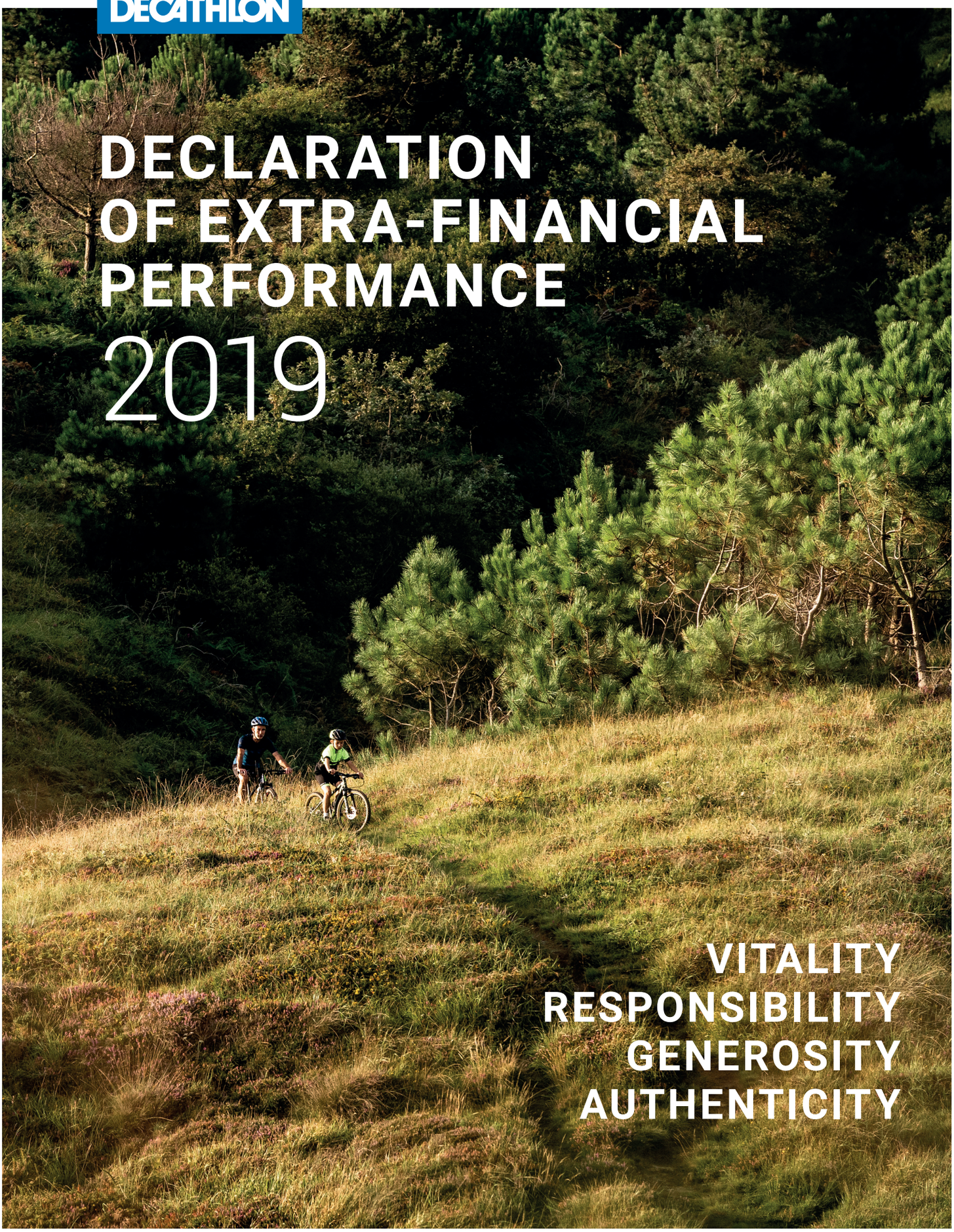
DECATHLON

DECLARATION OF EXTRA-FINANCIAL PERFORMANCE 2019



VITALITY
RESPONSIBILITY
GENEROSITY
AUTHENTICITY

DECATHLON

SUMMARY

DECLARATION OF EXTRA-FINANCIAL PERFORMANCE 2019



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CHALLENGES AND STRATEGIES

68%

OF DELIGHTED SPORTS USERS

IN 2019

LOCATIONS IN

57 countries[1]

8.7kg

CO_2 EQ. PER PRODUCT SOLD

1.2% MORE THAN IN 2016



EDITORIAL

2019 was marked by **the increasingly vocal** concern of all our stakeholders regarding the environmental crisis and climate change in particular. Our generation is facing unprecedented challenges and must find the right solutions to **the unequivocal conclusions coming from the scientific community.** We have now arrived at a tipping point: the next 10 years will be decisive ones.

For several years now, the Decathlon teams have been tackling the issues of sustainable development. This year, the company began **to implement some real changes in line with the recommendations of scientific experts,** using the Science Based Target initiative to validate new commitments in the fight against global warming.

Among the measures taken to comply with these commitments, we are continuing to ramp up the consumption of electricity from renewable sources and we are committed to ensuring that 100% of our products are eco-designed by 2026.

Every day, our sports products are manufactured within the context of a relationship based on mutual trust, established over the years working with our industrial partners. Thanks to this collaboration, we include them in our action plans addressing human and environmental issues. Having always been particularly concerned with regard to Human Rights, we have shown how prepared we are in this area this year by drawing up our **Modern Slavery Statement,** which lays out the actions we have taken in the fight against modern slavery, and our 2nd Vigilance Plan[2]. At the same time, in 2019, in accordance with the principle of subsidiarity, **each area manager[3] reaffirmed their commitment to comply** with Decathlon's requirements in terms of production conditions.

These conditions have been supplemented with various initiatives that include support with environmental challenges. What's more, we are also mobilising production units with a view **to reducing their carbon footprint.** This year, we have demonstrated our strong commitment to act by signing **the UN Fashion Industry Charter for Climate Action[4],** which brings together various players of the clothing and fashion sectors behind an objective to reduce their CO_2 emissions in order to meet the target levels set by the Paris Agreements

In a world in which the ability to adapt is essential, the way we operate as an international network and the restatement of the fundamentals of our human policy will be major assets. That's why we believe more than ever in **everyone's Responsibility and in the principle of subsidiarity,** which means that decisions are taken where they can make the most impact.

By reworking our unique **Decathlon Academy** training platform, each team member can assess their skills and attitudes, develop skills where and when they need to in keeping with the purpose of their duties, and define the way forward in order to fulfil all their ambitions.

Finally, because these concerns are shared by our customers, our users and our team members working in the stores, we promote more responsible consumption by providing second-life products, repair services in our workshops and an ever growing range of eco-designed products. In France, the sum total of these products and services is being translated into **long-term sales in our stores** and we are monitoring its progress.

The entrepreneurial adventure of Decathlon is marked by a very strong commitment: we now believe that this determination must be experienced collectively, through dialogue. Working alone, we will not be able to provide the solution to emerging issues, particularly when it comes to the question of the unique consumption of our products and the creation of a circular economy. In order to rethink the dream of a new and sustainable world while continuing to serve our ambition, which is **"to make the benefits of sport and sporting disciplines accessible to as many people as possible over the long term",** we must develop co-creation with our customers and our users, strengthen our partnerships, build stronger ties with local players, form new alliances and bring to life our common commitments.



ANNE DÉSORMAIS
SD REPORT - MANAGING EDITOR
Swimming enthusiast

1. Countries in which Decathlon is present commercially, excluding production and franchises.
2. http://developpement-durable.decathlon.com/documents-et-rapports/documents/
3. Decathlon area: country or City.
4. http://unfccc.int/

DECATHLON IN FIGURES

AS OF 31/12/2019

165
STORE OPENINGS
IN 2019

73
WAREHOUSES AND LOGISTICS PLATFORMS

1,647
STORES WORLDWIDE, IN 938 URBAN CLUSTERS
165 MORE THAN IN 2018

€12.4
BILLION IN TURNOVER (EXCL. VAT)[1]
9.1% MORE THAN IN 2018

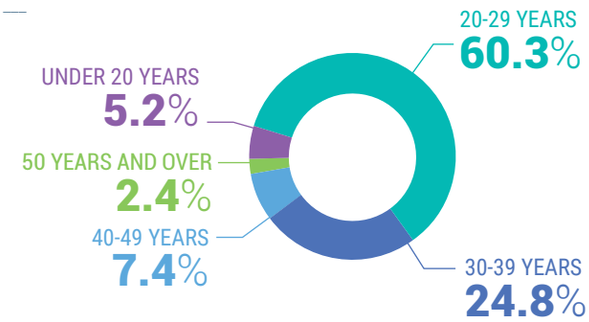
400
MILLION SPORTS USERS IMPACTED BY OUR PRODUCTS
IN STORES AND ON THE INTERNET

68%
OF DELIGHTED SPORTS USERS
RATE: **4.48/5** ★

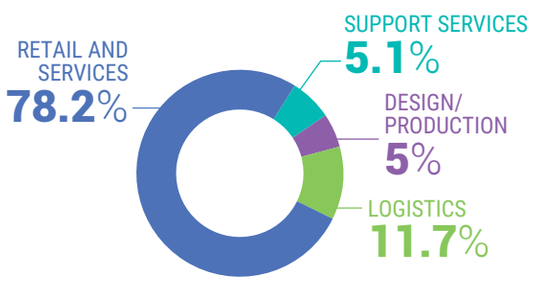
102,307
TEAMMATES
46% WOMEN AND **54**% MEN
6.6% MORE THAN IN 2018

54%
OF OUR TEAMMATES ENJOY COMING TO WORK[2]
50% IN 2018

BREAKDOWN OF TEAMMATES BY AGE - AS OF 31/12/2019



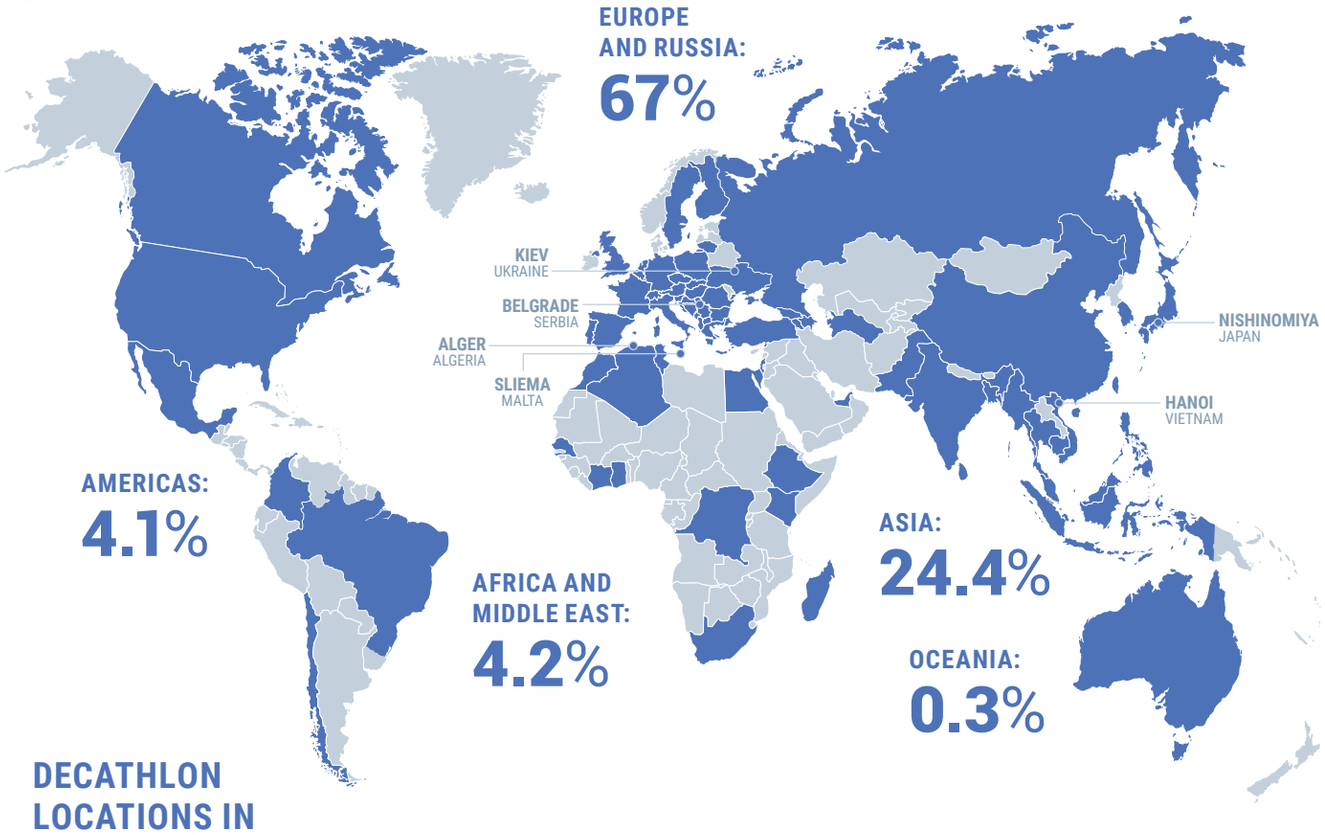
BREAKDOWN OF TEAMMATES BY ACTIVITY - AS OF 31/12/2019



1. At constant exchange rates.
2. Percentage of people who answered "yes, absolutely" to the questions relative to happiness at work, given during the annual and internal survey.

BREAKDOWN OF TEAMMATES BY GEOGRAPHIC AREA

AS OF 31/12/2019



DECATHLON LOCATIONS IN 57 countries

NEW DECATHLON CITIES IN 6 NEW COUNTRIES

85
DECATHLON BRANDS

61.1%
ENVIRONNEMENTAL LABELLING OF DECATHLON PRODUCTS
30.1% IN 2018

8.7 kg
CO_2 EQ./ PRODUCT SOLD
1.2% MORE THAN IN 2016

86%
OF RANK 1 PRODUCTION SITES
WERE GIVEN A, B OR C RATINGS
FOR THEIR HUMAN RESPONSIBILITY IN PRODUCTION
STABLE COMPARED TO 2018

80%
OF RANK 1 AND RANK 2 PRODUCTION SITES
WERE GIVEN A, B OR C RATINGS
FOR THEIR ENVIRONNEMENTAL MANAGEMENT
15.9% MORE THAN IN 2018

43
PARTNERS SUPPLIERS

2019 HIGHLIGHTS

6
NEW CITIES OPENED
ACROSS THE WORLD:
ALGER, BELGRADE, KIEV, MALTA, HANOI, NISHINOMIYA



18
INNOVATIVE PRODUCTS
PROMOTED AT THE
INNOVATION AWARDS
IN 2019

1 UNIQUE DIGITAL TRAINING PLATFORM
IN THE WORLD
DECATHLON ACADEMY

1.2%
RISE IN INTENSITY OF CO_2 EMITTED
BY QUANTITY OF PRODUCT SOLD IN 2019
COMPARED TO 2016

REPORTING OF SUSTAINABLE TURNOVER IN DECATHLON STORES
THIS MEASURES ECONOMIC RESULTS LINKED TO THE SECOND LIFE OF PRODUCTS, ECO-DESIGNED PRODUCTS SOLD AND WORKSHOP ACTIVITY.
4.1% OF SUSTAINABLE TURNOVER IN 2019 IN FRANCE



SCIENCE BASED TARGETS

VALIDATION OF OUR OBJECTIVE
TO REDUCE OUR IMPACT USING THE SBT INITIATIVE
ON OUR SCOPES 1 AND 2



58.9%

OF DECATHLON'S OVERALL ELECTRICITY CONSUMPTION FROM RENEWABLE ENERGY

IN ORDER TO REACH OUR **RE 100** COMMITMENT

3.2%

OF AIR TRANSPORT

TO SHIP OUR PRODUCTS IN 2019

STABLE COMPARED TO 2018

COTTON

95%

SUSTAINABLY-SOURCED

25% MORE THAN IN 2018



MATERIALS SELECTION

POLYESTER

16.3%

SUSTAINABLY-SOURCED

5.9% LESS THAN IN 2018

503

World CleanUp Day EVENTS

HELD IN **42 COUNTRIES, 24,500 PEOPLE, 124 TONNES** OF WASTE COLLECTED

START OF WORK ON THE 2019-2022 **NEW HUMAN CHALLENGES**

IN FRANCE



ALLIANCES WITH NEW STAKEHOLDERS

INCLUDING UNFCCC AND FASHION PACT

OUR BUSINESS MODEL

OUR RESOURCES

OUR TEAMMATES

102,307 TEAMMATES
46% WOMEN / **54%** MEN
BREAKDOWN BY SECTOR:
78.2% RETAIL AND WEB SERVICES, **5%** DESIGN/PRODUCTION,
5.1% SUPPORT SERVICES, **11.7%** LOGISTICS
DECATHLON ACADEMY DIGITAL TRAINING PLATFORM
AND 10 DECATHLON EXCHANGE TRAINING CENTRES

PRODUCT DESIGN

85 DECATHLON BRANDS
TO MEET USER NEEDS
IN-HOUSE LABORATORIES/PROTOTYPING WORKSHOPS
3,000 PROTOTYPES
ON-SITE TESTING
AND CO-DESIGNING WITH USERS

SUPPLY CHAIN

47 PRODUCTION COUNTRIES
AND **42** PRODUCTION OFFICES
1,353 SUPPLIERS (RANK 1 AND RANK 2)
INCLUDING **43** PARTNERS
16 INDUSTRIAL PRODUCTION PROCESSES
1,025 HUMAN RESPONSIBILITY IN PRODUCTION AUDITS
AND **110** ENVIRONMENTAL AUDITS

TRANSPORT AND LOGISTICS

73 WAREHOUSES AROUND THE WORLD
5,710 MILLION TONNE-KILOMETRES TRANSPORTED
PRODUCT TRANSPORT:
3.2% AIR TRANSPORT, **82.2%** MARITIME TRANSPORT,
4% RAIL TRANSPORT AND **10.6%** ROAD TRANSPORT

OMNICOMMERCE

1,647 STORES AND DIGITAL PLATFORMS LOCATED
IN **57** COUNTRIES AND **938** CITIES AND TOWNS
ENSURING OUR PRODUCTS ARE ACCESSIBLE
THROUGH ALL OUR DISTRIBUTION CHANNELS
ORGANISING SPORTING EVENTS
WITH THE HELP OF OUR COMMUNITIES
180 INTERNATIONAL PARTNER BRANDS



OUR ECO-SYSTEM

TEAMMATES

EMPLOYEES, SOCIAL PARTNERS

GREATER FREEDOM AND RESPONSIBILITY,
DECISION-MAKING FOR IMPACT

CUSTOMERS AND USERS

CUSTOMERS, USERS, CONSUMER ASSOCIATIONS, SPORTS CLUBS

OBJECTIVE: DELIGHTED SPORTS USERS

SUPPLIERS

BUSINESS PARTNERS, DECATHLON PRODUCT SUPPLIERS

BUILD ON LONG TERM RELATIONS FOR
SHARED VALUES AND TO CREATE HUMAN
AND ENVIRONMENTAL OBJECTIVES TOGETHER

DECATHLON

KEY FIGURES AS OF 31/12/2019

CREATING VALUE

PRODUCT DESIGN
SPORTS INNOVATIONS, TECHNICAL, EXCLUSIVE, RECOGNIZED, ECO-DESIGNED, AT THE FAIREST PRICE

IESS MODEL:
MAKE THE PLEASURE AND
ACCESSIBLE TO THE MANY



SUPPLY CHAIN
COMMON VALUES SHARED WITH OUR INDUSTRIAL PARTNERS, ENVIRONMENTAL AND HUMAN ASSESSMENTS

TRANSPORT AND LOGISTICS
PRODUCT AVAILABILITY, OPTIMAL STORAGE TIME

OUR TEAMMATES

54% OF OUR TEAMMATES ENJOY COMING TO WORK EVERY DAY
48.6% OF OUR TEAMMATES ARE SHAREHOLDERS
SUPPORT FOR PERSONAL DEVELOPMENT AND SKILL-BUILDING
19.1% PAYROLL/TURNOVER
48 NEW PROJECTS HELPING 28,895 NEW BENEFICIAIRIES

PRODUCT DESIGN

65 PATENTS HAVE BEEN FILED AND EXTENDED AROUND THE WORLD
IN-HOUSE NET PROMOTER SCORE OF **35**
INFLUENCE COEFFICIENT: **3.3**
95% OF OUR COTTON AND **16.3%** OF OUR POLYESTER COME FROM MORE SUSTAINABLE SOURCES
61.1% OF PRODUCTS HAVE AN ENVIRONMENTAL LABEL

SUPPLY CHAIN

29% OF OUR PRODUCTS ARE SOURCED FROM OUR INDUSTRIAL PARTNERS
86% OF OUR RANK 1 SUPPLIERS WERE GIVEN ABC HUMAN RESPONSIBILITY IN PRODUCTION (HRP) SCORES (**93%** FOR OUR PARTNERS)
80% OF OUR RANK 1 AND RANK 2 SUPPLIERS WERE GIVEN ABC SCORES FOR LOCAL ENVIRONMENTAL RESPONSIBILITY (**100%** FOR OUR PARTNERS)
10.3 YEARS IS THE AVERAGE LENGTH OF SERVICE FOR THE 100 TOP SUPPLIERS IN TERMS OF TURNOVER

TRANSPORT AND LOGISTICS

1,333 ITEMS SHIPPED/M^2
53.1 m^3 AVERAGE PER LORRY LOAD RATE
ENVIRONMENTAL IMPACT OF PRODUCT SHIPMENT IN EUROPE:
3.5% RISE IN CO_2 EMISSIONS IN 2019 COMPARED TO 2018
INVOLVEMENT IN SOFT MOBILITY GROWTH

OMNICOMMERCE

400 MILLION: NUMBER OF CUSTOMERS/SPORTS USERS
68% OF DELIGHTED SPORTS USERS
€12.4 BILLION IN TURNOVER (EXCL. VAT), ORIGINATING FROM PRODUCT SALES, ACTIVITIES, SECOND-LIFE PRODUCTS AND EVENTS, WORKSHOP ACIVITIES, **9.1%** INCREASE IN GROWTH
8.7 Kg CO_2 eq. PER PRODUCT SOLD (**1.2%** MORE THAN IN 2016)



MICHEL ABALLEA
DECATHLON UNITED RESPONSIBLE
Open Water Swimming enthusiast

NGOs/CIVIL SOCIETY
MEDIAS, NGOS, PROFESSIONAL BODIES, EDUCATION AND RESEARCH, LOCAL COMMUNITIES, CSR EXPERTS
ANTICIPATE RATHER THAN BE A SPECTATOR OF FORTHCOMING LEGISLATION

PUBLIC REGULATORS
EUROPEAN COMMISSION, OECD, NCPs, ECOLOGY MINISTERS, ECO BODIES, AUTHORITIES
BEING PROACTIVE RATHER THAN SPECTATORS OF THE LEGISLATION RYTHM

SHARHOLDERS AND INVESTORS
AFR/AFM, BANKS, ETC.
CONTROL AND SECURE INVESTMENTS FOR A SUSTAINABLE AND RESILIENT COMPANY



INTERVIEW

FRANCK VIGO

LEADER OF EXPLORATION AND ACQUISITIONS

1 OUR GENERATION IS FACED WITH AN UNPRECEDENTED CHALLENGE IN THE AREA OF CONSUMPTION: HOW IS IT POSSIBLE TO CONTINUE PROVIDING THE BEST POSSIBLE OFFERING TO MAKE SPORT ACCESSIBLE TO ALL, WHILE TAKING INTO ACCOUNT THE CHALLENGES OF PROTECTING OUR ENVIRONMENT?

The distribution model as we have known it over the last 40 years, needs to be reviewed; i.e. the mass market is probably no longer the answer to achieving growth that is respectful of natural resources. We cannot therefore keep using this single source of growth and **must adopt new ways of measuring performance.** Rather than turnover, we must think in terms of **sustainable business volumes,** with the creation of shared value, which will accompany a fair and equitable transition with the other agents in our ecosystem. We are starting to explore this and it is particularly evident this year through our partnership with the All-Tricks market place.

2 SO WHAT ARE THE CRITERIA FOR DEVELOPING THIS NEW GROWTH BASED ON PARTNERSHIPS?

The first step is to separate **exploration from the development aspect.** We are looking for new pathways, with the sole conviction that there will be few certainties, while sticking firmly to certain sustainable development criteria: respect for human rights, minimum impact on our environment, building a resilient economy. This is how we will protect ourselves from the risks without jeopardising the activities that underpin our current development. Then, **our obsession will become local growth,** and the priority will be to build **external partnerships that are the most relevant in their field.**

3 WHAT SHAPE WILL DECATHLON'S BUSINESS MODEL TAKE TO MEET THESE CHALLENGES?

This change will only take place by bringing to life local experiences which are as closely connected to our ecosystem as possible: it is **our enthusiastic team members who will fulfil Decathlon's potential,** by adding value at every level, thanks to our products and a successful **digital platform.**

At the same time, we must also adopt a multi-local mindset: we will have to respond to several needs with a single activity. For example, when a customer from Lyon wants to go surfing in Hendaye, we must offer all the solutions to issues associated with the sporting discipline: how to reserve the equipment, where to surf, which community or coach can help them make progress, and how to monitor and share their sporting performance?

4 IS THERE A DEADLINE FOR THIS CHANGE OF BUSINESS MODEL?

Like all the agents involved, Decathlon follows the underlying trends that will stand up to the world of tomorrow. In this uncertain, volatile world, **it is difficult to plan a long-term strategy, but we can set ourselves ambitious goals.** We must be able to adapt to this changing, unstable and exciting world.

We also need to be able to get everyone on board internally, and not to be driven purely by immediate results in terms of cost, but also to have a more composed outlook on the future, using other criteria linked to our human and environmental performance.

OPPORTUNITIES ASSOCIATED WITH TRENDS IN SOCIETY

ATTRACTION OF THE BENEFITS OF SPORT
HELPING PEOPLE DISCOVER AND EXPERIENCE THE BENEFITS OF SPORT IN A SUITABLE AND EASILY ACCESSIBLE FORMAT, ANYWHERE AND AT ANY AGE.

URBANISATION OF POPULATIONS
SEIZING THE OPPORTUNITIES PROVIDED BY THESE ENVIRONMENTS BY HIGHLIGHTING OUR PRODUCTS AND SERVICES.

DAMAGE TO THE ENVIRONMENT
PRESERVING OUR PLAYING FIELDS BY REDUCING THE ENVIRONMENTAL IMPACTS OF OUR ACTIVITIES.

DIGITAL TRANSFORMATION
PROVIDING OUR TEAMS, SPORTS CUSTOMERS, SUPPLIERS AND PARTNERS (COMMERCIAL, INDUSTRIAL AND INSTITUTIONAL) WITH A NEW, QUICKER AND MORE FLEXIBLE MODE OF EXCHANGING, WORKING AND CONNECTING.

OUR COMPETITIVE ADVANTAGES

THE INTEGRATION OF THE VALUE CHAIN, THE VALUE OF OUR HUMAN VITALITY, GENEROSITY AND AUTHENTICITY, THE VALUE OF OUR RESPONSIBILITY THAT WE USE TO MAKE BOLD DECISIONS, OUR EASILY ACCESSIBLE PRODUCTS FOR A WIDE AUDIENCE

THE GLOBAL MARKET FOR SPORTS

Decathlon manages its activities on the global market, with a commercial presence in 57 countries and production activities in 47 countries. The field of activity is specialised distribution with the following 3 sub-sectors: manufacturing sporting goods, retailing sporting and leisure goods, and sports-related activities. The distribution is fulfilled by pure-players (specialised chains of single-brand or multi-brand sporting goods) and non-specialised distributors (sports departments of department stores, distributor chains or independent distributors). In terms of consumption, sporting goods are used both for sports or for their extended uses (casual wear, streetwear or outdoor wear). The distribution is across multiple channels: physical stores (big box stores to convenience stores), e-commerce (store deliveries, drop-off points and home deliveries). According to Capitalmind, the world market is valued at €388 billion. It is growing by 4 to 5% per year.

"AT DECATHLON, WE BELIEVE IN COLLECTIVE INTELLIGENCE AND WE WANT EACH TEAMMATE TO HAVE THE POSSIBILITY TO EXPRESS THEIR IDEAS AND DESIRES FOR THE FUTURE OF THEIR COMPANY.
WITH 2030 VISION, WE WANT TO OPEN THE EXERCISE TO EVERYONE, WITHOUT EXCEPTION, UNDER THE GUIDING PRINCIPLE THAT ALL IDEAS HAVE THE SAME WORTH, WHEREVER THEY COME FROM.
DECATHLON EXISTS BECAUSE OF ITS ECOSYSTEMS WHERE ITS USERS, CUSTOMERS, PARTNERS, NEIGHBOURS AND SPORTS CLUBS ALL RESIDE. TO OPEN OUR VISION EXERCISE TO ALL STAKEHOLDERS, WE CREATED A DIGITAL PLATFORM."

CHARLIE FELGATE, DECATHLON VISION LEADER, PASSIONATE ABOUT POSITIVE CHANGE

2030 VISION

In 2018, Decathlon relaunched its Vision process, to dream up a new collective adventure.

The company decided to put forward this approach in a collaborative mode, open not only to everyone inside the company but also to contributions from outside. Consequently, the Vision process is accessible to all those stakeholders who are interested: customers, users, partners, etc.

It is coordinated at a local level, in towns and Decathlon Cities, in order to include as many participants as possible throughout the network.

THEMES OF THE 2030 VISION: The 2026 Vision took up 5 fixed topics, stemming from collective intelligence.
These topics have evolved and we have chosen to take a step back and continue with 3 major topics, all of which are informed by the two major pillars of our time: **sustainable development and digital technology.**

FUTURE OF PEOPLE

"We believe that people are the beating heart of the future"



MATHIEU RENIER
Future Of People Leader

FUTURE OF SPORTSPEOPLE

"We believe that sport can bring people together through deep-seated and strong human values"



FLORENT MARTIN
Future Of SportsPeople Leader

FUTURE OF LIVING

"We believe we are moving towards a sharing economy where sports will play a social role"



ISABELLE BLONDET GONTE
Future Of Living Leader

Each topic covers sub-topics, so that the subjects can be examined in depth.

THE FUNDAMENTALS FOR A VISION THAT EVERYONE CAN EXPERIENCE

On the principle of Co-Construction: the 2030 Vision is being put together with all the team members and open to all of Decathlon's ecosystems, because the creation and deployment of our own future is a collective adventure.

At the local level: in order to take up the action plans in the most effective way possible and deploy them in such a way that they match the needs, the 2030 Vision must be experienced at the centre of the Decathlon Cities.

With new ways of working together: the changes in scale (increasing from 70,000 to 100,000 employees and from 25 to 50 countries) require a proactive search for balance between maintaining control of Operational Excellence while attaining and living out our transformation objectives at the same time.

THE PROCESS

With co-creation and collective intelligence platforms: we are convinced that the Vision must be fulfilled in the most collaborative way possible. In order to test the different interactions, the Nabaiji Signed Sport started up the process by experimenting with the platform for the Swimming Vision in 2020.

A co-creation platform open to everyone, so that people can be inspired, better understand the challenges of each subject and express themselves on each topic:
https://vision2030.decathlon.com/drivingchange/debate/1

220
TRAINED VISION COORDINATORS

9,000
CONTRIBUTIONS ACROSS 57 COUNTRIES

https://fr.decathlonvision2030.com/

OUR MAIN EXTRA-FINANCIAL RISKS

For Decathlon, a risk is the possibility that an event will have consequences likely to affect the human, environmental, material, financial and reputation capital. Decathlon implements measures to identify, prevent, manage and control its risks in order to achieve its different objectives: creating and preserving value, and managing deviations in performance. The extra-financial risks are managed using internal management and control systems which play a key role in running and monitoring the company's activities: design, production, logistics and distribution.

CATEGORY	SUB-CATEGORY
TEAMMATES	MEANING AND VALUE
	EMPLOYMENT SKILLS AND MANAGEMENT
	SHARING VALUE
	HEALTH AND SAFETY
CUSTOMERS	HEALTH AND SAFETY
	CUSTOMER SATISFACTION
ETHICS	BASIC HUMAN RIGHTS
	CORRUPTION
ENVIRONMENT	CLIMATE CHANGE
	ENVIRONMENTAL IMPACTS

METHODS

The main extra-financial risks are identified and updated during the review of Decathlon's global risks by the internal audit and risk management teams, after which they are validated by the Audit Committee.

To keep control of its extra-financial risks, Decathlon takes organisational measures with:

A "Company Representative" (the risk coordinator), who defines the autonomy framework (action framework), makes it available and leads it. They circulate it in the community of representatives located in the countries. Each leader (the manager for the Country, Decathlon City, store and/or Signed Sport/Manufacturing Process), with the support of their coordinator, is responsible for adapting this autonomy framework to the local situation and enforcing it. This organisation is in keeping with the principles of subsidiarity (responsibility as close as possible to the consequence) in force at Decathlon.

The table presents and describes the main extra-financial risks identified within the company. Assessing these risks is an ongoing task and can be supplemented according to changes in the internal and/or external situation. Decathlon conducts its analyses both from the point of view of the risks [-] and the opportunities [+].

DESCRIPTION OF OPPORTUNITIES [+]; RISKS [-]
Teammate commitment, cohesion [+]; Loss of a sense of value [-]
Skills availability and quality, talent development [+]; Loss of skills including expertise, insufficient attractiveness, disemployability, non-response to development needs, failure to anticipate job evolutions [-]
Sharing value, participating in company development, project involvement [+], Pay cut [-]
Teammate health and safety, quality of work life [+]; Accident, illness, occupational stress [-]
Customer/sports user health and safety, product safety (harmlessness, strength, etc.) [+]; Danger for health during use [-]
Customer safety in store [+]; Accidents [-]
Customer satisfaction, recommendation, loyalty, shopping cart amount, product innovation [+]; Negative image, dissatisfaction, loss of turnover [-]
Opportunities [+]; Serious infringement of human rights, fundamental freedoms and the health and safety of people [-]
Integrity, loyalty, trust in business relations [+]; Internal and external acts of fraud/corruption [-]
Energy savings, resource availability [+]; Physical and transition hazards [-]
Management of emissions and pollution, protection and optimisation of resources in the value chain [+]; Pollution, loss of resources in availability and quality [-]

OTHER RISKS UNDER CONSIDERATION:

Decathlon devotes particular attention to the risks associated with the inappropriate disclosure, loss or modification of the personal data of its customers and employees, by complying with the general data protection regulations (GDPR) in particular. Other additional risks may exist, of which Decathlon is unaware on the date of this declaration or that are deemed insignificant on that date and which could have a negative effect on the Company in the future.

OUR 2015-2019 SD AMBITIONS

Decathlon completed its materiality matrix in 2018. As a result of these observations and the many changes within the company, it was decided to start a more global project on Decathlon's ambitions in terms of sustainable development, which would bring together all of Decathlon's human ambitions.

> Find the Decathlon' s materiality matrix: www.developpement-durable.decathlon.com/documents

In 2019, work was carried out in this area, in coordination with the teams responsible for Human Resources, while involving the international network of sustainable development teams. This new **2020-2026 Transition Plan** on Decathlon strategies in favour of Sustainable Development will be communicated within the company during the first half of 2020 and therefore integrated into the 2020 version of the Declaration of Extra-Financial Performance.

OUR 2019 AMBITIONS TO EMPOWER OUR TEAMMATES AND MAKE WORK MORE ENJOYABLE

		ACHIEVED 2018	ACHIEVED 2019
65%	**OF TEAMMATES LOOK FORWARD TO COMING TO WORK EACH MORNING BECAUSE THEY ARE WORKING TOWARD PERSONAL AND COLLECTIVE GOALS** > We recruit people who are passionate about sport, vital, pragmatic and service-oriented > Taking only "yes, absolutely" answers	50%	**54%**
100%	**OF TEAMMATES PLAY THEIR SPORT REGULARLY AND CELEBRATE VICTORIES TOGETHER** > We encourage everyone to play a sport	-	**82%**[1]
100%	**OF OUR TEAMMATES HAVE A VOICE IN THEIR OWN DEVELOPMENT AND LEARNING** > We support the development of each individual		
	I AM SUPPORTED IN MY KNOW-HOW	85%	**85%**
	I AM SUPPORTED IN MY PERSONAL DEVELOPMENT	81%	**82%**
	I AM SUPPORTED IN MY PERFORMANCE	83%	**86%**
100%	**TEAMMATES THRIVE BY TAKING ON MORE RESPONSIBILITY AND DECISIONS CLOSE TO THEIR CONSEQUENCES** > We make it possible to put the principles of subsidiarity, responsibility and autonomy into practice		
	I HAVE A QUANTIFIABLE MISSION WITH CLEAR KPIs	78%	**79%**
	I MAKE DECISIONS ON SUBJECTS I AM INVOLVED IN AND I MEASURE THE CONSEQUENCES	92%	**94%**
100%	**OF TEAMMATES FEEL SAFE IN THEIR WORKPLACE**	93%	**94%**
100%	**OF TEAMMATES ARE SHAREHOLDERS IN THE COMPANY, IF THEY WISH TO BE**[2] > We share the value created at the company	52.5%	**48.6%**
100%	**OF TEAMMATES CREATE HUMAN, ENVIRONMENTAL AND ECONOMIC VALUE TO ACHIEVE OUR COMPANY PURPOSE**	92%	**94%**

OUR 2019 AMBITIONS FOR THE SUPPLY CHAIN: PUTTING PEOPLE FIRST

		ACHIEVED 2018	ACHIEVED 2019
80%[3]	**OF OUR SUPPLIERS**[4] **ARE GIVEN AN A, B OR C SCORE BASED ON OUR AUDIT CRITERIA** > We regularly assess our suppliers to verify that working conditions comply with our Code of Conduct	86%	**86%**

OUR 2019 AMBITIONS TO BE A LEADER IN PRODUCT SAFETY AND LONG-TERM USER SATISFACTION

		ACHIEVED 2018	ACHIEVED 2019
67%	**SATISFACTION FOR USERS OF OUR SPORTS PRODUCTS**[5] > We ask them to share feedback about Decathlon products so we can continue to improve these products	65%	**68%**

1. Due to changes in the DTB survey between 2018 and 2019, the question terminology is not exactly the same. The results are not completely comparable to last year.
2. In the countries where this system exists for Decathlon. - 3. Common objective for social and environnemental audits for 2019.
4. Rank 1 - 5. Percentage of users awarding our products a score of 4 or 5. - 6. Both rank 1 and rank 2 - 7. Made from paper pulp.

OUR 2019 AMBITIONS TO PROTECT THE ENVIRONMENT AND CONTINUALLY REDUCE OUR ENVIRONMENTAL IMPACT*

**Target dates for some goals may not be 2019 given the current situation and the progress made in each area.*

		ACHIEVED 2018	ACHIEVED 2019
40%	**REDUCTION IN OUR CARBON INTENSITY BETWEEN 2016 AND 2026** > We create action plans for each activity based on our environmental impact assessment and we are working together to reach the target approved by the SBT initiative	8.4kg CO_2 EQ./ PRODUCT SOLD	**8.7kg CO_2 EQ./ PRODUCT SOLD**
15%	**REDUCTION IN CO_2 EQ. EMISSIONS PER ITEM DELIVERED IN EUROPE BETWEEN 2015 AND 2020** > We are optimising the transport of our products	311g CO_2 EQ./ ARTICLE	**322g CO_2 EQ./ ARTICLE**
100%	**OF NEW COMPANY-OWNED SITES ARE CERTIFIED TO THE MOST EXACTING ENVIRONMENTAL STANDARDS** > We are improving the energy efficiency of our sites and reducing the CO_2 equivalent emissions stemming from their energy use	83 CERTIFIED SITES Stores: 118 kWh/m² Warehouses: 58 kWh/m²	**89 CERTIFIED SITES** **Stores: 111 kWh/m²** **Warehouses: 53 kWh/m²**
65%	**OF THE ELECTRICITY WE USE WILL COME FROM RENEWABLE SOURCES BY 2026** > In accordance with our commitment as part of the RE 100 initiative	55.6%	**58.9%**
↗	**INCREASING SORTED WASTE** > We are optimising the sorting rate for waste generated by our stores and warehouses	Stores: 39% Warehouses: 66%	**Stores: 39%** **Warehouses: 63%**
80%	**OF SUPPLIERS PRESENTING A RISK FOR WATER, SOIL OR AIR POLLUTION ARE ASSIGNED AN A, B OR C SCORE ACCORDING TO OUR AUDIT CRITERIA** > We improve the environmental performance of our suppliers' industrial sites by helping them continuously reduce their environmental impact based on their risks	69%	**80%**[6]

WE ARE REDUCING THE ENVIRONMENTAL IMPACT OF OUR PRODUCTS BY USING RAW MATERIALS FROM SUSTAINABLE SOURCES

		ACHIEVED 2018	ACHIEVED 2019
100%	**SUSTAINABLE COTTON FOR OUR DECATHLON TEXTILE PRODUCTS BY 2020**	76%	**95%**
100%	**SUSTAINABLE POLYESTER FOR OUR DECATHLON TEXTILE PRODUCTS BY 2022**	17.2%	**16.3%**
95%	**PACKAGING MATERIALS WILL COME FROM MORE SUSTAINABLE SOURCES[7] BY 2025**	85.5%	**88.2%**

OUR 2019 AMBITIONS TO COMMUNICATE RESPONSIBLY, PRAGMATICALLY AND HONESTLY ABOUT OUR SUSTAINABLE DEVELOPMENT ACTIONS

		ACHIEVED 2018	ACHIEVED 2019
60%	**OF TEXTILE, FOOTWEAR AND HEAVY STITCHING PRODUCTS WILL BE ASSIGNED AN ENVIRONMENTAL SCORE BY THE END OF 2019** > We ensure complete transparency in labelling the environmental performance of our Decathlon products to support responsible consumption	30.1%	**61.1%**

OUR STAKEHOLDERS

For Decathlon, 2019 was marked by an acceleration of the collaborative work with our stakeholders. This work means that we can confirm our commitments in terms of sustainable development, strengthen our methodologies and contribute to a collective impact. > *Find all our Stakeholders on page 134.*

QUOTES FROM OUR STAKEHOLDERS

MIKE PEIRCE,
CORPORATE PARTNERSHIPS DIRECTOR,
THE CLIMATE GROUP

"We are delighted to be working with Decathlon on the RE100 initiative – by committing to make the switch to renewable energy, they are demonstrating the growing demand for clean power. We applaud their ambitious commitment of switching to 100% renewable electricity in all their geographies by 2026 through impactful methods, and urge other companies to follow their lead."

LINDITA XHAFERI-SALIHU,
SECTORS ENGAGEMENT LEAD,
UN CLIMATE CHANGE, GLOBAL CLIMATE ACTION

"Acting on climate has never been more urgent. The Fashion Industry Charter is an extraordinary mechanism for fashion companies, suppliers and retailers to collaborate on climate solutions.
Decathlon is an important partner of the charter and we look forward to its active contribution in fulfilling charter's mission to drive the industry to net zero emissions."

ALEXANDER FARSAN,
GLOBAL LEAD FOR SCIENCE-BASED TARGETS AT WWF,
ONE OF THE SCIENCE BASED TARGETS INITIATIVE PARTNERS

"Congratulations to DECATHLON on having their emissions reduction targets validated by the Science Based Targets initiative. By setting targets that align their business with global efforts to avoid the worst impacts of climate change, Decathlon is positioning itself to thrive as the global economy transitions to a low-carbon future."

ENVIRONMENTAL MANAGEMENT

RE 100
United Nations Climate Change
SCIENCE BASED TARGETS
THE FASHION PACT

INSTITUTIONAL RELATIONS

fcd
UNION SPORT & CYCLE
WORLD FEDERATION SPORTING GOODS INDUSTRY sgi
EuroCommerce
ORSE Observatoire de la responsabilité sociétale des entreprises

ECO-DESIGN

ADEME Agence de l'Environnement et de la Maîtrise de l'Energie
Liberté • Égalité • Fraternité RÉPUBLIQUE FRANÇAISE MINISTÈRE DE LA TRANSITION ÉCOLOGIQUE ET SOLIDAIRE
European Commission
GFA GLOBAL FASHION AGENDA
pôle éco-conception et Management du Cycle de Vie
ECO TLC L'éco-organisme du textile • du linge • de la chaussure
BCI Better Cotton Initiative www.bettercotton.org
Quantis Le projet Plastic Leak

ISABELLE GUYADER,
IN CHARGE OF SUSTAINABLE DEVELOPMENT AT DECATHLON

"As a designer and distributor of sports products, we have a responsibility to act regarding the targets for sustainable development defined by the United Nations. Over the last 10 years, we have made progress on Climate issues, by implementing measurement tools, initiatives to reduce our CO_2 emissions, the gradual transfer to renewable energy sources, the development of an eco-design process for our products, etc.

We want to move forward on matters related to biodiversity and protecting our oceans. We are convinced that working collectively and sharing will enable us to move faster and set up sustainable solutions."

JANTINE WERDMÜLLER VON ELGG, MANAGING DIRECTOR OF STRONGER TOGETHER,
AND **HANNAH NEWCOMB,** MANAGING DIRECTOR OF THE RESPONSIBLE RECRUITMENT TOOLKIT

"Modern slavery is a risk to any business and its supply chain and we are pleased to have worked with Decathlon on proactive steps in mitigating the risks. In 2019, Decathlon introduced Stronger Together's e-learning to raise awareness amongst the large population of Decathlon employees. Decathlon is using the e-learning as an educational tool, as well as an engagement opportunity to have conversations and build capacity with their Purchasing, Production and Sustainability teams. In October 2019, we facilitated an interactive workshop in which 35 Decathlon Operational Process Managers came together to learn more about detecting, deterring and dealing with modern slavery in order to take the next steps.

In 2020, we will continue to collaborate with Decathlon on addressing hidden labour exploitation risks, focusing on responsible recruitment. Decathlon will join with other leading UK and global retailers as a Sponsor of the Responsible Recruitment Toolkit, providing a package of support to their supply chain to help embed responsible recruitment practices."

GÉRALDINE FORT,
MANAGING DIRECTOR OF THE ORSE
"This year, the CSR Observatory (ORSE) is celebrating its 20th anniversary and we are very proud to count Decathlon among our members and recently, as a board member. Indeed, Decathlon is a company that is constantly looking for new challenges, developing its methods and making improvements at the service of its employees, customers and partners in keeping with societal issues."

RESPONSIBILITY IN PRODUCTION

SGS
OECD
stronger together — tackling hidden labour exploitation
VERITÉ — Fair Labor. Worldwide.

PRODUCT SAFETY AND QUALITY

anses
AG AFIRM GROUP
gerda — Groupe d'Etude et de Recherche en Dermato-Allergologie

DUTY OF CARE

Verisk Maplecroft

GREEN IT

LE CLUB green IT
INR — Numérique Responsable

FIND PRESS INFORMATION WHICH DETAILS OUR COMMITMENTS IN 2019:
http://developpement-durable.decathlon.com/documents-et-rapports/documents/

RAHEL DAMAMME
LEADER SD REPORTS
STAKEHOLDER RELATIONS
Yoga enthusiast



OUR 2019 ORGANISATION

The Decathlon sustainable development team is organised into a network of more than 80 team members, covering every topic and country.

THE AGENTS

Country Sustainable Development Leaders: With their teams, they uphold Decathlon's sustainable development strategy in their country, along with the action plans, and are in direct contact with their stakeholders.

Leaders of the Transformation Process: Given their responsibility for a key topic, they prepare for changes affecting society and are in contact with stakeholders relating to their subject. With the team members, they co-construct the tools and methods so they can become autonomous and guarantee the application of their process is globally consistent.

Decathlon SD Leader: In collaboration with the Decathlon Leader and in keeping with the company's strategy, they define the sustainable development goals in consultation with the SD team and team members. They head the team of transformation process leaders and the network of leaders in each country.

MANAGING THE SD STRATEGY

The strategy is managed by **the SD leader,** the circle of Sustainable Development contributors (made up of representatives from various geographical areas and business activities), the external stakeholders, the internal auditors, the Decathlon Leader and the board of directors.




