving the Paris Agreement's Nationally Determined Contributions, and maintain the ambition to limit global warming to 1.5 degrees above pre-industrial levels. This conversation continued at the United Nations Climate Change Conference (COP28) which was held in Dubai in November where for the first time, there was a dedicated day on trade in the agenda.
As our environmental and digital realities continue to evolve, the international system must continue to keep pace. The growing number of environmental rules and regulations which affect trade including the sporting goods industry will continue to change across the global system. The WTO will continue to be an important forum to assist countries and businesses navigate these changes and regulatory transitions. Whether it is via the ePing platform (which continues to be in constant development), the thematic forums within the CTE and greater collaboration with other agencies, the WTO will continue to champion for greater transparency across the system.

The WFSGI was pleased to participate in this year's WTO Public Forum and provide an insights on the sporting goods industry's sustainability actions. Are your products impacted by trade measures? Join the WFSGI Trade Committee.

To sign up for ePing visit: https://epingalert.org/
Find out more about the TBT Committee and its work: WTO | Technical Barriers to Trade
Find out more about the work of the CTE: WTO | Environment | CTE Work
More information on the Dialogue on Plastics Pollution (DPP): WTO | Plastics pollution and environmentally sustainable plastics trade
Trade and Environmental Sustainability Structured Discussions (TESSD): WTO | Trade and environmental sustainability
WTO Environmental Database: WTO Environmental Database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comprehensive reporting available for industry average running shoes, conducted by MIT.

Time to Move: **Sporting Goods 2024**

By Sabine Becker,
Associate Partner, part of the leadership of McKinsey's Sporting Goods Practice EMEA, McKinsey & Company

By Alexander Thiel,
Partner, Leader Sporting Goods Practice EMEA, McKinsey & Company

Sabine Becker is part of the leadership of McKinsey's Sporting Goods Practice EMEA. She serves primarily Sporting Goods Brands and Retailers on the topics of Strategy and Supply Chain. Sabine holds an MBA from Harvard Business School and a B.As in Business Administration and Economics from the University of St.Gallen.

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Alexander holds an MBA from Stanford Graduate School of Business and B.As from Columbia University New York and the University of St. Gallen.

McKinsey & Company

With COVID largely out of mind, supply chain disruptions overcome, and inflation, interest rates and the recession starting to ease, it is now "Time to Move" for Sporting Goods players. The forthcoming WFSGI / McKinsey & Company report, which will be released in January 2024, dissects the sporting goods industry that can now switch gears from reactive to proactive strategies and be the first to jump on the future growth trend.

Mixed Market Development with a Question Mark on China and Polarizing Company Performance

2023 witnessed a varied market trajectory, with North America charting steady growth and Europe rebounding assertively from an unexpectedly weak 2022. The narrative in China remains tentatively scripted, presenting a juxtaposition of high growth expectations shadowed by macroeconomic uncertainties. The story unfolds with equal parts optimism and caution, underscoring the need for businesses to sharpen their operations and navigate through patches of volatility.

Differentiated regional demands surfaced prominently. In China, local brands surged, commanding significant market share, while Latin American consumers continued to be well-catered by global entities. This dichotomy stresses the necessity for nuanced strategies that are region-specific, particularly in leveraging local brand affinity in Asia and fortifying the presence in emerging Latin American markets.

Super winners within the industry have maintained their stride, outperforming the market by adhering to a trifecta of strategic focus, astute category selection, and savvy go-to-market choices. These leaders exemplify the merits of a balanced portfolio, with retail innovation, trend-responsive branding, and cost-effective manufacturing forming the pillars of their sustained growth.

Shifting Consumer Preferences and Generational Opportunity

Consumer confidence remains tentative, yet the sporting goods sector exhibits resilience. The category has shown relative immunity to downtrading yet an increased appetite for promotions. Consumers were less inclined to curtail spending on sports equipment compared to other discretionary categories. However, brand loyalty is experiencing a downward trend, propelling brands to forge stronger value propositions to retain consumer allegiance.

Activities are migrating from organized towards more accessible sports, as consumers opt for ease and convenience over structured and skill-intensive sports. This pivot opens up new avenues for growth, particularly in segments like paddle tennis, pickleball and off-course golf, which have seen surges in popularity.

The generational shift cannot be overstated. With demographic dynamics varying across regions, brands are tasked with crafting age-inclusive strategies that resonate with both the buoyant youth and the affluent older generations. In China, the latter presents an emerging market segment by 2030, underlining the potential for companies to realign their focus.

Planning, Planning, Planning to Succeed in Inventory & Supply Chain

Inventory management remains a pressing challenge, with companies grappling with overstock due to demand volatility. The rising cost of capital further complicates this landscape, propelling a reevaluation of traditional planning processes. The report sheds light on the need for integrated business planning, enhanced by AI and machine learning, to bolster planning capabilities.

Clear planning processes are heralded as a differentiator. Companies are urged to refine their planning governance, align functions, and standardize inputs and outputs, thereby ensuring high-quality, responsive planning that can withstand market fluctuations.

Technology creates opportunities, with data lakes, machine learning, and AI acting as enablers of precision forecasting. Advanced planning systems are highlighted as crucial tools for end-to-end planning, ensuring that the sporting goods companies remain agile and informed.

From Products to Sporting Goods Ecosystems

The evolution from product-centricity to ecosystem--focused approaches comes about in two ways:

1. Companies are rethinking wholesale, seeing consumers continuing to shop in multi-brand environments, with a pointed focus on brand-amplifying partnerships and consumer experience. The report showcases how industry giants are integrating sales channels into a cohesive ecosystem, taking cues from successes like Nike, adidas, and PUMA.
2. Explicit ecosystem strategies are gaining traction, with brands aiming to encompass entire customer journeys. These strategies are particularly targeted at frequent shoppers, emphasizing the importance of customer satisfaction and retention.

The report identifies five levers for value generation within these ecosystems, including new subscription revenues and operational efficiencies. Sporting goods ecosystems like those of Nike and Lululemon are cited as exemplars, demonstrating the tangible benefits of strategic ecosystem approaches.

Navigating the Path to Sustainability with Pragmatic Initiatives

The sustainability journey is accelerating, with regulatory environments evolving and exerting pressure on companies. The report examines the increasing investments in energy transition, with a spotlight on the EU Green Deal and its implications for the sporting goods industry.

Sporting goods brands are stepping up, setting ambitious sustainability targets, especially among smaller brands. The narrative emphasizes the consumer valuation of sustainable materials and the lessened importance of packaging sustainability.

The report offers a concrete roadmap for CO2 reduction, outlining ten impact areas along the value chain and concrete initiatives to take for each of them. These range from new business models to consumer awareness, underscoring the multifaceted approach required for meaningful sustainability initiatives.

Closing

"Time to Move: Sporting Goods 2024" thus encapsulates the urgency for adaptive strategies and innovation in an industry that's increasingly defined by its agility and responsiveness to the changing tides of consumer demand and global dynamics. The full report, rich with insight and actionable intelligence, awaits its January 2024 unveiling. We invite your engagement and dialogue as we collectively chart the course for a future that's already in motion.

Legal Committee

2023 ACTIVITY REPORT

Mandate

The Legal Committee ("LC") facilitates and enhances the interaction, information exchange and co-operation between the WFSGI members on the latest international legal developments within the Sporting Goods Industry. This neutral platform offers the advantage of enabling the development of concrete and tangible solutions to address emerging legal challenges.

Summary

2023 was undoubtedly marked by the rising importance of the compliance topics, with a regulatory landscape becoming increasingly complex and demanding, convincing disempowered WFSGI members to team up, to unpack compliance headaches within a dedicated WFSGI working group and find the right path together to interpret and enforce the respective worldwide legal requirements. Alternatively, this year was also the one in which WFSGI members had the opportunity to successfully engage in an effective dialog with the World Intellectual Property Organization (WIPO).

Update on key activities

Addressing Global Compliance Concerns for WFSGI members Properly and Efficiently

One thing is certain: The sporting goods industry experienced a level of regulatory intensity rarely seen before, especially with the heightened regulatory attention on Environmental Social Governance developments, the increased need for consumer protection, both on and offline, and the introduction of trade restrictions due to growing protectionism and geopolitical tensions. To keep track of these impactful worldwide legislations, and get a clearer picture of compliance requirements, the WFSGI worked on the deployment and expansion of several compliance tools:

Creation & dazzling success of the WFSGI Product Compliance Working Group

Evidently, the Working Group is one of the most appreciated platforms.It wascreated in 2023 under the umbrella of the LC and comprising knowledgeable in-house compliance experts eager to help each other navigate an ever-changing regulatory compliance environment. Hands-on experience and knowledge have been shared on a monthly basis among peers, so far in good faith and understanding.

Expansion of the WFSGI Horizon Scanning

The WFSGI Horizon Scanning, compiling the key worldwide regulations impacting the Sporting Goods Industry and published on a quarterly basis, continues to be a success with a wider dissemination within the membership this year, and a constant improvement of its content and format. During this year, the publication has become renowned and is now considered by many as THE benchmark and a highly welcomed source of guidance on compliance.

Update & Reevaluation of the WFSGI Compliant Labelling Requirements database

Since the current partnership contract between the WFSGI and its service provider “Compliance and Risks” will come to an end by September 2024, the WFSGI started in Q3 to initiate consultations and individual discussions with the users of the platform, with the dual purpose of measuring their level of satisfaction and collecting inputs for the forthcoming contract renegotiation phase. In parallel, the WFSGI welcomed the arrival of new subscribers in 2023 from the sport and fashion sectors, as well as the growing interest in this unique solution developed a few years ago by WFSGI members.

Intellectual Property and Sports: Tracing the Connections

While 2023 was not conducive to industry actions through our traditional on-the-ground joint raids, a big step forward was made in reactivating cooperation with WIPO. To rationalize and facilitate the discussion process for members willing to exchange views at a more generic level, a WFSGI IPR working group was additionally formed.

WFSGI x WIPO Bilateral Sessions

Exceptionally hosted at the WIPO’s headquarters in Geneva on the 26th of June 2023, the WFSGI legal committee members had the privilege to voice their specific IP needs and met with WIPO’s high level representatives. Several topics were discussed, including potential cooperation through the WIPO IP’s sports task force, the future of innovation in Sport, the WIPO’s cooperation with governments in IP and Sports, the possibilities offered by the WIPO Arbitration & Mediation Center, and the WIPO’s Work on IP Enforcement and Building Respect for IP.

Pausing the WFSGI On-the-Ground Joint Raids and WFSGI Online Coalition

Despite all efforts, the WFSGI Joint Raids against counterfeits in Southeast Asia, could not be reactivated this year as WFSGI affected brands could not find any common interest to launch such group action. With budgets tighter than ever, the imperatives to demonstrate that these raids offered a valuable, attractive for all brands, robust and cost-effective solution (i.e., different targets, priorities), were not satisfied this time. Consequently, it was decided to pause for reevaluation. Over and above this, the pandemic and the economic downturn, have radically changed the counterfeit landscape, with a spectacular increase in online fraud, with the obviously urgent need for companies to reallocate resources to the digital fight. In this perspective, the WFSGI and its partner Corsearch have been working together on developing a concrete proposal for WFSGI members, to cooperate in this field.

Navigating digital transformation in the sports industry

The WFSGI continued to support its members through digital transformation. On e-labels, the WFSGI and the American Apparel & Footwear Association joined forces last summer together with 128 additional organizations from all corners of the globe, in order to legally allow more sustainable and economic digital labels for required labeling information. In addition, the WFSGI pursued its mandate of monitoring the Web3 revolution, the non-fungible token (NFTs), the Metaverse, and Artificial Intelligence topics, with the objective of providing regular and tangible opportunities for members to engage in new digital trends.

Chair

Jochen Schäfer
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Vice-Chair

Dora Zachou
Brand Protection Team Lead
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Dr. Markus A. Kürten
Vice-President, Compliance & Privacy
adidas AG

Vice-Chair

Alistair Kilgour
General Counsel, Pentland Brands Limited

Ex Officio

Charlotte Giudicelli
Head of Legal, Digital and Compliance

CHECK ALL COMMITTEE MEMBERS


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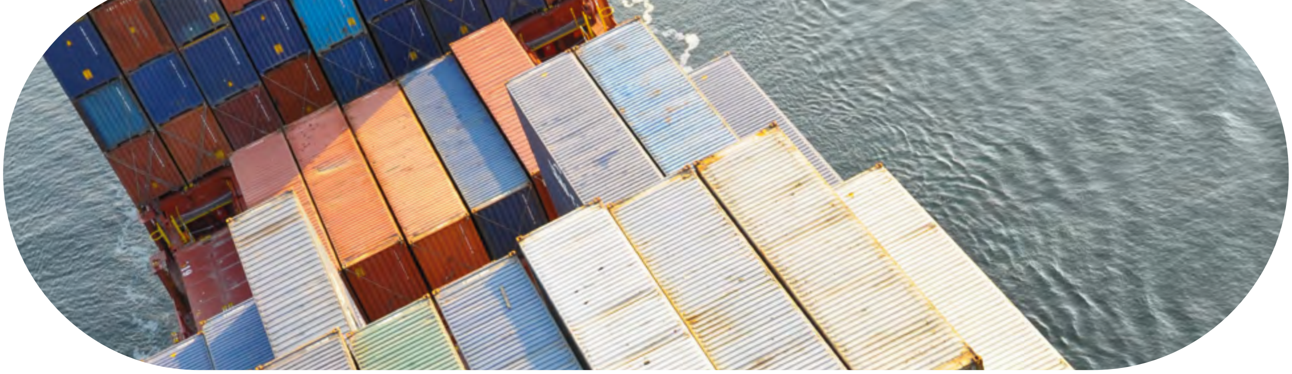
UNDER ARMOUR



Trade Committee

2023 ACTIVITY REPORT

Mandate

The Trade Committee is focusing on international trade issues facing the global sporting goods industry, including eliminating trade barriers, defending against trade cases, examining new product safety and testing requirements, removing restrictions that impact WFSGI member company's supply chains, supporting international trade agreements that benefit the global sporting goods industry.

2023 has been characterized by an increasing number of trade measures faced by the sporting goods industry.
Technical Barriers to Trade remain one of the main issues the WFSGI Trade Committee has dealt with. The Trade Committee's main focus was the Indian Quality Control Order for the import of footwear into the country. With the valuable support of brands' local representatives, the industry engaged in regular exchanges with different Indian authorities. Besides preparing technical submissions, several letters were sent to Indian officials and webinars provided the industry with the opportunity for one to one exchanges with the Indian authorities.

The Indian Quality Control Order for footwear will enter into force on the 1st of January, 2024, and there are still implementation and compliance issues related to the order. Therefore, it will remain a crucial agenda point for the Trade Committee in the upcoming year.

In line with the new WFSGI Strategic Plan, the Trade Committee has discussed an intensified engagement with several Missions to the WTO. To do so, the Trade Committee has agreed to prioritize a number of countries of importance to the industry . In that context, the Trade Committee members have also agreed that the relationship with the WTO is highly important, and that strengthening it further should be looked into. The Trade Committee chairs together with the WFSGI Secretariat had the possibility to meet with different WTO officials this year. In addition, the WFSGI took part in the WTO FIFA Trophy Tour that was organized in the run-up to the Women's Football World Cup.

The Trade Committee also took the opportunity of its annual meeting in Geneva to schedule meetings with representatives of the Missions in India, Germany, and the USA. Such exchanges with the WTO and different Missions to the WTO will remain of importance for the upcoming year.

A positive result was also that the WFSGI was able to host a session at the WTO Public Forum in 2023 after a few years of absence. The WTO Public Forum 2023 under the title "It is time for action" was dedicated to the topic of sustainability. The WFSGI would like to express its special thanks to Ms. Le Thi Tuyet Mai., Ambassador of the Permanent Mission of S.R. Viet Nam to UNO, WTO and other international Organizations Ms.. The WFSGI panel consisted of experts from the industry providing an insight on the industry's actions leading towards a sustainable future. In 2024, the WFSGI Trade Committee will once more assess the possibility of participating in the WTO Public Forum.

The Trade Committee also discussed the trade measures the industry is facing in Indonesia. Apart from apparel import safeguard measures and apparel import quotas, this year another trade barrier was put in place: a commodity balance scheme which consists of quotas for imports and exports. The Trade Committee will monitor the situation in Indonesia in 2024 especially with regard to a possible review of the safeguard measures.

Other trade measures discussed by the Trade Committee were possible anti-dumping duties for the import of shoes, textiles, and apparel into Mexico.

In order to enable the Trade Committee members to exchange views on the rising number of relevant issues, it has been agreed to schedule bi-monthly WFSGI Trade Committee webinars. This will be take place in 2024.

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Ingrid van Laerhoven
Director International Trade & Customs EMEA
Nike Government & Public Affairs

Vice-Chair

Manuel Pauser
Head of Global Government Affairs
adidas AG

Ex Officio

Marc-Ivar Magnus
COO and Head of ESG and Trade

Edwin Vermulst
WFSGI Trade Counsel

CHECK ALL COMMITTEE MEMBERS

The impact of the digital world on the sports industry and how people interact with it

by David Green,
Sports Industry Manager, Google

Senior business leader with over fifteen years of experience in the technology and marketing sectors. For the past eight years working at Google in the sports and fashion industries. Supporting the world's largest brands to grow their businesses in the online world.