SUSTAINABLE DEVELOPMENT TRANSFORMATION PROCESS LEADERS
SANDRA POPIHN
SD LOGISTICS AND TRANSPORT
RAFFAELE DUBY
ENVIRONMENT PRODUCTS AND DESIGN
RAHEL DAMAMME
SD REPORTS STAKEHOLDER RELATIONS
JULIEN GONTIER
GREEN IT
EMILIE AUBRY
CO2 MANAGEMENT
KATY DRAPER
EXTRA-FINANCIAL PERFORMANCE
MATHILDE DEFRENNE
INTERNATIONAL SD NETWORK FOR RETAIL
ISABELLE GUYADER
DECATHLON SD LEADER
DECATHLON SD LEADER FRANCE
MARIE CHAILLOU
COMMUNICATION
RONAN LE MOGUEN
SUSTAINABLE DEVELOPMENT IN PRODUCTION
SOUNDOUS HASSOUNI
DUTY OF CARE
RASHIDA ARSHAD
PAKISTAN
JULIA HSU
TAIWAN
CIRCLE OF CONTRIBUTORS (INTERNAL AND EXTERNAL)
LEANDRO SA
PORTUGAL
MANAGEMENT
DECATHLON LEADER
IÑIGO GARCIA
SPAIN
ANNIE GEORGE
INDIA
BOARD OF DIRECTORS
SERGEI TIUVETSKII
RUSSIA
RANA RAHMAN
BANGLADESH
INTERNAL AUDITORS
AMJAD SBAYTI
MOROCCO
ALIX GOURSAT
SINGAPORE
JOERI MOONS
BELGIUM
DASA POTOCNIK
SLOVENIA
ANASTASIA BOIKO
UKRAINE
EVERYBODY HAS TO PLAY A ROLE !
ALL DECATHLONIANS

OUR COMMITMENT TO TACKLING THE CLIMATE CHALLENGE

In 2017, the attending States signed the Paris Agreement in response to the urgent need to reduce greenhouse gas emissions in order to keep global warming below a threshold beyond which the disastrous consequences for our environment would be irreversible. In 2018, the IPCC[1] college of experts defined the maximum warming value to be 1.5°C by the end of the century.

THE FIGURES OF OUR COMMITMENT IN FAVOUR OF THE CLIMATE

AS OF 31/12/2019

1.2%

INCREASE IN CO_2 EMISSIONS PER QUANTITY SOLD IN 2019

COMPARED TO 2016

8.7 KG CO_2 eq. IN 2019, 8.6 KG CO_2 eq. IN 2016

6.6%

INCREASE IN GLOBAL EMISSIONS

10,532,129 T CO_2 eq. IN 2018,
11,226,200 T CO_2 eq. IN 2019

12%

FEWER GHG EMISSIONS ON OUR SCOPES 1 AND 2

2019 VS 2016

OUR OVERALL OBJECTIVE

40%

LESS CARBON INTENSITY PER PRODUCT SOLD

BETWEEN 2016 AND 2026

Given the situation, in 2019, Decathlon sought to put together an action plan involving all its internal players and suppliers, aimed at tackling the climate challenges. This projection of initiatives incorporates the company's economic growth forecasts and provides a realistic trajectory towards a low-carbon economy, validated by the SBT initiative.

Thanks to the carbon footprint assessments conducted since 2013, Decathlon is aware that greenhouse gas emissions can only be reduced close to the local sources of emissions: this is why the strategies aimed at training the teams, the effective use of measurement tools and the appropriation of practical action plans put together on site are more important than ever.

KEY POINTS FOR 2019

> THE PLAN TO IMPROVE OUR CARBON FOOTPRINT, WHICH INCLUDES ALL OF OUR ACTION PLANS BASED ON OUR ECONOMIC PROSPECTS, HAS BEEN VALIDATED BY THE SBT INITIATIVE. Decathlon is committed to reducing its total CO_2 emissions by 75% on the scopes 1 and 2, by 2026. In 2019, Decathlon reduced its GHG emissions on this perimeter by 12%, compared to 2016.

> ON OUR SCOPE 3, WE ARE ROLLING OUT AN AMBITIOUS PLAN TO REDUCE OUR EMISSIONS AT OUR PARTNER AND STRATEGIC SUPPLIERS' SITES, by helping them to define their own science-based target trajectory for reducing CO_2 emissions by 2024.

> WE ARE SUPPORTING OUR GOALS WITH EXTERNAL INITIATIVES, which we use to share our best practices and take collective action.

> WE ARE MAINTAINING OUR SUPPORT FOR THE LOCAL NETWORK, so that each player can appropriate their own GHG emission measurement and define the best action plans for reducing the carbon footprint of their activity.

1. IPCC: Intergovernmental Panel on Climate Change.

2019 REPORT ON GREENHOUSE GAS EMISSIONS:

In order to monitor its greenhouse gas emissions[3], Decathlon has been examining all the GHG emissions associated with its activities since 2013. Starting with the extraction of the raw materials needed for production and up to the sale of the products in stores and their end-of-life; the analysis includes manufacturing, product transportation, customer and teammate travel, and onsite emissions. This reporting is now conducted quarterly.

After some encouraging results in 2018, Decathlon projected a 3.8% reduction in carbon intensity between 2016 and 2019. Despite the decisions made and initial actions taken, the results of the GHG emissions report showed a **1.2% rise in 2019** compared to 2016. These results must quickly influence the decisions of the company, particularly regarding product impact. Indeed, the main reason for this poor performance is the low percentage of eco-designed products (4% in 2019) and the lack of any improvement in this percentage.

This is why the decision was taken in 2019 to manage the monthly percentage of eco-designed products sold, in order to motivate the internal teams (Signed Sports & industrial processes, financial teams).

Currently, all the resources, action plans and commitments suggest that conditions are in place for improving the carbon performance in the medium term. To build this new low-carbon economy and the business model that will sustain it, the companies must change more quickly and be more efficient than ever before.



OUR COMMITMENT:
TO REDUCE OUR GREENHOUSE GAS EMISSIONS BY 40% PER PRODUCT SOLD BETWEEN 2016 AND 2026

1 OBJECTIVES VALIDATED BY THE EXTERNAL SBT INITIATIVE[4]

Decathlon has worked on developing its CO_2 trajectory using the method proposed by the SBT initiative. The final objective is to align this trajectory with a common global effort in order to keep global warming below 1.5°C, (the threshold set by the Paris Agreement (COP21) and revised in 2018 following the conclusions of the IPCC). This trajectory is defined using a series of commitments on costed objectives, the results of the analysis of our action plans and the means deployed to achieve these objectives and tackle the climate challenge.

The Science-Based Target expert committee has validated these objectives. For Decathlon's **scopes 1 & 2,** i.e. carbon emissions directly associated with the company's activities and indirectly associated with the company's energy consumption, **Decathlon is aiming to reduce its total CO_2 emissions by 75% by 2026.**

OUR AIM IS TO BECOME A CLIMATE POSITIVE BUSINESS[5] BY 2030

This objective will be achievable by modelling the actions associated with our commitment to using electricity that is exclusively generated from more renewable sources by 2026.

On scope 3, which represents indirect emissions (supply, transport, end-of-life of products, etc.), the objective is to convince **Decathlon's main suppliers to define their own science-based target plan for reducing their CO_2 emissions by 2024.** As of 31/12/2019, 827 companies worldwide have made the same commitment as Decathlon to the SBT initiative, and 340 have a validated objective.

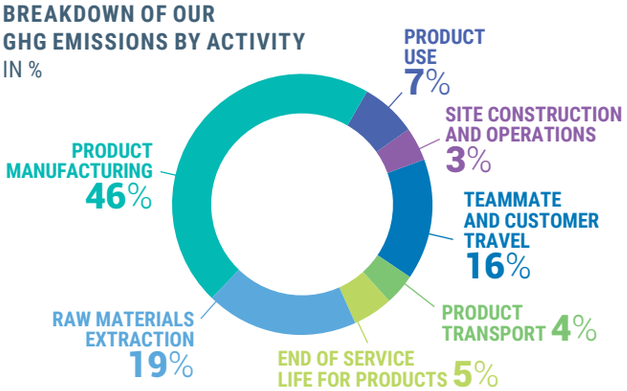
For the first time, Decathlon also responded to the **CDP non-governmental organisation[6] "climate change" questionnaire**, which aims to assess the transparency of the initiatives taken by companies to reduce their greenhouse gas emissions. **Decathlon received an "A-" grade[7],** which means that the action plan is ambitious and transparent, but that the results are not yet significant.

BREAKDOWN OF OUR GHG EMISSIONS BY SCOPE
TONNES OF CO_2 eq.

SCOPE 1	26,894 T. CO_2 EQ.
SCOPE 2 (*Market-Based Method[2]*)	141,026 T. CO_2 EQ.
SCOPE 3	11,058,280 T. CO_2 EQ.

SCOPE 1: direct emissions. SCOPE 2: indirect emissions from energy consumption. SCOPE 3: other indirect emissions (supply, transport, use, end-of-life, etc).

BREAKDOWN OF OUR GHG EMISSIONS BY ACTIVITY
IN %



2. The scope 2 result (Market-Based Method) is in the KPIs board in this report. - 3. Greenhouse gases = GHG
4. SBT: Science Based Target - 5. The climate positive concept is being defined with external companies and NGOs: http://www.netzero-initiative.com/
6. CDP: Carbon Disclosure Project: https://www.cdp.net/fr/ - 7. The scores range from D to A, A being the best score.

FOCUS

WHY SHOULD THE CHANGE IN CARBON INTENSITY BE MONITORED RATHER THAN THE GLOBAL VOLUME OF GHG EMISSIONS?

After several years' experience in carbon accounting for the entire footprint of Decathlon, the **kg CO_2e/product sold** indicator turns out to be the one that has the most meaning for the company, whose goal is to make the pleasures and benefits of sport accessible to as many people as possible in the long-term. This indicator focuses on the changes rather than a particular figure in order to reflect the daily efforts made to reduce the impact of the company's activities. However, it is still important to continue monitoring the total emissions curve.

The reference year is 2016, which was when the main Decathlon commitments were made. This reference base means that the analysis is not solely focused on annual performance, given that the results of certain actions can only be perceived in the medium term and require a longer period of analysis (particularly for actions related to the design of our products).

2 WHAT ARE OUR HIGH-PRIORITY STRATEGIES?

▪ **Energy supply:** by integrating **the RE100 initiative**[8], Decathlon has committed to **sourcing all of its electricity from renewable sources by 2026.** In 2019, 58.9% of electricity consumed came from renewable sources, which means we reduced the CO_2 emissions of the electricity used on our sites by 4% between 2016 and 2019 *(see p. 96)*.

In 2019, we backed up this effort in two ways: by reducing energy consumption at our sites (5% kWh/m² decrease in our stores and 8% kWh/m² decrease in our warehouses), thanks to the relamping operations in particular *(see p. 86)*; and by increasing the consumption of electricity from renewable sources, thanks to the massive commitment of new countries such as India and Germany. **By the end of 2019, 100% of the power consumption of Belgium, France, Spain, the United Kingdom and India was from renewable sources,** with Italy at 97%, Germany at 85% and the Netherlands at 84%.



▪ **The energy supply of our suppliers: Decathlon is supporting its partner and strategic suppliers in managing the energy transition** through a network of CO_2 advisers. The network was set up to assist the suppliers of Decathlon products in monitoring their energy consumption and in their action plans; the work is based on action plans aimed at reducing greenhouse gas emissions, following a trajectory validated by the SBT. The supplier training and teaching initiatives were deployed throughout 2019.

▪ **The eco-design of the Signed Sports products** to reduce impact through the different stages of the life cycle. Decathlon is continuing its environmental assessment work, with 75% of its products assessed by the end of 2019. The historical data are re-evaluated, based on the added databases, particularly thanks to work done in collaboration with ADEME[9]. The impact of products is a key component of the overall carbon footprint. Reducing this impact will be linked to the percentage of eco-designed products available in the range of Signed Sports products developed by the Signed Sports teams on the one hand, and the efforts of our sales assistants in store to accelerate user demand for these products.

In-store training, supported by the recent monitoring of sustainable turnover, are practical initiatives designed to boost these sales, with the transformation of the business model being geared towards making second-life products more easily accessible *(see p. 61)*.

The objective is to eco-design all new products by 2021, in order to reach 100% eco-designed products by 2026.

▪ **Product transportation:** The strategies to reduce CO_2 emissions associated with transportation include initiatives on haulage transport (lorries and barge transportation) and distribution (from warehouses), which have dropped by 4% and 7% respectively. The strategy of reducing air transport has resulted in no further increase in the utilisation of this transport mode. However, the proportion of our transported products is on the rise, which has dented the effectiveness of this strategy with an 11% increase in the CO_2e/product sold.

Actions on waste and the end-of-life of products are also being deployed and managed at the local level. As a result, 39% of store waste and 63% of warehouse waste was sorted in 2019.

All in all, every initiative has been implemented and will gradually be rolled out to more countries. The carbon performance of 2019, which represents an increase of 1.2% in our carbon intensity per product sold compared to 2016, is linked to the time taken to implement strategic actions (e.g. a period of approximately 24 months is necessary between a product being designed and being available for sale). We have observed a **12% decrease in GHG emissions** on our scopes 1 and 2 (between 2016 and 2019), which is an encouraging sign of the effectiveness of our action plans on our direct emissions.



8. http://there100.org/
9. ADEME: French energy agency website: https://www.ademe.fr/

3 A NETWORK OF LOCAL LEADERS EQUIPPED WITH DEDICATED TOOLS TO DRIVE PERFORMANCE

In 2019, the international network was made up of **136 sustainable development leaders,** including **35 country leaders[10], 64 Signed Sports leaders and 37 industrial process leaders.**

These local players are responsible for defining the impact reduction strategy and the associated local action plans. Consequently, the impact of our products, sites (stores and warehouses) and around 280 suppliers is today measured locally.

The impact of sites and transportation includes the following: the movements of teammates and customers, energy consumed, product transportation, waste production, building construction, purchasing consumables, and air conditioning leaks.

In recent years, training courses, tutorials and the quarterly reporting of environmental data have made it possible to monitor results site by site.

Since 2018, the programme to reduce local environmental impacts on suppliers' sites has gone hand-in-hand with monitoring their CO_2 emissions, using the software that we make available to them *(see p. 83)*.

Finally, the design teams for the Signed Sports and industrial processes have an eco-design module which supports them in calculating the life cycle analyses of the components and final products. The dedicated teams have also had access to analysis tools and training since 2018, in order to easily extract the environmental impacts at different levels.

All of these tools provide a comprehensive overview of Decathlon's impacts: by country, by product family and by Signed Sport. 75% of the Signed Sports products have an estimated environmental impact.

KEY FIGURES

AS OF 31/12/2019

NEARLY **1,460** SITES
STORES AND WAREHOUSES
AND **279** PRODUCTION SITES
ARE TRACKED IN THE EMISSIONS CALCULATION TOOL



4 NETWORKING WITH EXTERNAL PARTNERS IN ORDER TO COMBINE OUR STRENGTHS

In order to situate Decathlon's actions within the global effort needed to achieve the objective of limiting climate change, the company has joined forces with several initiatives to act collectively and have the biggest possible impact.

- **Joining the UNFCCC initiative[11] :** DECATHLON has signed the Fashion Industry Charter for Climate Action. Under the aegis of the UN Climate Change, this commitment brings together the signatories and organisations to act collectively in the fight against global warming.

In practical terms, taking part in working groups can help define the tools and select the most suitable methods for speeding up the reduction of the impacts with our suppliers, given that several clients are asking them to make the same efforts.

- **Committing with the signatories of the Fashion Pact :** Launched in August 2019 during the G7 meeting in Biarritz, the Fashion Pact aims to bring together players in the fashion and textile sectors to define common objectives around the following three issues: climate, biodiversity and the oceans.
- **Validation of our SBT trajectory** has meant we have also been able to join the call to action launched by the United Nations and participate in the **#Our Only Future awareness campaign,** which aims to build awareness among businesses about their share of the responsibility to limit the rise in global temperatures to 1.5°C above pre-industrial levels.

10. Countries concerned: see our organisation, page 21
11. UNFCCC: United Nations Framework Convention on Climate Change

PEOPLE AND MANAGEMENT



PEOPLE AT DECATHLON IN FIGURES

AS OF 31/12/2019

—

54%

OF TEAMMATES ARE HAPPY IN THEIR JOBS[1]

74.3%

OF TEAMMATES IN THE TOTAL WORKFORCE WERE ON PERMANENT CONTRACTS

WORLDWIDE

AT THE END OF 2019

PUTTING PEOPLE AT THE HEART OF OUR GROWTH

As part of its commitment to deploying a social and human resources policy that is in keeping with its core values, Decathlon believes that teammates who are happy in their jobs contribute to its long-term performance. This is why quality of life at work[2] has become an essential and integral part of the company's concerns.

In order to encourage measures that improve working conditions as well as the overall performance of the company, Decathlon provides tools and creates a work environment in which employees can express themselves and act freely.

Well-being at work is a powerful means of fostering a strong commitment and a spirit of enterprise that drives social innovation. A direct result of the latter is the creation of value within a business. In 2019, 54% of teammates stated that they were happy in their job (total of "yes, strongly agree"). This indicator, which is the cornerstone of Decathlon's human resources policy, is measured using an annual in-house survey. Teams can use this to assess themselves and set up action plans to promote happiness at work.

2019 was marked by the restatement of commitments on various topics related to the Quality of Life at Work ("QLW") in France. On the one hand, there were initiatives promoting diversity, whether these were in the area of gender equality and the prevention of sexism or on topics related to people with disabilities.



On the other hand, were projects aimed at getting people on the job market, creating greater diversity in the teams, promoting intergenerational cooperation and having many positive repercussions including the performance and fulfilment of every employee at Decathlon.

KEY POINTS FOR 2019

1. DECATHLON RAMPED UP ITS CAMPAIGN AGAINST SEXISM AND CONTINUED TO RAISE AWARENESS AMONG TEAMMATES ABOUT THE MULTIPLE BENEFITS OF DIVERSITY WITHIN THE TEAMS.

2. DECATHLON'S MISSION HANDICAP DIVISION CELEBRATED 20 YEARS OF DEDICATION TO ITS CAUSE AND HIGHLIGHTED INITIATIVES IN FAVOUR OF RECRUITMENT AND JOB RETENTION.

3. DECATHLON CONTINUED THE PROJECT CALLED "Y A PAS D'AGE" (THERE'S NO AGE LIMIT) ENCOURAGING THE TRANSFER OF SKILLS FROM OLDER EMPLOYEES.

PEOPLE AT DECATHLON IN FIGURES

AS OF 31/12/2019

3.8%
OF TEAMMATES ARE DISABLED
(ITALY SCOPE)

65.5%
OF TEAMMATES ARE UNDER 29 YEARS OLD

0.84%
ARE OVER 55 YEARS OLD
WORLDWIDE

1. Result of the "Decathlon Team Barometer" survey of Decathlon teammates at the end of 2019, to which 67,575 teammates responded. Percentage of people who answered "yes, strongly agree".
2. Quality of Life at Work encompasses the following areas: disability; intergenerationality; equal opportunities in the workplace; occupational well-being; psychosocial risks; as well as getting people (back) into employment.

GENDER EQUALITY: GIVING EVERYONE THE OPPORTUNITY TO CONTRIBUTE TO THE BUSINESS

For eight years now, Decathlon has been committed to gender equality in the workplace in order to promote diversity within the teams, which is a source of innovation and performance.

The France project on gender equality in the workplace is underpinned by **5 key objectives:**

- **Recruitment:** we are working on inclusive ads[3], visuals, our employer brand and the training of our recruiters.
- **The promotion of women:** we have room for improvement in reaching our goal of having 50% female leaders by 2026. We are conducting a number of initiatives to improve in this area and shatter the glass ceiling[4]. For example, we have courses ("Female Leadership[5]" and "Boost'elles") for women to help them develop their confidence so that they can choose ambitious career paths.
- **Work-life balance:** we are working on the organisation of work hours and workload distribution, so that everyone can find the right balance, while taking into account the constraints associated with the commercial profession. We must be agile.
- **Remuneration.**
- **Combating sexism,** so that Decathlon remains a good place to work.



The purpose of the project on equal opportunities in the workplace is to allow everyone to fulfil their personal goals and to contribute to the company in an authentic way, within a respectful and caring environment.

2019 was marked by many awareness campaigns directed at leaders and HR managers on the challenges of this project.

Several workshops aimed at combating sexism were offered to teammates.

The "Offside and Consequences" campaign uses references from sports refereeing ("yellow card and red card", "fair play", "rules of the game", "out of play", etc) to make the subject more understandable.

The challenge is to explain the difference between humour, flirting and sexism, using practical examples. The aim is to get people talking about the subject and raise awareness.



At Decathlon Belgium, a global campaign has been launched to promote diversity. It highlights the idea of sport for all, beyond prejudices on body and gender.



TESTIMONIAL

YUMI UCHIDA

"GENDER EQUALITY" PROJECT LEADER, JAPAN, HIKING ENTHUSIAST

'The "Diversity and Equality" team was created in Japan in November 2018 to highlight the diversity that exists within our team, as well as certain elements regarding potential differences in how men and women perceive harassment.

During the preparation period for the opening of our first store in Japan in March 2019, we organised an awareness-building seminar with an independent instructor, during which various topics were discussed, including sexual and moral harassment.

We organised another workshop to share experiences of discrimination. This helped us to realise the importance of exchanges and dialogue based on our own experiences.

What's more, discussing these issues has really given some people the courage to speak out about problems they have encountered with their leader.

In October 2019, we joined the Rainbow Festival in Osaka, where more than 20 of our teammates participated in a parade to demonstrate Decathlon Japan's active support for diversity and its stance against the discrimination of LGBTQI+ members inside and outside the company.

We had our own stand at the festival, and we offered backpacks with Decathlon rainbow badges and stickers. During the event, we also proudly raised our Decathlon rainbow flag at the entrance of our store.'

3. Thanks to the visuals used and the model of inclusive writing. - 4. The glass ceiling refers to the "invisible barriers" to the promotion of women in hierarchical structures. It constitutes an obstacle to the advancement of their careers within the company and restricts their access to positions of responsibility.
5. 128 women attended this course in France.

IN FRANCE AND ABROAD, SUPPORTING THE INCLUSION OF PEOPLE WITH DISABILITIES

Decathlon is committed to promoting and supporting the inclusion of people with disabilities. Thanks to a network of advisers, Decathlon is improving the working conditions of its teammates. These advisers, of which there are 320 in France, raise awareness about the disability policy, which is centred around the following four initiatives: integration and training, recruitment, job retention and the use of protected special needs environments.

Job retention is monitored by making adjustments to the workstation in particular. These are carried out with the help of ergonomists[6]. At the same time, the team leaders are also assisted with coordination by teammates with disabilities.

In 2019, Decathlon France wanted to pay tribute to the 20-year commitment to helping people with disabilities enter the job market by organising a memorable event[7] which was attended by 150 disability advisers, as well as teammates with disabilities. The event included a review of the 20 years of professionalisation and about a dozen awareness building workshops offered to participants, aimed at informing them and boosting their skills level on various topics related to disability.

DECATHLON 20 ans MISSION HANDICAP

LIKE THOSE OF FRANCE'S MISSION HANDICAP, VARIOUS INITIATIVES ARE TAKING SHAPE IN OTHER COUNTRIES:

In Italy, a lot of work has been done to raise awareness among leaders to facilitate the recruitment of people with disabilities. Thanks to a partnership with the Personnes Down association[8], Decathlon Italy offered traineeship positions to young athletes with Down syndrome, three of whom were subsequently hired in stores on permanent contracts.

In 2019, seven trainees with disabilities were recruited and two recruitments resulted in a permanent contract.

In Hungary, the initiative to make sport accessible to all resulted in the recruitment of 14 people with disabilities in 2019 (people suffering from deafness or hearing loss, or a physical and/or mental handicap). In addition, new tools and possibilities are being offered to users with disabilities, such as monthly quiet hours specially for people with autism, a sign language app downloaded on all Decathlon cellphones in order to communicate with deaf users, sign language videos in email campaigns, etc.



Running and fitness training sessions for the blind have been organised with Decathlon teammates, as well as fitness events for people with Down syndrome and wheelchair basketball and handball matches.

222 Hungarian teammates participated in these events organised in 2019.

In Belgium, the Breaz project included a bicycle assembly line in the warehouse run by a special needs company that employs 30 people.

6. 105 workstation layouts were adjusted in 2017 in France, 78 in 2018 and 97 in 2019.
7. Organised at Kipstadium (Tourcoing - Nord - France).
8. An association dedicated to supporting people with Down syndrome.

"Y A PAS D'AGE" (THERE'S NO AGE LIMIT), THE INTERGENERATIONAL PROJECT FOR DECATHLON IN FRANCE

In 2019, in France, 2.6% of the Decathlon workforce were 55 and over[9]. The intergenerational agreements signed in 2016 were renewed until September 2020 and priority was given to training in preparation for retirement and advance planning for the pension reform scheduled in 2020, in particular. The project is accompanied by measures dealing with the employment of young people on work-study courses (see page 45).

The "Y a pas d'Age" project, launched in 2018, aims to take care of teammates aged 55 and over on the Decathlon remit in France.

Sharing experience between teammates and generational diversity has multiple benefits, while also stimulating performance for the company. Among other things, the older teammates can contribute their maturity, their sense of perspective and their considerable experience. A survey conducted in 2019 among seniors highlighted their expectation for better communication of the intergenerational policy and a more effective workload distribution, by improving the support and transmission of skills as retirement approaches in particular. There are now a number of systems available, so that teammates can prepare properly for their retirement. These systems include options for adjusting working conditions and working hours, as well as training courses to understand and prepare for retirement[10].

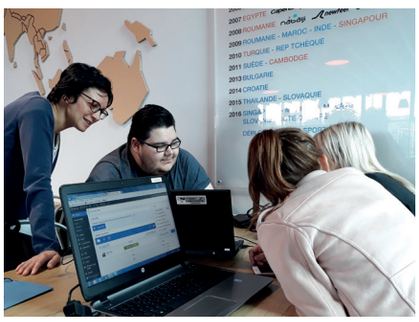


A personalised retirement report is also offered and paid for by the company from the age of 55.

In addition to these measures, the teams are also encouraged to celebrate the experience of teammates who may have up to 40 years of seniority in the company by organising festive events.

DECATHLON IS COMMITTED TO PROMOTING SOCIAL INTEGRATION THROUGH A STRONG LOCAL PRESENCE

Driven by the ambition to be a humanist company that is committed to corporate responsibility, Decathlon France has initiated measures, over a period of three years, aimed at forging ties with the non-profit sector to build sustainable local projects in the area of sport so as to promote integration and diversity on our playing fields. Convinced that sport is a means of promoting integration and social cohesion, Decathlon has chosen to work alongside several associations, at the national level. These include the Écoles de la Deuxième Chance (E2C), the Apprentis d'Auteuil foundation[11], Défense Mobilité[12], 60,000 Rebonds[13], Viens Voir mon Taff[14], Sport dans la Ville[15], Proxité[16] and Areli Émergence[17].



The objective of the project is to develop each site's commitment and impact on society, as well as encouraging teammates to contribute to these partnerships.

With the Écoles de la Deuxième Chance, for example, young people are introduced to the workplace and invited to share in the values of Decathlon and the passion for sport at regular open day events. This network supports young people who have dropped out of the education system without a qualification and who are finding it difficult to enter the job market.

In France, 25 sites (warehouses, stores and services) run initiatives alongside the E2C involving visits, job initiation days, traineeships, sporting moments, a Foundation Day, workshops, etc.

By building ties with the local ecosystem, integration through sport also creates value in the recruitment of future teammates by promoting diversity within the teams.

In order to build ties and organise encounters with the non-profit sector, and give our teammates an opportunity to invest in community service projects, Team Building Solidaires were created at the end of 2019 to attain the objective of "acting together sustainably and locally".

SoliDAYcathlon
Social integration team meetings!

Each teammate has a chance to organise community service team meetings. For example, in December 2019, 12 teammates renovated a flatshare with an integrated sports area to introduce the beneficiaries with a mental handicap to yoga, fitness exercises and weight training.

Finally, a partnership was signed with the UNHCR[18] to offer traineeships to refugees based on the theme of multicultural inclusion. The project was offered across the country and resulted in the creation of 19 traineeships.

9. 129 seniors have been recruited in the last three years. - 10. 500 people were trained in 2019. - 11. https://www.apprentis-auteuil.org/
12. https://www.defense-mobilite.fr/entreprises-partenaires - 13. https://60000rebonds.com/ - 14. http://blog.viensvoirmontaf.fr/soutenez-nous/ - 15. https://www.sportdanslaville.com/
16. https://www.proxite.com/ - 17. http://www.areli.fr/le-programme-emergence/le-programme-emergence/ - 18. United Nations High Commissioner for Refugees.

TESTIMONIAL

E2C[19] LES ÉCOLES DE LA DEUXIÈME CHANCE, GRAND LILLE

"The partnership between DECATHLON and E2C Grand Lille emerged with the opening of the Jardin des Plantes site in Lille. The partnership arose out of an individual ambition, which soon resonated with the DECATHLON employees in the Lille metropolitan area. At DECATHLON, there are as many forms of commitment as there are sports: mock interviews, creation workshops (blogs, posters, trophies, etc), sport and improvisation theatre, projects, challenges, CV and talent workshops and of course, visits to the various sites.

Of the 600 young people aged 18/25, who have dropped out of the school system without an educational or occupational qualification and who attend a course for a period of one year, E2C Grand Lille aims to get over 60% of them on the job market and/or into training. DECATHLON, like all the committed partner companies, contributes to this success.

As a result of the special partnership, DECATHLON has become a real educational agent in helping trainees regain self-confidence, feel valued, learn or relearn how to surpass themselves through sport or commit to an initiative or a challenge.

Thanks to the training sessions and workshops in the company, they can work on their attitudes, language and life skills in real-life situations.

Each teammate can make a commitment for one hour, half a day, a whole day, a project or on an occasional basis depending on their availability or choice, based on their professional and personal skills, or to share their passion, sport, profession or a moment of relaxation. Mentoring can also be given to a young person in developing the skills they need to get a job, thanks to initiation traineeships, training to acquire certain skills before starting a course or a final year traineeship (the E2C supports its trainees for at least one year after they leave).

The Écoles de la Deuxième Chance have the particularity of mentoring each trainee along their personal motivation path, enabling them to attain a positive resolution; and whose former trainees come from different fields of activity, some of which were successfully mentored by Decathlon teammates."

ORGANISING WORK HOURS WITH THE NEW AGREEMENT ON FULL-TIME WORK



The measures taken by Decathlon in France regarding the level of satisfaction associated with the hourly base rate for part-time team members are still being monitored throughout the year.

Consequently, the number of part-time teammates satisfied with their hourly base rate is on the rise. Indeed, during the last survey[20], 82% of those who replied said they were satisfied with their hourly base rate.

At the same time, at the start of 2019, a new agreement relating to the working hours of full-time teammates was concluded between the workers and management. This replaces the old annualisation agreement, which dated back to 1999, and helps to ensure the satisfaction of our sports users (store opening hours), the well-being of the teammates and the contribution to improving the results of the company.

This is an innovative agreement, adapted to the expectations of our employees and to the changes experienced within the company: operation by sport, subsidiarity, collaborative planning, etc.

As a result of this agreement, it is worth highlighting the significant progress made, including ensuring the right work-life balance, being flexible in setting holiday dates during the summer period and the supervision of overtime.

19. Écoles de la deuxième chance : https://e2c-grandlille.fr/
20. The survey was held between April and May 2019 and involved 2,166 people, ie. 36% of the store teammates working part-time.

MAKING RESPONSIBILITY AND FREEDOM A PRIORITY

Whether it is dealing with employees or customers, Decathlon has always put people at the heart of its considerations and commitments. This is why Freedom and Responsibility are held up by the company as strong values. Putting this conviction into practice requires profound transformations of our organisations, making them more flexible and responsive, and giving them a local impact, in order to increase happiness in the workplace. It is therefore important to support employees in taking on greater management responsibilities, so that they can get as closely involved as possible with what motivates them as well as tackling the challenges of their remit. An annual survey is conducted to evaluate each person's fulfilment at work. This provides the key information needed to adjust the strategies and maintain our core values in favour of human resources.

The company's managerial transformation is closely linked to the Vision exercise, which has been part of Decathlon's culture since 1976. The Vision exercise allows teams to build long-term directions and action plans, oriented towards a common objective. So that Decathlon can continue to promote sports and make them more accessible in a constantly changing world, we must be more than just spectators. We must take action and create the future we want. This is why, in 2019, several collective intelligence approaches were deployed to co-construct collaborative visions, including the Decathlon 2030 Vision.



RESPONSIBILITY AND FREEDOM AT DECATHLON IN FIGURES

AS OF 31/12/2019

94%

OF EMPLOYEES MAKE DECISIONS ON MATTERS THAT CONCERN THEM AND MEASURE THE CONSEQUENCES

48.4%

OF THE COMPLIANCE ADVISERS HAVE BEEN TRAINED ON THE "SAPIN 2" LAW THAT CONCERNS THE FIGHT AGAINST CORRUPTION

KEY POINTS FOR 2019

1. WE BROUGHT OUR STAKEHOLDERS TOGETHER AND GOT THEM TO COMMIT TO DRAFTING THE DECATHLON 2030 VISION.

2. WE SUPPORTED THE COLLECTIVE INTELLIGENCE PROCESS INTERNALLY AND EXTERNALLY.

3. WE ENCOURAGED SUBSIDIARITY, SO THAT THE ACTIONS TAKEN ARE TAILORED TO THE CHALLENGES FACED AT THE LOCAL LEVEL.

DECATHLON 2030 VISION: A GLOBAL, COLLABORATIVE PROCESS THAT IS GAINING IMPETUS

Decathlon 2030 Vision exercise goes further than the previous ones: its objective is to give everyone in the world the opportunity to conceive tomorrow's Decathlon and to act locally to create the future they want. The 2030 Vision exercise began in September 2019 and ends in April 2020 with a global workshop jointly drafting the Vision. Between these two key moments, a number of steps, involving personal and group work, during physical or online workshops, have been organised to explore and unveil dreams and aspirations.

The first step involved **an inspiration phase** between September 2019 and January 2020. In this context, events were organised around the world such as "Vision Fridays" on the Decathlon Campus site (Villeneuve-d'Ascq, France), when speakers were invited to talk about the future of mankind, the future of sportsmen and women and the future of our lifestyles. To make this exercise work, the Vision teams created a global network of representatives and ambassadors.

At the end of 2019, this network included 230 representatives spread across 51 countries.

Each representative has been trained to deploy the process locally, through 33 training courses provided worldwide. The process itself was co-constructed with experts in collective intelligence; these included Bluenove, which has developed a digital platform for collecting and analysing contributions[1].

At the end of 2019, this platform accounted for 7,700 contributions posted by 1,817 participants worldwide.



INTERVIEW

MARTIN DUVAL,
CO-FOUNDER
AND CO-CHAIRMAN OF BLUENOVE

WHAT IS THE POINT OF PROPOSING A COLLABORATIVE APPROACH IN BUSINESS?

To improve the level of commitment, unveil new and jointly constructed ideas, take on new challenges and even boost confidence by having a transparent approach. Large organisations often seek to reduce the cycle of innovation, from the idea to its industrialisation, and collective intelligence provides an answer to this aim. What's more, the implementation of strategic changes has been found to "increase" when an organisation involves its customers in the exchanges with teammates.

HOW DID YOU EXPERIENCE THE INTERACTIONS WITH DECATHLON?

Decathlon has developed the field of collective intelligence by beating the record for the largest private debate in the world and we are happy to have facilitated this with our platform. The passionate, friendly, transparent and customer-focused stance of the Decathlon teams was a key element.

WHAT RESULTS HAVE YOU OBSERVED SO FAR?

In-house participation was impressive from a quantitative point of view, with thousands of contributions, and we even pushed the discussion beyond 2030 because the imaginative potential of the teams was remarkable from a qualitative point of view. We believe that Decathlon and its ecosystem will become a leading brand and business model for the 21st century.



TESTIMONIAL

SANGITA PADIYAR
DECATHLON EXCHANGE LEADER IN INDIA AND CO-LEADER OF 2030 VISION FOR INDIA, YOGA ENTHUSIAST

"I hope that each teammate can express their dreams for their future and that they can play an ACTIVE role!

Given that the process is open to EVERYONE, we are giving our community the opportunity to co-write the Vision.

Our employees feel more involved and committed. In 2020, we will co-write the 2030 Vision for the city of Bangalore and hope to inspire other Indian cities to do the same."

3
COLLECTIVE INTELLIGENCE PLATFORMS HAVE BEEN CREATED TO CO-CONSTRUCT THE VISION EXERCISES

230
TEAMMATES ARE DEPLOYING THE GLOBAL 2030 VISION EXERCISE AT THE LOCAL LEVEL

MORE INFORMATION

THE SITE FOR THE 2030 VISION PROJECT:
https://decathlonvision2030.com/

THE 2030 VISION COLLECTIVE INTELLIGENCE PLATFORM:
https://vision2030.decathlon.com/

1. *https://vision2030.decathlon.com/*

COLLECTIVE INTELLIGENCE, AN APPROACH TO ANTICIPATING THE FUTURE

Decathlon strongly believes in collective intelligence and made this approach a key aspect of the drafting of several visions and collaborative projects in 2019:

■ The Nabaiji Vision[2]

Between March and June 2019, 220 contributors posted 367 contributions about the future of swimming on a dedicated platform created by Bluenove[3]. The questions posed there invited debates on swimming equipment and practice in 2030, and on the concept of responsible swimming. Two workshops were then organised to structure all the information in order to arrive at a shared vision. Nabaiji's 2030 Vision is directed at preventing drowning, sport-health and having fun when swimming, by focusing on the accessibility and sustainability of the products and services offered.

■ The Decathlon Campus Vision

On the occasion of the 25th anniversary of the Decathlon Campus site (Villeneuve-d'Ascq, France), which houses the historical head office, a store and part of the central services, the Decathlon Campus teams asked customers, employees and partners if they would like to imagine how the Campus site could showcase international sports at Decathlon. From 11 to 13 June 2019, round-table discussions and workshops were organised to inspire participants to exchange ideas and be more imaginative, using subjects such as mission initiatives, ecological transition, sport and health or new ways of working. A collective intelligence platform created by Open Source Politics[4] gathered together the 167 proposals made by participants.





■ Explore 2040: a collaborative tool to understand the changes happening in the world

In addition to the Vision exercises, the Alive by Decathlon[5] structure continually fosters prospective thinking. One of its projects involves a participatory digital platform, co-constructed with more than 75 internal and external participants. Called Explore 2040[6], this platform provides material for understanding the trends in society up to 2040. In particular, it is used as inspiration for the different vision exercises at Decathlon and was awarded the Organisation of the Future prize in September 2019 during the external Human Day event in Lille (France) dedicated to the people at the heart of the company.

DECATHLYON: MANAGERIAL TRANSFORMATION FOR A MORE RESPONSIBLE IMPACT

Since 2018, the management of the Decathlon store network has been gradually transitioning from a global management system by country to a management system by town or group of towns: the Cities.

For example, having been formed in April 2019, the Lyon city (Decathlyon) has 500 employees attached to 8 stores covering a catchment area of 500 km². Decathlyon aims to become a community platform of services, experiences and products for all.

This managerial transformation involves adapting roles, since the coordination is now more extensive and goes across each sector of the entire city.

In 2019, Decathlyon took on many initiatives, without ever being disconnected from its local area, so that it stayed close to the population of Lyon:

■ 100 defective products were given to the Territoires Zéro Chômeur de Longue Durée (TZCLD) association[7]. They were sorted at the premises of Comptoir EmerJean[8] and then repaired by former long-term unemployed people to whom EmerJean offered a permanent contract. The objective of EmerJean and TZCLD is to get people back into the job market.

■ On 12 June 2019, Decathlon opened its first concept store in the Confluence shopping and leisure centre. Because it was co-designed with the local population, this store now meets the needs of the sportsmen and women of Lyon (coaches, sports activities and the digital experience during purchase).

■ 20 Fresh & Black camping tent flysheets were donated to the Les Enfants de la Lune[9] association to make bespoke anti-UV clothing. The rest of the defective flysheets were sent to selective waste recycling channels.

■ At the end of 2019, Decathlyon launched its two-hour delivery service from the stores in Bron and Part-Dieu using soft mobility solutions (cargo or electric bike), at the time and place requested by the customer. 147 customers benefited from this type of delivery in 2019.

2. Nabaiji: Signed Sport for swimming. - 3. Bluenove: https://bluenove.com - 4. Open Source Politics: https://opensourcepolitics.eu/ - 5. Alive by Decathlon is the space dedicated to exploration and prospective thinking at Decathlon. It is based at the Decathlon Campus site, Villeneuve-d'Ascq, France. - 6. Explore 2040: www.explore-alive.io - 7. Since 2016, the "Territoires Zéro Chômeur de Longue Durée" association has demonstrated that it is possible for small areas to offer any willing long-term unemployed person a permanent, part or full-time job, without significant additional cost to the community, by developing useful activities to meet the needs of the various stakeholders within the area: https://www.tzcld.fr/

THE ENTREPRENDRE PROJECT: A LEGAL FRAMEWORK THAT ENCOURAGES SUBSIDIARITY

Since 2017, Decathlon employees in France have been able to embark on an entrepreneurial activity in addition to their job at Decathlon. Either by remaining an employee ("intrapreneur"), or by leaving the company to become an entrepreneur, or even by adapting these two formats ("timeshare entrepreneur hybrid").

In this way, Decathlon is encouraging boldness at every level of the company, in keeping with the 2026 Vision objective, "Do what I love". It is a bottom-up and community approach that is unusual in business and in the "slasher" mindset[10]. Among the benefits of this approach, we can cite the development of expertise and the network, greater inspiration or even employee fulfilment. In 2019, this approach was further consolidated by providing a legal framework: a risk map that is available to any employee in a position to conclude a partnership contract with Decathlon for a service whose nature is different from the job for which they were hired. This mapping is in the form of a checklist that questions the rationale for the project, company law, intellectual property and the use of equipment and premises. After completing the questionnaire, the employee obtains a risk percentage. This review sheds light on the points to be clarified and promotes responsible decision-making.

Since 2017, 56 French employees have been able to explore an entrepreneurship project. The Entreprendre project is also being deployed in other countries according to specific local circumstances (e.g. Belgium and Russia).

DECATHLON TEAMMATES BAROMETER: MEASURING HAPPINESS AT WORK TO GUARANTEE OUR FUNDAMENTAL HUMAN NEEDS

One of the Decathlon's strong distinctive features is its employees and its empowering management practices. In order to measure happiness at work as well as the implementation of the fundamentals and human resources strategies, the Decathlon Exchange teams[11] conduct a yearly survey with all employees. This is known as the Decathlon Teammates Barometer (DTB). This survey is fundamental because it assesses the individual responsibility and collective mindset of each person in order to define the human resources action plans for each individual and team. In 2019, some of the DTB survey questions were changed to improve accuracy, while others were replaced or created to be consistent with the change in current human resources strategies. The results are still largely comparable to those of previous years. In 2019, two figures in particular illustrate the empowering management practices of Decathlon: 94% of employees make decisions on matters that concern them and measure the consequences, and 95% believe they have the right to make mistakes at Decathlon.

INCORPORATING THE FIGHT AGAINST CORRUPTION INTO ALL OF OUR ACTIVITIES

In 2016, France adopted a law on transparency, the fight against corruption and the modernisation of economic life, known as the "Sapin 2" law. Within this context, Decathlon is implementing a corruption prevention and detection programme in all its subsidiaries around the world. The objective is to use these new regulations as an opportunity to prevent and fight against corruption in all of our business activities. Decathlon relies on local Compliance advisers to deploy this programme. They are particularly active in establishing a risk map, deploying the "Fight against Corruption" Code of Conduct and the internal alert system.

In 2019, the work to map the risks of corruption was pursued, using a methodology built on the company's different business units, in France as well as in all the countries where Decathlon is established. The objective is to identify, analyse, prioritise and address the risks of the company's exposure to corruption.

The "Fight against Corruption" Code of Conduct fixes, defines, describes and illustrates the types of behaviour that are prohibited for the prevention of and fight against corruption and influence peddling. Internationally, it is adapted to local circumstances (regulations and illustrations) so that the teammates from each country can appropriate it.

At the same time, the internal alert system allows teammates to confidentially report any behaviour that is contrary to the Code of Conduct.

In 2019, training courses were provided by the Compliance team, both to local Compliance advisers and Store Leaders, given the particularly high risk to which these jobs are exposed.

__8.__ EmerJean: is a company in the Saint-Jean de Villeurbanne district, created as part of the Territoires Zéro Chômeur de Longue Durée experiment. - __9.__ https://enfantsdelalune.org/
__10.__ Slasher: multi-entrepreneur who claims to have several identities in their professional life. - __11.__ Decathlon Exchange: Decathlon's Continuing Education and talent development organisation.
__12.__ Compliance = conformity with the law.

RESPONSIBILITY AT THE SERVICE OF FREEDOM: FULFILLING DUTY OF VIGILANCE AT EVERY LEVEL OF THE COMPANY

In 2019, Decathlon published the second exercise of its Vigilance Plan. The Vigilance Plan is a public document that anyone can consult, covering all the company's responsibilities throughout the value chain, for all its purchasing contracts linked to products or services. It puts forward a risk map, action plans to prevent risks and the operations of the alert system.

MORE INFORMATION

CHECK OUT THE DECATHLON VIGILANCE PLAN ONLINE:

http://http://sustainability.decathlon.com/media-reports/csr_reports/



ORGANISING SOCIAL DIALOGUE IN FRANCE

Social dialogue is the organisation of interactions between the company and the teammates. It runs smoothly when the relationship between them is good. It gives peace of mind in the teammates' daily work organisation while also being a confidence indicator for customers and users. It therefore represents an index of the sustainable performance of the company.

Currently, this dialogue is undertaken in France by the Social and Economic Committee ("CSE") and local representatives[13]. Employee representatives make sure that the interests of employees are taken into account by the company management. For these elected employees, it is a role[14] in its own right, entailing constructive exchanges to find the right balance between the respective interests of the teammates and those of the company.

To meet the Macron ordinances of 2017 which reorganised the staff representation bodies (staff representatives, the "CHSCT" - health, safety and working conditions committee - and Works Council were merged into a single body, called the "CSE"), Decathlon organised in 2018 and 2019, elections in France for every entity (warehouses, stores and services respectively) and seized this opportunity to develop the culture of joint responsibility and joint construction of projects which is in keeping with Decathlon's core values.

Attached to the principle of subsidiarity, the architecture of the new bodies has been designed to promote the quality of local social relations. In total, 857 position holders and substitutes have been elected to best embody the responsibilities of Decathlon, acting within 24 regional CSEs for the distribution aspects and 12 CSEs in logistics, in addition to the central CSEs of the 3 companies. Having the option to draft the terms of the dialogue with all the stakeholders (including the unions), Decathlon wanted to mitigate certain aspects that had not worked well in the past by building a system of social dialogue that is closer to the places where decisions are made (i.e. locally), by minimising the shortcomings of staff representatives and by encouraging teammates who wished to take on a staff representative role. Given the ongoing aim to foster social relations rooted in real geographic and professional situations, the stores are able to have at least one contact dedicated to social relations. Consequently, in those stores without elected CSE officials, up to 3 local representatives are responsible for dealing with safety issues or issues formerly devolved to staff representatives, whereas many stores did not have these representatives previously.

As part of the role of an elected CSE member, 600 local representatives have been identified. Their role is to be in direct contact with the store manager for subjects such as personnel management, working conditions, economic issues or training at the regional level, but also the social and cultural activities previously handled by the works council. A central CSE will continue to operate in order to present the figures and strategies of Decathlon France.

Given its innovative implementation, the agreement specifies that the dialogue takes place in a framework which is in line with the company's in-house conventions, i.e. simply and smoothly, in order to tackle weaknesses as early and as practically as possible, without having to stick to the initial schedule no matter what. Thanks to this position, the social dialogue is rooted in a relationship based on trust with a strong ambition not to deviate from real-life situations.

13. Specific to the SAS structure, which is the Decathlon structure dedicated to distribution and logistics activities.
14. In the definition of roles at Decathlon, see 2018 DEFP, p. 28.

DEVELOPING SKILLS AND REVEALING TALENT

Employees must be trained throughout their professional life to maintain a level of skills that is in keeping with the gradual transformation of corporate strategies.

The training purpose at Decathlon is to give every team member the opportunity to perform the duties that suit them so they feel fulfilled in their job. To achieve this, the company provides all the tools needed to maintain and develop the know-how and interpersonal skills to serve the teammate's mission.

This vision for managing skills is based on the following two major principles: on the one hand, it must be possible to acquire skills anywhere, in various forms, at all times throughout one's professional life and, on the other hand, learning must be managed by the teammate, who is the only person capable of knowing their needs, through personal development and self-assessment tools in particular.

To fulfil these objectives, the role of adviser is structured within the company, based on a model of sharing knowledge and practical experiences. In this way, the adviser can help the teammate to appropriate, learn and develop the skills needed.



The tools to facilitate this human transformation are available from the Decathlon Academy platform, which uses a combination of digital and face-to-face training in a single location as well as dedicated physical exchanges.

KEY POINTS FOR 2019

1. THE LAUNCH OF THE DECATHLON ACADEMY LEARNING PLATFORM, WHICH CAN BE USED TO LEARN ANYTHING, IN ANY AVAILABLE FORMAT, IN A SINGLE LOCATION.