1 Measuring digital development - Facts and Figures 2021, https://www.itu.int/itu-d/reports/statistics/facts-figures-2021/#footnote_01

With 'two thirds' of the world's population having access to the internet[1], the way people consume, research and learn from the online world is evolving the way they interact with sports. Every day Google touches the lives of billions of people - from planning trips with Google maps, to learning something new on YouTube. We help people online to make the world's information universally accessible and useful. Using Google Trends data, let's look at how the growth of the online world is affecting the way we interact and learn about sporting activities and how our sports interests have been adapting.

Current Landscape

Forty-two years ago the internet entered our lives. The first smartphone launched in the 1990s and now 31% of the world's population only know a world where they exist[1].

Faster internet connectivity allows us to watch videos on the go, to research new hobbies and activities where we want, and to invest in those activities when and how we want to.

At the same time, 1 in 4 adults do not meet the global recommended levels of physical activity. With no improvement in levels of physical activity since 2001[2].

Impact of Digital on Sports Activity

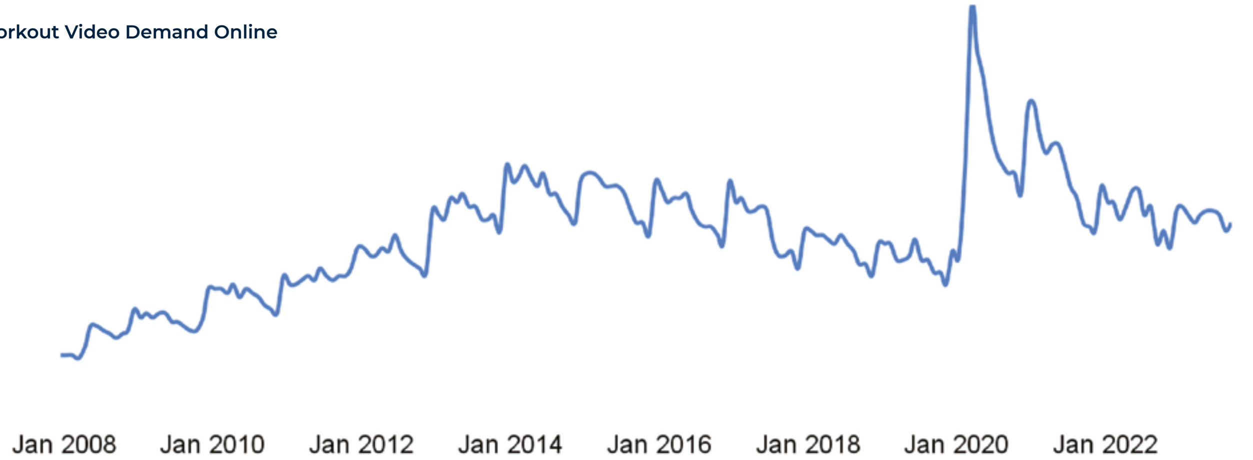
While it is common to hear that the rise of the online world has been to the detriment of our levels of activity, this access can also be a positive mechanism that enables us to engage with sports and sports brands more easily. It enables people to improve their health and find interest in activities that better suit their needs regardless of ability, confidence or privilege.

Browsing for workout videos has become a staple element of searches on Google and views on YouTube. This was truly brought into the public attention during the pandemic with YouTube stars around the world organising lockdown workout classes. However, this isn't a short-term trend. Demand for workout videos increased by 13% over the past five years on YouTube and is still at nearly half the levels seen during the peak of the pandemic[3]. On YouTube people have access to over 228 million workout videos, giving them the choice of a workout that fits their needs, at any time and any place. Creators like Chloe Ting, Zumba Class & Body Project are creating unique content at a global scale, gaining millions of views, creating communities and building influence. In a recent study by Google 'The Ikea Effect' illustrates this further explaining how the strong engagement and interaction creators on YouTube have with their audience resulted in "almost a quarter of surveyed viewers saying that they feel as though the creators in the content they watch are friends to them"[4].

1 "World Population Prospects 2022." n.d. Population Division |https://population.un.org/wpp/.
2 "Physical activity." 2022. World Health Organization (WHO). https://www.who.int/news-room/fact-sheets/detail/physical-activity.

3 Google Trends, Google, https://trends.google.com/trends/explore?date=all_2008&gprop=youtube&q=workout, Sep 2023
4 Marketing Psychology Ikea Effect, Think with Google, https://www.thinkwithgoogle.com/intl/en-gb/consumer-insights/consumer-trends/marketing-psychology-ikea-effect/

Workout Video Demand Online



Searches online for content around "how to play" different sports have been on the increase also, with searches for "how to play football" increasing by 34% over the past five years[5]. Not only this, but we see demand for multiple sports rising online linked to how we can learn and improve our abilities.

This interest doesn't stop there. People are increasingly watching videos on how to learn and improve their sporting skills. Currently there are over 146M videos on YouTube covering how to play football, with 25M videos made to support children learning the sport.

This extends not only to users interested in developing their sporting skills but also to how we look after ourselves better with improved nutrition. Search topics around nutrition and healthy food options increasing by 258% over the last 12 months alone[6] by people wanting to learn about what healthy foods to eat and how to have a more balanced diet.

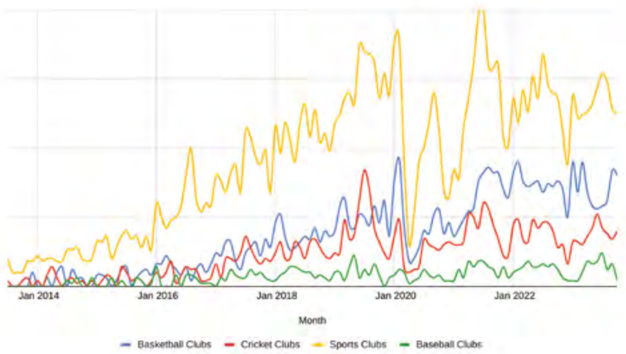
Sports Access

In addition to people now having easier access to learn about a sport or activity, the digital world is allowing people to research more around accessing sports facilities, thus improving their knowledge of what is available and where.

This is increasing accessibility levels by enabling people to more easily find local clubs and centres where they can participate in sports. Globally, interest in "sports clubs near me" increased by 37% over the past five years with variances being seen between different sports, thus illustrating how grassroots demand is developing differently across the globe[7].

For example, globally, searches for "basketball clubs near me" increased by 117% over the past five years. With search interest highest in the UK, Australia and Ireland.

Global Search for Sporting Clubs "near me"[8]



However, in the current economic climate not everyone can afford to join a club or sports centre. This reality is starting to be shown in online behaviours with increased search demand for free clubs and sporting facilities growing 15% YoY[9] which, until recently, had been declining globally. Over the past 12 months the number of searches for "free sports clubs" was nearly half of the size of searches for "sports clubs near me" globally[10].

Searches for "free football clubs" is one of the larger areas of interest with demand increasing by 25% over the past five years[11]. However this has been accelerating, growing by 15% over the past 12 months, and representing a leading area of demand across many countries[12].

5 Google Trends, Google, https://trends.google.com/trends/explore?date=today%205-y&q=how%20to%20play%20football, Sep 2023
6 Google Trends, Google, https://trends.google.com/trends/explore?date=today%205-y&q=what%20are%20unhealthy%20foods, Sep 2023
7 Google Trends, Google, https://trends.google.com/trends/explore?date=2013-06-09%202023-10-06&q=sports%20clubs%20near%20me, Aug 2023

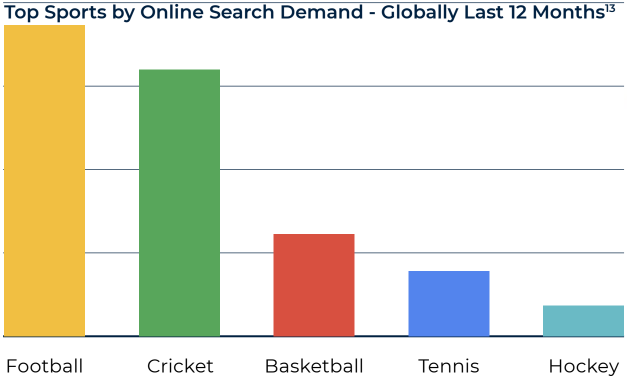
8 Google Trends, Google, https://trends.google.com/trends/explore?date=2013-06-09%202023-10-06&q=basketball%20clubs%20near%20me,cricket%20clubs%20near%20me,sports%20clubs%20near%20me,baseball%20clubs%20near%20me, Sep 2023
9 Google Trends, Google, https://trends.google.com/trends/explore?q=free%20basketball%20club,free%20football%20club,free%20sports%20club,free%20baseball%20club, Aug 2023
10 Google Trends, Google, https://trends.google.com/trends/explore?q=free%20sports%20club,sports%20clubs%20near%20me, Sep 2023
11 Google Trends, Google, https://trends.google.com/trends/explore?q=free%20basketball%20club,free%20football%20club,free%20sports%20club,free%20baseball%20club, Sep 2023
12 Google Trends, Google, https://trends.google.com/trends/explore?q=free%20basketball%20club,free%20football%20club,free%20sports%20club,free%20baseball%20club, Sep 2023

The online world is an enabler of improving access for people to learn new sports and skills, giving them access to start to develop their interest in sports and their level of activeness. This translates to growth in people searching for sports facilities near them. But also it's important to note the reemergence of demand for free sporting facilities.

Interest in Sports

Easy access to learn about new sports and the reduction in barriers to engaging and supporting new sports has resulted in increasing changes in the popularity and demand for sports outside those traditionally seen as primary sports

Top Sports by Online Search Demand - Globally Last 12 Months[13]



Football remains the most popular sport search on Google. However its demand has started to decline over the long term with many markets in Europe and the US showing similar declines in interest over the past five years[14].
On the other hand, demand for cricket has been on the rise globally, increasing by 102% over the past 10 years[15].

Changing Online Interest by Sports[16]

	Football	Cricket	Basketball	Tennis	Hockey
YoY	10%	48%	6%	-6%	3%
Yo5Y	-5%	52%	5%	5%	-22%
Yo10Y	-1%	102%	31%	-2%	-29%

When we split this by market, we can see that there are variances for sports interest at both global and market level.

Over the past five years the global decline in football related queries was driven generally by declines from the northern hemisphere, whereas with demand in basketball we see a much more country specific growth driven by large increases in markets like Germany, the Baltic States and Taiwan.
While the key sports mentioned above still dominate the majority of interest online, lesser-known sports, such as paddle board & trail running, have seen incredible increases in interest from the public, with demand interest regionalised across the globe by these emerging sport types.

Upcoming Sports - Leader in Demand by Market - 12 Months[17]

Browsing for a sport may indicate an initial interest, looking at the popularity of these lesser-known sports by what people are spending their money on sees trail running having a much more uniform impact globally.

Summary

Often, we think of sports as stationary elements within each of our nation's heritage. However, with the increasing access people have to information about the variety of sports around them, the reality is that interests in sports, activities and self-development are always shifting. No longer are these restricted to starting in the classroom or the preservation of those who have access to the facilities.

Being at the forefront of how these trends are changing is key to ensure governments and businesses can best support people to bring these interests to their full potential.

13 Google Trends, Google, https://trends.google.com/trends/explore?date=all&q=football,cricket,basketball,tennis,Hockey, Sep 2022 to Sep 2023
14 Google Trends, Google, https://trends.google.com/trends/explore?date=all&q=football,cricket,basketball,tennis,Hockey, Sep 2023
15 Google Trends, Google, https://trends.google.com/trends/explore?date=all&q=football,cricket,basketball,tennis,Hockey, Sep 2023
16 Google Trends, Google, https://trends.google.com/trends/explore?date=all&q=football,cricket,basketball,tennis,Hockey, Sep 2023

17 Google Trends, Google, https://trends.google.com/trends/explore?q=%2Fm%2F-063wkj,%2Fm%2F0dshv_,%2Fm%2F048h8p,%2Fm%2F035f8p, Aug 2022 to Aug 2023

AI in Retail - Intelligence is Sexy

by Christoph Beaufils,
Group's global brand strategy, ISPO

As the person responsible for the ISPO Group's global brand strategy, Christoph Beaufils knows a thing or two about trends. His vision is to use the power of sport to solve social challenges. That's why the advertising and sports manager is passionate about transforming ISPO into a global network for the sports community. ISPO.com is the media hub of the ISPO network, which includes ISPO Munich as the world's largest sports trade show, OutDoor by ISPO as well as award and start-up platforms. On the international information platform, sports professionals and consumer experts can find the latest industry trends, relevant insights and inspiring stories from the world of sports.

A robot helping with inventory, smart mirrors recommending suitable items in the changing room, and chatbots answering all our questions - the use of artificial intelligence can enhance a retailer's appeal and boost sales. However, not all retailers have yet realized the benefits of AI. Still, the industry is in the starting blocks.

Robot "Tory" takes inventory in Decathlon stores.
Credit: Decathlon

The door to the sports store opens, and a robot greets us with a friendly "Hello" and the question "What are you looking for?" And then it accompanies us on our shopping trip. It suggests suitable products, guides us to the best deal, or shows us on its integrated screen how a T-shirt will look on us without us having to try it on. Dreaming of the future? Not for long!

Decathlon: Robot helps with inventory

Learning robots are already helping retailers with important activities such as stocking the right products in sufficient quantities. But how can inventory be managed more efficiently? How can sales data be analyzed more quickly, combined with demand forecasts (including seasonal forecasts)?
The first "Tory" started work in April 2021 at Decathlon in Stockport, UK. From 2022, the RFID robot has also been helping with inventory in Decathlon's German stores.

The RFID robot automatically drives through the store's aisles outside opening hours and scans the RFID tags on the products. In Ludwigshafen, it takes about 3.5 hours to cover an area of 4,300 square meters and 93,000 products. According to spokeswoman Nora Lühne, by the beginning of 2024, Decathlon will already have 64 automated employees in operation.

RFID tags at Decathlon.
Credit: Decathlon

Time saved for human colleagues

"Our main indicator for the success of the project is the availability of our products. Since the start of the test, this has been five percent higher in the Ludwigshafen store than in comparable Decathlon stores," says Sven Neuheisel, project manager for the RFID robot at Decathlon Germany. Another advantage is that the team members save time and can concentrate on advising customers.

"Tory" also launched in Australia and New Zealand

The inventory robot was developed by MetraLabs, a German company specializing in retail service robots. "Tory" is already driving around stores in Australia and New Zealand. In Kmart supermarkets, it checks stock levels and reports gaps on the shelves. And the rolling assistant may soon have another job: "Tory" can be equipped with a multimodal user interface that includes voice and touch input. Customers will then be able to ask him where to find a particular product or department.

AI is picking up speed - in brick-and-mortar retail, too

In the office, intelligent assistants can already prioritize our emails, suggest responses, summarize voluminous documents, answer phone calls, or translate speech in real time. In e-commerce, AI supports visual product searches and offers personalized shopping advice. There are virtual fitting rooms and chatbot communication for FAQs. And in brick-and-mortar retail? It's catching up: According to a study by the German Retail Association (HDE) in cooperation with Safaric Consulting and the University of Münster, the share of German retail companies using AI in individual areas or across companies will increase from 7.5 percent (2022) to 23.5 percent in 2023.

Robots are the future of retail

"We're at a stage where technology is getting better and cheaper, and the case for automation in some of these areas is becoming much more compelling," says McKinsey UK consultant Anita Balchandani (source: World Economic Forum/Reuters). Looking at the fashion industry, McKinsey expects fashion companies to double their investment in technology from 1.6 to 1.8 percent of sales in 2021 to 3 to 3.5 percent in 2030.
Reuters also cites British online grocery pioneer Ocado, which is selling its automated warehouses and lightweight robots to retailers in the United States, Europe and Asia. At Sam's Club, a U.S. chain owned by Walmart, nearly 600 robots clean store floors.

Easy use of AI in Germany

The German Federal Ministry of Economics and Climate Change sees AI use cases in four areas: headquarters, logistics and transport, stores and customer experience. However, current AI use cases are heavily weighted toward the "head office" area, with retail companies surveyed by the HDE stating that AI is used primarily for document processing in accounting (6.6 percent), general sales forecasting (5.6 percent), checking supplier data (5.1 percent), and for staffing requirements and workforce planning (4.6 percent).
Even in the "store" sector, the more basic AI applications are still being used, such as camera systems to protect against theft at the POS (7.1 percent). Here, artificial intelligence could not only personalize marketing or tailor assortment design to customer flow, but also adjust the price of products in real time.

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For more information on AI in sports, **visit ISPO.com.**
Or join us at the next OutDoor by ISPO in Munich from June 3-5, 2024!

Improving the in-store experience

Brick-and-mortar sports retailers could be at the forefront of improving the shopping experience and increasing sales, for example with a robot that helps customers find products in-store and provides personalized advice. Then there are smart mirrors that combine virtual reality with traditional shopping, making shopping a comfortable and enjoyable experience. For example, the mirror shows which rain pants go with which rain jacket or recommends the latest water-repellent running shoes. This is made possible by sensors in the changing room that use RFID technology to recognize the item being tried on.

In the future, information from AI will complement the haptic shopping experience.
Credit: Craig Lovelidge/Unsplash.com

Reasons for the snail's pace of AI

The ideas are there, and so is the technology - but implementation is often still a problem. 8.9 percent of companies surveyed by HDE cite a lack of support from (top) management as one of the reasons for the lack of AI adoption. The desire for more concrete use cases tops the list (66.7 percent), followed by lower operating costs for AI (57.8 percent) and increased benefits from AI projects.