2. THE ROLE OF INTERNAL ADVISER TEAMMATE, WHO PASSES ON AND SPREADS KNOWLEDGE EFFECTIVELY, WAS STRUCTURED AND REVISED.

3. THE PERSONAL DEVELOPMENT OF TEAMMATES WAS SUPPORTED BY THE DECATHLON EXCHANGE TRAINING CENTRES AND THE DEVELOPMENT OF COACHING BY DECATHLON.

TRAINING AT DECATHLON, IN FIGURES

AS OF 31/12/2019

10

DECATHLON EXCHANGE CENTRES AROUND THE WORLD

51

DECATHLON COUNTRIES HAVE ADOPTED THE DECATHLON ACADEMY SOLUTION

DECATHLON ACADEMY: DEVELOPING THE SKILLS OF EACH TEAMMATE IN ORDER TO FOSTER THEIR DEVELOPMENT AND CAREER PLAN

Given the ongoing business transformation and, more generally, the changing needs in terms of skills, training at Decathlon has been completely revised since 2018.

Several objectives are being pursued in order to facilitate the decentralisation of information. The transference of skills is ensured by structuring the role of the adviser on the one hand, and making knowledge accessible on any subject and by a variety of means on the other hand.

Teammates are now active players in their learning, and their progress as a result, thanks to a bespoke development plan. Leaders can no longer register teammates, rather it is up to the latter to take responsibility for their skills development plan

A UNIQUE DIGITAL PLATFORM TO LEARN EVERYTHING

Decathlon Academy is a digital learning platform composed of modules created by in-house skills advisers, whose job is to make learning accessible.

By the end of 2019, 51 Decathlon countries had adopted the Decathlon Academy solution. The teammates are independent and responsible for choosing the course they need to follow to always be in full possession of their skills so that they can ensure the success of their mission and be fulfilled in their job. This reflection is what gives Decathlon its agility and resilience.

In practical terms, the digital platform is composed of a broad range of training modules created by advisers, whose command of their work means they are permanently aware of the best practices so they make the best choices.

The platform has been designed to be connected to the entire IT system, which leads to the development of other digital spaces like Talent[1] and Projects[2].

The platform offers content for face-to-face teaching as well as e-learning.

The objective of this accessibility is to explore the different learning paths to arrive at a personalised development plan, which corresponds to the needs of each teammate, but also to discover other skills that could benefit their career plan.

A TOUR AROUND FRANCE TO COMMUNICATE THE PURPOSE OF DECATHLON ACADEMY

During 2019, the project was presented locally, so that each Decathlon City could put together its own project and build up its network of advisers. The purpose of the physical tour was to effectively communicate the meaning of the Decathlon Academy while also explaining how to use the system properly, allaying any reluctance that teammates may still harbour regarding the digital aspects and facilitating appropriation of the process.

20 tour dates to build awareness have been attended by 1,200 Decathlon employees.

THE TRANSMISSION OF SKILLS THROUGH AN ADVISER NETWORK

At Decathlon, advisers have a role in their own right. Adviser teammates are recognised for their skill, are aware of how to apply know-how and interpersonal skills and to communicate them. They create opportunities for other teammates to practise their technique in the field. Advisors train teammates to acquire a given skill and update the training for the teammates receiving it. This role is present at every level of the company, is organised using skills reference documents and the substance of their work is the same in every domain: store, production, communication, etc.

The role of adviser is based on the following three key responsibilities, defined within the remit of Decathlon Academy:

1. Developing each teammate's skills

They are in charge of the support provided and the implementation of the skill in the field, with a variety of appropriate teaching options.

2. Coordinating the development of skills

They analyse the need for the defined area (e.g. country, store, etc) and put forward action plans that will facilitate the appropriation, learning and development of skills in response to the previously identified needs.

3. Maintaining the skills level

They make sure that the highest possible level of skill is acquired for the remit.

Advisers also help to assess the skills level: they place themselves at the service of the skills leaders by actively leading the different learning methods defined in advance by the leaders. They may also, if needed, offer and set up local courses.

This objective is aimed at encouraging self-assessment so that teammates can evaluate their own successes and needs for further development through questionnaires and interviews.

Advisers are committed to maintaining their own skills at the highest level, with a communication and educational approach that is suitable, thanks to a dedicated training course. They can be identified as an adviser in the Decathlon Academy platform.

1. Talent: Internal skills management site.
2. Project: Internal skills management site.

CREATING SPACES TO SHARE EXPERIENCES AND LEARN

Decathlon Academy offers a physical version of its platform in order to foster the exchanges which are essential in order to properly communicate and appropriate knowledge. An internal survey[3] conducted in 2019 showed that training is more effective when it is provided face-to-face, as well as being more popular with teammates. At Decathlon, 85% of learning is provided face-to-face.

Proximity is therefore preferred in order to be operational and in control of one's responsibilities as quickly as possible.

Decathlon Academy also consists of physical locations that are open to everyone, in which teammates can be part of a group, in an innovative and ergonomic environment. Teammates can learn with others or by themselves and the location makes the adviser's task easier by working comfortably in a local environment.

These spaces are designed to be open and can also be used for discussions with customers and sports users.



IN FRANCE, CUSTOMERS GAVE A SCORE OF 4.49/5 (4.44/5 IN 2018) FOR THE TEAMMATES' SKILLS
(SOURCE: OPEN VOICE)



TESTIMONIAL

MARIA RAMOS,
HUMAN RESOURCES LEADER, DECATHLON COLOMBIA

"It's important that teammates can come together in a meaningful location. We have trained 408 Colombian teammates at the Decathlon Academy site in Bogota since March 2019. On a single site, all the material conditions are combined to express our knowledge of the subjects, teach them effectively using the different spaces and experiment directly in the field."

INCREASING THE FULFILMENT OF EACH TEAMMATE AND PROMOTING THE CORPORATE CULTURE THANKS TO DECATHLON EXCHANGE



Since 2005, the Decathlon Exchange teams, which are present in 10 countries[4], aim to support teammates in making a commitment in favour of Responsibility so that everyone can play an active role and draft their own project.

The aim of the training sessions provided is to communicate the core values and purpose of Decathlon by promoting the development of each teammate within the context of a company that is undergoing a global transformation, in favour of empowering management.

In 2019, the priorities were:

- **The launch of a new online learning platform,** Dex Course, which is open to every employee wherever they are in the world, in order to give them all access to a comprehensive range of content[5].
- **Maintaining the circulation of the corporate culture** for every teammate, using face-to-face training courses in Core Values and Purpose.
- **Supporting the stance of a leader** and helping teammates make decisions that are in line with their mission and goals.

A worldwide network of Decathlon Exchange[6] is also active in 10 countries, so that the corporate culture can be experienced by each teammate and associated with what is most meaningful for each of them. As a consequence, Decathlon gives everyone the opportunity to experience the focus of the "Do what I love" Vision and relate themselves and the purpose of their work and activity with the Decathlon playing field.

3. Survey conducted in France between February and April 2019 on teammates in stores, to which 730 people responded.
4. France, China, India, Brazil, Vietnam, Netherlands, Cambodia, Taiwan and Germany (the last 4 opened in 2018 and early 2019).
5. The training courses are online in French and English and can be easily translated into other languages.
6. The network of embassies throughout the world. Today, there are 10 embassies upholding the purpose of Decathlon Exchange in the world.

COACHING BY DECATHLON: BETTER SELF-AWARENESS IN ORDER TO REVEAL ALL RESOURCES

Decathlon has placed human development at the heart of its activity since its creation. *Coaching* by Decathlon is an application of the coaching principles which allows each teammate who so wishes to receive guidance in developing their personal skills, with the aim of attaining real and observable professional objectives.

Thanks to exchanges conducted in a trusting environment based on active listening and open questioning by the coach, the teammate is supported in finding their own solutions and putting them into action.

Because being a coach involves adopting a particular stance, they represent a role at Decathlon with the associated responsibility, commitment and continuous training dedicated to this role.

The coached person chooses their coach. They draft their objectives as part of a three-party contract (teammate, coach and leader) and work with their coach at their own rate of development according to the subjects they wish to explore.

On a daily basis, other tools from the coaching methods are also suggested to promote a managerial stance aimed at improving interactions, such as the culture of friendly demanding feedback, non-violent communication or co-development.





TESTIMONIAL

PEGGY MASSE AND BLANDINE GRASSO,
CO-LEADERS OF INTERNAL DECATHLON COACHING IN FRANCE

"The sustainable transformation of the company begins with the transformation of the people. Teammates must have a clear picture of their underlying motivations, in keeping with their professional ambitions, in order to be able to make conscious decisions that will have maximum impact, while being confident in their ability to take on responsibilities."

THE INVEST IN DIGITAL PEOPLE INITIATIVE: TO TRAIN AND RECRUIT VARIOUS PROFILES IN AN EXPANDING SECTOR

The digital transformation of companies requires strong growth in recruitment in this area. At the same time, the number of job seekers in this field is increasing and yet, there is a mismatch between the supply and the demand.

In France, Decathlon has been committed in the collective initiative[7] called "Invest in Digital People" since 2013, to promote and enhance digital professions.

The goal of the collective is to take action at every phase of training: at the time when students are choosing what to do after college, in higher education, as well as in Continuing Education, when candidates are looking for a new professional path. Decathlon is involved in this area and offers to include job seeker profiles in order to learn a new job directly in the field. The approach has shown several benefits: the diversity of profiles (older candidates, different life experiences, gender diversity), different forms of integration (finding resources within the team to provide training using alternative tools) and, of course, the final recruitment.

Since 2013, 10 candidates from the programme have joined the Decathlon teams in this way.

7. *An initiative carried out jointly with Lille's Agency, Syntec and digital services companies.*

DELIVERING HEALTH AND SAFETY

The health and safety of teammates, customers, providers linked to the company and sports users are priorities for Decathlon. Through health plans and safety processes, essential monitoring keeps the working environment safe and fulfilling for everyone.

This subject is managed in each country where Decathlon is established, using a process of safety standards, groups of advisers to discuss procedures and teammates responsible for upholding and managing this responsibility locally.

The work undertaken to ensure the health of teammates is initially guided in the area of physical health and difficult working conditions with, for example, incentives for them to practise their preferred sport, or studies on workstation ergonomics.

Maintaining mental well-being, which helps to keep control of daily professional development, reduce stress and support teammates in vulnerable situations, is provided by local tools, and a working group with an international outreach was created in 2019.



KEY POINTS FOR 2019

1. DECATHLON SET UP A NETWORK OF LOCAL SAFETY MANAGERS AROUND THE WORLD, RESPONSIBLE FOR LEADING AND ENFORCING A SECURITY FRAMEWORK FOR TEAMMATES AND CUSTOMERS IN STORES.

2. ACTION ON THE DIFFICULT WORKING CONDITIONS IN WAREHOUSES WAS ORGANISED BY A TEAM OF ERGONOMISTS, TO REDUCE THE LEVEL OF HARDSHIP CAUSED BY THE DIFFICULT WORKING POSTURES, WORKING HOURS AND REPETITIVE WORK OF TEAMMATES.

3. PSYCHOSOCIAL RISK PREVENTION WAS ORGANISED INTERNATIONALLY AND LED BY A DEDICATED WORKING GROUP.

HEALTH AND SAFETY AT DECATHLON, IN FIGURES

82%
OF TEAMMATES PLAY THEIR SPORT REGULARY AND CELEBRATE VICTORIES TOGETHER
15% MORE THAN IN 2018

94%
OF TEAMMATES FELT SAFE IN THEIR WORKPLACE
IN 2018

326
COORDINATORS OF QUALITY OF LIFE AT WORK
IN FRANCE

PREVENTING PSYCHOSOCIAL RISKS

Psychosocial risks are defined as all of the elements that can weigh on an employee and that can affect their psychological integrity at work. They are complex and depend on multiple factors.

Symptoms appear where the personal and professional spheres meet and are linked to both individual and collective situations, with professional organisational or relational factors. Vulnerabilities may be in one or other of the spheres and affect the individual in a global way.

The various changes made in the company to satisfy sports users require every teammate to adjust to these management changes. They now receive local support on the subject and have access to all the tools needed to absorb the impacts of this transformation.

A group at Decathlon launched the "better being" project at the end of 2019. Its mission is to define guidelines, adapted to the corporate culture, to make awareness and training tools available to everyone and to build a global network of coordinators capable of supporting local players. It will be able to draw inspiration from the numerous actions already carried out in France and elsewhere.

Today, in France for example, when an employee experiences a "relationship breakdown", they have access to several internal and external resources, which ensure their anonymity: social assistance (hotline), counselling and psychological support (from an external provider) or one-off support measures dedicated to post-traumatic situations, by setting up a psychological cell in 24 to 48 hours in case of a death, robbery, etc.

PREVENTING RISKS ASSOCIATED WITH DIFFICULT WORKING CONDITIONS

As part of its risk prevention process, Decathlon identifies all the occupational risk factors likely to have an impact on the health and safety of its teammates worldwide. These risk factors are measured over time (duration of exposure in hours or frequency) and intensity (weight, sound volume, etc).

The risk factors are divided into different categories, namely:

- **pace of work** (night work, work in successive alternating shifts, repetitive work)
- **physical environment** (presence of dangerous chemical agents, activities carried out in high pressure environments, extreme temperatures, noise pollution, etc)
- **important physical constraints imposed on teammates** (difficult postures, manual handling of loads).

In France and particularly in the warehouse, a team of 9 people specialising in ergonomics has been deployed in different sites, in order to observe and improve all the working conditions of teammates, related to carrying loads, standing positions or repetitive movements, for example. More generally, **the purpose of ergonomics is to precisely adapt working conditions to people in order to preserve health and efficiency.** For example, a reflection was carried out on the height of pallets during handling by teammates, and the associated potential risks. Similarly, a dilemma arose regarding the optimisation of containers and the organisation of loading and storage in warehouses, which had to be reviewed accordingly.



Thanks to tests, simulations and scoring charts used to evaluate the level of work difficulty, reflections on mechanisation and the functioning of the industry have been initiated. The idea is to replicate these actions within France (3 other ergonomists have been allocated to the other French warehouses) and communicate these practices in other countries.

Finally, the "Risk Prevention" training for all teammates working in the warehouse has also been revised to provide a more effective response to the needs. Having been put together internally to deliver comprehensively suitable content, developed on the basis of "serious game" principles, it now incorporates a practical phase of situational testing.



TESTIMONIAL

JULIE PRESTIFILIPPO,
ERGONOMICS LEADER, DECATHLON FRANCE

"The 'Injection 86' project was developed to reduce the work difficulty of all the French teammates. The first objective was to improve the health and safety of employees, but we were able to observe, within the context of the project, an increase in productivity of almost 20%, which highlights the link between the two levels of performance."

THE SAFETY OF CUSTOMERS AND TEAMMATES PLACED AT THE HEART OF INITIATIVES BEING CONDUCTED ALL OVER THE WORLD THANKS TO THE 'SAFETY UNITED' NETWORK

Decathlon considers that the safety of teammates, users, customers and providers everywhere in the world, is its prime responsibility. Today, given the context that promotes individual autonomy and subsidiarity, safety is managed at the local level, as close as possible to local conditions. Decathlon maintains its standards in this domain by giving each country and each store the key minimum requirements, which are then supplemented by criteria adapted to local specificities.

The "Safety United" network[1], made up of teammates at different points in the company (from the operations manager to the world safety adviser, including the country's Safety Leader) helps to coordinate the issue of safety throughout the world.

Following the creation of a global specifications document in 2018, a reporting function was put in place in 2019 for all countries that have a commercial or production activity only.

The international coordination of the subject was also enhanced, with four key moments each year, involving group meetings (two dedicated to the leaders and two for the national advisers) to recall the standards and set out the action plans.

Each country safety manager is supported by a point of contact who acts as an adviser at the United network level, who facilitates their skills development, self-evaluation and makes sure that all the minimum requirements are fulfilled, adapted to their local situation and properly coordinated: whatever the maturity of the country, the level of results must be consistent throughout the world. Countries experiencing rapid growth are given special attention, when the number of sites increases, for example. The safety adviser ensures that their skills level is in keeping with the country's safety risks and, if necessary, seeks out advisers with complementary skills to them, so that they can offer better guidance to the country (e.g. an adviser that specialises in store operations will request support from a "production" adviser to help a country preparing to start a production activity).

The objective is for the country to be autonomous and responsible in preventing and managing safety risks. In this context, each country safety leader makes a commitment through **an engagement letter signed between the Safety United adviser and the country's safety leader.**

In France, in order to take on this responsibility, "captains" are dedicated to the safety of teammates and users in the stores and warehouses. Each store has an average of 6 to 12 "captains" (including all department managers), who are regularly trained on different topics (e.g. evacuation, accidentology, etc).

The local safety management is then evaluated using a variety of diagnostic assessments, ranging from a self-assessment within the site to an external mission requested by Decathlon's internal audit.



FOCUS

PROTECTING TEAMMATES DURING THEIR BUSINESS TRIPS ABROAD

Business travel abroad is sometimes an integral part of the duties of Decathlon teammates. The risks associated with travel are increasing, in line with the number of countries that have opened in recent years.

To make trips as safe as possible, Decathlon highlights a number of precautions that teammates should take before, during and after their stay, through a website and a special application[2]. These safety reminders are regularly circulated among the teammates.

As a preventive measure, the medical office at the Lille sites – where the vast majority of international travellers are based – receives the list of teammates who have planned their trip a month before their departure and offers them an interview so they can review the health risks associated with the trip: risks of specific diseases, vaccines to be updated, risks linked to foods or drinking tap water, etc.

During the business conducted abroad, the teammate can request medical assistance at any time from a specialist adviser for the destination where they are located and request support adapted to their needs.

1. Safety United = Safety around the world.
2. Service provider: https://www.internationalsos.com/

ATTRACTING, PAYING AND MOTIVATING TEAMMATES

Decathlon's human capital is constantly evolving and the company's ambition is to be committed and empowering. This is achieved by creating strategies focused on recruitment, remuneration methods and employee shareholding.

The main objective is to remunerate teammates fairly, based on their contribution to the development of company performance and their contribution to value creation. Teammates are involved in the economic performance of the company thanks to a pay package and shareholding.

By offering a share in the creation of value, Decathlon can be competitive in terms of the overall pay package on the job market in France and abroad.



REMUNERATION AT DECATHLON, IN FIGURES

AS OF 31/12/2019

€2.3 billion
TOTAL WORLDWIDE PAYROLL

48.6%
OF EMPLOYEE SHAREHOLDERS
7.4% LESS THAN IN 2018

62%
OF EMPLOYEES BELIEVE THAT THEIR SALARY IS FAIR

KEY POINTS FOR 2019

1. DECATHLON IMPROVED ITS EXPOSURE IN THE COUNTRIES WHERE IT IS ESTABLISHED AND DEVELOPING IN ORDER TO RECRUIT NEW TALENT.

2. TEAMMATES PLAYED AN ACTIVE ROLE IN THE REMUNERATION PROCESS THANKS TO THE “INDIVIDUAL SALARY REPORT”.

3. THE SHAREHOLDING CONTINUED TO EXPAND INTERNATIONALLY WITH 41 COUNTRIES INVOLVED IN THE EMPLOYEE SHARE OWNERSHIP SCHEME.

RECRUITMENT AT DECATHLON IN FRANCE

By optimising recruitment and attracting talent, the company can ensure sustainable development and growth, which makes recruitment a strategic issue for Decathlon. Numerous decision centres (Signed Sports, processes, etc) are located in France for historical reasons. France has specific recruitment needs. The recruitment strategy is structured around several projects: digital experience, in-house recruitment skills, work-study courses and traineeships, school relations, integration, running a local network, etc.

Several actions were implemented in 2019 to attract and retain the best candidates. Work has been done to increase the exposure of the employer brand and job offers online and on social networks. Consequently, Decathlon's LinkedIn page increased from 244,000 subscribers in 2018 to more than 324,000 in 2019, and accounts dedicated to recruitment on Twitter and Instagram social networks also showed an increase. This work on the employer brand is important as it increases the appeal of the company, makes it stand out from its rivals and delivers long-term recruitment.

At the same time, efforts are made to communicate to many schools and universities through a network of "school ambassadors", consisting of teammates who introduce Decathlon to their old schools, of whom there were 130 at the end of 2019 (100 at the end of 2018). The "Decathlon Talent Games" platform, which launches challenges internally or externally, particularly with schools, has been improved, with the launch of 6 challenges involving more than 600 user-participants since the second half of 2019. The objective is to boost relations with schools and introduce students to what goes on behind the scenes at Decathlon by offering them challenges on various subjects (innovation, sustainable development, e-sport, etc).

Decathlon relies heavily on work-study courses as a driver of recruitment, with 1,019 work-study students in the company at the end of 2019. The objectives of the work-study scheme are:

- to play an active role in getting young people into professional life
- to retain 100% of work-study students at the end of their studies on permanent or temporary contracts: the percentage was 44% at the end of 2019 (compared to 35% in 2018)
- to ensure that every work-study student and trainee is satisfied with their experience at Decathlon: the percentage was 94% at the end of 2019 (compared to 92.5% in 2018).

These successes can be explained by the initiatives implemented in 2018 and stepped up in 2019, including the "work-study days", organising events in the community, and by new projects such as the creation of "work-study coordinators", of which there are 44. Their role is to facilitate the recruitment of work-study students in their local area and to ensure tutors are providing effective support to their work-study students, with the aim of increasing the conversion rate into permanent or temporary contracts. What's more, any work-study student wanting to do part of their work-study experience abroad can do so, with the agreement of their tutor and school.

These different local coordinators (work-study coordinators, recruitment coordinators and school ambassadors) are the strength of the recruitment system in France thanks to the various local strategies, and are in line with Decathlon's subsidiarity objective. The partnerships developed in the regions with associations, schools and sports clubs, are a means of detecting the talents who will be stakeholders of Decathlon in the future.

TEAMMATES WHO ARE ACTIVELY INVOLVED IN THEIR REMUNERATION

Decathlon's pay scheme aims to empower every teammate so that they are actively involved in the company's economic performance, its purpose and core values, through a comprehensive pay package. One of the formative elements of this package is the principle of profit sharing, by which employees become "co-owners" of their company, thanks to profit-sharing and shareholding schemes[1], as well as through building up an investment. The incentive scheme includes both financial (local and global value creation) and extra-financial (customer satisfaction) performance indicators.

Regarding the support given to teammates to help them understand their remuneration better, the project started in 2017 (for teammates involved in their remuneration) was extended to the whole of France, with a training course on the topic addressed to all the teams. This training module includes internal (global package, sharing of created value, salary benefits) and external (external wage schemes) elements.

One tool in particular, called the "Individual Salary Report", provides the different elements of the pay package and gives the teammate a view of their direct pay and other pecuniary benefits, so that they can understand their yearly remuneration. By putting all the internal and external elements into perspective in this way, with a clear vision of the teammate's performance and level of responsibility, they can play an active role in their remuneration.

OUR TEAMMATES BELIEVE THAT THEIR PAY IS FAIR IN LIGHT OF THEIR RESPONSIBILITIES

AS A %



1. In countries where employee share ownership is possible, see p. 106.

SHARING THE VALUE CREATED THROUGH SHAREHOLDING

Shareholding is an opportunity for teammates to make a long-term investment in their company and take part in a group adventure. As a result, they gain a better understanding of how the company works economically and financially, they feel more involved, responsible, and build up an investment. When teammates are actively contributing to economic performance, the shareholding is an asset for the company and makes it more appealing.

Information continued to be circulated to teammates in all the countries concerned, thanks to the 436 shareholder coordinators in 2019. Their mission is to make sure that everyone receives the same message, by being able to explain how the shareholding scheme works in detail.

In 2019, three new countries (Canada, Chile and Ukraine) opened up to the shareholding, making this **scheme available to employees in 41 countries.** In countries where the legislation does not allow teammates to become direct shareholders, an intermediate system is set up with the agreement of the local authorities and banking institutions.

The percentage of employee shareholders fell in 2019, from 52.5% to 49%. This decrease is partly explained by the sale of assets linked to the revaluation of 2019, which may be less than some local investments in countries that are disproportionately represented owing to the high number of employees (China - India, etc). Subscriptions halved between 2018 and 2019 in these countries.



FOCUS

SINCE 2018, THE SHARE VALUE INCLUDES THE EXTRA-FINANCIAL PERFORMANCE OF DECATHLON

Because Decathlon creates economic, social and environmental value, sustainable development strategies and actions have been taken into account in the shareholder value of Decathlon since 2018.

This links the environmental, social and societal performance of Decathlon directly to the economic results, and highlights the extra-financial values which can be attributed to sustainable performance to all the co-owners of the company.

The extra-financial performance of Decathlon is assessed on the basis of all the company's sustainable development strategies and actions, with a focus on six representative indicators: teammates' happiness at work, user satisfaction, human responsibility in production, environmental responsibility in production, CO_2 management and environmental labelling.



INTERVIEW

SYLVIE CORRIGOU,
LEADER IN CHILE

WHY DID THE CHILEAN TEAMS CHOOSE TO OPEN A SHAREHOLDING SCHEME?

The first store in Chile opened in April 2018. We quickly sought to open up the shareholding in the country, despite the fact that it is relatively uncommon in companies located in Chile and that the local legal framework does not make it easy. We managed to launch the shareholding scheme for the first anniversary of the store, and it was popular with a large number of the teammates present at the time.

WHAT IS THE BENEFIT FOR TEAMMATES?

Decathlon stands out by sharing the created value, because it encourages employee loyalty in a country where staff turnover is high and there are significant social and economic inequalities. By becoming a shareholder, a Decathlon teammate feels involved in the life of the company. The shareholding scheme also offers an attractive and lucrative savings system for teammates. This introduces them to saving and gives them an incentive to save, while most Chileans are reliant on credit.

THE DECATHLON FOUNDATION

The Decathlon Foundation helps Decathlon achieve some of the 17 sustainable development goals of the United Nations[1], such as the end of poverty, high-quality education and the reduction of inequalities, by enabling people in vulnerable situations to enjoy the benefits of sport.

Since 2005, the Foundation has supported employees who wish to be involved in community service and humanitarian projects in which sport is the main means of getting people onto the job market. Sport is therefore not the end purpose, it is a means of generating a positive social and local impact through occupational integration and access to education.

For a project to be validated by the Foundation, it must be long-term, local, linked to sport and involve at least two Decathlon employees as project leaders. At the same time, the employees make a commitment to involve the beneficiaries in their profession whenever possible.

Today, France, Italy, Brazil, Spain and India can validate their projects independently and there are Foundation coordinators in almost all the other countries where Decathlon is located.



KEY POINTS FOR 2019

1. THE ACTIONS OF THE FOUNDATION WERE DEPLOYED ON ALMOST EVERY CONTINENT.

2. THE LOCAL COORDINATORS PLAYED A KEY ROLE IN THE LIVES OF BENEFICIARIES BY HELPING THEM GET ONTO THE JOB MARKET.

3. FIVE COUNTRIES WERE AUTONOMOUS IN VALIDATING THE COMMUNITY SERVICE PROJECTS OF THEIR FOUNDATION.

KEY FIGURES FOR THE FOUNDATION

48

NEW PROJECTS[2]
WERE SUPPORTED
BY DECATHLON EMPLOYEES
IN 2019

28,895

NEW BENEFICIARIES IN VULNERABLE SITUATIONS
PRACTISED SPORT THANKS
TO THE LOCAL COMMITMENT
OF OUR EMPLOYEES AND THE
SUPPORT OF THE FOUNDATION[3]
IN 2019

1. https://www.un.org/sustainabledevelopment/fr/objectifs-de-developpement-durable/
2. 449 projects have been supported since the foundation's creation in 2005.
3. 365,000 beneficiaries since 2005.

THE DECATHLON FOUNDATION IN FRANCE: RUGBY AS A MEANS OF GETTING PEOPLE INTO WORK

Since 2017, the Decathlon store in Portet-sur-Garonne, France has formed a partnership with Rebonds![4], a Toulouse-based association that uses rugby as an educational and social and occupational integration tool for people in difficulty. Their PASSE[5] programme offers multi-disciplinary support for 16-25 year olds, in which sports play a central role. Indeed, this association believes that sport can be used to help young people discover character traits, acquire values and develop the essential skills needed to get a long-term job (autonomy, respect, team spirit, surpassing oneself, etc). The PASSE programme consists of different workshops (sport, drama, job search techniques, CV writing, self-esteem, business meetings, etc.), and a 15-day workplace immersion whenever possible. In 2019, the sales assistants in the Portet-sur-Garonne store participated in these workshop discussions and took on some young people to introduce them to trading and selling in the store. In total, between February and December 2019, 80 young people benefited from this support, including Clément, who landed a fixed-term contract as a sales assistant in the Portet-sur-Garonne store.



TESTIMONIAL **THÉO GONZALEZ-TRIQUE,**

SALES ASSISTANT AT THE DECATHLON STORE IN PORTET-SUR-GARONNE AND RUGBY ENTHUSIAST

"Clément, 25, a rugby enthusiast, joined the PASSE programme in September 2019. When we met him, we were immediately struck by his energy and his desire to do well, which are two important values for Decathlon. We are very proud of what he has achieved, because he quickly became an integral part of the team; he immediately understood the expectations of our profession and was able to adjust to the workplace environment."

THE FOUNDATION IN ITALY: VULNERABLE PEOPLE PASS ON THEIR PASSION FOR HORSE RIDING

In the suburbs of Rome, the Fouganza[6] leaders in the Decathlon stores and the ASD Ciampacavallo Onlus association[7] came together to pass on their passion for horse riding. In the Ciampacavallo riding school, young disabled people teach individuals who would like to ride and care for horses. It is an opportunity for them to have a job and develop their autonomy by working with animals and people. This former industrial space that was abandoned by the Italian mafia now accommodates activities with a positive impact on society, where sport plays a central role. In 2019, in addition to donating equestrian equipment, Decathlon helped to finance the expansion of the riding school arena structure in order to welcome even more beneficiaries. Consequently, 700 disabled or socially disadvantaged people aged 8 to 60 years old will now benefit from this space.



THE FOUNDATION IN CANADA: SUPPORT TO TAKE ON THE CHALLENGE OF THE MONTREAL MARATHON

"Étudiants Dans La Course" (students in the race)[8] is a non-profit organisation based in Montreal. It encourages young people from disadvantaged neighbourhoods who are failing at school or in a vulnerable situation to take up a major challenge, namely to participate in the Montreal marathon in 2020, and learn some life lessons from this experience.

Since September 2019, three Decathlon Montreal employees have dedicated themselves to this task and each one is supporting a young person in preparing for this marathon, with 1 to 3 training sessions per week. From sports performance to daily hygiene, they have taken on the role of coach and sports partner, and helped to develop the skills and employability of these young people.

In addition to the sporting challenge of competing in the marathon itself, this training aims to give the young people a sense of direction, boost their self-confidence and develop a disciplined attitude towards hard work. Indeed, thanks to sport, discipline and the personal relationship involved, it is possible to build new foundations on which they – coaches included – can grow personally.

4. http://www.asso-rebonds.com - 5. Social sport employment support scheme. - 6. Fouganza: Signed Sport dedicated to horse riding.
7. http://www.ciampacavallocastelli.it/ - 8. http://www.etudiantsdanslacourse.org/

THE FOUNDATION IN SRI LANKA: UNLOCKING THE POTENTIAL OF YOUNG WOMEN

Decathlon Sri Lanka is taking care of its ecosystem, thanks to a project being jointly run with the AIESAC association[9] to unlock the potential of young Sri Lankan women through sport. In Sri Lankan culture, women are in charge of household tasks, as well as caring for children and the elderly. As a result, their options in terms of personal and professional fulfilment are unfairly limited. Decathlon is seeking to help the beneficiaries of the association to appropriate their freedom and autonomy, through occupational integration in particular.

The beneficiaries are mainly young women who have experienced traumatic events early in their lives. Some come from disadvantaged backgrounds and others live in child development centres. In this 3-year programme devoted to them, sport is a significant therapeutic factor. Each week, through exchange workshops and various sports such as yoga, karate or football, they develop life skills and expertise like concentration, communication, self-confidence, discipline, agility and optimism. In 2019, 10 young women aged 15 to 19 benefited from this support. As of March 2020, 24 other young women will benefit from this programme.



TESTIMONIAL

ANUKRATHAN GOPAL,

COMPONENT PRODUCTION LEADER, SRI LANKA, AND FITNESS ENTHUSIAST

"This initiative gives me the opportunity to generate a positive impact in my local community thanks to my love of sports. These sessions inspire and motivate me. For the 10 young women beneficiaries, the results have been incredible and we've had positive comments from the child development centres where they are living."

THE FOUNDATION IN KENYA: WORKING TOGETHER TO ENSURE EDUCATION FOR CHILDREN IN SLUM AREAS

Kibera in Nairobi is one of the largest slums in Africa. 43% of its population live below the international poverty line and 20% of children do not go to primary school. The Angels Of Hope association[10] homes children from 2 to 14 years old in its orphanage in Kibera. With the help of this association, Decathlon Kenya seeks to give children access to education and sport. By giving the Ayani primary school sports equipment and a roof to protect it from the sun and rain, 1,300 schoolchildren can play sports thanks to the foundation. In exchange, the school has committed to giving the 60 children of the Kibera orphanage free access to classroom teaching, a daily lunch and after-school studies until the end of the primary school cycle. The children in the orphanage have also received uniforms and school supplies from Decathlon. Since September 2019, some Decathlon Nairobi employees have been going to the Ayani school each week to give every child an initiation to football, athletics, rugby and even archery. In total, 1,360 children are benefiting from this partnership between the school, the orphanage and Decathlon.

THE FOUNDATION IN INDIA: PLAYING SPORTS WITH CHILDREN FROM LOCAL COMMUNITIES

As part of the Sport Really For All project, Decathlon India is encouraging each of its stores to develop social inclusion and life skills for children through sport. Each week, 55 of the 60 Indian stores are living out their commitment by offering sports activities to children from state schools and local NGOs. The aim of this initiative is to enable vulnerable children who do not practise sport for various reasons, to discover many disciplines. This initiative is also a way in which they can open up to others, overcome prejudices between individuals and form a lasting bond. The strength of this initiative is also due to the fact that it is not led by a single individual but by a collective throughout India.



TESTIMONIAL **TRESA JAMES,**

LEADER OF THE SPORT REALLY FOR ALL PROJECT IN INDIA, AND HIKING ENTHUSIAST

"We are aware that communities and children close to our sites cannot afford to enter a Decathlon store or to practice a sport for economic or cultural reasons. That's why we are working to ensure that they are included. As a responsible company, we want to share the pleasure and benefits of sport with them, and develop their life skills through sport. Our many passionate volunteers are the backbone of this commitment."

FOCUS

THE CITY SPORTS MEET EVENT IN BANGALORE

In November 2019, 11 Decathlon sites in the Bangalore region organised the city's first inter-school sports meeting. More than 300 children from 9 schools participated in this one-day competition, during which they were able to practice different sports.

9. https://www.aiesec.lk/
10. http://www.angelsofhopekibera.org/

PRODUCTS AND SERVICES



61.1%

OF PRODUCTS WITH AN ENVIRONMENTAL LABELLING

18

PRODUCTS PRESENTED AT THE INNOVATION AWARDS EVENT

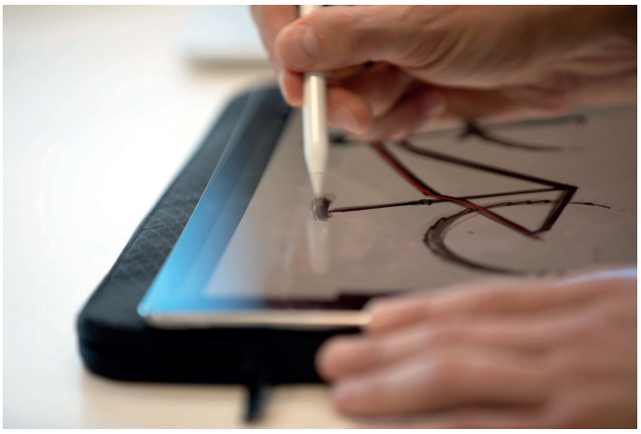
INTEGRATING INNOVATION AT EVERY LEVEL

Whether it is incremental or breakthrough, innovation has been part of Decathlon's genetic make-up since its creation. An IFOP survey in 2019 revealed that Decathlon is the most respected brand in France[1]. One of the main reasons for this is its capacity to offer innovative products and services to improve daily life.

However, in an increasingly competitive global market, constant renewal is essential. To continue to innovate, while offering affordable prices, the Decathlon teams examine the entire value chain of products and services in depth.

In a society where technological advances are making it increasingly easy to interact with each other, users want to get involved in designing the products they will be using in their particular discipline. This is why, in 2019, Decathlon took an additional step towards co-creation. There is a strong desire to get customers, suppliers and partners involved in the creation process and to pool resources.

As a result, 2019 has seen the emergence of networks, sports communities and spaces dedicated to innovation across the world. There has also been increased investment in research and development, and innovations are materialising. This know-how as an innovative designer was extensively showcased at the unifying Innovation Awards event.



KEY POINTS FOR 2019

1. THE INNOVATION AWARDS EVENT BROUGHT PEOPLE TOGETHER AND SPREAD A CULTURE OF INNOVATION BY HIGHLIGHTING 18 PRODUCTS DESIGNED BY THE DECATHLON TEAMS.

2. WE ENCOURAGED **CO-CREATION WITHIN OPEN ECOSYSTEMS.**

3. BREAKTHROUGH INNOVATIONS ENHANCED OUR PRODUCT OFFER.

4. THE USE OF **ADDITIVE MANUFACTURING TECHNOLOGIES** INCREASED.

INNOVATION IN FIGURES

AS OF 31/12/2019

NEARLY

3,600

SPORTS-RELATED SOLUTIONS INTEGRATED INTO OUR RANGE

EVERY YEAR

780 TEAMMATES IN THE REASEARCH AND DEVELOPMENT SECTOR (INCLUDING PRODUCT ENGINEERS, MATERIALS ENGINEERS, DESIGNERS, ETC.)

50

TEAMMATES IN THE DECATHLON SPORTSLAB LABORATORY

1. *https://www.ifop.com/wp-content/uploads/2019/11/116582-Eight-Advisory-principaux-r%C3%A9sultats.pdf*

DECATHLON INNOVATION AWARDS: BUILDING PRIDE AROUND INNOVATION

Since 2005, Decathlon has regularly promoted its innovative products at the Innovation Awards event, using it as an opportunity to promote its know-how as an innovative designer and boost the pride of the teams in the area of innovation. 18 products designed by the Signed Sports teams were entered in the competition[2]. Each teammate was able to vote for their 3 favourite products in terms of their utility, technology and the breakthrough offered by their use.

The 18 innovative products were tested for 3 months by customers, partners and employees, during test sessions organised at around 100 sites in France. Then, on 13 June 2019, the Innovation Awards evening was held at the French store in Bouc-Bel-Air. Each Decathlon site throughout the world had the option to create its own event, attend the evening itself at Bouc-Bel-Air or screen the event with the aim of encouraging as many teammates as possible to become involved. 10 countries participated in the event, through their physical or digital presence, i.e. more than 8,000 employees spread over 70 sites across the world.

11,600 PEOPLE VOTED TO PUT THE FOLLOWING PRODUCTS ON THE INNOVATION PODIUM :

N°1 INFLATABLE KAYAK *STRENFIT X500* FROM ITIWIT[3] : IT FITS IN A BACKPACK.

N°2 2P COOKSET *MH500* FROM NATURE HIKING[4] : A COMPLETE AND COMPACT KITCHEN KIT FOR HIKING.

N°3 FITNESS BAG *LIKEALOCKER* FROM DOMYOS[5] : IT TURNS INTO A LOCKER BY KEEPING YOUR BELONGINGS IN SEPARATE COMPARTMENTS.

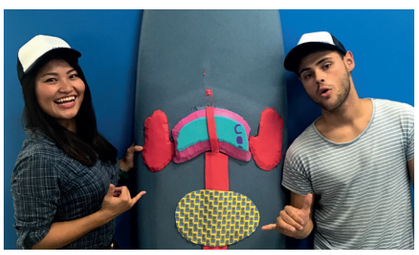
THE 18 PRODUCTS PRESENTED

ABDO *ERGO 100*
RUGBY POSTS *AIRDROP 500*
MASSAGE STICK *MODULAR 500*
MEN'S AND WOMEN'S SHOES *FITNESS 920*
ENGLISH WILLOW *550/560/590*
ENERGETIC GEL *G-EASY LD*
BASKETBALL BACKBOARD *HOOP 500 EASY*
INFLATABLE KAYAK *STRENFIT X500*
LAMP *MOTION LIGHT*
2P COOK SET *MH500*
PUTTING SET
RACEWALKING SHOES *RW 900*
FITNESS BAG *LIKEALOCKER*
SKATEBOARD *PLAY 120*
NET *5 MSPEED TENNIS NET*
TRICK *100 X2*
EXERCISE BIKE *BIKE 500*
BASKETBALL SHOES *SPIDER LACE 500*

https://vote.decathlon-iad.fr/en_GB/



BOOSTING INNOVATION AT DECATHLON TAIWAN[6]



Since 2016, Decathlon Taiwan has been developing its expertise in innovation. In addition to production and distribution activities, the teams are getting involved in creation. To achieve this, several actions are under way to promote innovation throughout the year. This was the case for the creativity challenge in January 2019: 45 employees put forward 14 new product ideas. The 10 winning teams were then invited to visit the design centres in France.

In June, the Nantun Decathlon site in Taichung opened the Creativ' Playground, a 50 m2 space dedicated to innovation that incorporates the Taiwanese branch of the Add Lab 3D printing network[7].

Many events have been organised there, including a hackathon, which gathered together 60 students and 10 Taiwanese university professors from various fields (design, engineering and medicine) in December 2019 to address topics relating to "Elderly People and Sport".

The students had 4 days to discover and experiment with product design, while benefiting from the support of Decathlon and some third-party experts.

Indeed, Decathlon Taiwan has demonstrated a strong ambition to collaborate in an open ecosystem with local players (start-ups, suppliers, schools, incubators and sports clubs) to meet the needs of Taiwanese athletes and, more broadly, to address the specific issues of Signed Sports and processes.

This innovative mindset promotes creativity and initiative, e.g. the idea of an intuitive surfboard imagined by a Taiwanese employee: pads are moulded directly into the board to facilitate the positioning of the hands and feet



INTERVIEW

MANDY CHEN, STORE LEADER IN TAOYUAN BADE, TAIWAN, AND SURFER

WHERE DID THE IDEA FOR THE SOFTBOARD 100 SURFBOARD COME FROM?

When you're learning to surf, everything happens very fast. You don't have time to think about all the details that will help you lift yourself onto the board, such as positioning your body, hands and feet. So I imagined an intuitive board with a positioning aid

HOW DID DECATHLON TAIWAN HELP YOU TURN YOUR IDEA INTO REALITY?

The Olaian[8] engineer, who has relocated to Taiwan, helped me create an initial prototype using the materials we had available in the store (surfboard and yoga mats in particular). Then, we went to test it at Wushi Beach. After some improvements, we tested it again, this time with enthusiasts from the Taiwanese surfing community. I was strongly supported by the Decathlon design teams. Having bought into the innovation, Olaian included it in its 2020 offer.

2. https://vote.decathlon-iad.fr/en_GB/ - 3. Itiwit: Signed Sport for paddle sports. - 4. Nature Hiking : Signed Sport for hiking.
5. Domyos: Signed Sport for fitness. - 6. https://www.youtube.com/watch?v=fnVIWJheyc4 - 7. See article p. 54 - 8. Olaian: Signed Sport for surfing.

KIPSTA'S "INCREDIBLE" FOOTBALL BOOT[9]: BREAKING WITH CONVENTION THANKS TO A BREAKTHROUGH INNOVATION

In response to a need for strong and long-lasting football boots for the 11-a-side game[10], the Kipsta Signed Sport put forward a breakthrough innovation with a manufacturing process that has been patented. This process consists in assembling several knitted textile layers using a thermocompression process: a TPU polyester sock[11] is bonded to the sole using heat that melts the thread, fusing the two pieces together.

This perfect chemical bond transforms the assembly into an ultra-durable composite material that does not require any additional adhesives, while remaining flexible and resistant.

In addition to its technological aspect, the Incredible boot is innovative because it was co-created by its stakeholders in just 18 months, from start to finish[12].



Throughout the exploratory design process, the suppliers, partners and sports users were able to express their opinions and suggest improvements for the product.

As a result, the French company Dedienne Atlantique, which is responsible for the industrial manufacturing process, met up with Turkish textile supplier Alpin Socks, after which users took part in a number of field tests and the decision to get the product on the shelves was co-opted with the offer managers in the countries and the Kipsta ambassadors[13].

Thanks to this agile ecosystem, Kipsta also received the "Innovation Team Best Practices" trophy from the "Club de Paris Directeurs de l'Innovation" on 12 December 2019[14].







INTERVIEW

MATTHIEU CRÉPIN DEPUTY MANAGING DIRECTOR, DEDIENNE ATLANTIQUE

WHAT ROLE DID YOUR COMPANY PLAY IN THIS PROJECT?

We provided our expertise in transforming and hybridising high-performance polymers and composites. This is our USP: we make complex projects happen.

HOW DO YOU FEEL ABOUT THIS COLLABORATION WITH DECATHLON?

It has been of the greatest benefit. We discovered a new field; namely, mass distribution directed towards the user, which brought new challenges for us: developing a breakthrough innovation within a highly competitive environment with large production volumes. All this resulted in an explosive mix. Decathlon, acting as a great team captain, was the driving force behind this collaboration!

WHAT WAS THE BENEFIT OF WORKING IN AN AGILE ECOSYSTEM?

Close collaboration with all the stakeholders resulted in rapid development, both in terms of creativity and implementation. We started from scratch and managed to industrialise an incredible product in a particularly short time. We had to show resolve and be adaptable. If it hadn't been for this agile mindset, we could never have moved the mountains needed to complete the project.

9. Kipsta: Signed Sport for 11-a-side football. - 10. This product will be on the Decathlon shelves in the autumn of 2020. - 11. TPUs (thermoplastic polyurethanes) are a category of plastics.
12. https://youtu.be/UHxx5c0sqUg - 13. Ambassadors: members of a community to promote and co-create the products of a Signed Sport: https://www.kipsta.fr/ambassadeurs/les-ambassadeurs-football-tp_2546 - 14. https://www.kipsta.fr/marque/communique-de-presse-chaussure-football-incredible

ADD LAB: SUPPORTING INNOVATION THROUGH ADDITIVE MANUFACTURING



The Add Lab provides the support that employees – whatever their profession – need to implement additive manufacturing, which is a new way of designing, prototyping and producing that uses 3D printing. Since its creation in 2016, the Add Lab has printed 127,000 items. In the French stores of Vélizy, Confluence and Villeneuve-d'Ascq for example, the 3D printing of small label holders has made it possible to create e-ink labels, saving over 10,000 hours of manual labelling work.

Since 2019, the Add Lab has been innovating in repairability[15] and offers a catalogue of repairable products (e.g. fitness machines), in which we find 13 spare parts (casters, adapters, etc.) and 8 repair tools, all of which are printable in 3D. All these parts are approved in the laboratory and then by our legal services to guarantee user safety. In 2019, 193 products were saved from being thrown away in this way, generating an economy of €66,000.

In addition to the printers, the Add Lab has a 3D scan that can model a product or a building before printing, as well as a robotic arm[16] which automates certain logistical operations between 2 printouts, saving considerable time for the teams.

The Add Lab works in a network to pool strengths and develop everyone's skills. In addition to its 6 branches in France, a branch was created at Decathlon Taiwan[17] in June 2019. It has 2 printers, bringing the total number of machines in the network to 60. This network is also developing externally with other industrial players[18] through the AMN platform[19], co-created with Siemens and presented at the 2019 Formnext[20] show in Frankfurt in November. First and foremost, this platform allows you to place an order and improve user experience while integrating new suppliers validated by the network.

TESTIMONIAL

FRANCIS ALRIC

A CUSTOMER OF THE STORE IN SAINTE-MARIE, REUNION ISLAND

"I have owned a Domyos rower for ten years now. It still worked but the seat casters were cracked.

The Sainte-Marie store put me in contact with the Add Lab to design the bespoke parts needed to repair the rower.

The service I got from the people at Decathlon was just immaculate: they replied right away, kept me informed of the progress of their work and sent the parts directly to my home.

Since then, the repair has been completed and my rower is working again.

I am satisfied with the service rendered."

ENHANCING THE RANGE OF SPORTS PRODUCTS THROUGH CO-CREATION[21]

Decathlon believes that "co" culture is an essential lever for transforming the company and creating relevant and innovative products. This is why there are two platforms that our customers, partners and suppliers can use to take part in creating the product ranges:

- Since February 2019, a testing platform[22] invites people to trial future products and post their product review. 6,000 users have already participated in 242 sessions organised by 30 Signed Sports: https://testproduit.decathlon.fr/
- Since November 2019, a co-creation platform[23] enables people to co-design the products of the future. It has recruited 5,000 members and co-created 10 products: https://cocreation.decathlon.fr

These platforms facilitate physical and digital exchanges within sports communities so that they can contribute throughout the life of the products: identify needs, imagine new products, test and promote them. The exchanges take the form of interactions between Decathlon and community members but also directly between members.