The conclusion of the HDE study is that cost- and time-intensive AI use cases are still underrepresented in retail companies, although both smaller and larger companies participated in the study. Companies may initially focus on using AI in areas where visible results can be achieved quickly to justify their investment. Another reason may be budget or resource constraints.

AI knowledge for all - the Knowledge4Retail project

"Shopping experiences are increasingly digital - does bricks-and-mortar retail still have a future? We think so, absolutely," says the Knowledge4Retail website. This consortium of 13 companies from the fields of retail, AI algorithms, platform economics and IT integration is building an AI data platform that connects the digital world with brick-and-mortar retail - and it is all open source.

The project has designed and implemented four prototype applications based on the developed data model. These prototypes include intelligent intralogistics, strategic retail marketing to establish customer-specific stores, service robotics to support store employees, and Internet of Things connectivity for a smart refrigerator. "The motivation for the project is the fact that little data is available on the movement of products or customer interaction with a product in a store. However, the availability of such data would enable new services such as optimizing store layouts, supporting store employees and improving the shopping experience for customers," said Tim Schopf of the Technical University of Munich. He presented the project at the 2022 International Conference on Artificial Intelligence for Industries in California.

Connecting the digital world with brick-and-mortar retail

Scientist Schopf's conclusion: "To close the gap between physical stores and online stores, the industry must strive to connect the digital world with stationary retail. However, individual digitization solutions are not enough; a holistic approach for the entire industry is required. To achieve this goal, an AI platform for brick-and-mortar retail is needed to enable the industry to develop data-driven applications."

Benefits of AI

1. automation
Artificial intelligence takes over tasks that were previously done by humans. This allows agents to spend more time serving customers. This increases efficiency and improves the customer experience.

2. theft prevention
AI technologies are driving innovation in self-checkout. They provide a secure method of scanning that also helps prevent shoplifting. AI authentication can also be used to collect data on suspected shoplifters.

3. sustainability
Artificial intelligence has the potential to make retail much more sustainable. AI predictive tools can help businesses achieve carbon neutrality by monitoring emission rates and encouraging recycling.

4. increasing efficiency
AI is expected to automate mundane tasks and optimize more sophisticated work such as delivery, tracking, and scheduling. All of these advances have the potential to make work much easier and more efficient for employees.

5. optimization
Artificial intelligence technology can review past buying patterns and issue a warning when inventory levels of top-selling products may be reaching a critical low. It can also detect temporal patterns in demand, including identifying seasonal item trends, and estimating when those items will be in highest demand.

6. customer satisfaction
AI also brings benefits to consumers. For example, chatbots can help them quickly navigate the store and receive personalized product recommendations. In this way, retailers show their customers that they value their time and are doing everything they can to provide the best possible shopping experience.

(Source: World Economic Forum)


MIZUNO
REACH BEYOND

Athletics Committee

2023 ACTIVITY REPORT

Mandate

The Athletics Committee is the sport-specific industry representative body towards World Athletics, organisers of major athletics events, international standards institutions, and Non-Governmental Organisations with the intention of fostering the general development and growth of athletics.

Summary

2023 marked the third year of constructive collaboration between World Athletics, WFSGI, and its members. In recognition of the mutual benefit of further expanding this collaboration into other areas of the sport, WFSGI and World Athletics met for the second time under the Memorandum of Understanding after the inaugural Road Running World Championships in Riga, Latvia.

Update on Key Activities

In 2023, the Committee focused on the following activities:

WFSGI x World Athletics MOU – the Memorandum of Understanding between both parties sees close collaboration between the industry and the governing body on both Equipment and Marketing Regulations and the evolution of the sport generally. The second annual meeting held in early October, was a full day discussion and we were honoured to have World Athletics CEO Jon Ridgeon chair the meeting. It was an opportune moment following on from the successful World Championships held in Budapest one month earlier to debrief on specific topics that arose in advance of next year's Olympic Games in particular regarding jump take-offs and venue specific communication timelines.

Shoe Regulation – during 2023, WFSGI and its members continued to work with World Athletics on shoe approvals. We anticipate that the latter part of 2023 and throughout 2024 will be spent developing and testing the World Athletics Platform to ensure a more time efficient process for both parties and a simplified process for athletes and officials. We hope to have a follow-up meeting with World Athletics around this in early Spring in Glasgow to tie in with the World Indoor Championships and build on the momentum from Riga.

Ticketing – the WFSGI worked with World Athletics to enable member brands to purchase tickets for the World Championships in Budapest. The process for August was quite straightforward and smooth and was a good first opportunity but we will look to learn from the experience to improve the application and allocation for future events.

Bib Evolution – this is a topic which we will look to develop in 2024 as a specific task force. The reality of the industry being at the cutting edge of technology for their athletes but reverting to safety pins and flapping paper during competition is one that brands welcome.

A special thanks from the WFSGI to the World Athletics CEO - Jon Ridgeon, the Director of Legal and Business Affairs - Karena Vleck, the Lead Counsel for Sports Law & Governance - Vijay Parbat, the Director of Communications - Jackie Brock Doyle, Special Projects Manager - Marina d'Ischia and World Athletics Council Member - Sylvia Barlag for their collaboration since 2020. WFSGI and its members look forward to further development of the relationship and initiatives in years to come.

Chair

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Vice-Chair

Hoyt (CJ) Davis III
Assistant General Counsel, Sports Business and Legal Affairs
PUMA SE

Vice-Chair

Ryan Montgomery
Global Sports marketing Manager
ASICS Corp.

Vice-Chair

Brett Holts
Sr. Director Nike Track & Field Sports Marketing

Ex Officio

Michelle Smyth
Head of International Sports & Cycling

CHECK ALL COMMITTEE MEMBERS

Cycling aerodynamics: from scientific research to product development

by Bert Blocken,
Professor of Engineering – Aerodynamics, Heriot-Watt University (UK) and KU Leuven (Belgium)

Prof. dr. ir. Bert Blocken (*1974, Hasselt, Belgium) holds a PhD in Civil Engineering from KU Leuven in Belgium. He is Full Professor in the Institute of Mechanical, Process and Energy Engineering at Heriot-Watt University in the UK where he leads the Aerospace Engineering programme. He is also part-time Full Professor in the Department of Civil Engineering at KU Leuven and the CEO of the engineering and consultancy company Anemos BV. His main areas of expertise are city, building and sports aerodynamics. In the past 7 years he acted as aerodynamics advisor for Team Jumbo-Visma through wind tunnel testing and computer simulations.

This article describes how scientific research has been engaged to support the development of three cycling products: helmets, speed gel and the chest fairing. The research was mainly based on wind tunnel tests and computer simulations. These three products were chosen because they have a fascinating and very different history, and result from a different interaction between scientific research and product development.

It's in the human nature to always try to improve life and this includes environment and tools. In 1885, the bicycle in the form we know it today, i.e., the safety bicycle, emerged as a new tool. A main goal of the bicycle has always been to increase travelling speed. Throughout the years, this was achieved through many innovative product developments, as clearly illustrated in two types of competitions. On the one hand record attempts such as the well-known cycling world hour record, with the special bicycle designs by Chris Boardman, Graham Obree, Miguel Indurain and others. On the other hand major cycling competitions, such as the Tour de France of 1989, where Greg LeMond suddenly showed up in the final time trial with a time trial handlebar and a time trial helmet. Thereby beating his main competitor Laurent Fignon, who did not use such aerodynamic features, by 58 seconds in this time trial and winning this Tour by only 8 seconds.

Innovating by wind tunnel testing and computer simulation

Innovations in engineering almost never directly yield the ultimate optimum, i.e., the best solution possible, after which all innovation efforts should cease because no effort would ever be able to exceed that optimum anymore. This is certainly the case for complex engineering systems with multiple interacting variables such as the cyclist and its bicycle. Indeed, innovations in cycling aerodynamics go from suboptimum to suboptimum, where special care in research and engineering is required to make sure that the next suboptimum is better and not worse than the previous one. It does happen sometimes that new designs are worse than their predecessors, because still too often, even in companies and manufacturers supplying the UCI WorldTeams, intuition is used as a main advisor in design. However, intuition can be a very bad advisor because aerodynamics is often too complicated and can be counterintuitive[1,2,3,4]. That is one of the main reasons why wind tunnels and computer simulations should be used from beginning to end in the aerodynamic design of bicycles, handlebars, wheels, helmets, skinsuits, shoes and socks: to provide quantitative information concerning the product performance and either confirm or deny the intuition of the designer.

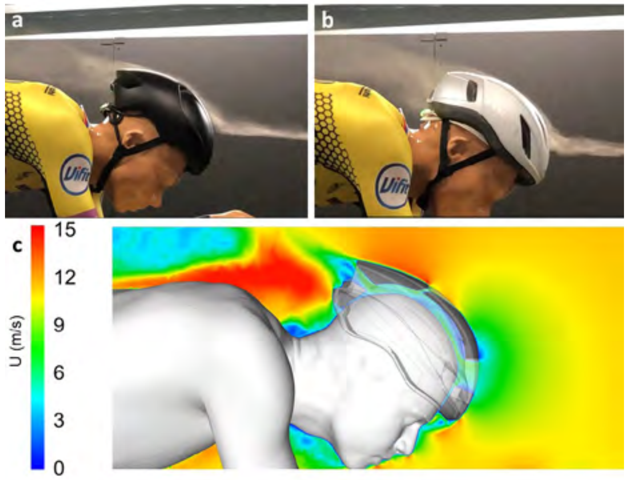

Figure 1: (a, b) Wind tunnel tests with smoke visualisation showing helmet ventilation and air exiting the helmet in the neck region; (c) Computer simulation showing airspeed contours in a vertical centreplane through the cyclist and helmet, with airflow through the helmet and exiting in the neck region.

Helmets

Helmets have changed tremendously from the first pneumatic helmet designed in 1904 to the state-of-the-art race and time trial helmets of today. In the past years, we performed a detailed scientific research on helmet aerodynamics with wind tunnel testing and computer simulations. Personally, I do not believe we gained truly novel insights. At most we gained insights that had already previously been obtained by other researchers or by research by some manufacturers, but which apparently had been carefully kept secret by them. The main conclusion from our study was that when the airflow between the head and the inner surface of the helmet is allowed to exit with sufficient strength in the neck of the cyclist, it partly relieves the suction in this area, which reduces the aerodynamic resistance or drag of the cyclist (Figure 1). So this airflow is not only providing ventilation to cool the head, but can also be instrumental in reducing drag. To achieve a large flow rate exiting the helmet, the area of the ventilation openings in front should be similar to that of the ventilation openings at the back, the openings should be sufficiently large and there should be as few obstructions in the ventilation channel as possible. Hair, which is an obstruction, is undesired and the larger the hair volume, the more undesired it is. Note that helmets are typically tested and consequently designed for bald artificial heads in wind tunnels. That is why the idea to have the cyclist using a head sock is a very good idea (Figure 2a). Apart from other advantages specified by the manufacturer, and while it might not be the most aesthetically pleasing option, it is physically sound: it pushes down the hair (and the ears) and avoids blocking the ventilation channel. Race helmets typically have exit openings, but this is not the case for most time trial helmets. However, a few time trial helmet designs from the past and also nowadays have a clear exit opening (Fig. 2b-e) to allow the ventilation air to exit in the neck and reduce the air suction. Another interesting helmet design is shown in Figure 2f, g. Very likely also an intelligent design, most certainly resulting from intensive wind tunnel testing and/or computer simulation, aimed at aerodynamically integrating not only the head but also part of the shoulders. An extreme example of this approach is found in speed ski (Fig. 2h).

Figure 2: (a) Headsock; (b-d) Helmet with large exit opening; (e) Helmet with exit opening; (f,g) Large helmet to also guide flow over shoulders ; (h) Speedski helmet. Sources:
(a) https://www.specialized.com/be/en/s-works-tt-5/p/220800?color=361520-220800; (b, c) https://www.airparkbikeco.com/news/new-poc-time-trial-helmet-has-ultimate-cooling-ability/; (d) www.specialized.com/be/en/s-works-tt-5/p/220800?color=361520-220800; (e) https://specialized.com.cn/products/s-works-tt-162032-1; (f) https://www.pocsports.com/products/tempor?variant=38096188997784; (g) Belga News Agency / Alamy Stock Photo. All photos reproduced with permission.

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Speed gel

On the day of the team time trial in the 2018 Dauphiné Libéré, the Lotto-Soudal team made the news. Not only because of their good time trial performance but also because of the many small white flocks – called "washing powder" by some – on the legs of five of their six cyclists (Figure 3). The sixth rider did not use it fearing an allergic reaction. But what was it? It was the so-called speed gel, invented by a Belgian company. A combination of a cream with small solid spheres, which could be sand grains of a certain size range, and which were to be used to cover the legs to increase the surface roughness. Indeed, scientific research in the past had abundantly demonstrated that rendering specific surfaces rougher can reduce the aerodynamic drag – which is the reason why golf balls have dimples. In cycling, these surfaces are the upper arms and the lower legs. Because the white speed gel spheres were so visually apparent, the UCI rightfully forbade the use of the speed gel on the same day. Indeed, the UCI rules stipulate that no features can be used that only have the purpose of increasing the aerodynamic performance. Evidently, one should never apply foul play, but the devil's advocate would argue that if one wants to apply foul play, at least one should do it in such a way that one cannot be caught. If the white spheres would have been transparent spheres, probably nobody would have ever noticed. Important however is that this speed gel must be applied in a proper way, where the key question, "what is the proper way?" is not easy to answer. Given the difficulty for skinsuit manufacturers to find textile roughness patterns that decrease the drag, it is not straightforward to apply the speed gel such that it acts in a beneficial way. But theoretically and physically, the idea is sound. While not allowed in UCI cycling competitions, it is allowed in triathlon.

Figure 3: Photo of speed gel on the leg of a cyclist in team time trial of the 2018 Dauphiné Libéré. Source: @Sporza Twitter account in 2018. Translation from Dutch: "@HerrVaaz Lotto, team doctor of @Lotto_Soudal, about Speed Gel: 'All tiny bits help' ".

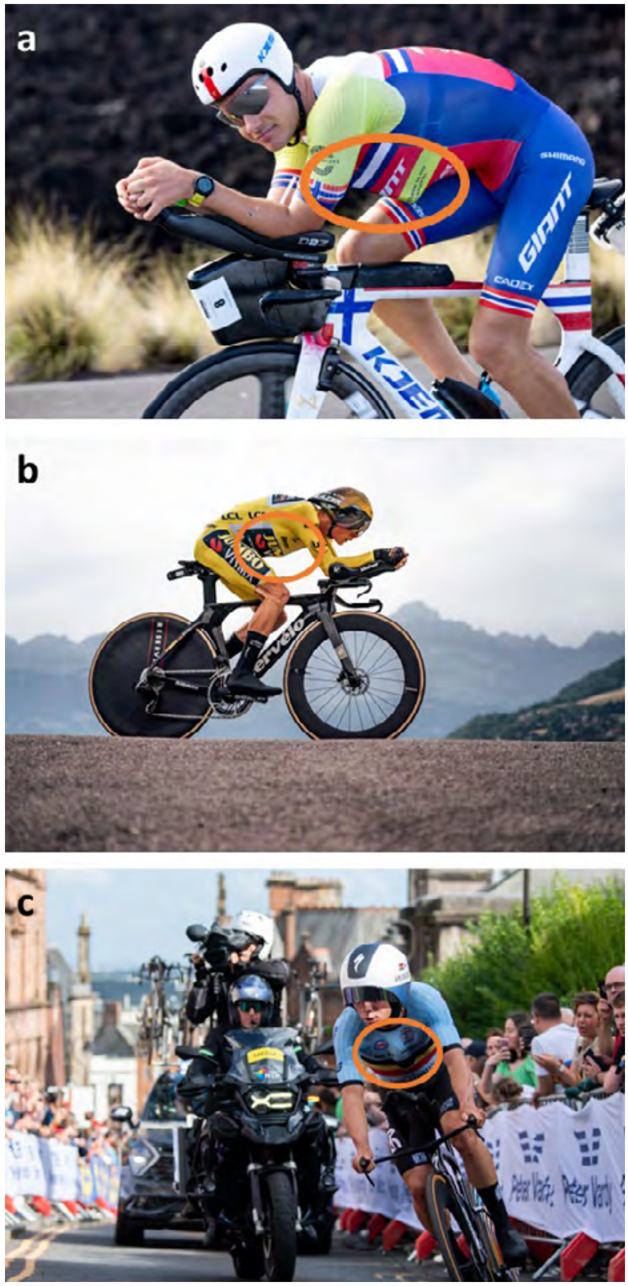

Figure 4: (a) Gustav Iden with large chest fairing in triathlon; (b-c) Jonas Vingegaard en Remco Evenepoel with small chest fairing. Sources: (a, c) Belga News Agency / Alamy Stock Photo; (b) SWpix / Alamy Stock Photo, all reproduced with permission.