In addition to digital interactions, the Decathlon teams organise events in the field. Consequently, during the summer of 2019, the Nature Hiking team set up a Sports Café in the middle of the Flots Bleus campsite in Gironde (France) to observe and interact with campers, create prototypes of new products, test them in real-life conditions and gather feedback. Similarly, the new project dedicated to rowing relied on a community of rowers to co-imagine the product that would make the discipline more accessible. Thanks to a phase of user tests at the watersports centre of Jablines in France, the teams of this Signed Sport are now firmly convinced about the design of the product. In 2019, 15 courses were organised to train 60 employees from the Signed Sports on co-creating with users.

Decathlon is also initiating an open innovation process[24] by publicising its design issues outside the business so that everyone can put their talents to good use by contributing to the co-creation of future products. To achieve this, one of the companies Decathlon is working with is the start-up Presans, which uses artificial intelligence to detect experts around the world.

15. See also the chapter on "Providing useful eco-friendly offers" p. 60 - 16. Video of the robotic arm: https://youtu.be/Clhb5edJlqw 17. See also the article on "Boosting innovation at Decathlon Taiwan" p. 52. - 18. L'Oréal, Dassault, Renault, Michelin, Naval Group, Leroy Merlin, Airbus, Air France, Bosch, Alstom, Safran, Air Liquide and Tech'shop are part of this network. - 19. Additive Manufacturing Network - 20. Formnext is an event dedicated to additive manufacturing: https://formnext.mesago.com/frankfurt/en.html 21. See also the article on the creation of platforms in the chapter "Getting involved in dynamic regional initiatives" p. 92. - 22. The testing platform: https://testproduit.decathlon.fr/ - 23. The co-creation platform: https://cocreation.decathlon.fr 24. Open innovation is a term used in the field of research and development to describe modes of innovation based on sharing and collaboration between stakeholders.

GENERALISING THE ECO-DESIGN OF OUR PRODUCTS

The products we sell have an impact on the environment and people. The raw materials and industrial processes that we use generate different types of water, air and soil pollution, and climate change in particular. Every year, humanity is living on credit and uses up all the natural resources renewed by the planet in just seven months. The "overshoot day", which was on 29 July in 2019, gets earlier every year. The twelfth UN objective on responsible consumption and production urges us to meet the environmental challenges caused by the increase in world consumption of raw materials and the increase in the population.

Because Decathlon's goal is to make the joys and benefits of sport accessible to as many people as possible, the company has ramped up its commitment to eco-designing its products, in order to promote the environmental transition and activities that are more respectful of the environment.



KEY POINTS FOR 2019

1. WE DEPLOYED ENVIRONMENTAL LABELLING IN STORES AND ONLINE.

2. WE MADE PROGRESS IN OUR USE OF MORE SUSTAINABLE RAW MATERIALS, MAKING OUR PRODUCTION MORE RESPECTFUL OF THE ENVIRONMENT AND IMPROVING OUR TRACEABILITY SYSTEMS.

3. WE COLLABORATED WITH ADEME[2], CERTAIN COMPANIES OF THE TEXTILE SECTOR AND RECYCLING OPERATORS IN ORDER TO IMPROVE THE RECYCLING OF DISCONTINUED PRODUCTS.

4. WE COMMITTED TO HAVING 100% ECO-DESIGNED PRODUCTS BY 2026

ECO-DESIGN IN FIGURES

AS OF 31/12/2019

61.1%
OF DECATHLON'S PRODUCTS WITH ENVIRONMENTAL LABELLING[1]

95%
OF OUR SUPPLY OF COTTON COMES FROM MORE SUSTAINABLE SOURCES

16.3%
OF OUR SUPPLY OF POLYESTER COMES FROM MORE SUSTAINABLE SOURCES

1. Autumn-Winter 2019 season.
2. ADEME: French environment and energy management agency: https://www.ademe.fr/

THE ENVIRONMENTAL LABELLING OF PRODUCTS IS BEING ROLLED OUT ONLINE AND IN OUR STORES

Environmental labelling attributes a rating from A to E to Decathlon's products according to their carbon footprint, so that sports users can make a more informed choice in accordance with environmental criteria. By the end of 2019, in France, 3,539 products were concerned by this, i.e. 61.1% of the textile, heavy clothing and footwear offer. Developed jointly with the ADEME, the French Ministry for the Ecological and Inclusive Transition, and other volunteer textile companies, Decathlon's environmental labelling is making a substantial contribution to the creation of a common reference source with the members of the European Union entitled "PEF"[3] (Product Environmental Footprint).

In 2019, Decathlon rolled out environmental labelling in its stores for the first year in France, with an increase in the number of products with environmental labelling (61.1% in 2019 compared with 30% in 2018) and more than a dozen countries offering environmental labelling online.

The environmental rating, calculated over the entire product life cycle, takes into account the following criteria: global warming, air and water pollution, the depletion of natural resources. The subject is complex, given the levels of accessibility of data for the numerous components of the products (e.g. wood, metal, agrochemicals).

As a result of these technical obstacles, the Decathlon engineers currently cannot evaluate 100% of their products. To achieve this, certain independent engineering offices have been tasked with improving the databases.

To find out more about environmental labelling:

https://bit.ly/affichageenv





INTERVIEW

CHRISTOPHE LECLERC,
LEADER OF THE DECATHLON.FR E-COMMERCE SITE, COMBAT SPORTS ENTHUSIAST

HOW DOES THE DECATHLON.FR WEBSITE ADDRESS SUSTAINABLE DEVELOPMENT ISSUES?

We are highlighting the environmental labelling. This year we wanted to go further by setting up a store of products created using eco-design methods, that is directly accessible from the home page.

WHAT IS YOUR VISION FOR THE FUTURE OF SUSTAINABLE DEVELOPMENT ON THE SITE?

Eco-responsible purchasing has become a major concern for customers. This has given us encouragement and we want decathlon.fr to become a place that connects the company's different business models, i.e. the second-hand products, the sale of refurbished products or even the renting of products.

RAW MATERIALS: STRATEGIC CHOICES TO REDUCE DECATHLON'S ENVIRONMENTAL IMPACT

Decathlon is looking to address the main issues associated with the selection of its raw materials, from the country of origin to their integration in the products. To achieve this, the company draws up lists of criteria to be respected so that the teams can commit to choosing more eco-friendly suppliers to supply more eco-friendly materials. The criteria chosen by Decathlon include the reduction of pesticides and CO_2 emissions, the use of renewable resources or even animal welfare guidelines.

■ **COTTON:** In 2019, 95% of the cotton used in our products came from organic, recycled or BCI *(Better Cotton Initiative)* agriculture, compared with 76% in 2018.

We are committed to stop using conventional cotton by the end of 2020. At the same time, we are working to improve the traceability of our cotton (see opposite) and give a second life to the cotton-based products

■ **WOOL:** A code of best practice was put in place in 2018 with breeding farms in South Africa (merino sheep), and expanded to Uruguay and Argentina. We ensure that breeders do not practise mulesing[4], that their animals are raised in wide-open spaces and that the living and shearing conditions are good, while respecting animal welfare requirements.

■ **POLYESTER:** Polyester is a synthetic fibre made from fossil resources. We want 100% of the polyester used at Decathlon to come from more sustainable sources by the end of 2021. To achieve this, we prioritise the use of recycled polyester, dope dyed virgin polyester and dope dyed recycled polyester. In 2019, 16.3% of the polyester used in our products came from more sustainable sources, compared to 17.2% in 2018. This relative decrease is explained by the economic performance of 2018 that was below our expectations, leading to the sale of discontinued lines in 2019, rather than their destruction by the teams in the "synthetic yarns" industrial process and those of the components of the textile processes. This decision resulted in fewer developments and component deliveries, both of polyester yarn overall and of components, but also of more durable polyester yarn.

3. https://ec.europa.eu/environment/eussd/smgp/policy_footprint.htm
4. Mulesing: painful surgical procedure for sheep.

■ **LEATHER:** Several industrial processes use leather, i.e. mainly shoes, gloves and the Roboost process[5]. The surface area of the leather used came to nearly 1.3 million square metres in 2019. The carbon footprint of this durable material that has many quality benefits is primarily associated with the dyeing process. Processes that are more sustainable were tested in 2019, such as eliminating the chrome. An inventory of the material was also carried out in collaboration with the various industrial processes, which revealed the importance of traceability, a subject which will continue to be worked on by the teams in 2020.

■ **FEATHERS:** Decathlon works with suppliers who respect decent breeding conditions: no animal abuse, no force-feeding of geese and ducks, no live plucking. To go even further in the area of animal welfare, the Decathlon teams are aiming to source the feathers for the clothing from 100% RDS certified suppliers[6].

■ **WOOD:** For 2 years, wood has experienced an increase in demand, owing to its use in many Decathlon products, which are an integral part of certain sports, like skateboards or Geologic games[7]. It is also used for packaging (cardboard made from wood fibre). In support of this development, the teams are working to certify the material: by the end of 2019, 3% of the wood purchased by Decathlon was FSC or PEFC certified[8], and the target is 100% in 2021.

FOCUS

In the NGO Textile Exchange's "Material Change Index" regarding sustainable textile raw materials, Decathlon is in third place and evaluated as a leader company for cotton, polyester and feathers[9]. Several rankings testify to Decathlon's good performance in terms of its responsible cotton use. Decathlon appears in 10th place in the "Sustainable Cotton Ranking 2020" NGO report[10] from the WWWF, Solidaridad and Pesticide Action Network UK (14th place in the last 2017 edition). In 2019, Decathlon was the 11th world user of BCI.



TESTIMONIAL

OMÉRINE MAES, LEADER OF THE GLOVES INDUSTRIAL PROCESS, RUNNING ENTHUSIAST

"As the leader of a technical centre, I have observed the change in mentality of the Signed Sports and Processes on eco-design. The role of the Industrial Process teams is to develop and offer a range of more sustainable components and technical solutions to quickly support the Signed Sports teams in creating eco-designed products. This approach is also done in collaboration with the production teams that support the suppliers in using more eco-friendly methods.
The subject needs further work on certain strategic raw materials (e.g. leather, feathers, etc.) and certain production processes (e.g. dyeing) that are used by several teams. The supplies must be pooled by creating dedicated teams so that Decathlon can manage these materials and processes more effectively."

EXPERIMENTING WITH NEW TECHNOLOGIES TO IMPROVE TRACEABILITY THAT ASSISTS ECO-DESIGN

Blockchain pilot launched[11]: component traceability

Material traceability is essential for developing the eco-design of products further: you have to know the origin and composition of a product in order to make claims regarding its environmental performance.

To improve the traceability of Decathlon products, a Blockchain pilot project was set up in 2019, in partnership with the Swedish IT company Trustrace, which also has a presence in India. The objective is to make it easier to collect the many pieces of information needed to ensure complete traceability, from the farm to the finished component.

At every stage in the manufacturing process, suppliers fill in the data and download the certificates to a dedicated external platform. This assigns a blockchain identifier to each component. This identifier centralises all the data so that the component's origin can be traced. This project, which is focused on cotton, is in the pilot phase, and its objective is to learn lessons in 2020 in order to assess the relevance of blockchain technology.

4RFID project: exploring the applications of RFID technology so that discontinued products can be recycled more effectively

So that users can find out the origin and the circuit of the products they buy, the Decathlon teams make this information available using RFID technology.

The 4RFID project received financial backing in 2019 from the eco-organisation, Eco TLC. RFID, which has been rolled out to 100% of Decathlon's products, celebrated its 10th anniversary in 2019. This involves the incorporation of "RFID tags", or radio frequency tags, in products or in labels in order to identify products remotely and gain access to product information. Using this label has many benefits: facilitation of the supply chain, stock-takes, store collections, etc.

Today, this mature technology is offering new opportunities to the company, with multiple fields of application that can promote the sustainability of the products. Access to product composition information using the RFID tag can remove gaps in the traceability chain, offer more precise and more efficient product sorting and easier re-sale of the product, which would ultimately promote the circular economy. Technologies like RFID can bring together two pillars of the economy of the future, i.e. the use of data to improve sustainability.

5. Roboost: industrial process which deals particularly with leather products subject to high stress forces, such as riding saddles for example.
6. RDS : Responsible Down Standard : https://responsibledown.org/ - 7. Geologic: Signed Sport dedicated to precision sports: darts, Finnish skittles, etc. - 8. FSC: Forest Stewardship Council https://fr.fsc.org/, PEFC: Programme for the Endorsement of Forest Certification https://pefc.org/ - 9. https://mci.textileexchange.org/ - 10. https://sustainablecottonranking.org/check-the-scores
11. Blockchain: decentralised database used to record and keep a register of the assets and transactions concerning a component.

REWIND AND RECYCLING FOR SPORTS PROJECTS: REINVENTING THE END OF LIFE OF PRODUCTS FOR A MORE CIRCULAR ECONOMY

Decathlon launched **the Rewind project** in 2016 in collaboration with the ADEME and five other companies. The goal is to collect discontinued clothing and transform it back into fibres in order to produce yarns, fabrics and new products. As part of this project, the European Centre for Innovative Textiles (CETI) opened a demonstrator for recycling textiles on an industrial basis in Tourcoing (France) in September 2019. Although the CETI initially focused on cotton, the recycling of other fibres is possible. This pilot production line can mechanically recycle used clothing or production scraps for short fibres such as cotton. The particular feature of this demonstrator is its synchronous process: all the stages succeed each other from start to finish, which is a first in Europe. This process produces a yarn containing at least 70% recycled fibre. The Research and Development phase will last until 2020 before the start of full-scale production.

The Decathlon teams are also getting organised to handle discontinued non-textile products.

The **Recycling for Sports** project includes all types of products, including shoes and sports equipment. Currently, 99% of all this equipment has no recycling process. Although resale on the second-hand market is significant for these products, the teams want to develop recycling opportunities within the Decathlon processes. In 2019, an inventory was carried out on the available recycling processes and pilot projects were launched on specific products such as helmets or plastic products (e.g. fins, snorkels, table tennis balls, mattresses, etc.) in order to work out the technical, environmental and economic feasibility of recycling these products, in collaboration with the recycling sector (Paprec, Soex, etc).

THE SIGNED SPORTS TEAMS ARE GETTING TRAINING IN ECO-DESIGN

To reduce its environmental impact, Decathlon has made the pledge that every new product from 2021 onwards will be designed using an eco-design approach.

To achieve this, all of its engineers and designers are encouraged to train in the principles of the circular economy and eco-design in order to improve the durability, repairability and recyclability of the products.

Tools and courses have been in place for several years now so that the design teams can implement these principles on a daily basis: eco-design guides by product category (textiles, shoes, electronics, etc.), distance learning (e-learning) and on-site courses.

The on-site courses are being changed in 2019 to include designers and product managers. Their participation in the eco-design approach is necessary to redesign the product while taking into consideration its entire life cycle, its design and its response to the requested use. Consequently, there are a growing number of project group approaches that include the product engineer, designer and product manager, leading to the improved eco-design of the products.



FORCLAZ ECO-DESIGNED PRODUCT: TREK 100 DOWN JACKET[12]

INTERVIEW **ECO-DESIGN PROJECT GROUP FROM THE SIGNED SPORT, FORCLAZ:**

PIERRE CHARRAIX, PRODUCT MANAGER - **MAITE DELAMARE,** PRODUCT ENGINEER - **MÉLANIE DIDILLON,** DESIGNER - **CÉCILE HUET,** PATTERN DESIGNER

WHAT IS THE ROLE OF EACH PERSON IN THE ECO-DESIGN PROCESS?

Each job has its needs: the product manager is responsible for changes to the specifications, in which we find the list of product benefits. Eco-design is now a product benefit in its own right, thereby giving the teams an incentive to incorporate it within the process. The designer seeks to create products with a timeless and practical style, durable components, etc.

HOW DOES THE PROJECT GROUP WORK?

Collaboration between the business units is essential, everyone is involved and challenges the eco-design process from the point of view of their remit. We take part in writing the specifications. The product engineer, component engineer and designer choose the materials together and the colours are chosen with the merchandising department… Working in a project group means that we can share the same objective and attain it together.

WHAT DO YOU THINK ARE THE KEYS TO THE SUCCESS OF AN ECO-DESIGN PROJECT?

Eco-design must form part of every stage in the development of a product: brand, design and creation, so that each player in the project shares the responsibility. At the same time, getting the industrial process teams involved at the earliest stage is essential because the main means of driving change remains the component, as is the involvement of the communication teams in telling the story of the product and its value in terms of eco-design. Finally, the impact of eco-design decisions on the product margin must be anticipated so that increases – if there are any – are not necessarily passed on to the price of the product but, for example, on to the margins.

12. The down jacket with its eco-designed properties was presented in the DEFP2018 p. 52.

FOCUS ON 3 ECO-DESIGNED PRODUCTS



1 QUECHUA NH500 SHOE

The NH500 shoe developed by the Quechua teams[13] has become a staple and uses a substantial amount of recycled materials. Indeed, the upper of the shoe, the laces and the straps are made of 100% recycled polyester. The outsole is made of 30% recycled rubber and the natural leather is tanned without chrome. This shoe is successful in preserving sports performance, aesthetically pleasing looks and durability while being made of more eco-friendly materials

NH500 shoe video[14]



2 KALENJI RUN DRY T-SHIRT

The entry price T-shirt of the Kalenji Signed Sport is made from 100% recycled polyester. Made from recycled plastic bottles (7 to 8 bottles per T-shirt), this polyester reduces the use of virgin resources coming from crude oil. The environmental impact of the product has been reduced using an eco-design approach, while improving the comfort of the product (softness, well-being) and maintaining excellent breathability.



3 WEDZE 180 MEN'S PISTE SKI JACKET

The Wedze piste ski jacket[15] incorporates several advances in terms of eco-design. It is made of 75% recycled materials for the grey colour version and 35% for the red and blue colour versions, greatly reducing its carbon footprint thanks to the reduction in the use of virgin polyester. The dyeing process used on the inner lining, known as dope-dyeing[16] is also more environmentally friendly. These solutions reduce CO_2 emissions while also significantly reducing water consumption.

FOCUS ECO-DESIGN SHOP

At the end of 2019, the first online store of eco-designed products was posted online at decathlon.fr. It is a first for France, which is following in the footsteps of other countries like Italy that already has its dedicated online store.

NEW PACKAGING SOLUTIONS THAT MAKE MORE EFFICIENT USE OF RAW MATERIALS

Decathlon is working on different solutions for offering more responsible packaging options for different types of packing demands: sales, transport and e-commerce. To be more respectful of the environment, the packaging is optimised by choosing the materials with the lowest carbon footprint while also reducing the quantity of the materials used.

The packaging teams have organised their work around the following objectives:

- **Decathlon is committed to 95% of its packaging materials being derived from more sustainable sources (paper pulp) by 2025.** In 2019, we attained 88.2%. Indeed, most of our packaging is made from paper and cardboard, but part of it is still made from plastic. The teams are working to reduce the plastic in the packaging, particularly in India, where they are committed to eliminating all single-use plastics used by Decathlon in this country by 2022.
- **Decathlon has made the commitment to ensure that 100% of this pulp is PEFC or FSC certified by 2025.** In 2019, the rate of certified pulp was 14% compared to 5.6% in 2018.

Several new packaging projects were developed in 2019:

Cardboard packaging:

Packaging engineers are increasingly using raw and unbleached cardboard rather than coloured packaging. This reduces the carbon footprint of manufacturing while guaranteeing the use and appeal of the packaging.

Optimising product transport:

Logistics optimisation carried out on inner tubes has led to a significant reduction in the CO_2 emissions associated with transportation. These modifications made it possible to go from 24 inner tubes in a medium-sized carton to 56 inner tubes in a larger carton. This optimisation reduced the carbon footprint of the product by 87 tonnes of CO2e and the financial cost by €650,000 in 2019.

Revised product packaging:

Thanks to the "Plastic Free Packaging" project of the Indian teams, many products had their packaging changed in 2019. The packaging for joint and muscle support products made in India has switched from plastic to cardboard[17]. For the 2020 collection, Tarmak[18] has decided to replicate the Indian approach by switching its entire global range to cardboard. Similarly, the packaging of the SL 100 LED bicycle light switched to cardboard, saving 125 kg of plastic in 2019 compared to 2018. In France, the packaging teams have, for example, taken advantage of the overhaul of the Kalenji Run Light 250 torch to offer a new box that shows the product in 3D. This reduced the carbon footprint of the torch packaging by more than 8 tonnes of CO2e in 2019.

__13.__ Signed Sport for hiking and camping. - __14.__ https://www.decathlon.fr/p/chaussures-de-randonnee-nature-nh500-homme/_/R-p-301763
__15.__ Signed Sport for skiing.- __16.__ Dope-dyeing = a bulk dyeing process. This involves introducing the dye when the yarn is created, thereby reducing the consumption of water.
__17.__ This led to the elimination of approximately 1,151 kg of plastic and 718 kg of CO_2 - __18.__ Tarmak: Signed Sport for basketball.

PROVIDING USEFUL ECO-FRIENDLY OFFERS

Even though many environmental crises of recent decades have contributed to an awareness of the fragility of ecosystems, this has gradually increased and, more than ever, a change in our lifestyles and consumption is needed.

By deploying strong initiatives to improve the design of our sports products and taking practical actions to promote product-service and cooperative business models, users can gain access to our sports products in other ways than through ownership.

By encouraging teammates in store to test products so they are more familiar with them, we are developing their ability to advise and create a relationship of trust with customers and sports users. In addition, we are using agile digital solutions to promote the right product choice through a relationship based on trust.



To confront future challenges, the objective is to enable a transition to more sustainable products and to generate innovative and sustainable economic growth patterns for all stakeholders. This is to promote a change of mindset and generate a positive impact. Decathlon is therefore stepping up collaboration between the workshops and Signed Sports, organising large-scale events around second-hand products, repurposing waste into second-life products and developing leasing experiments.

OUR ACTIONS FOR OUR PRODUCT RANGES, IN FIGURES

AS OF 31/12/2019

SATISFACTION RATING FOR THE QUALITY OF SERVICE IN OUR WORKSHOPS

4.54/5 ★

78%

OF THE PRODUCTS (CONSIDERED REPAIRABLE) **WERE REPAIRED IN OUR WORKSHOPS**

KEY POINTS FOR 2019

1. WE STEPPED UP INITIATIVES AIMED AT REDUCING OUR WASTE IN STORE AND WE PROMOTED APPROPRIATE SOLUTIONS INCLUDING RESALE, REPAIRS, DONATIONS AND RECYCLING.

2. WE EXPERIMENTED WITH DIFFERENT FORMS OF LEASING SOLUTIONS (E.G. BICYCLES, TREKKING EQUIPMENT, ETC.) TO ENCOURAGE THE USE OF PRODUCTS IN THESE SPORTS OTHER THAN THROUGH OWNING THE EQUIPMENT.

3. WE CONTINUED TO TAKE STEPS TO INVITE OUR CUSTOMERS AND USERS TO TEST, BESIDES NEW PRODUCTS, SECOND-LIFE SPORTS ITEMS AND PRODUCTS COMING FROM RECYCLING CIRCUITS.

1. 60% of the after-sales activity in a regional workshop deals with bicycles. - 2. 439,000 items sold for 1.5 million visits generating €4.174 million in turnover. The solution has been replicated in the following countries: Spain, Portugal, Belgium, Germany, Hungary, Italy, Netherlands and UK. - 3. For the B'twin bicycle brand, the decision was taken to maintain a stock of spare parts for 10 years after the last date on which the products were marketed. - 4. In 2018: 73% of repairable products were repaired worldwide.

WORKSHOPS AT THE HEART OF THE STRATEGY TO EXTEND PRODUCT LIFETIME

Decathlon gives every sports user the opportunity to extend the lifetime of their products. Repairing these products, rather than throwing them away, helps to reduce our impact on the environment. Thanks to the network of workshops (1,150 worldwide and 26 regional) in our Decathlon stores, the products can be repaired, serviced and even personalised.

The policy of integrating the after-sales service from the product design phase onwards is grounded in the objective of providing a sustainable sports experience. Maintenance and repair solutions, as well as co-construction with the Signed Sports, contribute to this approach by optimising the listing of spare parts in the workshop in particular[1].

The workshops support the company's digital transformation and provide sports users with spare parts and explanatory tutorials on potential repairs. These are available on the after-sales service website[2]: *https://support.decathlon.fr*

They also make sure that specific parts are compatible and remain available after the products have stopped being marketed[3].

Key figures of the project:

In 2019, our workshops dealt with 348,000 products worldwide, for after-sales servicing only.

On average, a repair solution[4] was found for **78% of repairable products (we are striving to reduce the variations between countries: 84% in France/17% in Russia).**

Users have showed their satisfaction by assigning a rating of **4.54/5** for the quality of the service provided (4.55/5 in 2018).



INTERVIEW

SÉBASTIEN CLIQUE,

OXELO[5] AFTER-SALES MANAGER

WHY IS THE AFTER-SALES SERVICE (MAINTENANCE AND REPAIR POLICY) PROJECT IMPORTANT FOR OXELO AND WHY WAS IT IMPLEMENTED?

There are many challenges involved in this project: reducing the NQC[6] (this is a consequence of the project), offering our customers a solution to repair and maintain their products, extending the lifespan of products and ultimately reducing our environmental impact. Another major issue faced by this project is to introduce actions from the design phase onwards to develop the pooling of components and to design products that can be repaired by anyone without difficulty.

WHAT PRACTICAL INITIATIVES HAVE YOU IMPLEMENTED, IN TERMS OF TRAINING WITHIN YOUR SPORT, FOR THE SALES ASSISTANTS IN STORE?

We have streamlined the existing offer of after-sales parts (we have gone from 300 models to 140 today) by removing duplicate parts. 2019 was a year of rebuilding for the training network in the stores and workshops. These validations were carried out in the countries themselves in order to identify and understand everyone's problems and expectations. A coordination was also carried out in store to explain how to properly support an OXELO customer. In addition, and for the first time, our signage advertised the availability of spare parts for our urban mobility range (Adult).

"DECATHLON OCCASION" (DECATHLON SECOND-HAND): GIVING A SECOND LIFE TO SPORTS PRODUCTS

Decathlon is seeking to promote the re-use of its products and offers any user who wants to resell their sports equipment to do so through the "Decathlon Occasion" (Second-Hand) platform[7]. This platform is used to buy and sell good quality second-hand products suited to the users' activities, locally and throughout the year.

It also allows our store employees to offer new experiences involving re-used products (resale, leasing, etc).

Two main services are offered to them: **Trocathlon events and buying back their sports equipment.**

1 TROCATHLON EVENTS

Created in 1986, the concept of Trocathlon is the buying and selling of second-hand equipment for sports users.

For maximum satisfaction, Decathlon is gradually simplifying its system of buying back second-hand sports products as well as its online platform, "occasions.decathlon.fr".



In 2019, Decathlon France organised events almost exclusively by sport and created by the sports communities, thanks to the "Decathlon Occasion" platform. The equipment is listed and the products are systematically tested and checked before being put on sale.

These events are organised in response to the local needs of users, which also allows Decathlon to get to know them better. Given Trocathlon's local application, many countries[8] can benefit from this tool by easily deploying the solution using the app and the website, while offering their customers second-life products.

2 BUYING BACK USED BIKES AND SKIS

Decathlon will buy back old products in good condition for the purchase of new equipment. Currently, this only applies to B'twin bikes and skis, in certain stores. This option is given to all sports users so that they can gradually grow into their sports discipline.

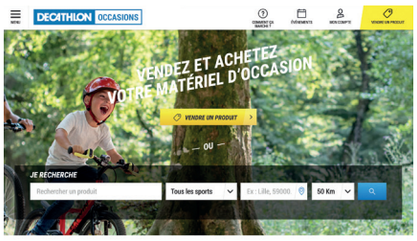
The aim of this approach is to promote the repair and re-use of products, thereby extending their lifespan in order to reduce their environmental impact.

...

5. Signed Sport for urban mobility. - 6. NQC: Non-quality costs. - 7. https://occasions.decathlon.fr/ This is the showcase website for all the second-hand products and is aimed at all customers. They can find second-life products, online advertisements between private individuals, bought back products, etc.
8. Spain in 2018; Germany, Romania, Belgium, Portugal, Hungary and Italy in 2019. In total, nearly 1,000 Trocathlon events throughout the world took place in 2019.

Currently, this offer is available in **100 Decathlon stores** in France and other countries are starting to deploy it, such as Spain, Germany and China.

Supporting change management is obviously a crucial issue for our in-store teammates to properly measure the benefits in relation to changes in business techniques (managing product returns in the store, quality control management, identifying necessary repairs and cleaning if applicable, before re-sale).



LES ÉVÉNEMENTS TROCATHLON PROCHES DE CHEZ MOI



TESTIMONIAL **BLANCA FERNANDEZ ROMAN,**
"DECATHLON OCCASION" SUPPORT LEADER IN SPAIN,
SAN SEBASTIAN DE LOS REYES, SKIING ENTHUSIAST

"The 'Second Life' project in Spain was born out of the need to find a solution to reduce our environmental impact associated with all the products that we cannot sell as new, and thereby assume our responsibility for the products' entire lifespan.
San Sebastián de los Reyes was the ideal store to start the test in Spain and forge our convictions. We decided to deploy the strategy in 40 additional stores[9], to build a national strategy that takes local circumstances into account."

KEY FIGURES

AS OF 31/12/2019

SATISFACTION RATING
4.6/5 ★

95%
OF USERS RECOMMEND
DECATHLON OCCASIONS

20,000
'SECOND LIFE' PRODUCTS SOLD
IN FRANCE IN 2019

DONATION: A REWARDING ALTERNATIVE TO DESTRUCTION

The donation project was organised in 2017 at the same time as the "second life" project (resale of second-hand items). The objective is to offer an alternative to the destruction of customer returns, faulty products, display products and trialled products.

Decathlon's aim is to offer alternatives regarding these products, using all the solutions available in the stores: repair, second life resale, donation or recycling where possible.

In order to encourage donations and manage the risks for users as well as the legal risks, an agreement and Good Practice guide have been published in order to define the framework and simplify the donation process as much as possible for teammates. Today, the stores can donate to local associations, and national partnerships are also being set up to facilitate the procedure.

The stores in the Paris conurbation (France) have, for example, worked with the Recyclerie Sportive[10] throughout the year.

TOGETHER WITH DECATHLON, LET'S GIVE OUR PRODUCTS A SECOND LIFE!

SECOND LIFE BY DECATHLON

In 2019, it represents 68 pallets, so more than 24,300 products, redistributed by 105 associations in France, the United Kingdom and Germany.

9. Out of 120 stores in Spain.
10. http://www.recyclerie-sportive.org/

Faced with the many environmental challenges posed by increasing consumption, Decathlon is implementing a number of actions to promote the second life of products.

The stores have therefore implemented a policy to make it easier to return products that have been used[11] and they have agreed to put them back on sale through the second-hand circuit, give them away or recycle them. In order to make this initiative even more intuitive, autonomous return stations were trialled in 5 stores in France in 2019.

The returned products undergo a rigorous inspection and verification process, and they are cleaned, disinfected and repaired if necessary.

The in-store teammate can decide, independently, if it is best to resell, recycle or donate the returned product.

In 2019, nearly 20,000 products were put back on sale, alongside new products.

The aim is to make stores even more aware of the second life of products. To date, 209 stores in France have committed to this approach.

EASY RETURN PROJECT: MAKING IT EASY TO RETURN USED PRODUCTS FOR AN UNPARALLELED SPORTS EXPERIENCE

Being able to trial Decathlon sports products is an integral part of the experience that we want to provide for our users, as well as our teammates within the company.

The deployment of this scheme in March 2019, at the same time as the Second Life scheme gave the project a new boost both internally (project structuring and synchronisation with existing tools in store) and externally, by facilitating sports experiences for users who are hesitant to make a purchase or those who would like to discover our products

The user experience based on customer loyalty and trust helps to remove any obstacles and to discover a new sports discipline[12].

What's more, the experience creates a personalised customer relationship[13], through the digital app and a more accurate definition of the need.

The benefit of product trials is a reduction in the return rate, because the product chosen matches the customer needs more closely and due to the support they have received. Products returned to the store after the trial experience are given a second life[14] and can be offered for another trial.

Today, trials are offered by all the French stores. 76,500 products were tested by users in 2019, 61% of whom claimed that, without a trial, they would not have bought the product or they would have bought it from another brand.





INTERVIEW

CHARLINE BERTHIER,

SALESWOMAN, APTONIA[15] AND CUSTOMER RELATIONS INSTRUCTOR, CHALON-SUR-SAÔNE STORE (FRANCE), TRIATHLON ENTHUSIAST

WHY IS THE PRODUCT TRIAL PROJECT IMPORTANT FOR YOUR STORE AND FOR YOU?

This is an innovative project that gives our employees a greater understanding of our products so they can give better advice to sports users. Thanks to this experience that sets us apart from our rivals, we can create a unique bond with our customers by enabling them to trial our sports products and staying in touch outside the perimeter of the store.

WHAT PRACTICAL INITIATIVES HAVE YOU TAKEN?

We created a "product trial" team to involve several teammates and create a link between this project and the second life scheme using second-hand products. For Decathlon, product trials are an excellent means of retaining our sports users in a way that forms a much stronger bond than that achieved by a financial giveaway!

11. Customers have 365 days to return a product if they have a customer account or 30 days by producing their sales receipt.
12. Any local teammate can offer up to 10 trial days to customers who have opened a Decathlon account. There were 80,000 product trials in France in 2019, throughout 302 stores.
13. This experience was very popular with our customers in store (rating of 9.2/10). - *14. 98% of our teammates in store found that the product trials gave them a better understanding of their products, leading to improved customer satisfaction.* - *15. Signed Sport for triathlon.*

#ZÉROPRODUITJETÉ (ZEROSCRAPPING): A LOCAL INITIATIVE TO FIND A SOLUTION FOR EACH UNSOLD PRODUCT

The #zéroproduitjeté (zeroscrapping) scheme was launched in June 2018, in the Lille agglomeration in France. Considering that Decathlon sports products account for almost **77% of the company's CO_2** emissions (mainly during the production phase), its main objective is to urge people to act locally by exploring practical solutions for dealing with its waste, such as the resale, repair, donation or recycling of the products.

3 stores and 1 warehouse in the Lille region made the joint commitment to adopt this approach **in 2018.** It involves recovering unsold products in order to sort them, analyse the large-scale processes needed for each type of product and, finally, give them a second life.

By getting store teams and our sports users involved in highly motivating initiatives that are easy to implement, this project contributes to the creation of value[16]. It helps to build up the overall awareness in the Decathlon teams to implement new practices in store and create a real desire to act.

In France, defective products that could not be repurposed represented a total of €20 million in 2019. Thanks to this approach, 12 tonnes of products were saved through the resale scheme, while the #ZeroProduitJeté project made 5,000 people aware of the situation in stores and Decathlon work departments (1,700 Decathlon employees, 800 customers and 2,500 beneficiaries of product donations).

INCREASING THE NUMBER OF PRODUCT LEASING TESTS: EXAMPLES OF THE LONG-TERM LEASING ("LLD") OF TREKKING AND CYCLING EQUIPMENT

Decathlon has provided a long-term leasing service on the new VAN RYSEL road and electric bikes since June 2019[17]. As a result, cyclists can access the equipment they need for their discipline in accordance with their budget.

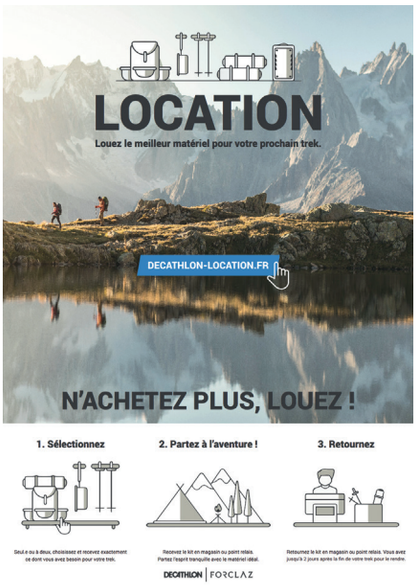
The project was implemented in 6 months, based on an initial subscription experience for children's bikes[18] and on a partnership with the external company MyPangee[19], which specialises in the subject. We wanted to facilitate this access to long-term leasing solutions with a fully digital offer that integrates every service, including maintenance, repair and insurance.

At the end of the contract, sports users can return the bike, renew their contract with a new bike or buy the bike at a price set by the Decathlon store.

TESTIMONIAL

SANDRINE MEHDI SOUZANI,
SALES ASSISTANT,
PARIS LA MADELEINE (FRANCE)

"The long-term leasing scheme ('LLD') supports the development of this sustainable mode of travel, which is booming in the Paris region. Reserved for certain ranges of bikes (high-end racing bikes and electrically assisted bikes), the 'LLD' reassures customers in choosing the model that is best suited to their use. This experience builds a customer/seller relationship that is stronger than that of a simple store purchase."



TREKKING EQUIPMENT LEASING

Since its creation in January 2016, the Forclaz Signed Sport for Trekking has been working on the overall reduction in the environmental impact of its products, as well as marketing methods that are more sustainable for the planet.

Given the strong connection to initiatives associated with product-service and cooperative systems (work with local partners, second life), the teams have embarked on leasing[20] basic trekking equipment.

The project was launched online in July 2019[21] and has been tested in 4 partner Decathlon stores in France.

This development reflects the goal of encouraging initiations to trekking and removing certain obstacles to this discipline, such as storing equipment at home or costly investment for occasional use.

Thanks to repair and repackaging solutions, the leased products are then put back on sale in the second-hand circuit in our Decathlon stores.

This is a great initiative that opens the door to a business model that is more closely linked to using the product rather than owning it, and which leads to a reduction in the demand for natural resources and the creation of new jobs.

16. According to the DTB survey "I create human, environmental and economic value for the company". - 17. Signed Sport for high-end road bikes.
18. See DEFP 2018 - 19. MyPangee is a start-up in Toulouse founded in 2014, specialising in providing platforms dedicated to long-term leasing schemes.
20. Thanks to the external partnership and support of the company Lizee, Forclaz can provide a unique leasing experience to its sports users (the equipment is stored directly in their warehouse). To date, 165 leasing agreements have already been concluded. - 21. https://www.decathlon-location.fr/

CREATING SAFE HIGH-QUALITY PRODUCTS

Decathlon designs and commissions the production of its own Signed Sports products. The standards in terms of customer and user safety and satisfaction are at the heart of its concerns, and the network of teams dedicated to this subject is implementing this requirement throughout the value chain. The company coordinates the validation and quality control of its products throughout all of its processes: design, manufacturing and after-sales. The objective of the Quality team is to highlight the risks of non-quality in order to find appropriate prevention and remedial measures quickly, in collaboration with all the players.

This management system is based on a network of teammates who are integrated at every level of the company, including product engineers, production operators and teams dedicated to examining user reviews. Quality supervisors, who are located all over the world, lead the network.

Quality control does not stop when the products are marketed: Decathlon responds to any question coming from sports users regarding toxicological issues and the product design teams monitor the online customer reviews to continuously correct and improve the quality of their products. These quality considerations are also starting to be addressed within the context of the second life of products, including repaired products.

KEY POINTS FOR 2019

1. THE QUALITY MANAGEMENT SYSTEM WAS CONSOLIDATED THROUGH THE FOLLOWING 6 RESPONSIBILITIES: COORDINATION OF QUALITY PERFORMANCE, COORDINATION OF SKILLS, MANAGEMENT OF NON-QUALITY RISK, CERTIFICATION, COORDINATION OF SUPPLIERS, MANAGEMENT OF NON-COMPLIANCE.

2. THE LEADERS IN THE DIFFERENT COUNTRIES OF DECATHLON UNDERTOOK TO EVALUATE THE QUALITY RISK LEVEL FOR THEIR REMIT, IN ORDER TO ANALYSE THEIR MEANS OF DETECTION AND REMEDIAL MEASURES.

3. IN OUR OFFICES IN INDIA, WE ORGANISED ONE OF THE ANNUAL "AFIRM" MEETINGS ON CHEMICAL RISK, TO ENCOURAGE MULTI-STAKEHOLDER DIALOGUE, BRINGING TOGETHER 30 INTERNATIONAL BRANDS, REPRESENTATIVES OF THE LABORATORIES AND INTERNATIONAL INSTITUTIONAL AUTHORITIES.

THE QUALITY AND SAFETY OF DECATHLON PRODUCTS, IN FIGURES

AS OF 31/12/2019

68%

OF USERS WERE DELIGHTED WITH THEIR DECATHLON PRODUCTS

4.6% MORE THAN IN 2018

1,213

PRODUCTS PER MILLION

WERE RETURNED OWING TO DEFECTS OR USER DISSATISFACTION

86%

OF SUPPLIERS HAVE MADE A COMMITMENT TO MANAGING CHEMICAL SUBSTANCES

BY SIGNING DECATHLON'S RESTRICTED SUBSTANCES LIST

5,544

PRODUCTS FROM OUR SIGNED SPORTS HAVE BEEN TESTED FOR TOXICOLOGICAL COMPLIANCE

1 day

IS TAKEN TO LOG A COMPLAINT, IN THE EVENT OF A QUESTION OR ADVERSE SKIN REACTION

QUALITY DEPARTMENT PROCESS: COORDINATING QUALITY AT EVERY LEVEL OF THE VALUE CHAIN

Overall Quality Performance throughout the Decathlon ecosystem is driven by the quality department, which coordinates every action taken. This performance is based on listening and sincerely understanding the needs of our customers and users, with the following two objectives: **highlighting the risks and jointly putting together solutions.** It implies great regularity and continual improvement.

This performance is organised through certain key responsibilities:

- **Coordinating performance:** ensuring consistent quality and continual improvement.
- **Coordinating skills:** ensuring that each teammate is able to act and react according to their level of responsibility.
- **Managing risk:** precisely identifying the risks on each remit.
- **Certification:** ensuring that the safety and regulatory obligations are in keeping with the user's needs, and that they are translated into technical design requirements and validated and controlled at every stage.
- **Coordinating suppliers:** checking that the key milestones on the industrialisation and production chain are properly communicated.
- **Managing non-compliance:** detecting deviations as early as possible, blocking and isolating non-compliant products and being able to quickly resolve incidents in order to keep users safe.

This set of responsibilities is reflected in the overall performance indicator for user satisfaction. All these actions, which involve a comprehensive network of teammates, require a set of skills that are monitored and maintained using a "skills matrix", so that each resource is used optimally, at the right time and in the right place.

DECATHLON FIRST ATTEMPTS TO: 1. RESELL, 2. REPAIR, 3. BEFORE DONATING AND IF DONATION IS NOT POSSIBLE: 4. RECYCLE, 5. AS A LAST RESORT, DISCARD THE PRODUCT



A WELL-COORDINATED AND ORGANISED NETWORK TO MANAGE RISK AT ALL TIMES AND ENSURE A CONSISTENT LEVEL OF QUALITY

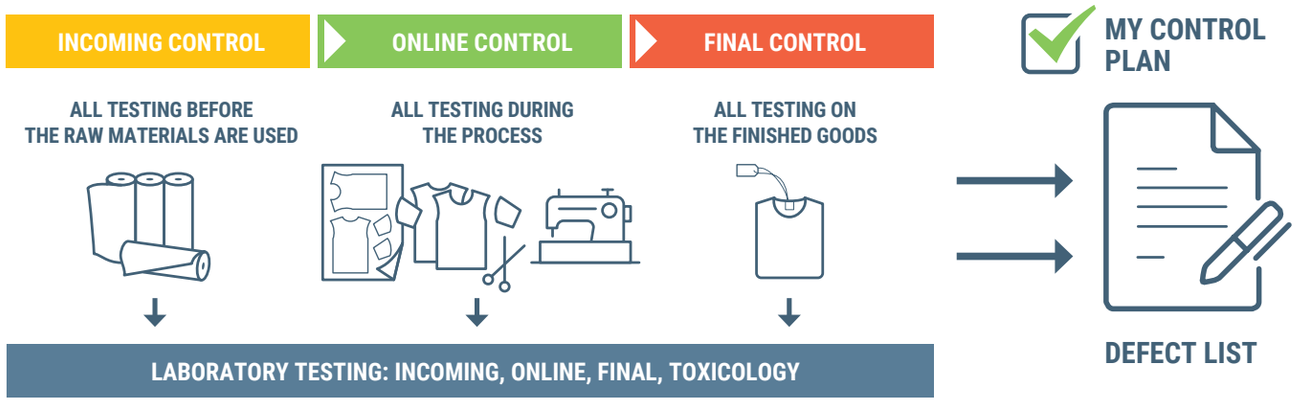
Because user safety and satisfaction are at the heart of our concerns, the teammates who are responsible for the quality of Decathlon products are integrated within the product and process teams. Their role is dedicated to this issue.

They are accompanied by a support team, which assists them in detecting the risk level within their remit and which co-writes a management system with them to cover this risk.

Quality risk is appraised using self-assessment which sheds light on the areas that require analysis (e.g. number of stores, traceability of safe products, IT equipment, local organisations for chemical risk management, etc.) so they can be evaluated. All the process managers use a risk assessment grid for each type of remit, so that they can make the best decisions.

CHEMICAL TESTING ON BASIC MATERIALS AND CHEMICALS IS CARRIED OUT AT DIFFERENT STAGES ON SUPPLIER SITES

CONTROL PLAN
& SUPPLIER DEFECTIVE RATES



The **"Quality Manager"** puts forward the framework that will ensure the properties of the products guarantee user safety and satisfaction.

In accordance with the principle of subsidiarity, the quality manager makes the necessary processes, tools and skills available for each operational team to be able to develop products that are in keeping with user requirements.

This work is carried out at every phase: during the design phase within the Signed Sports and Process teams, at the supplier locations on the industrialisation and production chain, in the stores and warehouses, and specifically on the toxicological risk.

The goal is for each country to have a quality supervisor who organises the local search for solutions, wherever the problem is located on the value chain. The supervisors are able to work out the risk on their own remit (country, city, production office, etc).

Today, there are 400 people with a role dedicated to Quality, spread throughout the world. In 2019, this quality remit, corresponding to the scope of the supervisors' activity, was submitted to all of the Decathlon's country leaders.

In order to maintain the level of quality, the production teams stepped up the training initiatives in 2019, to boost the autonomy and responsibility of the suppliers in this area.

There were two main objectives:

- **Knowing how to detect non-compliances** so products that do not meet the requirements can be withdrawn from the production line as early as possible in the process and an appropriate solution can be found, thanks to sound knowledge of the available tools and the adjustments that can be made.
- **Working together in order to be able to check** the critical quality points on our products.

This global strategy has been put in place thanks to a detailed control plan, which is used to conduct supplier verifications and self-assessments. In 2018, a new audit grid was set up so the Decathlon teams could check the control processes implemented at the supplier locations.

In 2019, following a decrease in audit frequency (linked to the expansion of themes in production), new quality supervisors have been trained and validated in order to re-energise the suppliers in this area, in a big way.

QUALITY-RELATED RETURN RATE FOR DECATHLON PRODUCTS

PER MILLION PRODUCTS AS OF 31/12/2019



The RPM (returns per million) is an indicator of the quality of our products. A deteriorating RPM (increase in the quantity of returned products), may be, for example, a symptom of a design or production-related problem, or can reveal user dissatisfaction linked to the use of the product. For the analysis to be relevant, we observe the evolution of this indicator over time rather than looking at its gross value.

**RPM = (quantities returned/quantities sold) x 1,000,000*

ANALYSING PRODUCTS RETURNED AS DEFECTIVE, TO CONTINUOUSLY IMPROVE THE QUALITY OF OUR PRODUCTS

To underpin the rationale of continual improvement and the safety of sports users, Decathlon gathers together the products returned to the store by our customers to improve their quality.

The REDs (Returned for Defect) are sent to the Signed Sports design teams to analyse the causes of the returns and take the necessary corrective measures: repair, dialogue with the user and supplier, withdrawal from sale or product recall, depending on the return.

Using this system, a lot of information can be retrieved to promote the continual improvement of products.

53,502 PRODUCTS HAVE BEEN RETURNED FOR QUALITY ANALYSES BY THE SIGNED SPORTS TEAMS

MORE THAN

1.6

MILLION CUSTOMER REVIEWS COLLECTED

OVERALL USER RATING OF DECATHLON PRODUCTS

4.48/5

"DON'T THROW AWAY YOUR TENT, WE'LL FIX IT" PROJECT: INCREASING THE REPAIR RATE OF QUECHUA AND FORCLAZ TENTS[1] TO REDUCE THEIR ENVIRONMENTAL IMPACT



INTERVIEW

JULIETTE ROSSET,
QUALITY MANAGER, QUECHUA, SKIING ENTHUSIAST

HOW DID THIS PROJECT GET STARTED?