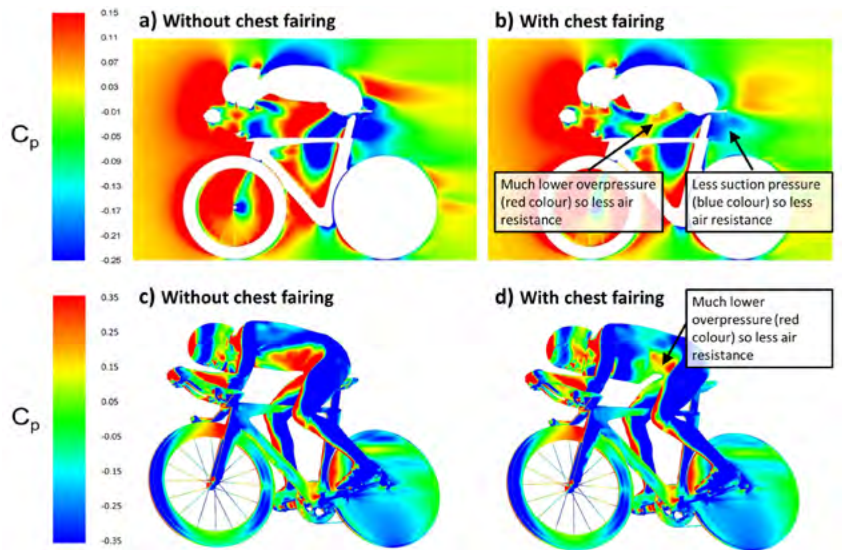

Figure 5: (a, b) Static pressure contours in a vertical centreplane indicating the strong reduction in overpressure and suction for the cyclist with chest fairing; (c, d) Static pressure on the cyclist and bicycle surfaces indicating the strong reduction in overpressure near the pelvis area.

Chest fairing

In the cycling stage of triathlon competitions, it has recently has become common for the athletes to stick an object between their shirt and their chest. While only very exceptionally and in very moderate form applied in UCI cycling in the past, like by Frank Schleck in the 2011 Criterium International; in triathlon it has recently been implemented in a rather extreme way, with athletes using drinking bottles or even camel bags behind their suit (Figure 4a). This "chest fairing", as it has become known, has been claimed to provide substantial aerodynamic gains. We analysed the effect of different types of chest fairing by computer simulations. Depending on the size of the chest fairing, drag reductions for the cyclist between 2 and 9% were found, which is huge in competition sports. The physical explanation for these drag reductions is that the fairing acts to deviate the flow, which otherwise impinges on the pelvis, downwards and to guide it towards and through the gap between the legs of the cyclist. Figure 5a, b shows a lower pressure (so a lower "push") in front of the pelvis and on the pelvis (Figure 5c, d) due to the presence of the chest fairing. A small part of our simulation work was reported in a popular article[5]. The full study will be published in a peer-reviewed scientific journal early in 2024. Interestingly, the chest fairing, albeit in a very small form, was also used by Jonas Vingegaard in the 2023 Tour de France and by Remco Evenepoel in the World Championships Time Trial in Glasgow (Fig. 4b, c). In both cases it was most likely achieved by placing the radio transmitter there, which is considered essential equipment, and as such this intervention was allowed and in line with the UCI regulations. Now that scientific research has shown how the chest fairing works and how it can be optimised, it is to be expected that product innovations will focus on developing improved shapes and sizes of the chest fairing. However, given the significant benefits that can be obtained, it is not unlikely that in the future the UCI could restrict placing any object on a cyclist's chest.

5 Wilson M. 2023. Expert tested: the water bottle/jersey trend produces shocking results. Triathlete, 19 July 2023: https://www.triathlete.com/gear/bike/expert-tested-the-water-bottle-jersey-trend-produces-shocking-results/

Towards the future

The main reason for the contemporary intensity of product innovations is the increasing availability of wind tunnels and computational hardware and software and their use for cycling aerodynamics studies, by teams, consultancy companies and academic researchers. New wind tunnels are almost continuously being designed and constructed all around the world, and today we are well underway to seeing computer simulation in cycling become a common assessment method. In some cases, as helmets and the speed gel, scientific research has driven product innovations. In other cases, as the chest fairing, innovations coming out of the sport itself have driven scientific research, which in its turn can drive product innovation. The complexity of cycling aerodynamics where innovations go from suboptimum to suboptimum ensures that innovations will keep going on for many more years to come. On the other hand, the increased focus of World Tour teams and triathletes on cycling aerodynamics and the increasing availability of wind tunnel and CFD simulations will undoubtedly also continue to accelerate innovations for many years to come.

Acknowledgements

The author gratefully acknowledges his ongoing successful partnership with Ansys CFD and his past 7-year successful partnership with Team Jumbo-Visma, which was ended on his request and based on his transfer to a new university.

Disclaimer

This article is an objective popular scientific article that is in no way influenced by any personal commercial or other benefits for the author, his university or company. The author does not have and never had any benefit from or collaboration with the companies whose products (helmets, speed gel) are mentioned and shown in this article.


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FIFA and WTO join forces to use football as catalyst for economic and social development

by FIFA

FIFA and the World Trade Organization (WTO) signed a Memorandum of Understanding (MoU) in September 2022 to explore how football could promote economic inclusion in developing countries, with a particular focus on the WTO's cotton programme. Under the terms of the MoU, the two organisations are committed to working together to analyse football's economic impact, its role in unlocking global economic growth potential and fostering social development, and how the game can be used as a tool for the economic empowerment of women.

For more background on the FIFA-WTO partnership, visit FIFA.com


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Under the MoU, which will remain in force until the 31st of December 2027, FIFA – world football's governing body – and the WTO will exchange information and expertise on the economic dimension of football through participation in conferences, regular meetings and by contributing to studies. An annual joint review will be undertaken to assess the collaboration and identify specific activities or projects to be implemented the following year, all of which will be reflected in a collaboration plan.

FIFA and the WTO have also been investigating ways to boost the sourcing of cotton used in sportswear from the Cotton 4 (plus) countries, namely Benin, Burkina Faso, Chad and Mali, together with observer member Côte d'Ivoire.

The partnership between FIFA and the WTO is facilitating a framework analysis of the cotton industry in the Cotton 4 (plus) countries and exploring opportunities to help boost the sourcing of cotton as well as value-added products used in sportswear from the aforementioned nations. Cotton production sustains 32 million growers worldwide, almost half of whom are women.

Much of the world's cotton is produced in the Cotton 4 (plus) group, and the region's raw material is among the most sustainable in the world, as it is hand-picked, irrigated by rainwater and, to a large extent, organically fertilised. However, most of the cotton is exported as a raw material rather than a finished product.

If that situation could be changed to result in the field-to-fabric cycle being completed in the Cotton 4 (plus) nations, they would gain a greater share of the football sportswear market revenues, which are expected to leap from 82.3 billion USD in 2022 to 114.4 billion USD by 2028.

One year after signing the MoU, in September 2023, on the eve of the opening of the General Debate of the United Nations General Assembly, FIFA President Gianni Infantino and WTO Director-General Dr Ngozi Okonjo-Iweala reaffirmed their commitment to the partnership at a meeting held in New York City, USA.

Ahead of World Cotton Day on Saturday, 7 October 2023, Mr Infantino and Dr Okonjo-Iweala reflected on the success of the partnership and discussed ideas and approaches about how to establish sustainable solutions in the cotton sector that drive development and opportunities for least developed countries and women. This is a key element of the MoU, which seeks to foster synergies in relation to the economic dimension of sport and empowerment.

"I was pleased to meet WTO Director-General Dr Ngozi Okonjo-Iweala in New York to reaffirm our commitment to using football's global appeal to promote economic inclusion in developing nations – particularly in relation to the Cotton 4 (plus) countries, said the FIFA President. We spoke specifically about investigating football's role in unlocking global economic growth potential and using it as a tool for women's empowerment."

The leaders' discussions also looked towards the future. "While discussing the next steps in our partnership, we considered the potential to integrate the FIFA Football for Schools Programme, and we also reflected on the progress made through our positive collaboration to date," added President Infantino.

The head of world football's governing body and Dr Okonjo-Iweala also reviewed the ongoing joint academic study regarding the impact of football on the global economy. The study is investigating the economic impact of the game and its role in unlocking global economic growth potential.

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Back in May 2023, Mr Infantino and Dr Okonjo-Iweala had a conversation during the Making Trade Score for Women! panel discussions held at the WTO's headquarters in Geneva, Switzerland and coorganised with the support of the World Federation of the Sporting Goods Industry. Mr Infantino and Dr Okonjo-Iweala said that they were looking to expand their partnership and boost the economic empowerment of women.

"Women in sport, as in every sphere of life, are entitled to the same rewards enjoyed by their male counterparts," said Dr Okonjo-Iweala. "Sadly, this hasn't been the case, and we're really delighted at the effort that FIFA, under President Infantino, is making to change this narrative. The FIFA Women's World Cup represented a unique opportunity to discuss how the sport can be made more equal and crucially, how the economic returns from football can be better distributed.