Two years ago, we realised that the number of tents being repaired was falling, whereas tents are not recyclable. This was not compatible with Quechua and Forclaz's objective to reduce their environmental impact. We want to protect the habitat used by our campers. We therefore wanted to increase the repairability of our tents to respond to the following two issues: improving customer satisfaction and being respectful of the environment, while reducing costs.

WHAT MEASURES DID YOU IMPLEMENT?

*Our project can be broken down into the following three objectives: **Designing** repairable tents; standardising the range of **spare parts** to make them compatible with as many tents as possible; and keeping the cost of any repairs **affordable.** We organised awareness campaigns and training videos directed at users and teammates to show them how to carry out repairs at home or in the workshop. The aim is to reduce waste by creating conditions where, rather than replacing a broken tent, the user automatically thinks of repairing it.*

WHAT ARE YOUR RESULTS AND GOALS?

The results are encouraging. In 2019, we repaired almost 4,800 "returned for defect" tents worldwide, including 2,500 in France, where we concentrated our efforts (i.e. 42% of the total in France, 25% worldwide). But there is still a long way to go, since we have exchanged 14,300 tents worldwide that could potentially have been repaired. Our goal is to make all our tents repairable so that 50% of the tents returned in 2020 are repaired and 100% in 2022.

Thanks to the "Don't throw away your tent, we'll fix it" project, we were also able to carry out an innovative quality measure by repairing tents with a weakness in the zip area. We designed a workshop repair solution for customers who had already purchased these tents. As a result, 650 dissatisfied customers were avoided and their tents were not thrown away.



MANAGING CHEMICAL RISK: ASSISTING SUPPLIERS IN ACQUIRING THE NECESSARY KNOWLEDGE

As in all production-related processes, chemical risks are coordinated using cross-sector processes, with the objective of expanding the autonomy of suppliers by raising their level of expertise on the subject. Coordinating the project means defining the test methods as well as the frequency of the checks.

The quality managers of our Signed Sports and our industrial processes set up and coordinate the suppliers for all the substances requiring checks, the frequency of the verification plans and the corrective measures to be implemented. In the field, assigned supervisors train the suppliers to improve their knowledge of the risks associated with managing their supply chain and ensuring product compliance, as well as in handling substances or combining them.

The Quality team also maintains healthy relations with sports users on these issues so that it can answer their questions as quickly as possible. In 2019, questions were logged in one day, and a response was provided within 44.5 days.

1. Quechua: Signed Sport for hiking and camping. Forclaz: Signed Sport for nature hiking.

PARTICIPATING IN EXTERNAL INITIATIVES IN ORDER TO SHARE EXPERTISE

AFIRM's list of restricted chemical substances (RSL) includes international information relating to the regulations governing the use of chemical substances in finished products in the textile and footwear industry. Decathlon's dedicated chemical risk management teams have been using this list since 2018. It is sent to suppliers as a reference tool aimed at simplifying their verifications and protecting them from health and environment related consequences associated with the use of chemicals in manufacturing.

For each chemical, the RSL document specifies a CAS identification number[2], a common name, the level of restriction and the associated testing methods. This list is updated every year.

This list not only covers textiles but also leathers, plastics, rubbers, metals, etc., and is used as a list of corresponding substances by the teams from the other industrial processes utilised by Decathlon to manufacture its Signed Sports products.

Today, 86% of suppliers who work with Decathlon have agreed to comply with this list of substances and thresholds.

Decathlon also makes use of all the work issued by the ZDHC initiative[3], for everything related to managing chemical risk and treating waste water, mainly in the textile process.

In 2018, Decathlon joined the AFIRM collective, to participate proactively in the discussions on chemical hazards. The aim of this involvement is to increase exchanges between brands, so that they can speak with one voice, for the following purposes:

- Standardising laboratory tests (sampling guides, improved statistics).
- Improving process reliability.
- Increasing supplier expertise on a more massive scale.
- Consolidating our influence with the authorities, in order to share a stringent and relevant regulatory pattern that is more closely integrated with industrial processes.

As part of the AFIRM collective's work, Decathlon organised a symposium 2019 in Bangalore (India) in November, which gathered together the various brands that are members of this initiative and the laboratories. This led to progress being made on all the subjects of the working group.

TESTIMONIAL



BESA KOKONOZI,
USER SUPPORT - CHEMICAL RISK MANAGER AT DECATHLON, HIKING ENTHUSIAST

*"Our priority is to ensure the safety of all our users and we take any feedback very seriously. We have observed that **not all users have the same sensitivity towards certain components** and our aim is to offer the best possible support to our sports users even if the vast majority do not trigger any reactions or allergies. We analyse all the elements we have at our disposal to establish whether there is a link between the product and the reaction."*

PRIORITY HAZARDOUS SUBSTANCES

PFCs[4], a constant concern:

As PFCs are among the substances of "very high concern" according to the European Chemicals Agency, the textile, heavy clothing and footwear teams have made good progress in developing PFC-free solutions. What's more, the mountain unit[5] has repeated the commitment it made in 2016 to "eliminate perfluorocarbons in its textile products by 2020".

A global reflection on sensitising and irritating substances:

Allergies are increasingly common today. While there are extensive regulations for CMR (carcinogenic, mutagenic and reprotoxic) substances, this is not currently the case for allergenic substances.



A bill was introduced in Europe in 2019 to regulate all allergenic substances in textiles and leathers.

For example, to date, more than 5% of the population is sensitised to isothiazolinones. These substances are known to be very allergenic, i.e. prolonged skin contact with isothiazolinones can cause allergic reactions.

These substances are not regulated in all consumer products, but we included them in our RSL in 2018 in order to monitor their presence in all our textile and leather products.

2. https://www.cas.org/ - 3. ZDHC: Initiative that brings together a global ecosystem of organisations to put together common guidelines for the use of less hazardous chemicals. https://www.roadmaptozero.com/ - 4. Perfluorocarbons: chemical compounds used for their water repellent properties. 5. The Signed Sports that belong to this unit are: Quechua, Wedze and Simond.

RESPONSIBILITY IN PRODUCTION



DECATHLON'S OUTSOURCING, IN FIGURES

AS OF 31/12/2019

1,007

RANK 1 SUPPLIERS
(SUPPLIERS OF FINISHED PRODUCTS AND COMPONENTS IN A DIRECT CONTRACTUAL RELATIONSHIP)

346

RANK 2 SUPPLIERS
(SUPPLIERS OF OUR RANK 1 SUPPLIERS, WITHOUT ANY CONTRACTUAL RELATIONSHIP WITH DECATHLON)

2,142

PRODUCTION TEAMMATES SUPPORT THE SUPPLIERS
ON A DAILY BASIS

43

PARTNER SUPPLIERS

MAINTAINING LONG-TERM RELATIONSHIPS

Decathlon entrusts the manufacture of its sports products to a global portfolio of suppliers, organised by industrial processes. The teams in Decathlon's production offices are in charge of the everyday relationship with these suppliers. Together, Decathlon and the suppliers make every effort to ensure the products remain affordable for the widest possible audience in the long-term, through shared values based notably on mutual respect, team fulfilment, product quality and preservation of the environment.

The diversity of industrial processes associated with the different types of products (textile, heavy clothing, electronics, metal accessories, etc.) means Decathlon's supply chain is complex, particularly regarding the management of quality, quantity and lead times.

This complexity is being dealt with by developing a collaborative and transparent strategy with partner suppliers.



The goal is to have 150 partner suppliers that will manufacture 80% of the products by 2026. At the end of 2019, Decathlon already had 43 partner suppliers.

KEY POINTS FOR 2019

1. WE PURSUED OUR INDUSTRIAL PARTNERSHIP STRATEGY, BY WORKING WITH SUPPLIERS WHOSE SENSE OF VALUES ARE IN LINE WITH OUR OWN.

2. WE EXTENDED OUR FACILITATION METHODS WITH PARTNER SUPPLIERS BY SETTING UP STRATEGIC COMMITTEES FOR TOPICS SUCH AS HUMAN DEVELOPMENT, PRODUCT DESIGN AND DEVELOPMENT, INDUSTRIAL EFFICIENCY AND ENVIRONMENTAL PROTECTION.

3. WE ORGANISED THE SECOND WORLD PARTNER FORUM, WHICH BROUGHT TOGETHER ALL OUR INDUSTRIAL PARTNERS AND GLOBAL PRODUCTION TEAMS.

4. WE CONTINUED TO CONSOLIDATE THE EXPERTISE OF OUR STRATEGIC BUYERS ON TOPICS RELATED TO SUSTAINABLE DEVELOPMENT AND CONTINUAL IMPROVEMENT METHODS.

5. 86% OF OUR SUPPLIER PORTFOLIO SCORED A, B OR C FOR HUMAN RESPONSIBILITY IN PRODUCTION. THIS FIGURE ROSE TO 93% FOR OUR PARTNER SUPPLIERS.

DECATHLON'S OUTSOURCING, IN FIGURES

AS OF 31/12/2019

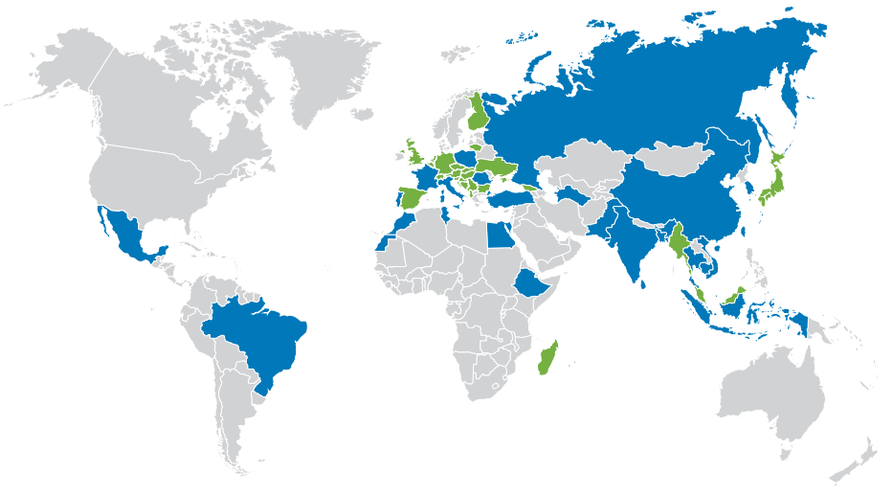
10.3 years

THE AVERAGE SENIORITY OF THE TOP 100 SUPPLIERS IN TERMS OF PURCHASE VOLUMES

Decathlon owns **42 production offices** in **24 countries** and also works with suppliers in **23 other countries.** The teammates coordinate production within their own countries and potentially, production in neighbouring countries if there is no Decathlon production office.

MAP OF PRODUCTION COUNTRIES

AS OF 31/12/2019



■ COUNTRIES WITH A DECATHLON PRODUCTION OFFICE:

AFRICA: Egypt, Ethiopia, Morocco, Tunisia. **AMERICAS:** Brazil, Mexico. **NORTH ASIA:** China, Taiwan. **SOUTHEAST ASIA:** Cambodia, Indonesia, Thailand, Vietnam. **SOUTHWEST ASIA:** Bangladesh, India, Pakistan, Sri Lanka. **EUROPE:** France, Italy, Poland, Portugal, Romania, Turkey, Ukraine. **CIS (Commonwealth of Independent States):** Russia.

■ COUNTRIES WITHOUT A DECATHLON PRODUCTION OFFICE:

AFRICA: Madagascar. **NORTH ASIA:** Japan. **SOUTHEAST ASIA:** Malaysia, Myanmar. **EUROPE:** Albania, Germany, Austria, Belgium, Bosnia, Bulgaria, Croatia, Spain, Finland, Georgia, Hungary, Lithuania, Netherlands, Czech Republic, United Kingdom, Serbia, Slovakia, Slovenia, Switzerland.

DECATHLON, A MULTI-PRODUCT OFFERING, AS WELL AS SOLUTIONS FOR MULTIPLE INDUSTRIAL PROCESSES AND MULTIPLE COUNTRIES

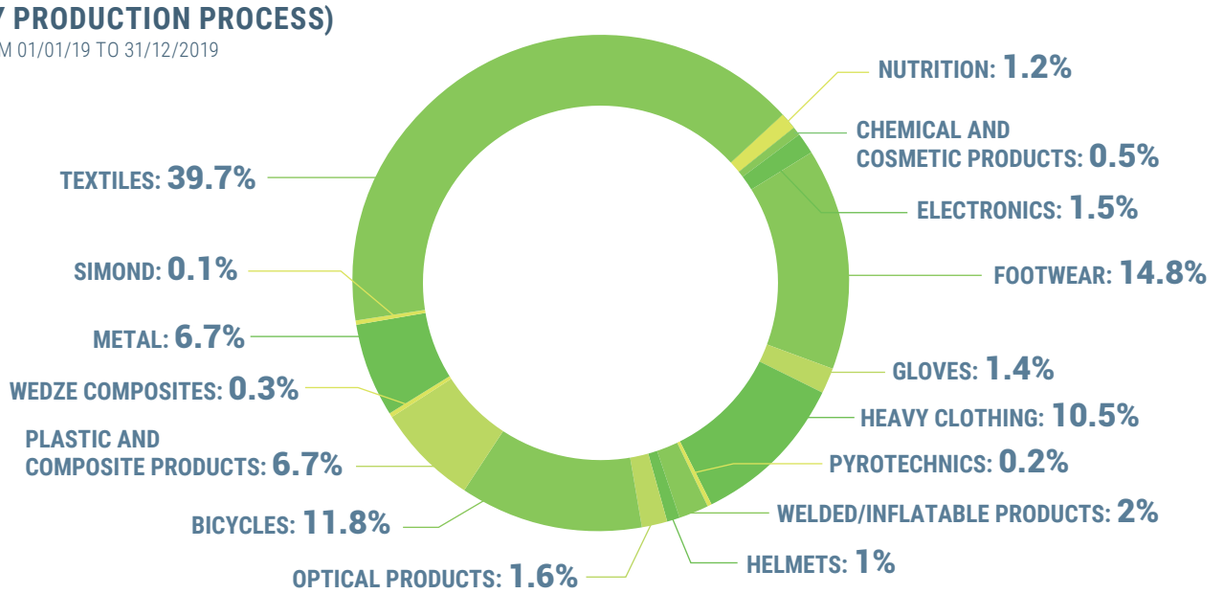
The company provides a wide variety of sports items in line with user requirements for the 85 Signed Sports.

These products, designed by the Decathlon teams and suppliers, are manufactured using many industrial processes, including those in sectors such as textile, metallurgy, electronics and footwear.

The products are designed and manufactured in compliance with the specifications and contracts, which include Decathlon's own strict social and environmental requirements.

BREAKDOWN OF VOLUMES PURCHASED BY DECATHLON (BY PRODUCTION PROCESS)

FROM 01/01/19 TO 31/12/2019



DECATHLON'S PURCHASING STRATEGIES

DECATHLON'S PURCHASING STRATEGIES ARE CENTRED AROUND SETTING UP AND COORDINATING A PORTFOLIO OF SUPPLIERS DIVIDED INTO THE FOLLOWING THREE CATEGORIES:

1 OWN PRODUCTION SITES

Decathlon owns nine production sites, in which we manufacture some of our items. We are developing the *Decathlon Manufacturing Way* network in these sites, aimed at promoting operational excellence. This network enables the teams and partner suppliers to exchange ideas and witness the best-known practices to date.

2 PARTNER SUPPLIERS

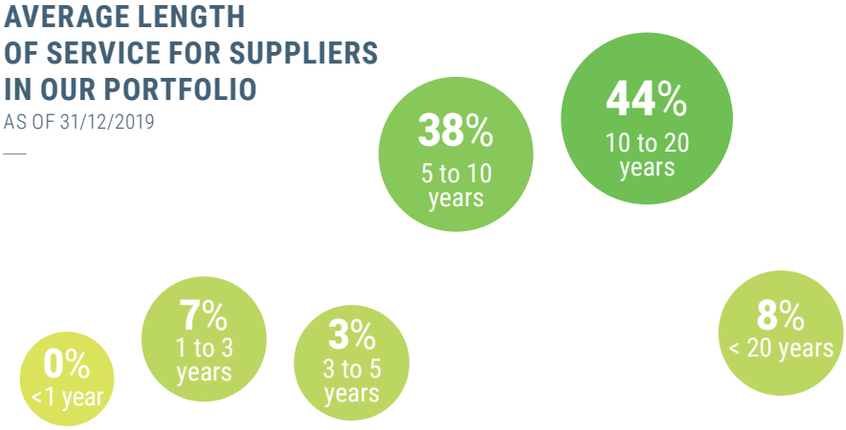
Decathlon is setting out an industrial project with each one of its partner suppliers, who share the same vision and values. These projects are being undertaken collaboratively and transparently to create a relationship of mutual trust. These mutually demanding partnering relationships are embedded in our internal processes, creating the right conditions for operational excellence, while fostering individual responsibility and autonomy.

3 SUPPLIERS

Decathlon maintains lasting relationships with all its suppliers, based on performance management as well as social and environmental responsibility in production. We single out the suppliers with whom we do not have a partnering relationship but who are strategic suppliers nevertheless, as they have exclusive technology or a significant volume of production.

AVERAGE LENGTH OF SERVICE FOR SUPPLIERS IN OUR PORTFOLIO

AS OF 31/12/2019



29%

OF THE TOTAL AMOUNT OF PURCHASES WERE BOUGHT FROM INDUSTRIAL PARTNERS



TESTIMONIAL

LIONEL DIAS,
PURCHASING PROCESS LEADER

"The industrial partnership strategy is a long-term one, and also one that is absolutely essential in facing the growing complexity of our business activities. The strategy requires a great amount of rigour and trust from all the players on a constant basis, to deliver a lasting level of performance and value creation that meet the expectations of our common goals."

LOCAL PRODUCTION DEVELOPMENT STRATEGY

Decathlon is pursuing its local production development strategy in order to be more responsive to market demands and uncertainties, as well as enabling it to reduce its environmental footprint. A comprehensive costing approach (TeCO: Total Environmental Cost of Ownership) is always taken into account for the portfolio of suppliers and the choice of volume allocation. Combining these two strategies (local production and the TeCO approach), results in a portfolio of suppliers that is able to confront the local and global challenges facing our company.

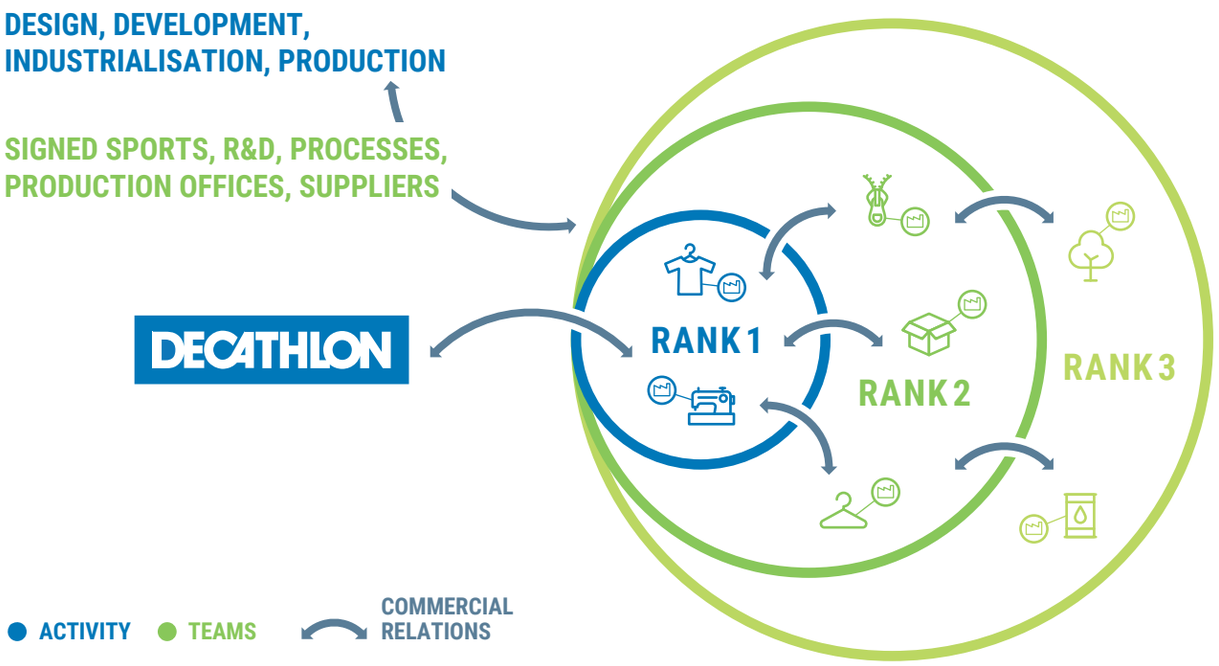
MADE-IN BRAZIL for Retail Brazil: **NC**[1]
MADE-IN CHINA for Retail China: **91.6%**
MADE-IN EUROPE for Retail Europe: **24.5%**
MADE-IN RUSSIA for Retail Russia: **11.1%**
MADE-IN INDIA for Retail India: **41.2%**

1. This information could not be communicated due to IT issues concerning Brazil-for-Brazil purchasing.

COMBATING UNDECLARED SUBCONTRACTING

It is not easy to detect subcontracting when it is not declared by our suppliers. Despite Decathlon's formal opposition to this practice, set out in a contractual clause signed by the suppliers, and in spite of the regular on-site visits by Decathlon teams, some suppliers may use third-party providers as part of their product manufacture without our prior consent. To combat this situation, the Decathlon teams are trained to make accurate forecasts of quantities at the product development phase and then during mass production.

The available information regarding actual production capacities and the number of products delivered is cross-checked regularly to reduce such risks.



SUPPLY CHAIN

To manufacture Signed Sports products that satisfy user requirements, it is essential to cover as much of the value chain as possible. This is why Decathlon develops relationships with suppliers that operate at several levels:

- **Rank 1 suppliers:**

As our first contacts, they are bound contractually to a company within the Decathlon group, either for production or the assembly of finished and semi-finished products (via a manufacturing contract), or for the supply of raw materials or components (via a purchasing contract). They receive purchase orders from the said company, which they invoice directly.

- **Rank 2 suppliers:**

They contribute to the value chain of Decathlon products. They have a direct commercial relationship with our rank 1 suppliers, with which they organise and manage the purchase orders and invoicing. Decathlon reserves the right to intervene in choosing or validating rank 2 suppliers, though without interfering in the commercial and legal relationship between the rank 1 and rank 2 suppliers.

1,007
RANK 1 SUPPLIERS
2.3% LESS THAN IN 2018

346
RANK 2 SUPPLIERS
9% MORE THAN IN 2018

CULTIVATING SKILLS AT ALL LEVELS OF PRODUCTION TO PROMOTE INDIVIDUAL AUTONOMY

The production teams coordinate the everyday relationship with the suppliers regarding sustainable development, quality, the supply and continual improvement.

We believe that the acquisition of skills is an essential factor in long-term performance.

Therefore in 2019, Decathlon maintained its undertaking to encourage each teammate to take charge of their own personal development according to their projects, main challenges and associated responsibilities. New tools have been created to complement the existing options, such as the launch of Decathlon Academy; this especially makes learning and self-assessment solutions available to everyone.

TESTIMONIAL

OLIVIER DESBATS, PURCHASING PROCESS LEADER

"We promote the development of skills for all our teammates through personalised development plans. The autonomy of our teammates is an essential factor in improving performance."

3,212 ACTIVE LEARNERS IN THE INDUSTRIAL PROCESS NETWORK AND OUR PRODUCTIONS OFFICES

95% OF THE PRODUCTION TEAMS AND 92% OF THE INDUSTRIAL PROCESS TEAMS

AT THE END OF 2019,

12% OF THE TOTAL NUMBER OF STRATEGIC BUYERS HAD BEEN TRAINED IN NEW FUNDAMENTAL COMPETENCIES RELATED TO SUSTAINABLE DEVELOPMENT

INTEGRATING SUSTAINABLE DEVELOPMENT EXPERTISE INTO THE BUYER'S JOB DESCRIPTION

In addition to "buying" skills, new fundamental skills regarding sustainable development have been introduced into the strategic buyer's job description. Buyers must now be able to detect an E score on human and environmental issues (which means the immediate suspension of production with the supplier concerned). Measuring the CO_2 emissions of our buying activities and raising the awareness of forced labour issues have also been added to the job description. New learning methods are available for these upgraded skills.

By the end of 2019, 23 buyers had been trained on these subjects, i.e. 12% of the total number of buyers.

COORDINATING NETWORKS IN ORDER TO IMPLEMENT STRATEGIES

The second *World Partner Forum* was held in Lille (France) in March 2019, bringing together all the industrial partners and Decathlon teams involved in this strategy (about 365 people in total).

The *World Partner Forum* is a time to meet and discuss, with the aim of inspiring managerial change initiatives.

Based on input from external stakeholders, as well as best practices suggested by suppliers and/or Decathlon teams, we are developing our network to promote a better understanding of today's challenges and future opportunities

Our network also exists through regional events, called *Partners Clubs*, where partner suppliers meet up with Decathlon teams from the same country (Bangladesh, Vietnam, India or China). The *Partners Clubs* can result in more concrete projects directly on site, as these events are on a smaller scale.



ACTIONS TO PROMOTE HUMAN PROGRESS

In 2019, the International Labour Organisation celebrated its 100th anniversary. A century of commitment to defend social justice and fair working conditions for every human being.

Decathlon's responsibility is to address all human and environmental issues at every level of the manufacturing and production chain of its products, for its teammates and product users, as well as at its provider and supplier sites.

Our Code of Conduct, which was entirely revised in 2017, comes in response to the social and environmental challenges highlighted by international organisations (ILO, OECD, etc.) and the following in particular: **human rights** (child labour, forced labour, debt bondage, freedom of association, discrimination, decent living wage, etc.), **health and safety** (work environment, building safety, etc.), **management of chemical substances, respect for the environment, responsible materials[1], corruption, management and communication with employees.**

This document has been signed by all of our rank 1 component and product manufacturers.

The application of this Code of Conduct is verified by an internal and external audit system as well as by the regular presence on the ground of Decathlon's local production teams[2].

The strategy to make the process more reliable and implement long-term corrective measures is improving year on year.

All of these rules regarding responsibility and vigilance, formulated in the single "SD Playing Field" document[3], were reaffirmed and agreed by all the managers of the Decathlon production countries in 2019.

In 2019, **86% of our rank 1 suppliers manage their human risks to an acceptable level[4].** We are looking to increase this figure to 90% by 2026.

HUMAN RESPONSIBILITY IN PRODUCTION, IN FIGURES

AS OF 31/12/2019

86%

OF RANK 1 PRODUCTION SITES WERE GIVEN A SCORE OF A, B OR C ACCORDING TO OUR ASSESSMENT GRID

76%

OF RANK 2 PRODUCTION SITES WERE GIVEN A SCORE OF A, B OR C ACCORDING TO OUR ASSESSMENT GRID

25

SD PRODUCTION MANAGERS CARRY OUT MOST OF THE ASSESSMENTS AIDED BY 37 ASSIGNED INDEPENDENT ASSESSORS[5]

KEY POINTS FOR 2019

1. THE DECATHLON TEAMS MANAGED HUMAN AND ENVIRONMENTAL ISSUES TO THE SAME DEGREE. THESE TOPICS WERE MERGED TO BECOME SUSTAINABLE DEVELOPMENT IN PRODUCTION, IN ORDER TO BENEFIT FROM THE SAME PROCESSES AND TOOLS.

2. THE NEW SUSTAINABLE DEVELOPMENT IN PRODUCTION PLAYING FIELD WAS SIGNED IN 2019 BY ALL THE COUNTRY LEADERS. IN MAKING THIS COMMITMENT, THEY AGREED TO RESPECT AND ENFORCE THE HUMAN AND ENVIRONMENTAL PRINCIPLES OF DECATHLON PERTAINING TO PRODUCTION AND DISTRIBUTION IN THEIR OWN COUNTRIES.

3. WE SUSTAINED THE PERFORMANCE OF OUR PORTFOLIO BY MAINTAINING OUR PERCENTAGE OF A, B OR C RATED SUPPLIERS AT 86% AT THE END OF 2019, STABLE COMPARED TO 2018, ON THE RANK 1.

4. WE DEPLOYED THE "TACKLE FORCED LABOUR" PROGRAMME INTERNALLY, SUPPORTED BY SEVERAL NGOs, IN ADDITION TO OUR AUDITS, IN ORDER TO DETECT THE WARNING SIGNS OF FORCED LABOUR AND DEFINE APPROPRIATE REMEDIAL MEASURES.

1. See Code of Conduct appendix: http://developpement-durable.decathlon.com/documents-et-rapports/documents/
2. See 2015 RDD (pages 106-112) for our evaluation methods. - 3. In French: Cadre d'action de la responsabilité en production en termes de développement durable.
4. Minimum requirement: level C in our rating system. - 5. External auditors: SGS.

THE NEW PRODUCTION PLAYING FIELD SIGNED BY ALL COUNTRY MANAGERS



Decathlon implemented the Human Responsibility in Production approach with its first social charter in 2003. Since then, many national and international events have led to changes in the context and regulations[6].

As a result of these developments, and in order to fulfil its own ambitions, Decathlon revised its requirements in 2017 in a new Code of Conduct. This incorporates new environmental and societal challenges (provisions regarding forced labour, freedom of association, the management of human resources, including salary conditions, forming an audit scope which includes the dormitories and means of transport of employees). Following this work, the associated audit grid has changed accordingly.

In 2019, the Sustainable Development in Production teams worked on the efficiency of control measures, modified the frequency rules according to the level of risk in the countries and standardised these requirements from a human and environmental point of view.

This set of principles, strategies and associated action plans resulted in the creation of the new "Sustainable Development Playing Field", a scope of activity for the entire production stage. It includes the following: The code of conduct, the assessment grids for our suppliers, the audit frequency rules, the rules governing decisions to be taken based on the audit results obtained and the overall progress of our suppliers in becoming increasingly responsible in the area of human and environmental performance.

This playing field was signed by all of the Decathlon country managers. It requires them to be vigilant locally and to locally enforce all of Decathlon's production and distribution rules.



TESTIMONIAL

RASHIDA ARSHAD, SUSTAINABLE DEVELOPMENT IN PRODUCTION MANAGER IN PAKISTAN

"Our team consists of 15 teammates, for 11 suppliers. My main duties are to coordinate Decathlon's policies in terms of human and environmental responsibility in a country whose regulatory framework is less stringent.

To achieve this, we must show factory managers that this grid is directly linked to their overall performance and therefore we must actively collaborate with the production teams. This sustainable performance strategy, initiated in 2019, is a team effort and demonstrates a real desire to improve skills. Thanks to the regular assessments and demanding standards of collaboration, we have reached the goal of 85% of suppliers rated A, B or C in terms of human and environmental responsibility."

ADJUSTING THE AUDIT FREQUENCY ACCORDING TO THE RISK LEVEL OF THE COUNTRIES



To make the audit system as efficient as possible, Decathlon has organised a risk classification by country, based on the Global Slavery Index[7] and Verisk Maplecroft's tools[8]. This review is used to restore balance in the audit workload according to the priorities set and the extent of the action plans to be implemented in accordance with the results. For example, the 2019 results show that the Bangladeshi suppliers have improved in terms of production responsibility. This means that the high frequency of the audits conducted there can be reduced to an annual frequency. As a result, more extensive action plans with preventive and corrective measures can be implemented, as well as practices that may take longer to integrate into the operational processes of the business but are more sustainable.

On the other hand, the frequency has been increased in relation to previous requirements for the countries that were identified as less risky[9]. Indeed, no country is immune to emerging issues that require renewed vigilance. An example of such an issue is modern-day slavery (e.g. the working conditions of migrant workers).

67%

OF THE ASSESSMENTS ARE CARRIED OUT BY DECATHLON TEAMS

1,025 ASSESSMENTS IN TOTAL

72%

ACQUISITION OF "SUSTAINABLE DEVELOPMENT SKILLS IN PRODUCTION" FOR TEAMMATES WORKING IN PRODUCTION

6. Check out all the key events regarding human responsibility in production on p. 69 of the 2017 Decathlon report. .
7. https://www.globalslaveryindex.org/2018/data/maps/#prevalence - 8. https://www.maplecroft.com/
9. Updated frequency: every 3 years instead of every 5 years.

BUILDING A NETWORK OF INTERNAL AND EXTERNAL AUDITORS WITH STANDARDISED SKILLS

In order to coordinate Decathlon's Code of Conduct at the production sites around the world, audit teams are deployed in the countries.

These audits are carried out by **external and internal** teams. In 2019, we completed 1,025 assessments around the world, 67% were done by our team of internal auditors.

The audits carried out by internal teams at Decathlon have several major advantages:

- **The consistent quality of the initial training of the instructors who validate the internal auditors:** the training is based on the SA 8000 standard.
- **Suppliers are more familiar with social issues,** which gives a more permanent meaning to the process.
- **Standardisation of the auditing methods** with consistent and coherent requirements, whatever the circumstances and location of the control measures.

These elements are used to exchange high-quality information, with a high level of investment from our partners and suppliers. The challenges of a social, hence economic, performance are clarified with an appropriate remediation plan. The approach is incorporated into the company's processes and goes beyond spot checks.

Since 2003, Decathlon has continuously organised the auditors' training and acquisition of skills in order to be able to successfully implement strategies and preventive measures, communicating about uncertain situations and mitigating the identified risks.

THE PERFORMANCE OF OUR SUPPLIER PORTFOLIO

In 2019, 86% of Decathlon's rank 1 suppliers were rated A, B or C, on a scale from A to E. These assessments are used to achieve long-term results. The audit is the reflection of a situation at a particular moment in time and it is used to identify weaknesses at the production site that need to improve in the short, medium and long-term.

Since 2018, Decathlon has reinvigorated the Sustainable Development in Production teams by setting the goal of achieving an A, B or C rating for 85% of its suppliers. This percentage is the result of some in-depth cooperative work between the production teams and suppliers, assisted by the purchasing and sustainable development teams. The results are directly linked to the purchasing strategy, which relies on the trust and transparency of the joint efforts with our suppliers, but also to the fact that we have kept the number of our collaborations unchanged in order to strengthen these purchasing relationships.

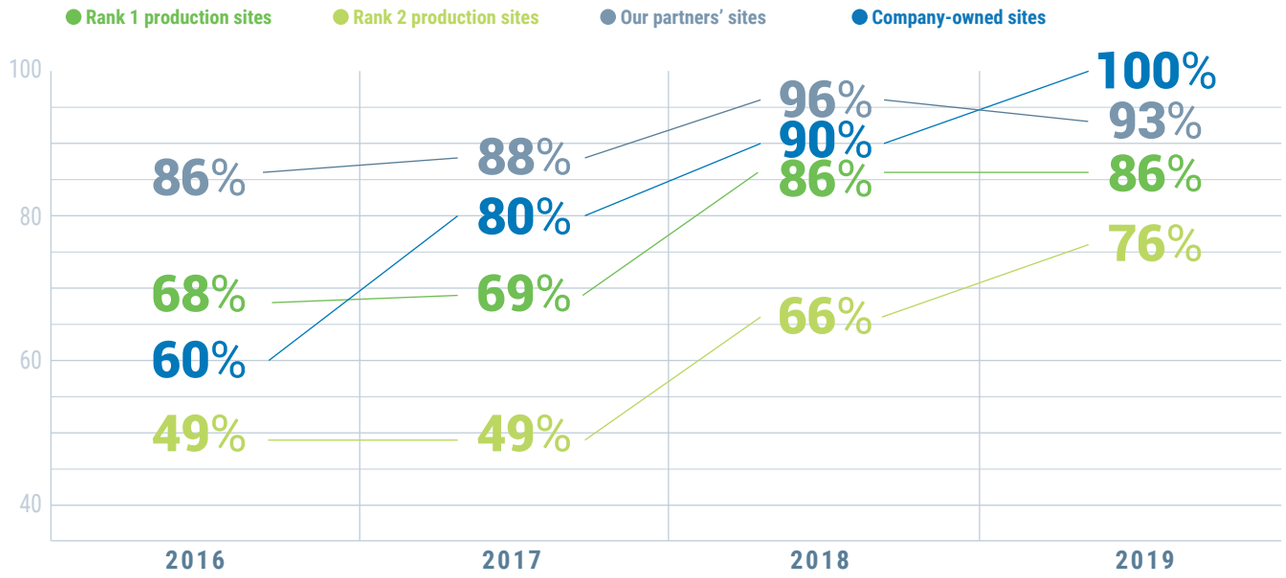
These results are encouraging and have prompted us to redouble our efforts, in particular through training initiatives to promote supplier autonomy (see below), conducted at the same time.

Regarding rank 2, we consolidated our review process in 2019, which means that we can identify the suppliers of our suppliers more broadly and in greater depth.

86% of the rank 1 production sites concerned by our approach[10] are at performance level A, B or C (stable compared to 2018), as well as 76% rank 2 production sites (15% more than in 2018). In total, 1,025 assessments were carried out in 2019.

COMPLIANCE OF THE PRODUCTION SITES IN CHARGE OF MANUFACTURING OUR PRODUCTS

IN %, "A, B OR C"



10. See table of figures showing the exclusions.

PREVENTING, DETECTING AND ELIMINATING ALL FORMS OF FORCED LABOUR THROUGH MULTI-STAKEHOLDER ALLIANCES

According to the Walk Free Foundation, more than 24.9 million people worldwide were suffering from forced labour in 2016[11]. Despite an audit process applied throughout the value chain, each country has its own regulatory constraints, which do not necessarily cover all of Decathlon's human rights requirements.

Spurred on by the Modern Slavery Act[12] in 2015 in particular, Decathlon has ramped up its commitment to vigilance on the following three subjects related to modern slavery:

- **Forced labour:** suppliers' employees offer their work or services of their own free will and without the threat of any form of penalty.
- **Responsible recruitment by our suppliers:** the recruitment, transport, transfer, accommodation and reception of a migrant worker for the purpose of paid employment must take place without threat, without the use of force and without constraint.
- **Debt bondage:** a person does not work or provide a service in order to cancel a debt.

These principles were restated in our "Modern Slavery Statement"[13] in June 2019.

As part of its commitment to detecting modern slavery, Decathlon has increased this vigilance on production activities, while also upgrading the skills of buyers and teammates in charge of sustainable development in production and at our suppliers' sites.

To develop these preventive measures and identify any sign of forced labour, Decathlon has sought the support of several external organisations, which have the capacity to coordinate several types of stakeholder for optimal effectiveness:

- **The Stronger Together initiative[14],** with which a training system has been developed since 2018. The objective is to raise awareness about the practical evidence to be able to detect the warning signs of forced labour in the field, particularly in the identified sensitive areas.



- **The NGO VÉRITÉ,** with which Decathlon collaborates to conduct investigations on the ground, takes care of victims and prepares remedial plans, when genuine cases come to light. The Sustainable Development in Production teams are trained in information reporting procedures.

An initial support test by VÉRITÉ was carried out within this context at a supplier site in Thailand. Following the test, the supplier was more aware of the importance of transparency and employing people without going through an intermediary, especially in the case of migrants. As a consequence, it makes sure that salaries and transportation are paid directly, without going through an agency, and by taking on its own responsibilities at the time of recruitment and in the working conditions.

- Under the supervision of the International Labour Organisation, and through the **BetterWork organisation,** Decathlon Vietnam has initiated a training programme that pools training processes and tools with other brands located in the same production sector facing the same local issues. This cooperation brings together the actors in a common project and thereby increases the impact of the approach locally: the same requirements for the same needs.

Teammates in the Sustainable Development in Production team in this country were trained on a labour law module, applied specifically to the clothing industry in 2019. It will be continued in 2020 by a specific module on the verification and monitoring of living wages.

The goal is to launch the pilot scheme in Vietnam and then roll it out to other countries to keep as far ahead of the local regulations as possible.

- In addition, Decathlon Vietnam also collaborates on the issues of labour law and migrant workers with other brands such as Nike, Adidas, IKEA, etc. as well as the IOM[15] and the FLA[16], but also with other nearby Decathlon countries, such as Taiwan, Malaysia and Thailand

11. Global Slavery Index : https://downloads.globalslaveryindex.org/ephemeral/GSI-2018_FNL_180907_Digital-small-p-1543846012.pdf.
12. http://www.legislation.gov.uk/ukpga/2015/30/contents/enacted - 13. Modern Slavery Act 2018 by Decathlon: http://developpement-durable.decathlon.com/?ymm-file=11938
14. https://www.stronger2gether.org/ - 15. https://www.iom.int/ - 16. https://www.fairlabor.org/

GOING BEYOND COMPLIANCE IN COUNTRIES WITH LESS DEMANDING LEGAL FRAMEWORKS

In some countries, the employment regulations are not as stringent as the framework developed by the Sustainable Development in Production teams. In order to ensure that our standards of safety and satisfaction at work are being followed, our operators in sustainable development must collaborate closely with local suppliers and initiate in-house pilot training schemes that are to be deployed on a larger scale in the future.



TESTIMONIAL

TRINH TIN VAN ANH,
SUSTAINABLE DEVELOPMENT IN PRODUCTION MANAGER
IN VIETNAM, SWIMMING ENTHUSIAST

"In 2019, we launched the 'Happy Workers' programme[17], whose goal is to listen to employees in order to constantly improve their working environment and their satisfaction, in particular regarding issues surrounding safety, managerial recognition, skills development and fair wages.

We worked with the production teams to ensure that the questionnaire was directly integrated into the operational efficiency processes.

The objective was to demonstrate the correlation between the satisfaction and well-being of suppliers' employees and the decrease in staff turnover."

DEVELOPING SUPPLIER AUTONOMY, FOR EFFECTIVE CONTROL AND A SUSTAINABLE REMEDIATION PLAN

The concept of supplier autonomy is being developed in several areas (see Our purchasing strategies, p. 75), including in terms of sustainable development. These are the same criteria that were worked on in 2019 and adapted to human challenges, with the implementation of self-assessment tools: the ability to detect problems and consideration of the workers' and community voice[18]. For purchasing teams, this criterion is a good indication of a sustainable partnership: if the results in human terms are positive, constant and corroborated by the audits, this suggests a transparency within the production unit which will lead to high standards and reliability, hence sustainable competitiveness.

SUPPORTING OUR CHINESE SUPPLIERS THROUGH A DIGITAL CONTINUAL IMPROVEMENT PROGRAMME

Decathlon supports its partner suppliers in China in integrating the management of human responsibility in production. Local teammates have developed a digital module which facilitates the appropriation of the audit process and opens the way to continual improvement on a daily basis.

The supplier can use this tool to assess its own systems, compare its performance level with that assessed through an audit by Decathlon's in-house teams, improve its results by implementing remedial measures and maintain its social performance on a daily basis.

This module has currently been tested by 123 suppliers that obtained a score of A, B or C in their last audit. Given the convincing results, the objective is to develop it further and deploy it at other Chinese suppliers in 2020.

IN CHINA,
86%
OF OUR 441 SITES
(RANK 1 AND 2)
WERE RATED A, B or C
AT THE END OF 2019

17. Happy Workers: satisfied employees. - 18. In French: voix des communautés.

DEPLOYING ENVIRONMENTAL MANAGEMENT

To reduce the risk of pollution for local populations and sports users, so that sports continue to be practised on our production sites, Decathlon is committed to the ongoing reduction of environmental impacts generated by the production of Signed Sports products. To attain this objective, the challenges of using up resources, the industrial pollution of water, soil and air, and the reduction of CO_2 emissions must be addressed in collaboration with our suppliers.

That's why Decathlon has been conducting environmental audits at supplier sites since 2017. What's more, since 2018, it has been training suppliers to measure their carbon emissions. The collaboration between Decathlon and its industrial suppliers around common environmental issues is the key to the success of our environmental approach, so that everyone understands their responsibilities and can carry out their daily checks, measurements and actions unaided.

KEY POINTS FOR 2019

1. OUR INTERNAL AUDITORS ASSESSED SUPPLIERS ON THEIR ENVIRONMENTAL PERFORMANCE AND OUR LOCAL PRODUCTION TEAMS SUPPORTED THEM BY REGULARLY MONITORING THE IMPLEMENTATION OF IMPROVEMENT MEASURES.

2. WE TRAINED OUR INDUSTRIAL PARTNERS ON HOW TO MEASURE AND REDUCE THEIR CO_2 EMISSIONS.

3. WE MADE COMMITMENTS WITH ACTIONS SUCH AS THE SBT AND UNFCCC INITIATIVES[1] TO VALIDATE AND CHALLENGE OUR ACTION PLANS.

ENVIRONMENTAL MANAGEMENT, IN FIGURES

AS OF 31/12/2019

231

SUPPLIERS INVOLVED IN 2019, FROM RANK 1 AND 2
(110 PRODUCTION SITE ASSESSMENTS OF ENVIRONMENTAL MANAGEMENT IN 2019)

279

PRODUCTION SITES
MEASURE AND MONITOR THEIR CO_2 EMISSIONS

80%

OF THE RANK 1 AND 2 PRODUCTION SITES AUDITED WERE RATED A, B OR C ON ENVIRONMENTAL MANAGEMENT
ACCORDING TO OUR ASSESSMENT GRID

1. UNFCCC: United Nations for Climate Change, https://unfccc.int/, SBT.

THE LOCAL ENVIRONMENTAL RESPONSIBILITY IN PRODUCTION PROJECT: GETTING OUR SUPPLIERS INVOLVED IN REDUCING THEIR CARBON FOOTPRINT

Since 2017, Decathlon has deployed environmental audits at the sites of suppliers with which it collaborates. These audits focus on preventing the local pollution of water, air and soil from our industrial processes. We primarily target suppliers that consume a lot of water (more than 50 m^3 of industrial water to be treated per day), with an industrial process involving, for example, dyeing, leather tanning, textile printing, surface treatments and metal painting. We identified 231 suppliers (at the end of 2019) that comply with these criteria.

The environmental audits are used to evaluate the situation observed in relation to our specifications and verified against the Decathlon grid developed according to a study based on the ISO 14001 standard[2] and an independent sector-based benchmark[3]. Audits are performed both externally with a service provider[4] and internally by our own auditors (24 in-house audits out of a total of 110 audits). This audit grid makes it possible to establish a final evaluation of the supplier, from A to E.

The checks address the following elements:

- **Water pollution:** The industrial water discharged must comply with the requirements of Decathlon. In the event of any discrepancy between local standards and our specifications, we apply the most stringent standard.
- **Air pollution:** Hazardous emissions must be treated and not released into the air.
- **Soil pollution:** Hazardous waste must not be diluted by rain and must not pollute the groundwater, which is used to extract drinking water in particular.



INTERVIEW

JÉRÉMIE PIOLET, VIETNAM'S SUSTAINABLE DEVELOPMENT LEADER, MOUNTAIN SPORTS ENTHUSIAST

WHAT ENVIRONMENTAL CHALLENGES ARE YOU FACING IN VIETNAM?

Vietnam is a country that has experienced very strong economic growth for several years now. This has resulted in a growing number of environmental pollution issues, particularly concerning air, water and waste. The main factors contributing to these problems are the urbanisation that is developing faster than infrastructures such as roads, water and waste treatment systems, accelerated industrialisation, the intermittent enforcement of environmental protection laws and the lack of awareness about environmental issues.

In 2019, we opened two Decathlon stores in Vietnam and sports practice is developing as a means of improving health. However, it is difficult to practise sports in the cities because of air pollution, and on beaches and in the mountains because of water and plastic waste pollution.

WHAT PRACTICAL ACTIONS IS DECATHLON TAKING TO IMPROVE THE ENVIRONMENTAL MANAGEMENT OF PRODUCTION?

Over the last two years, in Vietnam, we have substantially developed our efforts in production to reduce the risks of pollution. These efforts include the following:

- Increasing the size of the sustainable development team of Decathlon Vietnam (6 people) with 4 new technical advisers, trainers and auditors.
- Increasing our standards by ending our relationships with certain suppliers that do not respect our environmental values in the long term, in order to focus on those that share the same values.
- Training and supporting our 110 production sites and our 280 employees to achieve this standard.

Our specifications for industrial discharged water cover the main parameters that deal with monitoring water pollution. They are based on the international wastewater quality standards defined by the World Bank[5] and the ZDHC (Zero Discharge of Hazardous Chemical) programme[6], whose work is a benchmark for certain hazardous substances.

In 2019, 80% of our rank 1 suppliers involved were rated A, B or C, compared to 69% in 2018. This good performance is explained by the consolidation of the supplier portfolio and the concentration of efforts on the most important suppliers.

The internal teams of auditors specialising in environmental issues have been expanded, from 6 auditors at the end of 2018 to 11 by the end of 2019, in order to provide better training and support for suppliers over the long term and build awareness about what these environmental issues mean for local populations. Several auditors are now being trained in our main production countries, which are Bangladesh, China, India and Vietnam.

At the same time, training for the production teams has been upgraded so that they have the tools to make them more autonomous, and the environmental management indicators are integrated into the daily routines of the local teams.

2. NF-EN- ISO 14001- October 2015: Environmental management systems - Requirements and guidelines for use. - 3. https://www.banquemondiale.org/fr/topic/water/overview, see Decathlon's 2018 surveillance plan. - 4. External audit provider: SGS. - 5. See the list of standards used in the 2018 Decathlon Surveillance Plan. 6. ZDHC : https://www.roadmaptozero.com/ - 7. See Decathlon carbon footprint, p. 22 - 8. PPA: Power Purchase Agreement. Contract (usually long-term) for the direct sale of electricity by an electricity supplier to an independent electricity producer. - 9. EAC: Energy Attribute Certificate. Official certificate proving that the energy consumed is renewable.

THE "DECARBONISING PRODUCTION" PROJECT: SUPPORTING SUPPLIERS IN THEIR APPROACH TO REDUCE GREENHOUSE GAS EMISSIONS

Decathlon has been measuring the carbon emissions of its suppliers due to production since 2017 in order to reduce these emissions. In 2019, 46% of Decathlon's total CO_2 emissions came from production[7]. This calculation includes the manufacture and use of chemicals, as well as the electrical and thermal energy used by the manufacturing plants. Given that most of the energy currently comes from non-renewable resources (coal, gas, oil), Decathlon has decided to support its suppliers in this area as a matter of priority. This monthly management of the suppliers' carbon footprint, with the Resource Advisor tool, was implemented by 250 production sites in 2019 (compared to 96 at the end of 2018).

The primary lever for reducing suppliers' carbon emissions is improving energy efficiency. Consequently, some best practice guidelines were put together in 2019 to help suppliers in their approach and more easily estimate the environmental and economic gains. Decathlon also collaborated with third-party consultants specialising in energy to initiate projects in 2019 to reduce energy consumption at suppliers located in the different countries of production.

Another reduction lever is the transition of Decathlon suppliers to using renewable energy. Six leading markets (Turkey, China, Bangladesh, India, Vietnam and Portugal) were studied to take stock of all the opportunities to perform this transition in these countries (e.g. production on site, PPAs[8], EACs[9], etc). These studies are made available to Decathlon's suppliers to give them the support and help they need. What's more, in each country, partnerships are being formed with organisations that have a good knowledge of the market and can support suppliers in achieving this energy transition (GIZ in Vietnam and Bangladesh, EDF or Mt. Stonegate in China, etc.)[10].

FOCUS

THE SCIENCE-BASED TARGET INITIATIVE (SBTI)

The use of less polluting energy sources by our production sites is essential to drastically reduce the carbon footprint of our Decathlon products. As part of the SBT objective[11] on our greenhouse gas emissions, Decathlon is committed to getting 90% of its suppliers (in terms of purchase volumes) to set their own SBT target before the end of 2024, i.e. carbon reduction targets on their scopes 1 and 2.

SCIENCE BASED TARGETS

FOCUS

UNFCCC: DECATHLON'S NEW COMMITMENTS TO DECARBONISE ITS ACTIVITIES

In September 2019, Decathlon joined the UNFCCC initiative[12]. The Fashion Industry Charter for Climate Action includes several commitments to establish a decarbonisation pathway for the fashion industry and achieve the goal of zero net emissions by 2050. The commitments concern every company activity: production, component selection, transport, etc.

Decathlon has already formally documented the commitments on most of the topics. However, signing the agreement has prompted Decathlon to step up its efforts in the area of ending its use of coal. Decathlon has therefore made the commitment to stop installing new coal-fired boilers at its suppliers of finished products and components by 2025 at the latest. To achieve this, the teams are studying the current use of coal in the supplier portfolio and setting up a support system for achieving the required exit. At the same time, the signatories and support organisations of the Charter are working jointly to implement the stated commitments, through work groups in which Decathlon actively participates.

United Nations Climate Change



INTERVIEW

YASOTHARAN MANIVEL, SUSTAINABLE DEVELOPMENT IN PRODUCTION MANAGER AND CO_2 SUPERVISOR IN INDIA, RUNNING ENTHUSIAST

HOW DO YOU PROVIDE THE LOCAL SUPPORT THE INDIAN SUPPLIERS NEED TO REDUCE THEIR CARBON FOOTPRINT?

As a climate supervisor and environmental auditor, I am in charge of a portfolio of more than 20 suppliers. I train them to be autonomous in measuring the real data of the energy they consume using the Resource Advisor tool. Then I work with them to reduce the carbon footprint by implementing strategies and action plans for their production sites. In order to achieve this, training is offered internally through e-learning courses as well as assistance from third-party experts (CDP, RE100, etc.[13]).

WHAT PROGRESS WAS MADE IN 2019?

In 2019, three of our partner suppliers and two major suppliers[14] made the commitment to define their own SBT reduction target. Three other partners made the commitment to attain 100% renewable energy (RE100 trajectory) by 2023.

This year was also an opportunity to have discussions with the other RE100 member companies present in India, in order to understand their strategies and challenges in attaining 100% renewable energy in our supply chain, during a meeting at the CDP and Climate Group initiative[15].

10. GIZ: German agency for international cooperation, www.giz.de - EDF: Electricité de France, https://asia.edf.com/en - Mt. Stonegate, https://www.mtstonegate.com/about
11. See "Science Based Target Initiative" in the list of Decathlon stakeholders p. 134 - 12. UNFCCC: United Nations Fashion Climate Change Convention, see the Decathlon stakeholder list p. 134
13. See "CDP "and "RE100" in the list of Decathlon stakeholders p. 134 - 14. Key Account Suppliers (KAS), see definition on p. 73 - 15. See "CDP" in the list of Decathlon stakeholders p. 134. The Climate Group is a non-profit organisation that works to combat climate change and has programmes focused on renewable energy and the reduction of greenhouse gas emissions. It is a partner in the RE100 and CDP initiatives. https://www.theclimategroup.org/.

STORES AND TRANSPORT



TRANSPORT AND MOBILITY, IN FIGURES

AS OF 31/12/2019

18.3%

OF THE SURFACE AREAS WE OWN ARE ECO-CERTIFIED
WORLDWIDE

58.9%

OF THE ELECTRICAL CONSUMPTION COMES FROM RENEWABLE ENERGIES



ECO-DEVELOPING OUR GLOBAL NETWORK

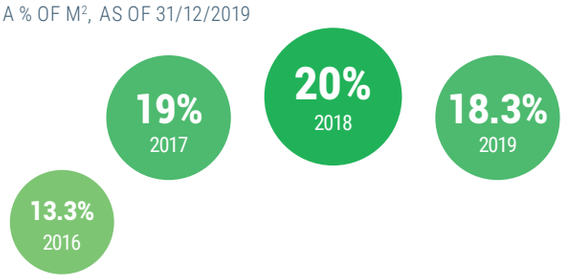
In order to make the benefits of sport and sports practice accessible in the long term, there must be a local presence, in those places where it is most needed. In 2019, Decathlon was present in 57 countries and 938 cities, with 1,647 stores following several concepts in order to adapt the offer to local demand.

Aware of the impact on the environment associated with new buildings, the teams prefer constructions that are as respectful of the environment as possible. In 2019, 97 sites around the world had an environmental certification. The environment around the buildings is monitored by the real estate teams, which pay particular attention to biodiversity and the preservation of resources: rainwater harvesting, energy efficiency, land use, light pollution, etc.

Our store network is run by sustainable development managers, who are responsible for raising the awareness of onsite coordinators in the field of best practices. They make it easier to implement practical measures that will increasingly place environmental and societal issues at the heart of our daily lives. Given the key role of the accounting department in prioritising strategies in the network, "sustainable turnover" has been introduced in the store reporting, in order to drive the economic performance of the sale of eco-designed products, second-life products and workshop activities.

CHANGE IN THE NUMBER OF CERTIFIED COMPANY-OWNED PREMISES WORLDWIDE

AS A % OF M^2, AS OF 31/12/2019



Finally, the issue of Decathlon's digital transformation is being addressed, in order to reduce the environmental impacts of its business activities involving IT hardware and the use of technology to improve strategies. Conversely, digital development solutions are being implemented to speed up change and collect data that can be used to bring about sustainable development objectives.

KEY POINTS FOR 2019

1. DECATHLON REORGANISED IN-STORE SUSTAINABLE DEVELOPMENT MEASURES IN ORDER TO IMPROVE EFFICIENCY: LOCAL STRATEGIES WERE RESTATED, IN ACCORDANCE WITH THE PRINCIPLE OF SUBSIDIARITY (MOBILITY, WASTE AND BIODIVERSITY), AND NATIONAL STRATEGIES (LIKE ENERGY AND TRANSPORT) WERE REVIEWED.

2. THE NETWORK COORDINATION STRATEGY WAS STEPPED UP ALL OVER THE WORLD. THE COUNTRY MANAGERS RELIED ON IN-STORE COORDINATORS AND DEPLOYED TOOLS SUCH AS IN-STORE SUSTAINABLE DEVELOPMENT TRAINING COURSES FOR TEAMMATES AND THE IMPLEMENTATION OF IN-STORE SUSTAINABLE DEVELOPMENT REPORTING, WHICH INCORPORATES SUSTAINABLE TURNOVER, MOBILITY AND ENERGY CONSUMPTION IN PARTICULAR.

3. THE SUBJECT OF RESPONSIBLE DIGITAL TECHNOLOGY WAS DEVELOPED TO ANALYSE AND IMPROVE THE CARBON FOOTPRINT LINKED TO THE USE OF DIGITAL TECHNOLOGY, BUT ALSO TO TAKE ADVANTAGE OF DIGITAL SOLUTIONS TO IMPROVE EFFICIENCY ON SUSTAINABLE DEVELOPMENT ISSUES.

TRANSPORT AND MOBILITY, IN FIGURES

AS OF 31/12/2019

1,647

STORES WORLDWIDE

9% MORE THAN IN 2018

6 NEW COUNTRIES OPENED IN 2019

97

STORES AND WAREHOUSES CERTIFIED FOR THEIR ENVIRONMENTAL PERFORMANCE

WORLDWIDE

INITIATIVES AND TEACHING FOR THE ECO-CONSTRUCTION AND ECO-MANAGEMENT OF STORES

At Decathlon, global eco-construction approaches, linked to the local environment, are encouraged. Decathlon recognises several certifications, i.e. LEED, DGNB, BREEAM[1]. In France, all the stores owned by Decathlon and opened since 2010 are affected by these certifications. Decathlon owns 24% of its portfolio of sites, while the rest are rented.

In 2019, two stores in France opened according to these eco-design approaches (BREEAM certification), in Treillières and Béziers.

For rented stores, a policy is applied to manage the energy consumed and resources used: LED lighting, centralised technical building management for controlling temperature setpoints and equipment operating hours, which is currently used by every store in France and which allows all the teams to monitor energy consumption in real time.

In Lorient, an extension included measures to enhance the site and improve its external ecosystem for the first time in a real estate venture. This process combined with the dedicated approach of the site teams and raised the awareness of customers and users through an explanatory corner at the store entrance.

In order to consolidate our position on renewable energy resources, the real estate teams have asked all the stores in the French network to use 100% certified renewable energy resources, whether produced or purchased. They are given guidance on the subject in order to identify the sites that are eligible for in-house production, defining remits and implementing facilities.

Internationally, all new Decathlon stores are equipped with LED technology, and some stores that open are integrating eco-design solutions. An equipment supervision system now provides access to the energy consumption of the sites in real-time.

BIODIVERSITY AT DECATHLON

Biodiversity is the diversity of life on Earth. This notion takes into account the diversity of ecosystems, genetic traits in space and time, as well as the interactions that make it up. Despite its crucial nature for human life, biodiversity is decreasing day by day, which is disrupting our ecosystems and making them less resilient. Decathlon has a responsibility to preserve biodiversity, particularly in terms of the surface area it occupies. In addition to their work on the areas surrounding the buildings (green spaces/car parks), the real estate teams are tackling biodiversity issues such as artificial ground surfaces, in order to achieve this. The objective of the biodiversity project, which was started in 2017, is to have spaces that can provide the food and habitat for various species on the land and buildings available to Decathlon.

As part of the real estate project, Decathlon France is carrying out simultaneous diagnostic assessments to analyse the following 5 targets:

1. The biodiversity assessment for the Trame Verte (green infrastructure)[2], which preserves the terrestrial ecological continuity over a given area in order to help protect the natural habitats and species.



2. The water resources assessment for the Trame Bleue (blue infrastructure), which monitors the preservation status of natural habitats and species and the ecological status of water bodies.

3. The ground assessment for the Trame Brune (brown infrastructure), which analyses soil biodiversity.

4. The light pollution assessment for the Trame Noire (black infrastructure), in order to preserve and restore an ecological network that protects nocturnal life.

5. The climate and quality of life assessment, which measures air pollution and well-being.

In addition to the issue of landscape integration, the project therefore goes further in preserving and restoring environments.

Implementing an environmental preservation measurement tool.
In 2018, Decathlon's real estate teams in France developed an analysis tool that reviews our processes and the environmental pressures they entail, by measuring and summarising the major environmental issues. This tool, called the Environmental Performance Diagnosis (EPD), was prepared in close collaboration with Plante et Cité, a study and experimentation body recognised by the French Ministry of Sustainable Development and sponsored by the Mayors of France Association. The assessments are validated by an external control office.

1. The recognised certifications are international certifications or those that are deemed valid in the country.
2. The Trame Verte helps to preserve terrestrial ecological continuity over a given area, thereby contributing to the preservation of natural habitats and species.

Decathlon Saint-Malo (France) was the first example of a store setup with a positive effect on the environment. The steps taken to respect natural spaces were incorporated from the design phase of the store onwards . In particular, this included rainwater management considerations, reducing soil sealing by using permeable materials, installing bee hives in order to improve pollination in the local environment, planting tree and shrub varieties, creating a wetland area and an educational trail presenting this commitment to visitors.

The completed EPD enabled the real estate teams to provide indicators that establish the positive environmental impact of this first experiment. This encouraging initiative also promotes the maintenance of deep and harmonious relations with local stakeholders.

This type of experiment was also carried out in 2019 on the extension of the store in Lorient (France) that created a permeable parking area to preserve groundwater recharge and built wetland areas. The results show a 13% decline in soil artificialisation despite the extension. This expansion of natural areas will increase plant-life and attain the target set in terms of carbon sequestration per area and the biological diversity of plantation.

These two experiments will be used to measure the pressure on biodiversity for a long-term effect on our activity. As a result of the objective being applied to a new site and a site that is currently being rehabilitated, Decathlon's real estate teams have developed certain convictions and been able to roll out these best practices to all the real estate projects.

Practical measures to speed up biodiversity: Bearing in mind the action plans to be defined for Decathlon on the subject of biodiversity, a dedicated project manager position has been created to measure all of Decathlon's pressures on biodiversity at the different stages of the value chain and create a network of agents to work out the resulting action plans.
As part of Decathlon's commitment to the Fashion Pact initiative, biodiversity, like the protection of oceans and aspects of climate change, is one of the company's priority issues.



COORDINATING THE STORE COMMUNITY TO REVEAL SKILLS AND TRANSFORM THEM INTO AN ACTION PLAN IN THE FIELD

Structuring store coordination encourages people in the field to make a commitment and provides the right tools for teammates who want to implement practical measures to ramp up efforts made in the area of sustainable development.

At the end of 2019, there were 230 sustainable development coordinators in the French network. This community is made up of teammates who take on an additional role in the store in order to define a mission and coordinate the action plans. They are encouraged to draft it themselves in order to reveal their commitment and to ensure recognition of this additional mission. To achieve this, a specific SD skill was drafted in 2019 so that it can be integrated into every job description, with the corresponding adjustments to meet the different requirements. It is made up of the following three skills: "I make sure that products have a second life" (Trocathlon, repair), "I know and implement the recycling procedures", "I know and promote Decathlon's eco-designed products".

All of these tools were presented at 7 group meetings conducted throughout the year in 2019. The support provided is essential and removes the obstacles associated with the integration of an additional task: teammates are supported in organising their choices regarding scheduling issues, the prioritisation of tasks and budget.

At the end of 2019, 535 of in-store teammates had completed a sustainable development course in France. 240 teammates had organised an eco-responsible event on their site.

The goal of coordinating agents in the field is to ensure that strategies, new action plans and decisions are properly communicated, as well as to identify best practices and apply them to other stores. It is thanks to this high standard of commitment that initiatives are emerging around a "Green Friday" event:

- The store in Toulon (France) repairs watersports-related items, for example, throughout the summer and offers them to customers on that day.

- The Monaco store has highlighted the sustainability of its activity through various initiatives, illustrated by replacing bottles of water with reusable water bottles and providing a free water fountain.

All of these steps are supported by in-store communication, which is being ramped up in order to provide teammates with increasingly clear information on sustainable development so they can pass this on to our customers and users in the most transparent way.

3. See Decathlon's 2017 Sustainable Development Report.

MANAGING SUSTAINABLE PERFORMANCE IN STORES

As part of the coordination of the store network in terms of sustainable development, a reporting system was put together to manage this performance more specifically.

The stores can use this tool to manage their performance on subjects that create sustainable value, such as electricity consumption, organising eco-responsible events (World Clean-up Day and eco-hikes), the waste recycling rate, soft mobility initiatives, the percentage of teammates trained in the sustainable development module and finally, sustainable turnover.

The sustainable turnover, which is managed on a monthly basis, includes the commercial dynamics of eco-designed products, workshops (excluding product customisation, awards and ski services), and all of the second-hand trade (Trocathlon - Bike/Ski buy back - Second life of Signed Sports products[4]).



It is a new step that helps build awareness about the actual value created by certain initiatives that would previously have been considered not to contribute economically. For example, products returned to the store can now be sold to customers and given a second life, when certain conditions are met.

At the end of 2019, this in-store sustainable reporting was carried out and monitored by the teams in France, Spain, Italy, the Netherlands and the United Kingdom.

IN 2019, SUSTAINABLE TURNOVER REPRESENTED 5.6% OF THE OVERALL TURNOVER OF DECATHLON IN THE UNITED KINGDOM AND 4.1% FOR DECATHLON FRANCE



TESTIMONIAL



GRÉGOIRE GAUTIER, STORE LEADER, HIKING ENTHUSIAST AND **KARINE FAURE,** SKIING ENTHUSIAST, SUSTAINABLE DEVELOPMENT ADVISERS, GAP STORE (FRANCE)

"The team is naturally aware of this and the analysis of customer behaviour in the stores has shown us that this sales objective was something that many in this region wanted. So we went all out, at every level: in our way of working (recycling and sorting), in the considerable promotion of eco-designed products with all the POS advertising materials in the department, and we present and explain to our customers what Decathlon is doing on the subject. Second-life products are present in each department. We have built up a network of associations to donate products that we can no longer sell. Both our eco-responsible events (eco-run and eco-hike) with partner clubs or with students are prompting a lot of interaction with our communities, which are strongly committed to lending their support.

We are very ambitious in the actions we take to promote second-life cycling and skiing events and we are proud to tell our customers that we have the "largest second-hand stock of skis in the region". For the store, this represents a yearly sales figure of more than €100,000 linked to buying back and reselling products, which is currently equivalent to just under 1% of store turnover.

Sustainable turnover is an integral part of our major strategies for the coming year with, among other things, the monthly coordination of sustainable performance with the teams, a partnership with a seamstress who carries out weekly repairs of all the products that can be repaired, and the significant increase in the resale of second-hand skis and bikes.

We want to reach a target of 5% in sustainable turnover for the store by the end of 2020."

4. See p. 60

SUPPORT FROM AN ADVISER FOR SUSTAINABLE DEVELOPMENT IN THE NEW DECATHLON COUNTRIES

In order to ensure that sustainable development is included as one of the priorities right from the start in a new country and to capitalise on all the experience of the pre-existing network, country advisers provide support to the sustainable development leaders.



TESTIMONIAL

GIORGIO POSSI,

SUSTAINABLE DEVELOPMENT LEADER IN ITALY, RUNNING ENTHUSIAST

"I joined the network of in-store sustainable development managers in 2016, taking on the position of country manager.

I can use the network to improve my knowledge of sustainable development issues, while staying in contact with a committed group of teammates and suppliers. Thanks to the energy of this network, it is possible to do better every day by going further, to make Decathlon's activity increasingly sustainable. Today, I support 3 countries (Portugal, Romania and Croatia; with Slovenia added from 2020). First, I help them measure their impact through their network of contributors and prioritise the actions they have chosen to implement. Then, I share the best practices with them as well as contacts that can help them improve on their subjects and resolve their questions.

Thanks to this exchange, I can always get a fresh perspective, which I can use to examine my points of view and my own decisions. Given the diversity in the maturity of the countries, as well as the different cultures and local regulations, there is always a range of different action plans."

DIGITAL TECHNOLOGY MANAGER: SUPPORTING THE DIGITAL TRANSFORMATION IN THE LONG-TERM

Decathlon's digital transformation entails an increase in IT hardware and services in the stores and central services. New technologies such as Big Data, artificial intelligence and the platform represent an increase in storage and server needs (internal and cloud) and all represent additional impacts on Decathlon's carbon footprint. In order to reduce this impact and support the digital transition in the most sustainable way, Decathlon made a commitment in 2019 by signing the responsible digital charter of France's INR (Responsible Digital Institute), in partnership with WWF France.

This charter formally recognises Decathlon's commitments, in keeping with the actions already carried out since 2018. It commits the company to:

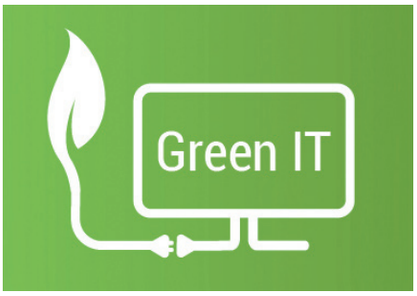
- **Reducing** the impact of IT supplies, in terms of quantity and through their use.
- **Providing** inclusive digital services that are protected from individualisation as well as hardware and software obsolescence, and are accessible to all.
- **Fostering** ethical and responsible practices with regard to privacy and equal opportunities.
- **Building** common measurement benchmarks with the entire sector that are transparent and legible.
- **Encouraging** the emergence of new behaviours which use digital technology as a tool for creating value, including internal initiatives linked to sustainable development.

The aim of this charter, like all the measures related to Green IT, is to be used by as many countries as possible where Decathlon is present. India was the first country to launch a responsible digital approach using evaluation, eco-design and impact reduction indicators.

At the level of the IT teams, an awareness campaign was conducted so that each team could define its own Green IT indicators. Decathlon has also integrated environmental and social criteria into the IT purchasing process.

At the same time, Decathlon is taking part in the study and following the We GreenIT reporting carried out in partnership with the Club Green IT (which it joined in 2018) to measure its digital impact.

World digital consumption (hardware and use) at Decathlon was estimated at 55,000 t CO_2 eq. at the end of 2019 (calculated by the framework of the annual GreenIT.fr reporting), i.e. an impact of 517 kg CO_2 eq. per employee per year.



Finally, digital technology has made it possible to deploy tools that make the management of our environmental and human performance more sustainable (IT for Green).

The following are some examples:

- air transport measurement and coordination solutions that we can use to make better decisions regarding our transport choices
- the Yukan tool that will provide a more accurate calculation of the environmental impacts of our products using methods and databases which have been approved at the European level and which encourage eco-design as a result
- the use of Big Data to calculate and provide reports using our key indicators for every employee.

GETTING INVOLVED IN TERRITORIAL DYNAMICS

The platform system and agile connections between customers and suppliers within an ecosystem are developing rapidly, all over the world. At the same time, sportsmen and women are increasingly seeking new experiences.

Decathlon now believes that it must review the mode of value creation and open itself up to external partnerships in order to create win-win relationships with the players in our ecosystems.

This objective involves the following three major challenges: modularisation (for more flexibility and adaptability), using APIs[1] (allowing external partners to connect to our information systems), and in-depth knowledge of local communities. These reflections have generally led to the promotion of a collaborative culture, which is firmly rooted in Decathlon's core values. More and more sites are starting to calculate their societal footprint and are implementing operations with a positive local impact on people and the planet.



By exploring these new avenues, the transformation of the Decathlon economic model will be able to progressively co-create more value locally, which is in line with one of the 5 objectives of the 2026 Vision: to be where we are needed.

IN FIGURES

AS OF 31/12/2019

32

DECATHLON SITES CALCULATED THEIR TERRITORIAL FOOTPRINT

IN 2019

124

TONNES OF WASTE WERE COLLECTED DURING WORLD CLEANUP DAY

IN 42 COUNTRIES

10,500

TREES WERE PLANTED BY OUR SUPPLIERS IN SRI LANKA AND BANGLADESH

KEY POINTS FOR 2019

1. WE FACILITATED SPORTING EXPERIENCES BY CONNECTING USERS AND THE SUPPLIERS OF SPORTS SERVICES.

2. WE RAN AN INCREASING NUMBER OF AWARENESS CAMPAIGNS ON ENVIRONMENTAL ISSUES WITH OUR EMPLOYEES, PARTNERS AND CUSTOMERS.

3. WE CALCULATED THE TERRITORIAL FOOTPRINT OF OUR ACTIVITIES AND DEVELOPED ACTION PLANS TO MEET THE IDENTIFIED CHALLENGES.

1. An API is an application programming interface.

FROM FOOTPRINT TO VALUE CREATION: THE STRENGTH OF THE LOCAL ECOSYSTEM



Based on ecosystems, the "Contributive Finance" project assesses the impacts of Decathlon sites to give them the means to transform and create value. This approach can be used to measure the contributions to the societal challenges of each territory, such as the contribution to economic growth, employability or even to the improvement of health reserves, and ultimately to take local action in keeping with the identified challenges.

The impact of a territory is calculated according to the following 4-step process:

1. an audit to measure the activity footprint and identify local issues

2. a strategy to explore and test new solutions to meet the identified challenges

3. setting up contributing transformation projects with economic, social and environmental impacts

4. modelling the creation of value

In 2018, 3 countries (the Philippines, Ghana and Lithuania) and 2 French sites (Btwin Village in Lille and Mountain Store in Sallanches) calculated their territorial footprint.

In 2019, each of them embarked on the implementation of action plans with their ecosystem. These actions include an occupational reintegration campaign for disadvantaged young people in the Philippines, the potential repurposing of plastic waste in Ghana to make energy (gas and electricity), the development of soft mobility for employees in collaboration with local authorities in Lithuania, building improvements at Btwin Village (recovery of rainwater, green car parks, etc.), as well as reforestation and eco-responsible events held at Mountain Store.

The implementation of all these operations (step 3) enables essential data to be collected and used for the impact modelling (step 4).

At the end of 2019, 25 new footprints were calculated in France (at the level of cities, stores or Signed Sports) and 7 other countries did the same (Bangladesh, Vietnam, Poland, India, South Korea, Russia and Belgium). This project refines the uniqueness and the mission of each of Decathlon's activities, challenges its economic models and its work, and identifies areas of transformation.



INTERVIEW

JÉRÉMIE PIOLET,

DECATHLON VIETNAM SUSTAINABLE DEVELOPMENT LEADER, MOUNTAIN SPORTS ENTHUSIAST

WHY DID YOU ROLL OUT THIS APPROACH IN VIETNAM?

Following the opening of our first store in 2019, we want to create lasting value for the Vietnamese people, our employees, neighbours and shareholders. So we need to build very sound social and environmental roots in order to be fully integrated within our local ecosystem.

WHAT ARE THE FOOTPRINT RESULTS?

The carbon footprint assessment conducted in Ho Chi Minh City identified some key local issues for the local population over the next 10 years: digitisation of the economy; inclusion of vulnerable people; an ageing population; increased levels of pollution.

WHAT ACTIONS WILL BE IMPLEMENTED?

Following a co-creation workshop with our stakeholders (employees, sports clubs, suppliers, local NGOs, users, influencers, etc.), attended by more than 50 people, we defined a vision (increasing the healthy lifespan of the population in Ho Chi Minh City and preserving local biodiversity), as well as 2 major projects (preparing employability in Ho Chi Minh City for economically disadvantaged young people and protecting the rivers by reducing waste, especially plastic).

PLATFORMISATION STRATEGY: CONNECTING PEOPLE IN ORDER TO FACILITATE SPORTING EXPERIENCES

ACTIVITES by DECATHLON

An economic platform model is based on the principle of intermediation: it facilitates interactions between users and suppliers. A platform therefore relies on a network of independent third-party suppliers. With the aim of developing its economic model, Decathlon has been exploring new avenues since 2018 and has positioned itself as an intermediary between offers and demands for sporting experiences. Consequently, several models of digital platforms have emerged, in response to local needs but always enhanced by a general discussion on the challenges facing the company. Local sports partners (certified coaches, clubs, associations and instructors) offer sports activities on these platforms for which they are paid through an online booking and payment system.

Here are 3 examples of Decathlon platforms:

- ***Play* in the UK[2]:** With the aim of encouraging British people to become more active, this platform offers inspirational solutions and sports advice in addition to sports sessions. There are also other ways of interacting with partners, such as the partnership with the "Run Friendly"[3] start-up that provides showers in the Decathlon store that runners can use after their training sessions. Since its creation in 2018, the *Play* platform has recorded more than 5,000 users and 180,000 events have been posted, the majority of which are free.
- **Activities[4] in France:** This platform invites sport professionals to offer a bespoke range of their sports activities (lessons, training courses, initiation activities, etc) with no strings attached. It overturns sporting conventions by facilitating sporting initiations and practice, especially for sports that usually require a commitment or a license, and which are now becoming accessible to a larger audience. By the end of 2019, "Activités" had recorded 60,000 reservations, 15,000 activities and 1,500 partners.
- **All for Sport in India[5]:** In addition to sporting activities, this digital space offers inspirational content, the option to book sports pitches, a forum with different communities to discuss sporting practices and a calendar of eco-responsible activities (planting, education in ecology for children, etc). In 2019, Sport for All had a total of 100 partners and ran 2,000 activities in which 29,000 sportsmen and women participated.

https://activites.decathlon.fr/

DECATHLON GHANA: SPORTS ENTREPRENEURSHIP AT THE SERVICE OF A SOCIETAL CAUSE



As part of its ambition to be a company with a strong commitment to society since it was founded in 2016, Decathlon Ghana[6] uses sport to help tackle local issues. Its key performance indicator is ambitious: increasing life expectancy at birth from 67 to 77 years. This humanist economic model highlights the following 4 priorities: preserving the environment; empowering young people as leaders of the future; improving the health of the most disadvantaged; combating non-communicable diseases and sedentary lifestyles. Consequently, in addition to stocking sports products, the Junction Mall store near Accra is primarily a venue for practising sports, where people can also participate in civic actions that combine sport and ecological action.

Every month, this store gathers together people who want to clean up public spaces for sports use, such as the beaches. In return, a coach provides a free sports session 3 times a day, on the cleaned-up site or in front of the store. In addition to regular clean-up operations, Decathlon Ghana has a lorry which criss-crosses the city and introduces the local population to products through taking part in sports. This sales format is a way of expressing Decathlon's purpose: making sport accessible to everyone.



INTERVIEW

KWASI TABURY,
DECATHLON GHANA LEADER, FOOTBALL ENTHUSIAST

WHAT IS THE CHALLENGE FOR DECATHLON IN CARRYING OUT CLEAN-UP OPERATIONS?

In Ghana, most sports are practised outdoors. Therefore, the challenge we face is to keep sporting locations clean. To combat the scourge of plastics, we get the local community together to join in the task of picking up the waste that we then give to partners (like the Plastic Punch NGO), who transform it and repurpose it. We are trying to create a circular system, it's a win-win relationship. We see our role as simply bringing the community together to pick up litter.

WHAT LOCAL IMPACTS CAN YOU OBSERVE NOW?

On Coco Beach in Nungua, the results are impressive. Before the clean-up, you could not practise sport there. Now, it is full of people and life. 300 people helped us clean it up. Decathlon is there to raise awareness and encourage everyone to take responsibility.

2. https://play.decathlon.co.uk/ - 3. https://www.runfriendly.com/about - 4. https://activites.decathlon.fr/
5. https://www.allforsport.in/ - 6. Video on Decathlon Ghana: https://www.youtube.com/watch?v=Bro8IY8c6Jw

PLASTIC AND WASTE INITIATIVES AT DECATHLON MONACO

In 2019, the Decathlon store in Monaco carried out several initiatives to raise awareness about environmental issues:

- In March, the store staff removed all single-use plastic water bottles from their shelves and replaced them with a self-service, purified and filtered water fountain that everyone can use to fill their water bottles. In addition, the store sells an eco-designed and customisable water bottle, which can be purchased in the store as well as from local clubs and businesses. In this way, Decathlon Monaco is hoping that it can help to kick-start a transition. This decision, which has both ecological and economic implications, led to the sale of 1,054 water bottles in 2019.
- In November, Decathlon Monaco reclaimed the global Black Friday event, by creating a "Green Friday". Signs were put up in the store to explain the principle of the circular system and showcase eco-designed products. A seamstress was in the store to repair damaged sports products brought back by customers and certain organisations came on site to present their actions to preserve the environment.



TESTIMONIAL

SÉBASTIEN USCHER,
DECATHLON MONACO DEPARTMENT MANAGER, RUNNING AND TRIATHLON ENTHUSIAST

"Even more than the environmental benefits, picking up litter is beneficial for humans. Naturally, picking up all this plastic on the beach leads to a certain self-reflection. It forces us to think about our actions and challenges our impact. We can all act, even locally, by making decisions at home and in the workplace. There are alternatives, to create lasting value."

OTHER ECO-RESPONSIBLE EVENTS TO PRESERVE THE PLACES WHERE WE PRACTISE SPORTS

To preserve the Meaning of Decathlon, we must protect its playing fields. This is why the Decathlon teams regularly run awareness campaigns and activities to clean up sporting locations throughout the world.

- **21 September 2019 was World CleanUp Day[7],** a global one-day event which involves cleaning up the planet. 42 countries in which Decathlon operates came together by organising more than 500 sports-related litter pick-up events. The 24,500 participants joined forces to collect 124 tonnes of waste.
- **In 2019, the Decathlon stores and warehouses in France organised 240 sporting events** on the theme of sustainable development. One of these events was the eco-hike organised on 25 May, in which participants picked up litter as part of an eco-responsible sports hike. 155 stores got involved on this day, increasing the number of eco-hikes to 170 for the year 2019, i.e. 30% more than in 2018. The 3,060 hikers picked up a total of 6.7 tonnes of litter over a 720 km route. Most of these eco-hikes were advertised to the general public through the Decathlon Activities platform[8].
- **On 30 March at 8:30 am, 90 Decathlon sites in Spain turned off their storefront lights for 1 hour** in support of the Earth Hour event. The previous week, an in-store awareness campaign had been organised on the consequences of climate change on sports playing fields.
- **At the San Sebastian store in Los Reyes, Spain, 50 nine-year-old pupils were introduced to sustainable development for one morning.** The event involved various sports and fun activities. One of the activities involved a race during which children were made to carry weights according to their consumption habits. This gave them an idea of the weight of their carbon footprint. Another activity involved a small swimming pool filled with waste in which the pupils had to find the words of a sentence; when assembled in the correct order, this sentence read "Help us protect your playing field". The operation was a success and the teams are currently working on a format to replicate it in other stores.

GAMES USED AS AN AWARENESS-BUILDING TOOL THAT GENERATES EMPLOYEE COMMITMENT

46% of Decathlon's carbon footprint is tied to manufacturing products and operating production plants. As a result, any sustainable development initiative in this area should be evaluated and encouraged, in order to increase its impact.

Inspired by the Seed Game challenge invented by Decathlon Taiwan in 2018, the Decathlon China sustainable development team has put together a game called the EGG Game[9]. This game intends to motivate and encourage greater commitment from the Chinese teams in implementing initiatives with a positive environmental impact. Hence, the objective is primarily educational. The game is based on the CO_2 emissions of employees' daily actions and is for all the Chinese stores, warehouses and production offices, totalling 16,000 employees.

The more sustainable the action, the more the employee is rewarded by receiving points. These actions, whether they are individual or collective, large or small, include energy management, transport, waste and even eco-design. A precise scale is used to measure the different actions and calculate the number of points to be awarded.

Results of the EGG Game in China: In 2019, 685 employees participated in the game in China and organised 6,478 individual and collective actions.

Results of the Seed Game in Taiwan: In 2019, 716 employees on this island took part in the game, i.e. a participation rate of 68%. The site of Taichung won the most points. In Taiwan, if the objective is attained, employees receive a 5% bonus. In 2019, this bonus was awarded.

7. WCUD results in video: https://youtu.be/7oUf0Py31mY
8. See article p. 92 - 9. EGG = Everything Goes Green.

REFORESTATION TO OFFSET LOCAL CARBON EMISSIONS

As part of the UNFCCC commitment[10], Decathlon supports its suppliers in reducing the carbon emissions that are directly linked to their production of sports products. In addition, several countries in which Decathlon operates are contributing to the reduction of these emissions through reforestation, such as Sri Lanka and Bangladesh. The objective is twofold: making plant workers aware of environmental preservation and participating in the carbon reduction effort by absorbing CO_2 through trees, which transform it into oxygen.

Consequently, between May and December 2019, the production teams of Decathlon Sri Lanka and their local suppliers[11] planted 1,500 trees and took on the responsibility to care for them over the next 15 years. A part of these trees was planted in a remote area prone to landslides and the rest were planted along a highway in the south of the country.



In July 2019, 9,000 guava plants were distributed to some 9,000 workers in the factories of Tarasima Apparels Ltd and Croydon Kowloon Design Ltd in Bangladesh, following a local environmental awareness campaign.

Each worker then had the task of replanting their tree near their place of residence. By giving people the opportunity to be responsible for a tree and harvest its fruits, Decathlon Bangladesh hopes to increase the ecological awareness of local populations.



TESTIMONIAL

DEVIKA PERERA,
DECATHLON SRI LANKA SUSTAINABLE DEVELOPMENT LEADER

"Even if the absorption of CO_2 by trees is very low compared to our industrial activities, we are helping to preserve our planet through reforestation. It is an effective mitigation strategy for combating global warming. It can also be used to protect certain animal species by rebuilding their natural habitats."

THE AIR QUALITY INDEX IN INDIA: A DECISION-MAKING AID FOR LOCAL SPORTS

9 out of 10 people worldwide are exposed to levels of air pollution that exceed the safety levels recommended by the WHO. Moreover, poor air quality can make sports hazardous for health by causing respiratory diseases such as asthma or chronic bronchitis.

Some Indian cities are among the most polluted in the world. This is why, in order to help people understand these risks, the Indian government has set up an air quality index[12] that is published in all the country's major cities. Since 2019, Decathlon India has been combining this index with the rate of perceived exertion (RPE) and the type of sport practised to help its users identify the risk of playing sports. According to this advisory tool, all outdoor sports are encouraged below an index of 200. Between 201 and 300, physical activity is possible as long as it is a low intensity activity lasting less than one hour. Above 300, any outdoor physical activity is strongly discouraged and sporting events organised by Decathlon are cancelled or postponed.

This indicator is a real decision-making tool for maintaining our local sporting events.

Indeed, it is Decathlon's responsibility to provide this information because sports activities are directly linked to the use of our products.



10. See p. 134 - 11. Crystal Martin Ceylon PVT LTD, Avery Dennison PVT LTD, Naturub Group. - 12. https://app.cpcbccr.com/AQI_India/

OPTIMISING OUR WASTE AND ENERGY MANAGEMENT

If we want to move towards a substantial reduction in the carbon footprint of our activities, we must reduce the use of fossil fuels. Renewable energies are one of the effective solutions in reaching the carbon reduction objective set by the Paris Agreement.

By committing to the RE100 initiative in 2018, Decathlon confirmed its objective to reduce its carbon footprint by using energy from 100% renewable sources by 2026. This commitment is part of a global effort towards a more responsible energy market.

The subject of waste is also of the utmost importance: our teammates and users are joining forces to deal with the very real and visible direct effects of a form of consumption that needs to be revised.

Decathlon has chosen to deal with these issues according to specific local factors. Present in most of the countries in which Decathlon is established, the sustainable development leaders for distribution are responsible for measuring and managing the reduction in energy consumption of all the sites concerned by the business.

Thanks to an active network that enables best practices to be shared, this work resulted in a 5% reduction in consumption for the stores and warehouses in 2019, as well as the extended use of previously identified best practices.

KEY POINTS FOR 2019

1. WE DEPLOYED STRATEGIES TO REACH 100% CONSUMPTION OF ELECTRICITY FROM RENEWABLE SOURCES BY 2026, THANKS TO ON-SITE PRODUCTION, THE PURCHASE OF RENEWABLE ENERGY THROUGH PROCUREMENT CONTRACTS AND GUARANTEE OF ORIGIN CERTIFICATES IN PARTICULAR.

2. WE LAUNCHED LOCAL INITIATIVES TO REDUCE OUR WASTE AT EVERY LEVEL, SUCH AS VOLUNTARY INITIATIVES FOR THE GRADUAL ELIMINATION OF CHECKOUT BAGS OR PROJECTS TO COLLECT AND REUSE HANGERS.

3. THE GLOBAL NETWORK OF ENERGY LEADERS CONTINUED TO GROW AND TO DEVELOP MEANINGFUL STRATEGIES, LINKED TO LOCAL OPPORTUNITIES AND CONSTRAINTS.

ENERGY AND WASTE MANAGEMENT, IN FIGURES

AS OF 31/12/2019

35

ENERGY LEADERS IN THE COUNTRIES

RESPONSIBLE FOR REDUCING ENERGY CONSUMPTION ON THE DECATHLON SITES

5 MORE THAN IN 2018

ENERGY CONSUMPTION:

111 kWh/m²

FOR STORES

5.9% LESS THAN IN 2018

53 kWh/m²

FOR WAREHOUSES

8.6% LESS THAN IN 2018

79%

OF HANGERS RECYCLED

238% MORE THAN IN 2018

AN ENERGY CONSUMPTION STRATEGY ENTIRELY FOCUSED ON RENEWABLE ENERGY RESOURCES

The use of energy from renewable sources is the first solution to a low-carbon economy. In 2018, Decathlon joined the global RE100 initiative, which commits it to using **100% electricity from renewable sources by 2026.** The commitment covers all commercial and logistics sites (whether Decathlon is the owner or the tenant) around the world.

The priority strategy is to develop autonomous electrical production solutions, directly on the Decathlon sites – stores and warehouses – wherever possible. When the installation conditions make this impractical, the priority is to buy energy from renewable sources, through procurement contracts attached to specific facilities in particular. This process is based on a partnership approach in the form of a joint investment between seller and buyer, and can include other stakeholders.

By the end of 2019, 68 stores and warehouses were equipped with solar panels.

The outstanding consumption involved buying Guarantee of Origin certificates.

Today, France, Spain, Italy, Germany, Belgium, India, the United Kingdom, the Netherlands and China are committed to producing and buying renewable energy to help meet the 2026 target.

At the end of 2019, Belgium, France, Spain, the United Kingdom and India were consuming 100% of their electricity needs from renewable sources; Italy was at 97.3%, Germany 85.5% and the Netherlands 84.5%.

At the end of 2019, 58.9% of Decathlon's overall electricity consumption was from renewable energy, 2.8% from its own production and 97.2% from procurement contracts.

Decathlon's commitment to the RE100 initiative also means that it can play a role in organising the world energy market and have access to practical solutions in every country, including in European exchange markets such as the RE-source Event[1], which connects energy buyers and suppliers.

In August 2019, Decathlon joined the steering committee of the RE-source initiative, representing a minor structure within the framework of the Solar-As-A-Service operation (see below) to take part in a global strategy experience, enhanced by local examples. This commitment opens up opportunities to work on the definition of priority objectives with other companies.

SOLAR ENERGY SOLD "AS A SERVICE"

In Belgium, in order to quicken progress on the issue of renewable energy, an innovative solution to produce electricity directly from solar panels installed on Decathlon sites has been developed. Decathlon asked Belgian customers and citizens to join in this approach and co-invest in buying the facilities needed to benefit from this source of energy. In 2019, the 19 Belgian sites (stores and warehouses) where this was possible, were fitted with the solution. The financing, installation, renting of spaces and sale of the green energy produced will be provided by a third-party company, for a period of 10 years.

This solution for outsourcing the service to a specialist organisation reduces investment costs, shares the benefits of renewable energy production among the local population and delivers savings of up to 5% thanks to the energy produced. As a result, the price of this energy is cheaper than the public price and is guaranteed for 10 years.

582,157 kWh were produced in 2019 thanks to panels from the Solar-As-A-Service solution, out of a total of 4,491,596 kWh produced from Decathlon Belgium's 19 installations.

68

STORES EQUIPPED WITH SOLAR PANELS

WORLDWIDE

TESTIMONIAL

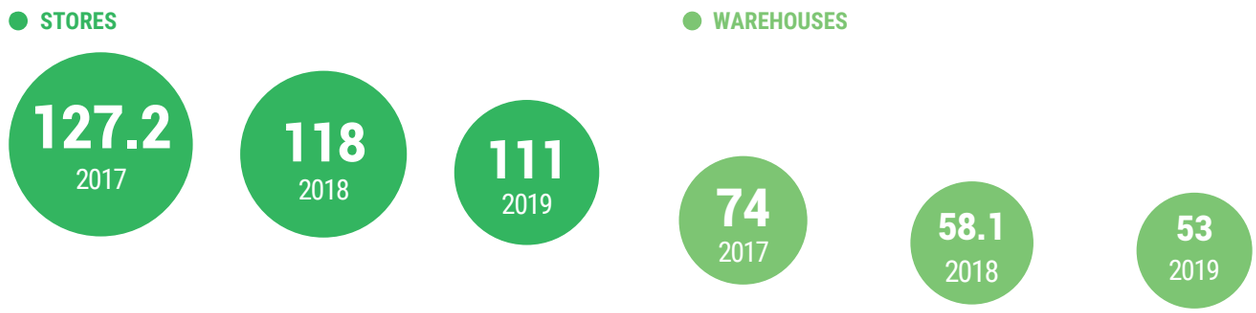


JOERI MOONS, SD RETAIL LEADER, BELGIUM, RUNNING AND FOOTBALL ENTHUSIAST

"The 'Solar-As-A-Service' solution shares truly green energy with our local community, which makes sense to our customers. This shared investment, made with a third-party partner to manage all the logistical aspects, is a winning formula for all beneficiaries."

CHANGE IN ENERGY CONSUMPTION PER YEAR FOR STORES AND WAREHOUSES WORLDWIDE

IN KWH/M², AS OF 31/12/2019



1. *http://resource-platform.eu/*

A GLOBAL NETWORK DEDICATED TO ENERGY MANAGEMENT



To meet the overall requirement to reduce our energy consumption, we have set up a network of energy leaders dedicated to action on this topic. These agents run the energy consumption of the store and warehouse networks in their country. They collect environmental data (electricity consumption, renewable energies, natural gas, production and waste recycling) and define the strategy to be adopted locally according to the needs and resources of the area, as well as implementation of the corresponding action plan.

The collected data provide pertinent information on the environmental impacts of their sites, so they can evaluate the highest sources of emissions and direct the subsequent action plans.

This organisation is in the form of a network so it can act locally in more appropriate ways, thereby taking into account the specific requirements of each area. Indeed, each country, and each City within any particular country, has different needs and resources according to its climate (need for heating or air conditioning, need for more or less light, etc.) and available resources (e.g. energy from solar panels thanks to adequate levels of sunshine).

This process leads to exchanges of best practices, which are communicated to everyone, as well as an increase in expertise on this issue to facilitate flexible and relevant decision-making, together with faster local implementation.

WASTE TREATMENT POLICY THAT IS GAINING MOMENTUM

Waste represents the visible and tangible part of our environmental impact on a daily basis. Our different activities produce waste, which is dealt with every day by the teams in the stores, branded sites, central services and warehouses. Most of this is paper, cardboard, plastic, scrap metal and wood. This waste comes from our packaging, defective products and daily consumables, as well as our products. A solution to remedy all this waste is sought at every level of the company, from the design of our products (frugal innovation and eco-design) to production (commitments on packaging) and in-store sales (increase in second life, recycling of hangers, waste recycling).

The teammates are very committed to developing practical solutions to reduce their daily impact. A set of practical proposals is available to them via the sustainable development training module, e.g. **efficient selective sorting, the management of recyclable waste, all the internal measures that facilitate the management of second-life products and even the simplification of the donation process.**

Each country manages its waste independently. Some countries in which Decathlon is established do not have the same high-standard recycling channels or the same demanding regulations. The activities of the environmental leader network enable initiatives to be shared and processes to be developed beyond the purely local context.