"More needs to be done, both in trade and in sport, to narrow the gap between the economic benefits enjoyed by men and women for equal work. What I can see are the opportunities on the trade side, and when we couple that with the drive by FIFA and others to grow the game in developing countries, I can see the potential for trading services to increase."

President Infantino shared that football had a global economic revenue of well over 200 billion USD and that 70% of this was concentrated in Europe, which shows the scale of the untapped opportunities in other parts of the world. "Imagine the potential that there still is outside of Europe, and the Cotton 4 initiative is part of unleashing that potential," the FIFA President said.

"FIFA redistributes its revenue among our 211 member associations to help them to develop football in their countries by notably investing in infrastructure, facilities, competitions, refereeing and coaching. Yet we believe that there's still more that football can do, especially for the youth in the developing world. This important partnership can help us to find ways of ensuring that football can further promote sustainable development for everyone to benefit from the global football economy," added the FIFA President.


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Cycling Committee

2023 ACTIVITY REPORT

Mandate

The WFSGI Cycling Committee is an assembly of WFSGI member brands and the global voice of the cycling industry. It offers member brands global representation across regulatory standards, sport, social and environmental issues on non-competitive topics with industry wide collaboration. The Technical Committee has evolved to become an umbrella committee that oversees all technical issues. The Technical Committee forms proposals for the industry through negotiation with the respective organisation in question and has had a high degree of success in the past changing regulations to help our members. The WFSGI creates Working Groups to actively monitor and influence regulatory changes to aid innovation and advance technology. We do this through clear and regular communication with members, building relations and reaffirming the cycling industry as a stakeholder with the UCI, World Triathlon and the IOC and as an industry liaison to CEN and ISO.

Summary

The Cycling Committee has had a very busy year on an abundance of key topics. The number of areas we are looking into is testament to our relationship with the UCI and the trust that we have built with the Innovation team. In less than one calendar year we have worked on topics ranging from e-bikes, wheel impact test and tyre & rim compatibility to name a few.

A. WFSGI CYCLING TECHNICAL COMMITTEE

To explain the recent activities we will use the Working Group structures and work areas over the past 12 months to demonstrate the progress we have made. In addition to the Working Groups listed below we anticipate that both Textile and Helmet Working Groups will meet in 2024 following further discussion in the UCI Equipment & New Technologies Commission.

I. Wheel & Rim Working Group

One of the most significant updates for the industry is the adoption by ISO of the wheel impact test which was developed by industry experts from our member brands over twenty years ago. Given that the wheel impact test has now been adopted by ISO 4210-7:2023, the UCI Wheel Approval Protocol has been made redundant and through extensive collaboration and meetings with the Wheel Leadership team we have been able to get an update approved which will mean a reduction of work and fees to brands.

II. Handlebar Working Group

A change by the UCI on how handlebars were measured and regulated from 1 January 2023 shifted to the box philosophy. While the WFSGI negotiated a grandfathering rule to cover handlebars, basebars and extensions that were already on the market or in development, the practical application of this rule isn't without challenges. We now hope to work with the UCI to move towards an application of an Approval Protocol which is less focused on Handlebars but bespoke manufacturing methods across all equipment.

III. Brake Lever & Gear Shifter Working Group

In an attempt to find a more aerodynamic position, riders have a tendency to incline shifter orientation to extreme angles. Race organisers, commissaires and rider commissions have expressed their concern and the industry is working with the UCI to find both a short and long-term solution to ensure both product and rider safety. An initial recommendation by the Commission to amend the Clarification Guide prior to the introduction of new Regulations has been challenging for the industry given the time-constraints, but an understandable need for collaboration with all stakeholders. The short-term solution is likely to involve pre-race measurements to deal with the extreme cases that are being seen mainly in Junior, U23 and amateur level races.

IV. EPAC Working Group

Previously known as the eMTB Working group, it has been renamed EPAC (Electrically Power Assisted Cycles) to align with ISO/CEN terminology and allow for scalability across more disciplines than just E-MTB (Mountain Bike). This has been an active group this year with the Leadership team meeting every 2 weeks over the past 6 months to ensure industry consensus and to push through amendments to competition regulations. The aim of these amendments to the regulations is to protect all stakeholders (competitors, industry, event organisers & governing body), ensure fair competition and create competition homologation for compliant drive systems. A round table meeting is scheduled in early 2024 to finalise the regulation amendments and share the workings with the UCI Sports Department including the Innovation and Off-Road teams.

V. Tyre Working Group

A newly formed Working Group in late 2023, this industry team will work closely with the Wheel & Rim Working Group. However, specific standards have recently been published which are specific to the tyre industry. This has led to the WFSGI being introduced to new tyre manufacturers who see the benefit of a consistent industry voice across ETRTO, CEN, ISO and the IF. We will be looking at Tubeless Straight Side (hookless) tyres, the use of sealant, maximum tyre pressure and how best to communicate standards updates to the consumer.

VI. Standards

WFSGI attended the ISO Plenary for TC149 Cycles and gave a comprehensive report on our work areas as an External Liaison. While we are not a voting member it is important for the industry to have a voice that is constant with regards to the upcoming and numerous regulatory changes and discussion topics for tyres, wheels and EPAC.

Finally, the WFSGI would like to thank Michael Rogers and his Innovation team of Andrei Krasilnikau and Thibault Gérard for their constant collaboration. The UCI have hosted three in person specific round table meetings in Aigle for the industry. They attended this year's exceptionally long Cycling Committee meeting at EuroBike, Frankfurt together with bi-monthly meetings with the WFSGI Secretariat.

The WFSGI was warmly invited to the Equipment & New Technologies Commission meeting in October 2023 followed by the UCI Cycling for All and Sustainability discussions in Aigle and the World Tour Seminar in Lausanne. Thank you to UCI Director General Amina Lanaya for her invite and active involvement from Management Committee Members Tony Mitchell and Henrik Jensen. The industry has been grateful for the early contribution in the discussions and the way that both federations are working closely together. We are looking forward to progressing our work under the new WFSGI Committee structure across Equipment, Physical Activity and ESG.

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Handlebar

Mark Kikkert
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EPAC

Kieran Page
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Accell Group

Ex Officio

Michelle Smyth
Head of International Sports & Cycling

CHECK ALL COMMITTEE MEMBERS

Farewell Robbert, Thank you for the inspiring and successful 16 years!

Good evening, Robbert.

Greetings to you and all the assembled.

I'm disappointed not being able to attend your retirement dinner.

Speaking of retirement, you're the winner,you outlasted me. I retired from the world in 2020,you continued your remarkable journey for three more years. Your energy, connections and no-nonsense matter is a model to envy. I'm thankful you gave three more years to the industry.

We started together in 2008 on a journey to transform the World Federation, into a strong and effective global voice for our industry. But before that could happen, you were subjected to a job interview by several Board members. During the process, I became concerned that you might use the position as a stepping stone for a higher industry job. I directly confronted you. I asked if you felt a long-term commitment to manage and build our federation. You replied in the affirmative, and further added that you look forward to the challenge, and such a challenge it was.

Our former secretary general, and his wife, were retiring, leaving you as our only employee. You inherited a financial position that left little room for manoeuvre. You discovered many in our membership questioned their reason for belonging. Not a pretty picture. Nevertheless, you hit the job running and never looked back. You even convinced your wife Els to help with the administrative work,she's a real trooper and has been an invaluable emotional support.

Early in your tenure, we embarked on a global tour to recruit and get member feedback. In addition to European member visits, our travels took us to Japan, Taiwan and the USA. In the U.S., Tom Cove kindly agreed to join our tour to open doors with some of his SFIA members. It was fun, exciting and productive. It was also a lesson in just how hard it would be to build a federation.

It wasn't all work. We did have some fun.

You always put together interesting side activities at the Board meetings. Who could forget our Board meeting In Bern?

You've convinced the mayor to open the city's medieval clock tower, so we could see the works at the top. Of course, the mayor used his keys to the city for entry to the tower. I didn't realize there was an actual key, so that was a first for me. In the U.S., the keys to the city is a figurative term. Not so in Bern. There's the real thing.

Fast forward, you have led the Federation to become a respected, influential voice in our industry. You have recruited and mentored a multi-talented team. Under your leadership, the team has managed a menu of services that brought real value to the membership. In response to a question about your long-term commitment, you backed up your words with actions.

Now, as you prepare to leave the Federation, it is enormously stronger and more central to the membership.

I know you are proud of your accomplishments, and you should be. Well done.

Robbert, I value you as a friend, and an associate, and I look forward to sharing the next steps in your life duration. Stay well. Stay in the game.

Words from John Larsen,
President Emeritus, New Balance
WFSGI Honorary President

Speech from John Larsen at the WFSGI Dinner at ISPO, November 28, 2023


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