80,316

TONNES OF WASTE WERE GENERATED BY OUR SITES IN 2019

NO MORE NON-ESSENTIAL PLASTIC BAGS AT CHECKOUTS IN COUNTRIES WHERE THERE IS NO BAN

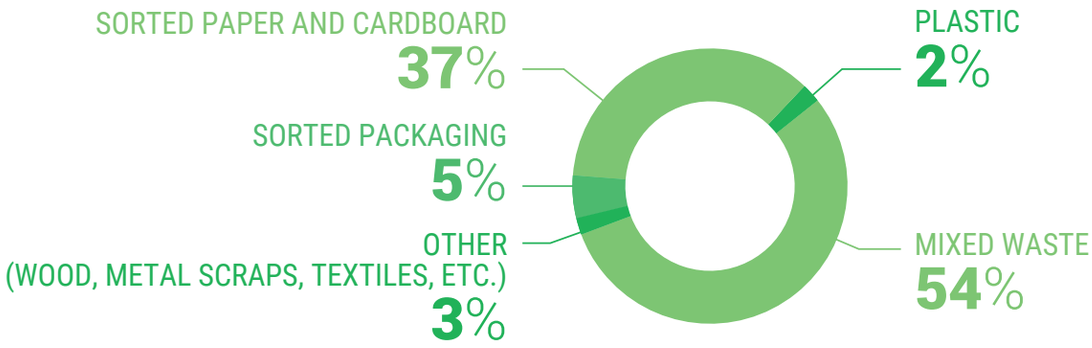
In some countries, there are no plans to legally ban plastic bags when sportsmen or women make their purchases. On a voluntary basis, the Decathlon teams in Spain, the United Kingdom, India and Italy have removed plastic shopping bags at checkouts and are offering alternative solutions. Each store is free to choose the solution it makes available, provided that it can be reused.

Spain and Italy have chosen to provide fabric bags from surplus production, in collaboration with Decathlon's production offices. This resulted in a reduction of 338,000 kg of plastic in 2019.

In the Netherlands, a pilot study was undertaken to completely eliminate the plastic from e-commerce related shipments by using a reusable bag system, returned free of charge by the customer.

TYPES OF WASTE GENERATED BY OUR SITES WORLDWIDE

DECATHLON STORES, BRANDED SITES AND COMPANY-OWNED WAREHOUSES



APPLYING THE 3R STRATEGY (REDUCE, REUSE, RECYCLE) FOR OUR HANGERS

In 2014, a project emerged to hang clothes directly at the production site, instead of teammates handling the hangers in store. Given that all garments have been arriving in store on hangers since 2015, we wanted to create a closed-loop recycling circuit to reduce our waste and our GHG emissions.

Today, the hangers are collected to be recycled (79.1%[2]) or directly reused in 21 countries (6 countries more than in 2018). In 2019:

- **44% of hangers were collected**
- **28.4 million hangers were reused,** an increase of **238%** compared to 2018 (8.4 million hangers collected in 2018)
- **Part of the hangers collected was used to make new hangers** for Decathlon, in a proportion of 30.5% recycled material in the production of new hangers in 2019 (50% more than in 2018)
- **In Italy,** the collection of hangers reached **89%**

As with other projects related to sustainable development in the countries, each leader must find their own local formula, choosing the best options.

TESTIMONIAL



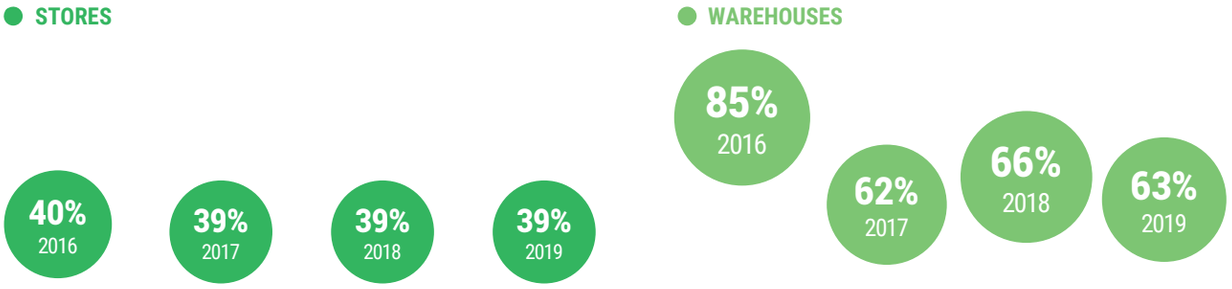
ROELAND VERVLOET,
HANGUP PROJECT LEADER, NETHERLANDS SUSTAINABLE DEVELOPMENT LEADER

"Rather than recycling hangers, we are focusing our energy on their reuse, to significantly reduce our carbon impact."

OBJECTIVE

80% OF HANGERS REUSED IN 2023

TRENDS IN WASTE SORTING BY TEAMS



2. The total proportion of material that is reused in the injection moulding of new hangers is 30.5%.

TRANSPORTING OUR PRODUCTS, PROMOTING ECO-MOBILITY

2019 was the second hottest year in the world. Air pollution continues to be the "number one environmental health problem" in the European Union[1]. The warming of the Earth's surface, the effects of which are becoming increasingly observable year on year, are driving us to join forces and take action to reduce our carbon footprint.

The United Nations Environment Programme agrees that the transport sector is largely responsible for air pollution and that 24% of GHG emissions are linked to it. This is why tackling the causes of climate change by controlling greenhouse gas emissions from transport (rail, air, road, maritime, etc) is of the utmost importance.

For this reason, Decathlon is working to develop alternatives to reduce our footprint and promote sustainable mobility.

Regarding our activities, Decathlon is taking action on the following 3 levels:

- Transporting and storing its goods,
- The travel of customers and employees to our stores, logistics platforms and offices,
- Promoting the soft mobility of users in their daily lives.



KEY POINTS FOR 2019

1. AIR TRANSPORT USE LEVELLED OFF BETWEEN 2018 AND 2019: 3.2% OF THE TRANSPORTATION OF OUR PRODUCTS IN 2019, STABLE COMPARED WITH 2018.

2. WE DOUBLED THE USE OF RAIL TRANSPORT BETWEEN 2018 AND 2019: 4% OF THE TRANSPORTATION OF OUR PRODUCTS IN 2019, COMPARED WITH 2.1% IN 2018.

3. WE ENCOURAGED TEAMMATES AND CUSTOMERS TO USE ALTERNATIVE MODES OF TRANSPORT.

TRANSPORT AND MOBILITY IN FIGURES

AS OF 31/12/2019

53.1 m^3

AVERAGE VOLUME FILL RATE PER LORRY

BETWEEN OFFSHORE WAREHOUSES AND DISTRIBUTION WAREHOUSES

IN EUROPE

322 g Co_2 eq.

EMITTED BY PRODUCTS DELIVERED

IN EUROPE

11%

OF MULTIMODAL POST-ROUTING TRANSPORT

IN EUROPE

1. *https://www.eea.europa.eu/themes/air*

STORAGE AND TRANSPORTATION: INTERNATIONAL TRANSPORT

Our logistics teams are working to reduce the carbon emissions generated by the transportation of products from manufacturing facilities to our stores. Consequently, reducing the distances travelled, optimising loads and using transport modes that are more eco-friendly, are all priorities for our teammates. In 2019, we were able to fulfil deliveries to the countries where Decathlon is present thanks to 73 warehouses and logistics platforms spread across the world.

In 2019, Decathlon levelled off the use of air transport, after a halving it in 2018 (3.2% of product volumes transported in 2019 and 2018).

Teammates are working to reduce the use of this mode of transport, particularly through the creation in 2019 of a system that deals with the share of the air transport mode that is "not expected by trade" (i.e. goods which are not expected to leave the warehouse within three weeks of arriving by air, hence not for urgent fulfilment). Since 2019, the Signed Sports teams and those of the industrial processes can monitor their use of air transport and this useful or non-useful air transport mode percentage. This helps decision-making and has led to a decrease in the percentage of goods delivered by air and not expected by trade, i.e. down from 44% in 2018 to 38% in 2019.

The ecological alternative to air transport, i.e. rail, has finally taken off, two years after the creation of the direct link established between the factories of Wuhan in China and the multimodal platform of Dourges in France. The decrease in the size of block trains (negotiated in 2018) on the one hand, going down to 20 containers, compared with 40 in 2018, coupled with improved team coordination on this mode of transport on the other hand, made it possible to increase the share of products imported for the customs zone that was transported by rail from 2.1% to 4%.

Finally, sea transport remains the preferred mode of transport, given that it is the cheapest mode and the one that pollutes the least. It represents 82.2% of the total volume of our transported products. We decided to consolidate our partnerships with the shipping companies that are most sensitive to environmental issues, which is why 80% of our volumes are entrusted to shipowners that are actively involved in the "Clean Cargo Working Group"[2] initiative.

The environmental impact of our products delivered from production countries to Europe increased by 11% in 2019, after a drop of 17% in 2018. This increase is explained by a heavier weight per item transported by air, which has a direct and significant impact, despite the share of products transported by air being unchanged.

BREAKDOWN OF PRODUCT VOLUMES TRANSPORTED BY TRANSPORT METHOD

AS OF 31/12/2019



CO_2 EMISSIONS BY TRANSPORT METHOD

IN Kg CO_2 EQ.



DISTRIBUTION OF PRODUCTS FROM THE WAREHOUSES

To reduce the carbon footprint of transporting Decathlon products, soft mobility solutions are also implemented for journeys between the offshore warehouses, distribution platforms and stores. For these shorter journeys, mainly fulfilled by road, Decathlon is increasingly turning to rail transport, the "short-sea" mode (between countries of the same continent) and natural gas lorries.

In 2019, the logistics teams strongly emphasised the environmental aspects with their contractors in the invitations to tender. This increased importance of environmental criteria among the partners will bear fruit in 2020 with an increase in "green" transport on journeys between the offshore warehouses and distribution platforms, and deliveries to almost 20% of the French stores will be fulfilled by cleaner transport solutions (gas, biogas, rapeseed) in 2020.

Finally, another area of work is the fill rate of lorries on their return journey, from the stores to the warehouses. For example, the HangUp project is designed to return hangers from the stores to the warehouses[3].

2. *https://www.clean-cargo.org/*
3. *See p. 98*

ENCOURAGING ECO-MOBILITY

The experiment of offering more eco-friendly mobility solutions for teammates and customers begins as soon as they enter the store.

Decathlon is playing an active role in developing sustainable mobility as a designer and producer of soft means of transport, such as bicycles and scooters.

In 2019, Decathlon sold nearly 5 million bikes worldwide (4 million in 2017), all models and all ages combined. As such, Decathlon is developing access to soft transport modes and encouraging the regular use of these solutions by guaranteeing their service life through maintenance and repair.

Thanks to our network of workshops (1,400 around the world and 26 regional workshops, 10 of which are in France), 1,547,000 bikes (compared with 1,335,000 (720,000) in 2018[4]) were repaired worldwide in 2019, i.e. an increase of 16% compared to 2018. The bicycle spare parts market for after sales grew by 6% compared to 2018.

At the local level, Decathlon has been a partner of Veligo Location since September 2019. This scheme is used by the residents of Île-de-France to hire electrically assisted bikes for six months (renewable for a further three months) at a competitive price, and the Decathlon stores are among the collection points for these bikes. Working with local authorities is essential for developing soft mobility and Decathlon, thanks to its division into Cities, is positioned to support communities through this type of service.



ENCOURAGING THE ECO-MOBILITY OF TEAMMATES IN FRANCE AND ABROAD

Decathlon encourages its employees to use soft mobility, by shifting car use to certain alternative modes (such as cycling, public transport, carsharing, etc).

The creation of the bicycle mileage allowance in 2018 in France has proved an important incentive with teammates. It has three main objectives: to promote cycling and sport, improve the health and well-being of employees and reduce the environmental impact associated with urban mobility. In 2019, 7% of French employees benefited from this allowance of 25 cents per kilometre cycled, capped at €200 per year. In total, nearly one million kilometres were cycled by teammates in 2019, compared with 643,000 in 2018. At the same time, the teams are seizing the opportunities made available by the provisions in the mobility framework law, including the "mobility package" for employees wishing to practise soft mobility.

At the Mountain Store in Sallanches (Savoie, France), bikes of all types (intermodal, all-mountain with electric assistance, cargo bikes, etc.) are available for teammates through the Be-Cycle project. They can then benefit from preferential conditions if they wish to transform the test into a purchase.

ABROAD, INITIATIVES AROUND SOFT MOBILITY ARE BEING ORGANISED

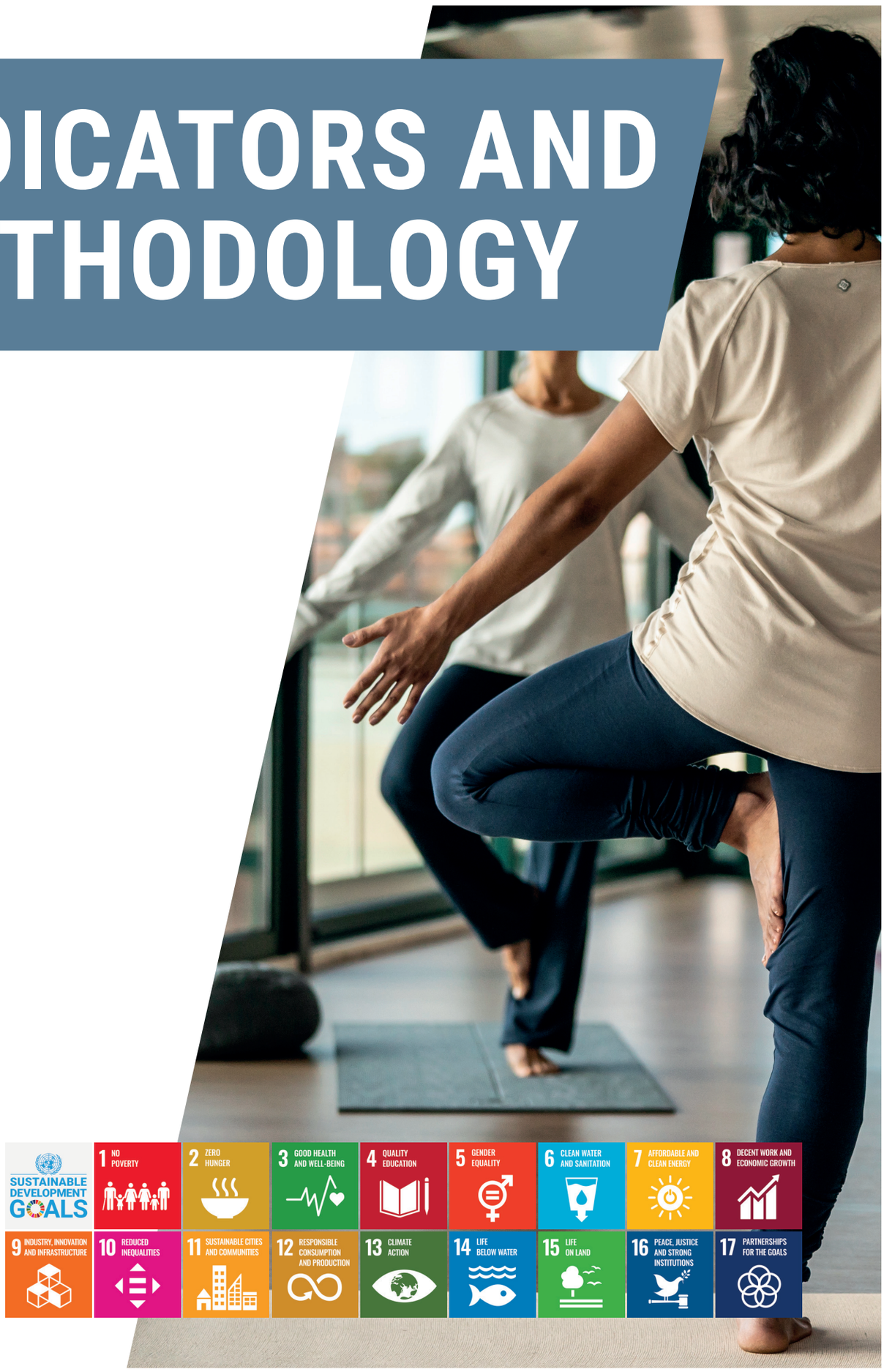
In Spain, the number of "mobility challenges" is on the rise, both at the national level (competition between stores) and at the local level (competition between teammates). Thanks to a mobile app[5], developed specifically for Decathlon Spain, the Spanish teammates are monitoring their progress in terms of eco-mobility throughout the year (challenge over the year), together with shorter challenges.

For example, for the COP25 in October 2019 in Madrid, a challenge was organised for teammates and customers, with prizes to be awarded to the winners. Thanks to these initiatives, soft mobility improved in 2019, with a 7% drop in car use among teammates, who are turning to solutions such as cycling, public transport and carpooling.

In Belgium, several solutions are also being offered to teammates who want to travel more sustainably. The mobility plan has become more sophisticated year-on-year. There is an online carpooling platform, electric vehicles made available on several sites and even the total defrayal of rail season ticket costs for employees who commit to using the train to get to their place of work. In 2019, carpooling worked particularly well, as did the provision of electric vehicles, prompting local teams to increase the number of vehicles.

4. The teams dedicated to the Workshop activity have modified their system and their calculation methods. The previously calculated 2018 figure was 720,000 bikes.
5. Ciclogreen app.

INDICATORS AND METHODOLOGY





OUR PERFORMANCE INDICATORS

CHALLENGES AND STRATEGIES

COMPANY FACTS AND FIGURES	2018	2019
Decathlon turnover (excl. tax)	€11.3 billion	**€12.4 billion**
Growth in turnover Y/Y-1	+4.6%	**+9.1%** (Note 1)
Number of sports users (in millions)	340	**400** (Note 2)
Number of distribution countries	51	**57** (Note 3)
Number of cities where Decathlon distributes its products	869	**938**
Number of Decathlon retail stores in the world	1,510	**1,647** (Note 4)
Number of new retail outlets Y/Y-1	+168	**+165** (Note 5)
Number of warehouses and logistics platforms	69	**73**
Number of Signed Sports (Decathlon brand products)	85	**85**
Quantity of products sold (in billions)	1.25	**1.28**
Number of production countries:		
• with physical presence of Decathlon teams	24	**24**
• with no Decathlon teams physically present	23	**23**
Number of Decathlon production offices	42	**42**
Number of suppliers for Decathlon products:		
• rank 1 suppliers (finished products & components)	1,031	**1,007**
• rank 2 suppliers	316	**346**
Number of teammates responsible for managing and coordinating relations with suppliers	2,100	**2,142**
Number of Decathlon-owned production facilities	10	**9**

DEFP 2019 methodological notes

Note 1: At constant exchange rates.
Note 2: There was a change in methodology in October 2019 for the "Number of sports users" indicator, with a restatement of the historical data for 2018.
Note 3: Excluding franchises, and excluding countries that only had e-commerce in 2019. Openings: Japan, Ukraine, Vietnam, Malta, Serbia and Algeria.
Note 4: Excluding franchises. It should be noted there was an error in the total number of stores stated for 2018: this figure has been corrected to 1,510 for 2018, instead of the 1,511 stores stated in the DEFP 2018.
Note 5: The gross total of openings only; not taking closings into account.

CLIMATE CHANGE	2018	2019
Greenhouse gas emissions in tonnes of CO_2 equivalent emitted by scope (from 1/01 to 31/12)	10,532,129 T CO_2 eq. (Note 6)	**11,226,200 T CO_2 eq.** (Note 6)
• Scope 1 VERIFIED INFORMATION MAZARS AUDIT	29,454 T CO_2 eq.	**26,894 T CO_2 eq.**
• Scope 2 (Location based methodology) VERIFIED INFORMATION MAZARS AUDIT	205,166 T CO_2 eq.	**216,689 T CO_2 eq.**
• Scope 2 (Location based methodology) VERIFIED INFORMATION MAZARS AUDIT	153,329 T CO_2 eq.	**141,026 T CO_2 eq.**
• Scope 3	10,349,346 T CO_2 eq. (Note 6)	**11,058,280 T CO_2 eq.**
Intensity of CO_2 emissions in kg CO_2 eq. per product sold	8.4 kg CO_2 eq./product sold (Note 6)	**8.7 kg CO_2 eq./product sold** (Note 7)
Change in intensity of CO_2 emissions per product sold in relation to 2016 (reference year)	-2.3% (Note 6)	**+1.2%** (Note 7)
Breakdown in % of greenhouse gas emissions by lifecycle stage:		
• Raw materials extraction	19%	**19%**
• Product manufacturing	46%	**46%**
• Product transportation	4%	**4%**
• Product use	7%	**7%**
• Construction and operation of sites	4%	**3%**
• Teammate and client travel	15%	**16%**
• Product end of life	5%	**5%**

DEFP 2019 methodological notes

Note 6: The product impact data for 2016, 2017 and 2018 has been restated and updated in order to achieve comparable results.
It should be noted that the scope 2 figure is calculated according to the recommendations in the GHG Protocol using *"market based"* and *"location based"* methods.
The total CO_2 emissions and CO_2 intensity are calculated using the *"market based"* method
Not all of our products are evaluated; however, the environmental evaluation of our products in increasing year on year.
To gain a comprehensive idea of impact, we extrapolate data by family types that extend to all products sold.
The environmental evaluation of our products is increasing year by year (the figure has risen from 69% of sold products in 2018 to 75% in 2019).
We have recalculated the previous data to include these new evaluations.
In addition, the emission factors supplied by ADEME that we use to quantify the impact of products are increasingly comprehensive.
For example, in 2019 we were able to include the impact of industrial processes for "foam" materials.
It is therefore important to recalculate the previous data to ensure we achieve comparable results.
Note 7: The CO_2 emissions intensity in kg CO_2 eq./product sold in 2016 has been restated to make it comparable with the 2019 data.
In 2019, we fixed a global objective of 40% less kg CO_2 eq./product sold between 2016 and 2026..
We also set 3 objectives that have been validated by the *Science Based Target initiative:*
- To reduce our overall CO_2 emissions by 75% in scopes 1 and 2
- For 100% of our electricity consumption to come from renewable energy sources by 2026
- To make our principal suppliers commit to defining their own science based target by 2024

We had planned a 3.8% reduction in the intensity between 2016 and 2019. Ultimately, we have recorded an increase of 1.2% over this same period.
We are aware that the 2019 results show we must react rapidly, particularly regarding our product impact.
The main reason for this deviation is that there are too few eco-designed products (4% in 2019) and the stagnation of this percentage.
For this reason, in 2019 we promoted a percentage of the eco-designed products being sold every month, to raise the awareness of our inhouse teams about this indicator (Signed Sports & industrial process teams, finance teams).
Our goal is for 100% of new products to be eco-designed from 2021, to attain 100% of eco-designed products by 2026.
We have also noticed an increase in the sale of some products that have a higher than average impact.
We have seen good results concerning:
- the energy consumption on our sites; with a reduction of 5% kWh/m^2 in our stores and 8% in our warehouses
- a slight increase in our renewable energy consumption (59% in 2019).

OUR PERFORMANCE INDICATORS

PEOPLE AND MANAGEMENT

EMPLOYMENT	2018	2019
Total workforce (situation as of 31/12) VERIFIED INFORMATION MAZARS AUDIT	96,002	**102,307** (Note 8)
Workforce by gender (situation as of 31/12):		
• % women	46.9%	**46%**
• % men	53.1%	**54%**
Workforce by age (situation as of 31/12):		
• % under 20	4.6%	**5.2%**
• % 20 to 29	63.4%	**60.3%**
• % 30 to 39	23.1%	**24.8%**
• % 40 to 49	6.9%	**7.4%**
• % 50 and over	2.1%	**2.4%**
Workforce by geographic area (situation as of 31/12):		
• % Europe & Russia	67.3%	**67%**
• % Asia	25%	**24.4%**
• % Africa & Middle East	4.1%	**4.2%**
• % Americas	3.3%	**4.1%**
• % Oceania	0.3%	**0.3%**
Workforce by activity (situation as of 31/12):		
• % retail and services	76.7%	**78.2%**
• % logistics	11.6%	**11.7%**
• % design/production	5.2%	**5%**
• % support activities	6.5%	**5.1%**

DEFP 2019 methodological notes

Note 8: This indicator takes into account teammates on permanent contracts, non-permanent contracts and those on internships in the company as of 31/12/2019.

PAY AND PAY TRENDS	2018	2019
World payroll (€) (from 1/01 to 31/12)	2,108,174,115	**2,358,712,531**
% of world payroll/turnover (from 1/01 to 31/12)	18.7%	**19.1%**

INFORMATION CONCERNING THE EMPLOYEE SHAREHOLDING SCHEME	2018	2019
% of capital owned by shareholding employees (situation as of 31/12)	11.96%	**11.96%**
% of shareholding employees (situation as of 31/12) VERIFIED INFORMATION MAZARS AUDIT	52.5%	**48.6%**
Number of shareholding employees (situation as of 31/12)	49,503	**49,343** (Note 9)
Number of countries involved in the employee shareholding scheme (situation as of 31/12)	38	**41** (Note 10)

DEFP 2019 methodological notes

Note 9: The decrease in the number of shareholders between 2018 and 2019 can be explained by the fact that the revaluation in 2019 was lower than local investments (eg. China and India).

Note 10: The historical data for the number of countries involved in the shareholding scheme in 2018 has been restated in the DEFP 2019 regarding the information communicated in the DEFP 2018, with the addition of Ireland.

In total, three new countries were included in the scheme in 2019: Chili, Canada and Ukraine.

The list of countries taking part in the employee shareholding scheme in 2019: France, Italy, India, Belgium, China, Germany, Hungary, Poland, Portugal, Russia, Spain, Australia, Brazil, Bulgaria, Cambodia, Canada, Chili, Colombia, Korea, Croatia, Egypt, Hong Kong, Ireland, Japan, Malaysia, Morocco, Mexico, Netherlands, Philippines, Czech Republic, Romania, Singapore, Slovakia, Slovenia, Sri Lanka, Switzerland, Taiwan, Thailand, Turkey, UK, Ukraine.

Currently, the shareholding scheme is not available in Vietnam and Indonesia.

Instead, local teammates receive a bonus corresponding to the shareholding scheme, meaning that this is not strictly speaking a shareholding scheme; in this way, Decathlon's aim to share value is maintained.

ORGANISATION OF WORK	2018	2019
% of employees on permanent contracts (situation as of 31/12) VERIFIED INFORMATION MAZARS AUDIT	76.9%	**74.3%** (Note 11)
% of employees on non-permanent contracts (situation as of 31/12)	21.6%	**16.1%**
% of employees in other types of contracts (situation as of 31/12)	0.4%	**9.6%** (Note 12)

DEFP 2019 methodological notes

Note 11: Representing 76,980 teammates on permanent contracts and 15,519 teammates on non-permanent contracts worldwide as of 31/12/2019.

The figures and percentages fluctuate according to the legal and social systems in the different countries. Indeed, the contract duration may vary (permanent, non-permanent).

Note 12: Student/trainee contracts are included in "other types of contracts", but providers are excluded when calculating the indicator.

It should be noted that some countries do not distinguish between student/trainee contracts, which may be placed in the category of permanent or non-permanent contracts.

In 2019, the dramatic increase can be explained by the student numbers in China that were reported as other types of contracts instead of non-permanent contracts.

EQUALITY OF TREATMENT		
MEASURES IMPLEMENTED TO PROMOTE GENDER EQUALITY	**2018**	**2019**
Breakdown of employees by gender (situation as of 31/12):		
Worldwide:		
• % Women	46.9%	**46%**
• % Men	53.1%	**54%**
Europe & Russia:		
• % Women	48%	**47.8%**
• % Men	52%	**52.2%**
Asia:		
• % Women	45.2%	**43.2%**
• % Men	54.8%	**56.8%**
Africa & Middle East:		
• % Women	42.2%	**39.6%**
• % Men	57.8%	**60.4%**
Americas:		
• % Women	43.4%	**41.7%**
• % Men	56.6%	**58.3%**
Oceania:		
• % Women	47.8%	**45.3%**
• % Men	52.2%	**54.7%**
% of women leaders in the company (situation as of 31/12)		
World:	5,906 i.e. 37.7%	**7,483 i.e. 39%** (Note 13)
Europe & Russia:	3,759 i.e. 35.7%	**4,787 i.e. 38.1%**
Asia:	1,737 i.e. 44%	**2,104 i.e. 42.4%**
Africa & Middle East:	184 i.e. 32%	**263 i.e. 33%**
Americas:	185 i.e. 36.6%	**274 i.e. 36.5%**
Oceania:	41 i.e. 50%	**55 i.e. 51.4%**

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Note 13: Female teammates with hierarchical responsibility for at least 1 person.

EQUALITY OF TREATMENT		
ANTI-DISCRIMINATION (WORLDWIDE)	**2018**	**2019**
% of seniors (people aged 55 and over) (situation as of 31/12)	0.79%	**0.84%** (Note 14)

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Note 14: Represented 855 teammates aged 55 and over in 2019 (756 in 2018).

DECATHLON TEAM BAROMETER SURVEY FINDINGS (WORLDWIDE)	2018	2019
% of employees who participated in the Decathlon Team Barometer (DTB) survey	82%	**80%** (Note 15)
Number of employees who participated in the DTB survey	61,952	**67,575**
% of people who responded "Yes, absolutely" or "Yes, rather" to the question: VERIFIED INFORMATION MAZARS AUDIT		
• I can express my thoughts AND people listen	91%	**93%**
• I can decide my daily actions autonomously	92%	**93%**
• I am treated with respect	94%	**94%**
• I am proud and happy to work for Decathlon	93%	**94%**
• I carry out our 2 values: Vitality and Responsibility	94%	**96%**
• I am motivated and my daily actions are led by "Bringing lasting pleasure and wellness from sports practice to the greatest number of people"	n/a	**91%** (Note 16)
• I have a quantifiable mission with clear KPIs	78%	**79%**
• I make decisions on subjects I am involved in and I measure the consequences	92%	**94%**
• I seek the views of other Decathlon employees before making my decision	96%	**97%**
• At Decathlon, I am allowed to make mistakes: I can try, test, learn and correct	92%	**95%**
• I am supported in my skills	85%	**85%**
• I am supported in my personal development	81%	**82%**
• I am supported with my performance	83%	**86%**
• I have an annual review to assess my performance, evaluate the progress made in terms of development and discuss my future project	91%	**92%**
• We play sport and celebrate our victories together	71%	**82%**
• I feel safe in my work environment	93%	**94%**
• The communication within my team is efficient and transparent	81%	**84%**
• I create human, environmental and economic value for the company	92%	**94%**
• I am part of a team or group to which I regularly report my progress on the commitments I have volunteered with them	82%	**89%**
• My pay is consistent with my responsibilities and my performance	59%	**62%**
• I am partly responsible for Decathlon's performance. We share created value	85%	**86%**
• I feel I am a part owner of Decathlon via my shareholding	68%	**68%**
• I am happy to come to work every morning to advance our goals, my goals and our company values	89%	**92%**

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Note 15: Result from the Decathlon Team Barometer survey carried out among Decathlon teammates in 2019; for a total of 67,575 respondents in 59 participating countries. (The 2018 survey was conducted with 61,952 teammates responding.) It should be noted that the DTB survey was modified in 2019, with questions and topics being rewritten, created or replaced following collaborative work involving 200 teammates from 12 different countries.

Note 16: New question included in the Decathlon Team Barometer survey in 2019.

In accordance with the action plan implemented in the 2017 Sustainable Development Report, we are including three additional countries in the collection of data from payroll software this year in order to improve the representativeness and reliability of the scope.

Therefore, Turkey, Brazil and the Czech Republic have joined the 11 previous countries (France, Spain, Italy, Belgium, China, Germany, Portugal, Poland, Russia, India and Hungary), which expands the total scope covered to 84.65% of the global workforce. The following indicators apply only to these 14 countries:

NUMBER OF TEAMMATE NATIONALITIES (14 COUNTRIES)	2018	2019
Number of nationalities in France (as of 31/12)	n/a	**75** (Note 17)
Number of nationalities in Spain (as of 31/12)	n/a	**41**
Number of nationalities in Belgium (as of 31/12)	n/a	**28**
Number of nationalities in Italy (as of 31/12)	n/a	**66**
Number of nationalities in China (as of 31/12)	n/a	**15**
Number of nationalities in Portugal (as of 31/12)	n/a	**22**
Number of nationalities in Poland (as of 31/12)	n/a	**9**
Number of nationalities in Germany (as of 31/12)	n/a	**93**
Number of nationalities in Russia (as of 31/12)	n/a	**28**
Number of nationalities in Hungary (as of 31/12)	n/a	**1**
Number of nationalities in India (as of 31/12)	n/a	**4**
Number of nationalities in Brazil (as of 31/12)	n/a	**8**
Number of nationalities in the Czech Republic (as of 31/12)	n/a	**4**
Number of nationalities in Turkey (as of 31/12)	n/a	**4**

DEFP 2019 methodological notes

Note 17: The number of nationalities is a new indicator in the DEFP 2019.

TEAMMATE RECRUITMENT AND REDUNDANCY (14 COUNTRIES)	2018	2019
Number of employees hired on permanent contracts (from 1/01 to 31/12)	15,097	**29,462** (Note 18)
Number of employees hired on non-permanent contracts (from 1/01 to 31/12)	55,703	**45,537** (Note 19)
Total number of employees hired on permanent and non-permanent contracts (from 1/01 to 31/12)	70,800	**74,999**
Number of resignations (permanent contracts) (from 1/01 to 31/12)	10,870	**10,441**
Number of redundancies (permanent contracts) (from 1/01 to 31/12)	1,112	**1,434**
Number of retirements (permanent contracts) (from 1/01 to 31/12)	25	**12**
Other departures (permanent contracts) (from 1/01 to 31/12)	2,059	**3,232** (Note 20)
Total number of departures (permanent contracts) (from 1/01 to 31/12)	14,066	**15,119**

TEAMMATE RECRUITMENT AND REDUNDANCY (14 COUNTRIES)	2018	2019
Rate of turnover for permanent employees (from 1/01 to 31/12):		
• France	32.1%	**9.9%** (Note 21)
• Italy	6%	**8.3%**
• China	42.2%	**38.5%**
• Poland	20.5%	**38.7%**
• Germany	28.3%	**25.1%**
• Russia	30.7%	**31.4%**
• Hungary	32%	**30.2%**
• India	n/a	**n/a**

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Note 18: It should be noted that the Czech Republic data is not stated for the "Number of employees hired on permanent contracts" indicator as the figure for this country was not collected.

Note 19: The number of employees hired on non-permanent contracts can be explained both by the highly seasonal nature of our activities and our readiness to allow students to finance their studies by working for Decathlon.

Note 20: The "Other departures" category takes into account termination by agreement, expiration of probationary periods, etc.

Note 21: The turnover indicator is calculated on the basis of an annual average number of employees on permanent contracts.

It should be noted that the data for India is not included in this report as the figure for this country was not collected.

For Spain, Belgium, Portugal, Brazil, Czech Republic and Turkey: the Turnover indicator does not appear in this table due to the unreliability of data, noticed when the audit was carried out by Mazars.

ORGANISING WORK TIME (14 COUNTRIES)	2018	2019
% of employees on permanent full-time contracts (situation as of 31/12)	61.2%	**62.7%** (Note 22)
% of employees on permanent part-time contracts (situation as of 31/12)	38.9%	**37.3%**
% of employees on non-permanent full-time contracts (situation as of 31/12)	18.1%	**23.5%**
% of employees on non-permanent part-time contracts (situation as of 31/12)	81.9%	**76.5%**

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Note 22: Representing 62,668 individuals on permanent contracts in the 14 countries considered for these indicators and 13,219 individuals on non-permanent contracts (13 countries, excluding India, as the breakdown was not available).

ABSENTEEISM (14 COUNTRIES)	2018	2019
Rate of absenteeism for employees on permanent contracts (from 1/01 to 31/12):		
• France	4.4%	**3.8%** (Note 23)
• Spain	2.1%	**3.1%**
• Belgium	4.6%	**n/a**
• China	n/a	**n/a**
• Portugal	n/a	**4.9%**
• Poland	6.2%	**7.3%**
• Germany	n/a	**n/a**
• Russia	n/a	**n/a**
• Hungary	4.8%	**4.7%**
• India	n/a	**n/a**
• Czech Republic	n/a	**n/a**

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Note 23: This corresponds to the number of hours not worked because of absenteeism/number of hours worked in theory. The reasons for absenteeism taken into account to calculate the indicator are: ordinary sick leave, occupational sick leave as a result of work restrictions, work accidents, unjustified absences.
It should be noted that the absenteeism indicator is not tracked by all the countries as part of their scope, hence the lack of data.
For Italy, Brazil and Turkey, the absenteeism indicator does not appear in this table due to the unreliability of data, noticed when the audit was carried out by Mazars.

WORKPLACE ACCIDENTS (14 COUNTRIES)	2018	2019
Number of accidents at work leading to stoppage (from 1/01 to 31/12):		
• France	991	**1,084** (Note 24)
• Spain	441	**448**
• Belgium	147	**128**
• Italy	51	**104**
• China	35	**34**
• Portugal	82	**65**
• Poland	61	**72**
• Germany	25	**57**
• Russia	n/a	**n/a**
• Hungary	56	**30**
• India	n/a	**n/a**
• Brazil	n/a	**28**
• Czech Republic	n/a	**5**
• Turkey	n/a	**48**

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Note 24: A more detailed definition of the workplace accident indicator is in progress, so it can be better understood by countries especially outside the EU. Note that some countries do not yet collect this data.

EQUALITY OF TREATMENT (14 COUNTRIES)		
MEASURES IMPLEMENTED TO PROMOTE THE EMPLOYMENT AND INTEGRATION OF PEOPLE WITH DISABILITIES (11 COUNTRIES)	**2018**	**2019**
Percentage of teammates with recognised disabilities (situation as of 31/12):		
• France	3.4%	**3.3%** (Note 25)
• Spain	2.5%	**2%**
• Belgium	n/a	**n/a**
• Italy	3.5%	**3.8%**
• China	n/a	**0.1%**
• Portugal	0.1%	**0.5%**
• Poland	0.9%	**0.7%**
• Germany	0.8%	**0.9%**
• Russia	n/a	**n/a**
• Hungary	0.5%	**0.9%**
• India	n/a	**n/a**
• Brazil	n/a	**n/a**
• Czech Republic	n/a	**0.7%**
• Turkey	n/a	**1.1%**

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Note 25: It was not possible to collect all data on disability from every country in 2019 due to a lack of national legislation, limits on the right to obtain this information, etc. For the disability rate in France: the calculation discrepancy between the indicator reported for France in the DEFP 2019 and the DOETH should be noted. The DOETH 2019 France states 4.32% ETC on a prorata basis of the time worked.
The 'Déclaration Annuelle Obligatoire d'Emploi des Travailleurs Handicapés' (DOETH – Mandatory Annual Declaration for Handicapped Workers) is required by French labour law.

FIGHT AGAINST CORRUPTION	2018	2019
Percentage of Compliance advisers trained in the Sapin 2 law (as of 31/12)	n/a	**48.4%** (Note 26)

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Note 26: 15 advisers received face-to-face training in 2019 out of a total of 31 people who signed the local Compliance advisers engagement letter. The target set for this indicator was to train 70% of local Compliance advisers by 31/12/2019.
As a result of the national strike on 5 December 2019, the set training objectives could not be attained as most of the local advisers in the various countries were not able to travel to the training session in Lille.

PARTNERSHIPS AND SPONSORSHIPS	2018	2019
Number of projects validated by the Decathlon Foundation (from 1/01 to 31/12)	38	**48**
Number of beneficiaries of Decathlon Foundation projects (from 1/01 to 31/12)	65,000	**28,895** (Note 27)
Number of countries concerned by Decathlon Foundation projects (from 1/01 to 31/12)	8	**12** (Note 28)

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Note 27: There are two categories of beneficiary for the Decathlon Foundation:
- beneficiaries may be people in a vulnerable situation, who have had regular access to sport through a project supported by the Decathlon Foundation
- beneficiaries may be people who have had access to a work experience within our teams (in stores, warehouses or sites) or outside the company.

Note 28: In 2019, Canada, Kenya and Sri Lanka supported a Foundation project for the first time.
The Foundation supports small-scale projects (20 beneficiaries), as well as projects with thousands of beneficiaries.
The number of validated projects is not in itself a KPI for the Foundation teams, and neither is the employability rate of beneficiaries. The most important aspect for the Foundation is the number of beneficiaries who were able to access sport on a regular basis as a result of a project financed by the Foundation.

OUR PERFORMANCE INDICATORS

PRODUCTS AND SERVICES

CONSUMPTION OF RAW MATERIALS AND MEASURES TO USE THEM MORE EFFICIENTLY	2018	2019
% of Decathlon products with ABCDE environmental labelling available on the Internet or in stores (from 1/01 to 31/12) VERIFIED INFORMATION MAZARS AUDIT	S/S season: 26.3% i.e. 758 products out of 2,880 products designed A/W season: 30.1% i.e. 1,545 products out of 5,138 products designed	**61.1% i.e. 3,539 products out of 5,789 products designed** (Note 29)
% of cotton used for Decathlon products that is derived from more sustainable sources (from 1/01 to 31/12):	76%	**95%**
• % of BCI cotton	69%	**82%** (Note 30)
• % of organically grown cotton	6%	**11%**
• % of recycled cotton	1%	**2%**
Tonnage of cotton used for Decathlon products that is derived from more sustainable sources (from 1/01 to 31/12):	21,787	**27,348**
• Tonnage of BCI cotton	19,814 tonnes	**23,622 tonnes**
• Tonnage of organically grown cotton	1,720 tonnes	**3,061 tonnes**
• Tonnage of recycled cotton	253 tonnes	**665 tonnes**
% of polyester used for Decathlon products that is derived from more sustainable sources (from 1/01 to 31/12)	17.2%	**16.3%** (Note 31)
Tonnage of polyester used for Decathlon products that is derived from more sustainable sources (from 1/01 to 31/12)	11,374 tonnes	**12,345 tonnes**
% of materials used for packaging that is derived from more sustainable sources (from 1/01 to 31/12)	85.5%	**88.2%** (Note 32)
% of paper pulp used in packaging that is FSC or PEFC certified (from 1/01 to 31/12)	5.6%	**14%** (Note 32)
Quantity of hangers collected (from 1/01 to 31/12)	103,835,789	**137,008,496** (Note 33)
Quantity of hangers reused (from 1/01 to 31/12)	8,472,119	**28,415,682**
% of materials recycled to make hangers (from 1/01 to 31/12)	22.4%	**30.5%**

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Note 29: This environmental labelling indicator focuses on Decathlon products concerned by the industrial processes used to manufacture clothing, backpacks and footwear. Currently excluded from the scope are: products where less than 1,500 items are sold per annum, as well as any other industrial process (metal, cycles, welded products, balls, electronic products, nutrition and chemicals).
The industrial process teams were reorganised this year. Given that the scope in question is based on the number of products managed by certain processes, it is necessary to clarify which "new" processes were covered in the scope of the "labelling" project this year.
It should be noted that in steering this environmental labelling indicator, the teams have passed from seasonal coordination (spring-summer, autumn-winter), to annual coordination. The targets set for this indicator are: 50% by the end of 2019, 70% by the end of 2020 and 90% by the end of 2021.
In 2019: the onsite teams were supported in training and environmental evaluation. The teams targeted scopes for which environmental evaluations could be carried out easily and proceeded with the evaluation rate of these scopes.
The 2 major challenges for 2020 will be:
1. To focus strongly on the quality of nomenclatures of finished products for all items. (The quality of these impacts the quality of evaluations and may slow down the rate of labelling).
2. To develop the calculation and database tool so the environmental evaluations comply with the European methodological framework.

Note 30: This indicator is calculated using the tonnage of organic cotton, BCI cotton and recycled cotton. The proportion of cotton from more sustainable sources has risen by 25% compared to 2018, with BCI cotton representing a growing and significant share.
Moreover, the parallel increase in the amount of organic and recycled cotton should also be noted. These encouraging results are leading Decathlon towards the target set for 2020 (i.e. 100% of cotton used in Decathlon products from more sustainable sources).

Note 31: This indicator was calculated using the tonnage of polyester thread from the following sources: dope-dyed "traditional" virgin polyester, recycled polyester and dope-dyed recycled polyester. The target set for this indicator is for all polyester thread used in Decathlon products to be derived from more sustainable resources by 2022. It should be noted that there is greater accuracy in the indicator calculation methodology regarding Decathlon's polyester requirements this year. The results for quantities in 2019 are lower than anticipated due to a significant stock of components remaining from the disappointing performance in 2018 in terms of volumes sold.
However, the transition from using virgin threads to more sustainable threads has been launched: each industrial process team is monitoring the correct evolution of their polyester components (fabrics) towards more sustainable versions. The "Threads & Synthetic Fibres" team are involved in these industrial processes when required for the developments and supply of a more sustainable polyester (dope-dyed and recycled).
In order to achieve the 2022 target, it will be necessary to accelerate the transition to more sustainable threads and the conversion to more sustainable versions of components (fabrics).

Note 32: The scope includes:
- sales packaging for customers*, shelf-ready packaging for presentation in store, hangers, transport boxes, plastic transportation bags, e-commerce packaging (plastic bags and cardboard boxes).
**excluding foodstuffs, cosmetics and cleaning products*
Excluded are the bags in store (reusable shopping bags, paper bags), gift wrap and packaging from other international brands (not Decathlon).
- As the measurement methodology for these different indicators (percentage of materials used in packaging that are derived from more sustainable sources, percentage of paper pulp used in FSC or PEFC certified packaging, indicators for hangers) is based on numerous extrapolations and assumptions, the figures stated should be analysed in relative terms. The Packaging teams take action yearly to refine the quality of their data and provide the most rigorous reporting reference.
- The more sustainable source currently being considered is paper pulp. The 2019 tonnage of materials used for packaging derived from this more sustainable source amounts to 97,361 tonnes.
The targets that have been set for these indicators are:
> 95% of materials used for packaging to be derived from more sustainable sources by 2025
> 100% of the paper pulp used in packaging to be FSC or PEFC certified by 2025
- Various commitments undertaken by the Decathlon Packaging teams (eg. Fashion Pact) and the regulations adopted in our different distribution countries (eg. India) have strengthened the focus of the Packaging engineers on the transition to more sustainable packaging. Each packaging engineer now has a guidance tool to measure environmental performance (CO_2, plastic, FSC).
- Particular attention has been paid to packaging suppliers in order for them to obtain FSC/PEFC certification, which reinforces the traceability of supplies.
- The withdrawal of single-use plastic packaging is seen as a priority and will be at the centre of our 2020 action plan.

Note 33: The calculation for the percentage of "more sustainable materials" used in packaging currently includes hangers in its scope, which are made from material classed as "non-sustainable" (polypropylene). However, our hangers are collected to be reused or even recycled, and the number collected increased considerably in 2019 (173M/295M = 46% increase). We do not currently plan to change the material used for our hangers, but rather to extend their life by increasing the rate of reuse/recycling. The percentage of sustainable materials would be significantly greater if hangers were not included when calculating the scope.

MEASURES TAKEN TO ENHANCE CONSUMER HEALTH AND SAFETY / USER SATISFACTION	2018	2019
% of sports users delighted with Decathlon products (from 1/01 to 31/12) VERIFIED INFORMATION MAZARS AUDIT	65%	**68%** (Note 34)
Number of returns for quality issues per million Decathlon products sold (from 1/01 to 31/12) VERIFIED INFORMATION MAZARS AUDIT	1,159	**1,213** (Note 35)
Number of corrective quality actions for Decathlon and other international brand products (from 1/01 to 31/12)	325	**347**
Number of Decathlon and other international brand products concerned by these corrective quality actions (from 1/01 to 31/12)	2.9 million products	**1.68 million products**
Number of defective products sent to design teams for root cause analysis (from 1/01 to 31/12)	41,464	**53,502** (Note 36)
Influence coefficient on the quality of recommendations of Decathlon products by Decathlon employees (from 1/01 to 31/12)	n/a	**3.3** (Note 37)
NPS score on the quality of Decathlon product recommendations by Decathlon employees (from 1/01 to 31/12)	40 (France scope)	**35 (12 countries scope)** (Note 37)

DEFP 2019 methodological notes

Note 34: This indicator is based on the percentage of delighted sports users having given a 5/5 rating in their product review. Following the audit carried out by Mazars, as an independent third-party body, in March 2019 on this indicator, the calculation method for the overall rate of delighted sports users was changed to include the rate of delighted sports users in the different countries. This change aims to obtain a more traceable and reliable consolidation method over time. The historical data has been recalculated with the following results: 2017: 62% / 2018: 65% / 2019: 68%.
The 2019 result is based on 1,611,056 reviews collected for Decathlon products in 2019 (excluding Other International Brand products). The indicator related to 967,928 reviews collected in 2018 (i.e. 66.4% increase in 2019). These are the "pushed" reviews of our customers on Decathlon products (Pushed reviews = reviews submitted following a customer solicitation). The target set for 2020 is 70%.

Note 35: The RPM indicator does not include returns from Internet sales when these products are returned to warehouses, consumer product recalls, non-Decathlon products, live fishing bait, defective products reclassified as second-hand items after analysis.
The overall figures are positive for 2019 (notably regarding the increase for the delighted sports user indicator). There were more cases, but impacting fewer products, indicating our ability to detect quality issues sooner.
The slight degradation in the overall RPM can be partly explained by a rise in RPM in some important processes (such as textiles and footwear), and in some countries such as China.
This degradation in the indicators for some countries has prompted us to redouble our support in these countries.
It should be noted that the target for this RPM indicator is to meet ISO 2019 standards in 2020.

Note 36: This indicator concerns quantities of defective products or components shipped to the Signed Sports design teams or the teammates in our production offices to analyse the root causes.

Note 37: This indicator has been included in the DEFP since 2018 and until now, has only covered the France scope with a survey involving 10,427 Decathlon teammate respondents.
In 2019, 12 countries took part (Germany, Belgium, Chili, China, Colombia, Spain, India, Italy, France, Poland, Czech Republic, Singapore), for 101 sports, which means the data for 2018 and 2019 is not comparable. The 2019 survey received 42,879 answers.
The Net Promoter Score (NPS) measures the level of recommendation by the company's team members (all lines of business) for Decathlon products.
> The NPS 2019 result for all Signed Sports is 35 (50% promotors - 15% critics).
The NPS result alone is not enough, a second important indicator has been added in conjunction: the influence coefficient (calculated by dividing the number of promotors by the number of critics). Considering that a promotor influences 3 people and a critic influences 10, we can thus measure the influential power of teammates on their acquaintances.
The target set for this indicator is 4 over the next 2 years (2020-2021).
Note also that this survey raises our awareness of the proportion of employees who use or do not use our sports products. This indicator genuinely signals a confidence in, or mistrust of, our products.

CHEMICALS MANAGEMENT	2018	2019
% of suppliers having signed the latest version of Decathlon's RSL specifications concerning chemical substances (from 1/01 to 31/12)	71%	**86%** (Note 38)
% of test reports that comply with Decathlon's toxicology standards (from 1/01 to 31/12)	89.7%	**88%** (Note 39)
Number of suppliers having received onsite training on chemicals management in production (from 1/01 to 31/12)	69	**66** (Note 40)
Average time to make first contact after user feedback (from 1/01 to 31/12)	1.1 days	**1 day** (Note 41)
Time to react to user queries concerning chemical substances or adverse skin reactions (from 1/01 to 31/12)	54 days	**44.5 days** (Note 42)

DEFP 2019 methodological notes

Note 38: The indicator has to be analysed relatively in the absence of a new RSL this year, the K version of the RSL dating from January 2018.
In 2019, the indicator used information extracted from the Supplier Data Base (SDB) tool, as well as feedback from teams in the countries (India, Sri Lanka, Taiwan and China); the results meet the target or are even over target (100% for most countries).

Note 39: Concerning the 2019 result for the "% of test reports that comply with Decathlon's toxicology standards" indicator, we have returned to figures closer to those in 2018 and 2016. According to our analyses, it appears that many requests do not go through the Starlims tool (speed of the tool, team training), and are included in these figures.
(Note: Starlims is the international laboratory information management tool used by Decathlon to manage a request for a test to be carried out by an internal or external laboratory, as well as recording the associated data and reports).
There was a slight degradation that can be explained mainly by the addition of non-regulated substances in the control plan (TPP/DMF).
Concerning the number of Decathlon products tested for toxicology compliance (5,544 in 2019), this indicator is directly extracted from the Starlims tool, showing the number of different product codes tested in the requests for tests with reports. A change in the calculation method should be noted, which means the data is not comparable (2018: number of test requests/2019: number of tested products).

Note 40: Training suppliers on chemicals management is one of the strategic priorities for Decathlon's Chemical Risk team. As a result, more than 20 instructors were approved to provide this training, which should have accelerated the countries' move towards autonomy and made it possible to roll out this strategy much more quickly in each region in 2019. The result is unsatisfactory, with only 66 trained suppliers.
In 2019, local instructors took the lead in training suppliers. In total, 22 different people trained suppliers in 2019, i.e. 3 suppliers per person. 4 instructors have since left the company. This will require new instructors to be trained and a minimum period before they are able to operate. A total of 181 suppliers have been trained since 2016, i.e. 13% of the portfolio (rank 1 and rank 2 suppliers registered in the Supplier Data Base tool).

Note 41: The indicator for the average time to make first contact with customers has improved.
The 2017 target of less than two days has been achieved and we would like to maintain this 2019 result.

Note 42: Our target of less than 45 days was attained regarding the time it takes to respond to customers. European regulations require us to answer questions about the chemical composition of products within 45 days, which we achieved in 2019, mainly due to improved organisation in France (involvement of the sports teams and Customer Relations Centre).

OUR PERFORMANCE INDICATORS

RESPONSIBILITY IN PRODUCTION

SUPPLIERS AND SUBCONTRACTORS		
IMPORTANCE OF SUBCONTRACTORS	**2018**	**2019**
Number of production countries (situation as of 31/12):		
• Number of production countries with physical presence of Decathlon teams	24	**24** (Note 43)
• Number of production countries with no Decathlon teams physically present	23	**23** (Note 44)
Number of Decathlon production offices (situation as of 31/12)	42	**42** (Note 45)
Number of teammates responsible for managing and coordinating relations with suppliers (situation as of 31/12)	2,100	**2,142**
Number of suppliers for Decathlon products (situation as of 31/12)		
• Number of rank 1 suppliers (finished products and components)	1,031	**1,007** (Note 46)
• Number of rank 2 suppliers	316	**346** (Note 46)
Number of Decathlon-owned production facilities (situation as of 31/12)	10	**9** (Note 47)
Number of "partner" suppliers (situation as of 31/12)	45	**43** (Note 48)
Average length of service for suppliers > top 100 suppliers in terms of volumes purchased by Decathlon) (situation as of 31/12)		
• < 1 year	1%	**0%**
• 1-3 years	5%	**7%**
• 3-5 years	21%	**3%**
• 5-10 years	36%	**38%**
• 10-20 years	33%	**44%**
• > 20 years	4%	**8%**
• Average	10 years	**10.3 years** (Note 49)

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Note 43: Production countries with a team: these countries have a Decathlon production office. Bangladesh, Brazil, Cambodia, China, Egypt, Ethiopia, France, India, Indonesia, Italy, Mexico, Morocco, Pakistan, Poland, Portugal, Romania, Russia, Sri Lanka, Taiwan, Thailand, Tunisia, Turkey, Ukraine, Vietnam.

Note 44: Production countries without a team: production countries where suppliers are managed by Decathlon teams in another country; there is no Decathlon office in these countries. Austria, Albania, Belgium, Bosnia, Bulgaria, Croatia, Czech Republic, Finland, Georgia, Germany, Hungary, Japan, Lithuania, Madagascar, Malaysia, Myanmar, Serbia, Slovakia, Slovenia, Spain, Switzerland, Netherlands, United Kingdom.

Note 45: List of Decathlon production offices:
DP Bangladesh (x2: DP Dhaka, DP Chittagong), DP Brazil, DP Cambodia, DP CIS, DP China (x10: DP Guangzhou, DP Nanjing, DP Ningbo, DP Qingdao, DP Shanghai, DP Shenzhen, DP Suzhou, DP Tianjin, DP Wuhan, DP Xiamen), DP Egypt, DP Ethiopia, DP France, DP India (x7: DP Chennai, DP Coimbatore, DP Mysuru, DP Surat, DP Kanpur, DP Delhi, DP Ludhiana), DP Indonesia, DP Italy (x2: DP Desio, DP Padova), DP Mexico, DP Morocco, DP Pakistan, DP Poland, DP Portugal, DP Romania, DP Sri Lanka, DP Taiwan, DP Thailand, DP Tunisia, DP Turkey, DP Ukraine, DP Vietnam (x2: DP Ho Chi Minh, DP Hanoi).

Note 46: We pursued our strategies to consolidate our portfolio of suppliers and industrial partnerships in 2019. The fact that our purchasing activities increased by 2% while our portfolio was consolidated to a total of 1,007 suppliers (compared with 1,031 in 2018), is an indication of our efforts to focus on a limited number of suppliers.
- Rank 1 supplier: A supplier who has signed an agreement with a Decathlon group company to produce or assemble finished or semi-finished products (via a manufacturing contract) or to supply raw materials or components (via a purchasing contract), receiving purchase orders and invoicing the said company directly.
- Rank 2 supplier: A supplier contributing to the Decathlon product value chain, with direct commercial relations with a rank 1 supplier, with whom they organise the management of purchase orders and invoicing. The Decathlon group retains the option to become involved in choosing or approving this rank 2 supplier, though not intervening in the commercial and legal relationship between these rank 1 and rank 2 suppliers.

Note 47: Nine Decathlon-owned production sites following the closure of the Tunisian site: 3 sites in France (AML, ACL, Simond), 1 production site in Morocco (DFM), 1 production site in Thailand (NTF) and 4 production sites in China (Nanjing factory, TEC, CMW and Xinwei).

Note 48: Concerning the evolution in the number of partnerships, the Buying teams saw 5 partnership projects terminated in 2019: 4 because of project misalignment + 1 that is postponed. Inversely, 3 new projects began in 2019 and will continue in 2020. The Buying teams manage the partnership strategy qualitatively (rather than quantitatively): the decisions to end or pause projects are justifiable, in striving towards the indispensable requirements inherent in this strategy.

Note 49: Decathlon has worked with over 90% of its top 100 suppliers in terms of purchase volumes for at least 5 years.

IMPORTANCE OF SUBCONTRACTORS	2018	2019
Breakdown of volumes purchased by Decathlon per production area (from 1/01 to 31/12):		
• North Asia	47.3%	**46.05%**
• Europe	18.1%	**19.3%**
• South-East Asia	17.5%	**16.85%**
• South-West Asia	14.3%	**15.07%**
• Africa	2.5%	**2.38%**
• Americas	0%	**0.01%**
• CIS (Commonwealth of Independent States)	0.3%	**0.32%**
% of amounts purchased from Decathlon partner suppliers (from 1/01 to 31/12)	28%	**29%** (Note 50)
Breakdown of volumes purchased by Decathlon per production process (from 1/01 to 31/12):		
• Nutrition products (sport supplements and food)	1.1%	**1.2%**
• Chemical and cosmetic products	0.4%	**0.5%**
• Electronic products	1.5%	**1.5%**
• Footwear products	14.5%	**14.8%**
• Glove products	1.5%	**1.4%**
• Heavy stitching products (tents, backpacks, sleeping bags, balls, etc)	10.5%	**10.5%**
• Pyrotechnic products (Solognac hunting equipment)	0.2%	**0.2%**
• Bonded/inflatable products (air beds, rings, armbands, etc)	1.8%	**2%**
• Helmet products	1%	**1%**
• Optical products (sunglasses, swimming goggles, ski goggles, diving masks, etc.)	1.6%	**1.6%**
• Bikes/cycle products	11.8%	**11.8%**
• Plastic and composite products	6.8%	**6.7%**
• Wedze composite products (ski equipment)	0.3%	**0.3%**
• Metal/metallic products (scooters, fitness products, basketball nets, football nets, etc.)	6.2%	**6.7%**
• Simond products (climbing equipment)	0.1%	**0.1%**
• Textile products (natural fibres, synthetic fabrics, woven fabrics, thread to finished product)	40.7%	**39.7%**

Note 50: Target of 80% of the quantities of Decathlon products made with 150 industrial partners by 2026.

IMPORTANCE OF SUBCONTRACTORS	2018	2019
% of turnover resulting from Decathlon products manufactured locally (from 1/01 to 31/12):		
• China	91.5%	**91.6%**
• Europe	22.7%	**24.5%**
• Russia	9.9%	**11.1%**
• India	40.4%	**41.2%**
• Brazil	n/a	**n/a** (Note 51)

Note 51: In the same period, we opened a new production office in Europe (DP Ukraine) to serve our local-local strategy. We are making progress in this sector in our main sales zones (China, Europe, India and Russia).
It should be noted that Brazil-for-Brazil purchases no longer go back into the IT systems of our purchasing teams.

TAKING INTO ACCOUNT SUPPLIERS' AND SUBCONTRACTORS' CSR AS PART OF THE RELATIONS MANAGEMENT PROCESS	2018	2019
% of sustainable development skills acquisition for production teams (situation as of 31/12)	62%	**72%** (Note 52)
% of sustainable development skills acquisition for buying teams (situation as of 31/12)	n/a	**12%** (Note 53)
Number of production sites concerned by HRP assessments (situation as of 31/12):		
• Number of rank 1 production sites concerned	1,018	**995** (Note 54)
• Number of rank 2 production sites concerned	338	**369**
Number of HRP assessments conducted (from 1/01 to 31/12)	1,157	**1,025**
% of HRP assessments conducted internally (from 1/01 to 31/12)	57%	**67%** (Note 55)
Focus on HRP results		
% of production sites rated A, B or C following HRP assessment: VERIFIED INFORMATION MAZARS AUDIT		
• % of rank 1 production sites rated A, B or C	86%	**86%** (Note 56)
• % of rank 2 production sites rated A, B or C	66%	**76%** (Note 56)
Results of HRP assessments of partners and company-owned production sites:		
• % of company-owned production sites rated A, B or C	90%	**100%**
• % of production sites of partner suppliers rated A, B or C	96% A: 2%, B: 44%, C: 50% 100 production sites of partner suppliers rated A, B or C	**93%** **A: 2%, B: 44%, C: 47%** **97 production sites of partner suppliers rated A, B or C** (Note 57)

Note 52: In 2019, the sustainable development skills of teammates in production were monitored using the Skill Matrix tool, which manages teammate skill sets rather than training. The result for the level of autonomy was 72% in 2019, compared to 62% in 2018: there is a trend increase regarding autonomy on the fundamental aspects of sustainable development.

Note 53: This indicator was included for the first time in the DEFP 2019. No previous data is available.

Note 54: The 995 rank 1 sites correspond to 833 suppliers in the Supplier Data Base (SDB) tool on the data retrieval date of 06/01/2020.
A control was set up in January 2019. It consists in periodically cross-referencing the list of suppliers provided by the purchasing department with the turnover realised by the list of suppliers affected by HRP. This control is carried out twice a year and highlights suppliers who do not appear in SDB extractions, which may be explained by different technical reasons.
As of 14/01/2020, there were still 174 suppliers for whom we did not have a precise explanation or for whom the corrections had not been made.
The work on analysis and control is ongoing. The 369 rank 2 production sites correspond to 346 suppliers in the SDB tool.

Note 55: In 2019, we carried out 1,025 HRP audits and 689 were undertaken by internal local HRP auditors; the percentage is 67%.
Note 56: In 2019, the target was 80% ABC for sustainable development in production (HRP & ENV assessments combined).
The main reasons for this level of rank 1 ABC% performance in 2019 are:
- the high involvement of the various players (SD OPM per process. SD representatives per process, process owners, country leaders), and regular monitoring with the production teams.
- monitoring management procedures for point E ratings on site.
- the number of audits carried out by the inhouse team increased from 57% to 67% in 2019.
- regarding training, the skills matrix is fully integrated and focuses on skills improvement by SD OPM. The SD in production skills increased from 62% to 72% in 2019. The target set for 2020 is 87% ABC–HRP for rank 1.
Note 57: In 2019, the scope of the percentage of ABC partners indicator covered 104 production sites belonging to Decathlon partner suppliers.

TAKING INTO ACCOUNT SUPPLIERS' AND SUBCONTRACTORS' CSR AS PART OF THE RELATIONS MANAGEMENT PROCESS	2018	2019
Number of production sites concerned by environmental assessments (situation as of 31/12):		
• Number of rank 1 production sites concerned	180	**168** (Note 58)
• Number of rank 2 production sites concerned	48	**63** (Note 58)
Number of environmental assessments conducted (from 1/01 to 31/12)	93	**110** (Note 59)
Number of environmental assessments conducted by internal assessors (from 1/01 to 31/12)	24	**24** (Note 59)
Focus on environmental results (situation as of 31/12):		
% of rank 1 and rank 2 production sites rated A, B or C following environmental assessment VERIFIED INFORMATION MAZARS AUDIT	69%	**80%** (Note 60)
Results of the environmental assessments of partners and company-owned production sites (situation as of 31/12):		
• % of production sites of partner suppliers rated A, B or C	93.5% A: 6.5%, B: 6.5%, C: 80.6% 29 production sites of partner suppliers rated A, B or C	**100%** **A: 13.3%, B: 9%, C: 77.2%** **22 production sites of partner suppliers rated A, B or C**
Number of production sites monitoring their CO_2 performances monthly (situation as of 31/12)	96	**279** (Note 61)
Number of suppliers having set their CO_2 targets in line with SBTi guidelines (situation as of 31/12)	n/a	**0** (Note 62)
% of electricity originating from renewable sources used by the production sites of partner suppliers (from 01/01 to 31/12)	n/a	**9.9%** (Note 63)

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Note 58: The regulations that dictate if a supplier is concerned in an environmental audit have changed as regards the management of industrial sewage and hazardous waste, as well as reducing air pollution, if and only if, the supplier discharges a volume of industrial water needing treatment that is greater than 50m^3 per day. The number of rank 1 suppliers affected by environmental audits is 168 and the number of rank 2 suppliers affected by environmental audits is 63 (as of 10/01/2020). Note: Decathlon does not own any sites affected by this environmental evaluation defined as *"over 50m^3/day of industrial water needing treatment"*.

Note 59: In 2019, the SGS auditors carried out 86 environmental audits. There are 12 internal auditors qualified to undertake environmental audits at the sites of Decathlon industrial suppliers, working in 8 different countries (France, Turkey, China, Bangladesh, Thailand, Vietnam, Sri Lanka and India).

Note 60: The target defined for 2019 was to reach 80% of ABC-ENV for all our affected suppliers (>50m^3/day of wastewater needing treatment).
This target was reached in the fourth quarter reporting, which was published in the second week in January 2020, notably as the suppliers were supported by our local teams (SD OPM/environmental auditor). Their technical tools for ENV topics, together with their knowledge of production and suppliers, enabled CAPs (Corrective Action Plans) to be set up quickly. The goal for 2020 is to consolidate the achieved performances to attain 85% of ABC–ENV (rank 1 and rank 2).

Note 61: To involve more suppliers in order to monitor their CO_2 emissions in 2019, we have committed to and shared our strategy more extensively to include our production offices and our Buying team. The result is higher than last year and we are reaching more suppliers, which is encouraging. Our objective is to monitor the CO_2 emissions of all our strategic suppliers.

Note 62: We included this new indicator at the end of 2019 as a result of our commitment to the climate through the Science Based Target initiative, which involves inciting our principal suppliers to set their own Science Based Targets for Scopes 1 and 2. This indicator is at 0 for the moment, as our commitment is still recent in 2019 and we have only just started to roll out this project. In 2020, we plan to organise training and methodologies that will be rolled out in our supply chain to support our suppliers and ensure they draw up their own climate objectives based on the SBT initiative. The 2019 performances for monitoring CO_2 emissions and the percentage of renewable energy consumed by our partners are encouraging. Integrating these indicators into the company's global strategy and better management of the subject by the buying and production teams has meant the project could be deployed more strongly in 2019.

Note 63: This indicator includes renewable energy produced on site, off site or purchased from a renewable source for consumption at the partner supplier's production site. Our target is for 100% of the electricity used by our partner suppliers to originate from renewable sources by 2026. In 2020, we plan to launch a quality assessment of the percentage of renewable energy with our partners, setting a quantified target for 2020 of 15% of the electricity consumed by our partners to be from renewable sources.

OUR PERFORMANCE INDICATORS

STORES AND TRANSPORT

GENERAL ENVIRONMENTAL POLICY		
COMPANY ORGANISATION FOR HANDLING ENVIRONMENTAL ISSUES AND ANY REQUIRED ENVIRONMENTAL ASSESSMENTS OR CERTIFICATION PROCEDURES	**2018**	**2019**
Number of Decathlon stores with environmental certification (situation as of 31/12)	83	**89** (Note 64)
Number of Decathlon stores opened over the year that have been awarded an environmental certification (from 1/01 to 31/12)	4	**3**
% of store sales areas with environmental certification (situation as of 31/12)	20%	**18.3%**
Number of Decathlon warehouses with environmental certification (situation as of 31/12)	8	**8**

Note 64: According to the LEED, BREEAM and DGNB recognised standards of international certifications.

THE GEOGRAPHICAL, ECONOMIC AND SOCIAL IMPACT OF THE COMPANY'S BUSINESS ACTIVITY	2018	2019
Total number of sporting events organised in France for customers and users (from 1/01 to 31/12)	5,632	**6,890** (Note 65)
Number of stores in France concerned by these sporting events (from 1/01 to 31/12)	226	**259**
Number of events related to Sustainable Development organised by French stores (from 1/01 to 31/12)	180	**240** (Note 66)

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Note 65: We had a very good year in 2019, with a constant increase in the mobilisation and involvement of our French stores regarding their sports initiatives. (Decathlon France represented 27% of Decathlon turnover at the end of 2019).
This year, 14% more stores throughout France offered an additional 22% of sporting events.
Concerning Vitalsport, we saw a good rise in the number of organising stores (19% increase, with 136 stores participating in 2019 compared with 114 stores in 2018). The organising teams rallied over 2,700 partner clubs and we welcomed more than 600,000 visitors during the various weekends of the event.

Note 66: We also noticed a good increase for events in France relating to sustainable development (up by 33%), with 240 events organised. These covered the scope of our stores, warehouses and brand sites. 5,160 people participated in the events in 2019, enabling 18.4 tonnes of waste to be collected.

POLLUTION AND WASTE MANAGEMENT		
MEASURES FOR PREVENTING, RECYCLING AND ELIMINATING WASTE	**2018**	**2019**
Quantity of waste generated by our sites (Decathlon stores, brand sites and company-owned warehouses) (from 1/01 to 31/12)	81,019 tonnes	**80,316 tonnes** (Note 67)

Note 67: Total waste volumes generated by our sites per type: sorted paper/cardboard, sorted plastic, unsorted mixed ordinary industrial waste, other waste (sorted metal, sorted organic waste, sorted wood, sorted textiles, sorted glass, sorted electrical and electronic devices, sorted hazardous waste, sorted batteries, sorted bulbs, sorted packaging and sorted rubber). The indicator does not include: sites that have been in operation for less than 12 months, production offices, company-owned production plants, and countries that had fewer than five sites in 2019. The amount of waste has decreased slightly due to actions taken to reduce product packaging and to reuse products returned by customers.

MEASURES FOR PREVENTING, RECYCLING AND ELIMINATING WASTE	2018	2019
• **Sorted paper and cardboard**	29,396 (36%)	**29,691 tonnes (37%)** (Note 68)
• **Sorted packaging**	4,174 (5%)	**4,030 tonnes (5%)**
• **Sorted plastics**	1,369 (2%)	**1,435 tonnes (2%)**
• **Other materials (wood, metals, textiles, etc.)**	1,908 (2%)	**2,028 tonnes (3%)**
• **Mixed waste**	44,172 (55%)	**43,132 tonnes (54%)**
Waste sorting rates by activity (from 1/01 to 31/12):		
• **Sorting rates in stores**	39% (45% at a 2017 comparable scope)	**39%** (Note 69)
• **Sorting rates in warehouses**	66% (71 % at a 2017 comparable scope)	**63%**

Note 68: The scope regarding the percentage of sorted waste has widened as new countries have communicated their data: Brazil, Russia and Croatia. The indicator is therefore more representative. Some countries are excluded as no data was communicated, these are Bulgaria, Mexico and Slovakia.
All the countries are taken into account for the total tonnage of waste, with estimations for any country where data was unavailable.
This year, the teams are upgrading their reporting to promote and monitor a new indicator: "percentage of waste recovery". A target of 100% of recovered waste by 2026 has been set.

Note 69: The proportion of sorted waste in stores has stagnated. On a like-for-like basis with 2018, it has risen slightly to attain 41%.
In the European countries that drive this issue, we have noticed an increase in the sorting rate, but we are opening a lot of stores in countries where waste management is inexistent.
The proportion of waste sorted in warehouses has decreased overall. In the same way as for the stores, this percentage is improving in European countries, but waste management is nonexistent in some countries outside Europe where we are present.

SUSTAINABLE USE OF RESOURCES		
ENERGY CONSUMPTION, MEASURES UNDERTAKEN TO IMPROVE ENERGY EFFICIENCY AND THE USE OF RENEWABLE ENERGY	**2018**	**2019**
Overall consumption by energy type at our sites (Decathlon stores, brand sites and company-owned warehouses) (from 1/01 to 31/12):		
• Electricity consumption in kWh	559,590,555	**571,095,784**
• Gas consumption in kWh	62,379,964	**46,273,352**
• Overall energy consumption in kWh	621,970,519	**617,369,136** (Note 70)
Energy consumption in kWh/m² in the stores (from 1/01 to 31/12)	118 kWh/m²	**111 kWh/m²**
Energy consumption in kWh/m² in the warehouses (from 1/01 to 31/12)	58 kWh/m²	**53 kWh/m²**
Consumption of electricity from renewable sources (in kWh) by stores and warehouses (from 1/01 to 31/12)	311,069,797	**336,130,258**
% of electricity from renewable sources consumed by stores and warehouses (from 1/01 to 31/12)	55.6%	**58.9%** (Note 71)

Note 70: The indicator does not take into account sites that have been operating for less than 12 months, production offices, company-owned production plants and data centres. The energy reduction in kWh/m² seen at the end of 2019 is a positive step. This was notably due to equipment using LED technology and lamp replacement operations in many countries. The decrease will now be slower as the main phase of LED installations has ended. The increase in the percentage of renewable energy is also positive. We have included Germany and India in the countries committing to renewable energy in 2019.

Note 71: The indicator takes into account the Decathlon sites (stores and warehouses) that self-produce renewable energy for their own consumption and those that purchase electricity from renewable sources for their own use (eg: solar panels, wind turbines, etc.). In 2019, several countries were assessed by Schneider Electric, a third-party external agency, to validate the rates of electricity from renewable sources consumed by Decathlon sites: Belgium (100%), France (100%), Germany (85.5%), Italy (97.3%), the Netherlands (84.5%), Spain (100%), the United Kingdom (100%) and India (100%). A target was set for this indicator in 2018: 100% of electricity from renewable sources by 2026.

LAND USE	2018	2019
Number of articles shipped per m² in Europe (from 1/01 to 31/12)	1,358 articles/m²	**1,333 articles/m²** (Note 72)

Note 72: A regional warehouse opened in Switzerland and an additional continental warehouse in Antwerp in a full year.

TRANSPORT AND LOGISTICS	2018	2019
Distribution of product volumes transported worldwide per mode of transport (from 1/01 to 31/12):		
• % air	3.2%	**3.2%**
• % rail	2.1%	**4%**
• % maritime	84.7%	**82.2%**
• % road	10%	**10.6%**
CO_2 emissions worldwide per mode of transport (from 1/01 to 31/12):		
• CO_2 emissions for air	71,137,392	**93,744,202**
• CO_2 emissions for rail	2,369,648	**3,432,587**
• CO_2 emissions for maritime	124,865,682	**100,548,116**
• CO_2 emissions for road	6,626,488	**4,910,755**
CO_2 impact of transporting Decathlon products for delivery in Europe (from 1/01 to 31/12)	311g CO_2 eq./product	**322g CO_2 eq./product** (Note 73)
• From production countries to Europe	172.2	**191.1** (Note 74)
• From key import warehouses to distribution platforms	82.7	**79.2**
• From distribution platforms to stores	55.7	**51.9**
% of post shipping multimodal transport in Europe (from 1/01 to 31/12)	16.2%	**11%**
Average per lorry load rate between key import warehouses and distribution platforms in Europe (from 1/01 to 31/12)	53.2 m^3 (13,790 products per lorry)	**53.1 m^3 (14,336 products per lorry)**

Note 73: Transportation of Decathlon products delivered in Europe:
Although haulage transport (from continental warehouses to regional warehouses) and distribution transport (from regional warehouses to stores) show indicators are improving compared with 2018 (4% less and 7% less respectively), the overall indicator reflects a slight increase of 3.5% (322 vs 311) due to the transportation between the production countries and Europe.
Even though the percentage of products transported by air was stable in 2019 compared with 2018, the average weight of products transported by plane was higher and impacted the g CO_2 eq./product between production countries and Europe by 11%.
This shows once again, the extent to which air transport impacts our main indicator.

Note 74: 11% increase due to a greater average weight/product transported by air in 2018.

CORRELATION OF SUSTAINABLE DEVELOPMENT GOALS

GOALS	> DECATHLON INITIATIVES TO SUPPORT THIS GOAL	PAGE
 **GOAL 1 - ERADICATE POVERTY:** END POVERTY IN ALL ITS FORMS EVERYWHERE IN THE WORLD	> Providing a living wage at production sites for Decathlon products	p. 76
	> Compensating teammates fairly	p. 45
 **GOAL 2 - ZERO HUNGER AND SUSTAINABLE AGRICULTURE:** END HUNGER, ACHIEVE FOOD SECURITY, IMPROVE NUTRITION AND PROMOTE SUSTAINABLE AGRICULTURE	> Promoting the use of cotton from sustainable sources (organically grown cotton, BCI cotton, etc.)	p. 56
 **GOAL 3 - GOOD HEALTH & WELL-BEING:** ENSURE HEALTHY LIVES AND PROMOTE WELL-BEING FOR ALL AT EVERY AGE	> Making sports products accessible to as many people as possible	p. 61
	> Delivering health and safety for our teammates	p. 41
	> Keeping users safe	p. 43
	> Holding sporting events near our sites	p. 93
 **GOAL 4 - QUALITY EDUCATION:** ENSURE INCLUSIVE, FAIR AND QUALITY EDUCATION, PROMOTE LIFELONG LEARNING OPPORTUNITIES FOR ALL	> Providing in-person and digital training for all on a continuous basis, throughout the careers of our teammates and across all business lines	p. 38
	> Sharing the principles and values of sustainable development and the tools to make a difference every day in each Decathlon store through dedicated training available to all teammates	p. 87
	> Supporting supplier skill-building and autonomy	p. 83
 **GOAL 5 - GENDER EQUALITY:** ACHIEVE GENDER EQUALITY AND EMPOWER ALL WOMEN AND GIRLS	> Ensuring that everyone has the chance to live up to their potential and achieve their goals by combating sexism in the workplace	p. 28
 **GOAL 6 - CLEAN WATER AND SANITATION:** ENSURE THE AVAILABILITY AND SUSTAINABLE MANAGEMENT OF WATER AND SANITATION FOR ALL	> Conducting environmental audits at production sites that process more than 50 m^3 of water per day	p. 82
	> Using technologies that help reduce water usage	p. 59
 **GOAL 7 - CLEAN AND AFFORDABLE ENERGY:** ENSURE ACCESS TO AFFORDABLE, RELIABLE, SUSTAINABLE AND MODERN ENERGY FOR ALL	> Committing to the RE100 initiative so that all electricity consumed by Decathlon will come from renewable sources by 2026	p. 96
 **GOAL 8 - DECENT WORK AND ECONOMIC GROWTH:** PROMOTE LASTING, INCLUSIVE AND SUSTAINABLE ECONOMIC GROWTH, FULL AND PRODUCTIVE EMPLOYMENT AND DECENT WORK FOR ALL	> Developing a purchasing strategy for Decathlon products with privileged industrial partners and eco-constructing sustainable growth strategies with their input	p. 73
	> Ensuring decent work at sites that produce Decathlon products through human responsibility in production audits and support for the teams on the ground	p. 77
	> Analysing the annual responses from teammates about their workplace well-being through the DTB tool and deploying appropriate action plans	p. 35

 **GOAL 9 - INNOVATION AND RESILIENT INFRASTRUCTURE:** BUILD RESILIENT INFRASTRUCTURE, PROMOTE INCLUSIVE AND SUSTAINABLE INDUSTRIALIZATION AND FOSTER INNOVATION	> Completing eco-certifications for new company-owned sites in line with the most stringent international standards	p. 85
	> Optimising waste and energy management at Decathlon sites	p. 95
	> Helping suppliers to continually assess and reduce the environmental impact of their industrial sites	p. 82
 **GOAL 10 - REDUCE INEQUALITY:** REDUCE INEQUALITY WITHIN AND BETWEEN COUNTRIES	> Ensuring that everyone is treated fairly at every level of the value chain by implementing the Duty of Vigilance	p. 36
 **GOAL 11 - SUSTAINABLE CITIES AND COMMUNITIES:** MAKE CITIES AND HUMAN SETTLEMENTS INCLUSIVE, SAFE, RESILIENT AND SUSTAINABLE	> Taking part in community life, engaging in dialogue with neighbours and all stakeholders	p. 92
	> Calculating and writing action plans to improve the regional impact of our sites	p. 90
	> Helping to support people in difficulty through the work of the Decathlon Foundation	p. 47
 **GOAL 12 - RESPONSIBLE CONSUMPTION AND PRODUCTION:** ENSURE SUSTAINABLE CONSUMPTION AND PRODUCTION PATTERNS	> Expanding eco-design and environmental labelling for Decathlon products	p. 56
	> Reducing the impact of the use of raw materials	p. 56
	> Offering environmentally friendly products and services	p. 62
	> Training the Decathlon product design teams on the notion of the circular economy	p. 58
 **GOAL 13 - FIGHT AGAINST CLIMATE CHANGE:** TAKE URGENT ACTION TO COMBAT CLIMATE CHANGE AND ITS IMPACTS	> Calculating the carbon footprint of Decathlon business activities and implementing action plans to reduce it	p. 22
	> Eco-designing and extending the service life of Decathlon products	p. 55
	> Reducing the impact of the use of raw materials	p. 57
	> Performing environmental audits to help suppliers continuously reduce their environmental impact	p. 82
	> Consuming only renewably-sourced electricity by 2026	p. 96
	> Reducing the use of air travel to transport products	p. 99
	> Incentivising and participating in the emergence of new forms of mobility	p. 101
 **GOAL 14 - MARINE LIFE:** CONSERVE AND SUSTAINABLY USE THE OCEANS, SEAS AND MARINE RESOURCES TO ACHIEVE SUSTAINABLE DEVELOPMENT	> Helping suppliers with wastewater treatment and chemicals management to prevent water pollution	p. 82
	> Expanding the use of raw materials from more sustainable sources	p. 58
 **GOAL 15 - LIFE ON LAND:** PROTECT, RESTORE AND PROMOTE THE SUSTAINABLE USE OF LAND ECOSYSTEMS, SUSTAINABLY MANAGE FORESTS, COMBAT DESERTIFICATION, HALT AND REVERSE LAND DEGRADATION AND HALT BIODIVERSITY LOSS	> Working to protect the biodiversity present around our sites	p. 87
	> Performing environmental audits to continuously reduce the environmental impact of Decathlon product suppliers	p. 82
 **GOAL 16 - PEACE, JUSTICE AND STRONG INSTITUTIONS:** PROMOTE PEACEFUL AND INCLUSIVE SOCIETIES FOR SUSTAINABLE DEVELOPMENT, PROVIDE ACCESS TO JUSTICE FOR ALL AND BUILD EFFECTIVE, ACCOUNTABLE AND INCLUSIVE INSTITUTIONS AT ALL LEVELS	> Ensuring that we work fairly and equitably with our partners by combating corruption, p 74, and by enforcing our Code of Conduct at sites that produce Decathlon products	p. 76
 **GOAL 17 - PARTNERSHIPS TO ACHIEVE GOALS:** STRENGTHEN THE MEANS TO IMPLEMENT GLOBAL PARTNERSHIP FOR SUSTAINABLE DEVELOPMENT AND REGENERATION	> Joining forces with external stakeholders to develop and implement sustainable development goals: RE100, Fashion Pact, UNFCCC, SBTi, Stronger Together, ADEME, etc.	p. 18
	> Performing a materiality analysis with a survey of over 4,400 stakeholders Available at: *http://sustainability.decathlon.com/*	

METHODOLOGICAL NOTE
GENERAL ORGANISATION OF REPORTS

REGULATORY FRAMEWORK

Decathlon is bound by the extra-financial reporting obligations relating to ordinance n° 2017-1180 of 19 July 2018 and the decree pursuant to French ordinance n° 2017-1265 of 9 August 2017. The Declaration of Extra-Financial Performance (DEFP) meets these obligations, which have changed following the Grenelle II Act.

Decathlon vigilance plan:
With regard to the publication of a vigilance plan following law no. 2017-399 of 27 March 2017 concerning the duty of vigilance, we have made a special document available online.

It should be noted that the content of the Decathlon vigilance plan is to be read in conjunction with the annual DEFP: both teams in charge of these approaches have worked together throughout the year to ensure synergy and synchronisation between the two documents. The vigilance plan includes a correlation table that explains the responses in the DEFP and the vigilance plan.

> http://developpement-durable.decathlon.com/documents-et-rapports/documents/

Decathlon SE[1] is not listed on the stock exchange. However, in light of their materiality, we took into account the following criteria: promoting and respecting the eight fundamental conventions of the ILO[2] and information about efforts to promote human rights.

In terms of the fundamental conventions of the ILO, Decathlon applies the same standards across the 9 production sites we own as those required of our suppliers.

Moreover, since 2018 Decathlon has begun the transition from article 225 of the Grenelle for Environment Act and the new regulatory obligations relative to the Declaration of Extra-Financial Performance, notably:

- formalising Decathlon's value creation model: the business model was created with the involvement of different representatives from the company's financial teams and by relying on internal company documents, external megatrends and studies, as well as drawing on the European Commission's guideline recommendations for non-financial information (2017/C 215/01) and the international reference framework on the integrated reporting of the IIRC (International Integrated Reporting Council) in December 2013.

- presenting Decathlon's main extra-financial risks: the internal auditing and risk management teams worked in collaboration so that the DEFP team could use their work to identify, prioritise and deliver on the list of the main extra-financial risks.

- a review of the most strategic issues for Decathlon: by updating a materiality analysis based on a survey conducted in 7 countries (France, Spain, Italy, China, India, Vietnam and Bangladesh). This involved 2,100 teammates, 2,200 customer users and 60 suppliers who answered an online questionnaire; and 45 representatives of civil society who were interviewed to learn about stakeholder expectations.

Workshops were also held to identify the most important challenges for Decathlon's business, with approximately 30 internal experts and about twenty of the company's leaders and shareholders. (Decathlon materiality analysis conducted from September 2017 to October 2018: available at *http://developpement-durable.decathlon.com/documents-et-rapports/documents/ or page 12 and 13 of the DEFP 2018)*.

- a new **sustainable development policy entitled "2020-2026 Transition Plan",** partly as a result of a materiality study and partly due to analysis of the main extra-financial risks. It was finalised in March 2020 and shared with Decathlon teammates by the sustainable development manager and the human resources manager.

A realignment in the structure and content of the next DEFP in 2020 is being envisaged as part of the 2020-2026 Transition Plan.

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1. Decathlon has been a European company since 26 September 2019.
2. ILO: International Labour Organisation: https://www.ilo.org/global/lang--fr/index.htm.
The 8 fundamental conventions of ILO are: the freedom of association and the effective recognition of the right to collective bargaining - the elimination of all forms of forced or compulsory labour - the effective abolition of child labour - the elimination of discrimination in respect of employment and occupation.

ORGANISATION OF REPORTING AND CONSTANT IMPROVEMENT

This Declaration of Extra-Financial Performance illustrates Decathlon's commitments, achievements and projects in terms of corporate social responsibility (CSR) for the 2019 financial year.

To create this document, we implemented the following organization:

- A project officer responsible for CSR reporting - a chief editor - a reporting and audit process project manager - a reporting tool manager - a team responsible for the following components: writing and communications, technical aspects and project management, internal reporting protocols - and the implementation and roll-out of the reporting tool (PURE)
- A network of contributors covering the various activities of the business (design, production, distribution, logistics, real estate, legal, etc.)
- Strategic committees (advice process) with different participants (CEO of Decathlon, sustainable development director, industrial performance director, communications and HR team representatives, etc.) to advise the DEFP team on the direction and decisions pertaining to the extra-financial reporting aspect.

The indicators and qualitative information were collected, verified and provided by the contributors from the relevant operational activities. The figures have thus undergone consistency and plausibility checks by the contributors who are responsible for the reliability of the information they convey within the context of this reporting period.

All this information was then consolidated by the report project leaders and presented in the annual DEFP.

Some of the extra-financial indicators are drawn from information that has been regularly reported and coordinated internally by the business's teammates.

A reporting protocol including the indicator definitions and the various procedures for collecting and consolidating data is updated and shared with the relevant contributors each year. The 2019 data was consolidated using a dedicated computing tool (the PURE reporting tool), which helps make information processing more efficient for Decathlon.

Each year since 2013, we have undertaken to organise the work and improve the collection, consolidation and reliability of data so it is in line with any changes in regulatory requirements and the comments made by the independent third-party body; and likewise to take account of evolutions in Decathlon internal projects on sustainable development. The work we have carried out in recent years has enabled us to observe the relative reliability of some of the data. We have been dedicated to a strategy of progress and continuous improvement over several years in order to strengthen the internal reporting process and reliability of the data we communicate in our extra-financial reports.

The DEFP published every year enables Decathlon to measure and be aware of its level of corporate, environmental and societal performance in order to make judicious decisions.

The information in the DEFP and the conclusions of the audit conducted by the independent third-party body are also used by the Decathlon Treasury teams in the case of impact loan projects with banks and are also communicated to independent experts who assess the company's annual share value.

VERIFIED INFORMATION

For the 2019 financial year, the quantitative data and indicators audited by Mazars are:

- **Company information:** Total headcount as of 31/12/2019 - percentage of permanent employees - percentage of shareholding teammates - Decathlon Teammates Barometer results – Percentage of people having received at least one training programme within the last two years.
- **Environmental information:** Percentage of products with an eco-label - energy consumption per square meter - waste sorting rates at sites - percentage of ABC Supplier Environmental Management - CO_2 emissions for Scopes 1 and 2.
- **Societal information:** Percentage of HRP ABC ratings - returns rate per million - percentage of sports users delighted with Decathlon products.

Qualitative information (notably policies) has also been reviewed by the independent third-party body Mazars, with the relevant teammates responsible for the following areas in the company:

- Sustainable development and people policy for 2020-2026
- Training
- Employee health and safety
- Environmental product labelling
- Energy and waste management
- Duty of Vigilance
- Customer health and safety
- Fight against corruption

Note: the "number of accidents leading to stoppage" data underwent a mock audit for the first time this year as part of our continual improvement process, without the figures being published in the DEFP 2019.

PRINCIPLES GOVERNING THE PRODUCTION OF THE DECLARATION OF EXTRA-FINANCIAL PERFORMANCE (DEFP)

In line with GRI (Global Reporting Initiative) G4 sustainability reporting guidelines, Decathlon applies the following principles when writing its Declaration of Extra-Financial Performance (DEFP):

- **Completeness:** to be as exhaustive as possible on relevant topics to enable readers of the report to assess the business's CSR performance
- **Relevance:** topics deemed relevant are those that we feel are most important for our own activities and governance
- **Clarity:** to be universally understood
- **Punctuality:** to deliver the report on the same dates every year
- **Balance:** to present a fair idea of the business's overall performance by reflecting both positive and negative aspects
- **Accuracy:** to give accurate, detailed information to enable readers to gain a better understanding

REPORTING SCOPE

Decathlon had a presence in 57 distribution countries, with 102,307 teammates and a turnover of €12.4 billion excl. VAT in 2019.

As of 31/12/2019, the Decathlon group scope numbered:

- 1,647 stores (all sales forms combined)[3]
- 73 warehouses and logistics platforms

To establish the CSR target reporting scope for the 2019 financial year, it was agreed to use the financial consolidation scope, which comprises all subsidiaries from the Decathlon group, closed on 31 December of the reporting year and from which restatements have been made.

These restatements correspond to subsidiary exclusions from the financial consolidation scope.

Exclusions are operated on the basis of the:

- corporate purpose (companies whose sole purpose is acquiring shares; subsidiaries whose sole purpose is real estate ownership)
- controls (art. L. 233-3 of the Commercial Code)
- ongoing transactions
- turnover (threshold of 0.01% of total turnover for Decathlon group subsidiaries) of the subsidiary being considered

Regarding the latter, we consider that the cost of obtaining environmental, social and societal data is disproportionate to the importance they represent. Excluding these companies has no significant effect on the representativeness of our data.

However,

- any subsidiary with more than 10 stores must be included in the CSR target reporting scope, given their impact on the "Group" data point. In other words, the inclusion rule for the CSR target reporting scope with regard to the number of stores takes precedence over the exclusion rule for the CSR target reporting scope with regard to turnover.
- any subsidiary registered with the RBU (Reporting Business Unit), which corresponds to the turnover relating solely to a production activity for Decathlon products, regardless of the total turnover, must participate in the CSR target reporting scope with regard to the duty of care expressed by the Human Responsibility in Production (HRP) indicator, even if – by virtue of the turnover threshold – it would be excluded from the CSR target reporting scope.
- for China, in light of local legal structures, we decided to institute a special rule, consisting of integrating all subsidiaries that engage in retail and logistics activities.

The CSR target reporting scope coverage rate for 2019 was 99.9% of the total turnover for Decathlon group subsidiaries. Any restrictions on scope are set out for each indicator when required.

METHODOLOGICAL CLARIFICATIONS

1- Note that the "Signed Sports" term refers to company-owned Decathlon brands (examples of Signed Sports include: Forclaz for trekking activities, Olaian for surfing, Tribord for sailing, etc.).

2- The suppliers we refer to are those with whom we have direct or indirect commercial relations in the context of the production of our company-owned products and their components. The product development approach (eco-design, quality, human responsibility in production, etc.) presented here concerns only products manufactured for our company-owned brands.

3- The extra-financial information for Decathlon activities that comes under Facilities Listed in Environmental Protection Regulations (ICPE) in France is consolidated at Group level by the CSR lawyer.

4- Decathlon's core business activities are, among others, the design, manufacture, wholesale, semi-wholesale and retail trade of all its products and services destined for sports enthusiasts and their families, as well as personal goods generally. Under its

3. Excluded are franchised stores whose turnover is not consolidated in the balance sheet.

Aptonia brand name, Decathlon sells sports nutrition products and diet supplements, which do not come under the category of foodstuffs. On this basis, Decathlon is not considered to be a distributor for the food retail sector.

Given the above, Decathlon has decided not to discuss actions to combat food waste. Furthermore, these sports nutrition and food supplement products have a long use-by date, as they are not particularly perishable.

It was also decided not to treat the 2 following topics in the DEFP 2019; the fight against food insecurity; and responsible, sustainable and fair-trade food choices. These are not significant with regard to the company's main activities and the subjects it has identified as CSR material issues.

5- For the social dimension:
This year, in accordance with the action plan implemented by the 2016 Sustainable Development Report, the HR reporting project manager appointed in October 2018 decided to include three additional countries when gathering social data sourced from payroll software in order to improve the representativeness and reliability of the scope.

Turkey, Brazil and the Czech Republic were thus integrated alongside the 11 previous countries (France, Spain, Italy, Belgium, China, Poland, Germany, Portugal, Russia, India and Hungary), which increased the scope of social data sourced from payroll software to a total of 84.65% of the global workforce.

Most of the quantitative data published for these countries are thus produced from each country's own payroll software.

The quantitative data published for the remaining 15.35% were calculated using data reported in the *"Identity Access"* tool, whose reliability is uncertain.

Note that certain indicators are calculated solely on the basis of the *"Identity Access"* tool (% of female managers, % of seniors, breakdown by activity and breakdown by geographic region)..

A data gathering framework has been established, with a standard definition for each indicator collected.

At the same time, remaining countries will be contacted over time, to test the data gathering framework using their payroll extracts in order to make data more than 93% reliable for the DEFP 2022:
- 2020: 3 additional countries (Romania, Great Britain and Morocco)
- 2021: 3 additional countries (Netherlands, Mexico and Taiwan)
- 2022: 3 additional countries (Switzerland, Singapore and Canada)

A network of contributors for social data has been gradually implemented in our various countries by the HR reporting project manager in an effort to expand the scope for the qualitative HR information shared in our upcoming DEFP (primarily for France at this time), and also in the aim of improving the coordination of performance figures by the teams.

6- For logistics-related figures:
In 2019 the majority of the logistics data was calculated by the contributors in charge of the data for Europe, due to the unavailability and lack of consolidation for the logistics data at the global level. Europe accounts for 71% of article volumes shipped from production countries in 2019.

7- For the greenhouse gas emissions assessment (GHG):
The CO_2 emissions were calculated using the GHG Protocol method[4], which divides emissions into three categories (scopes 1, 2 and 3). We use the operational control approach.

Scope 1 groups refrigerant leakage emissions (HFC 410a and HFC 407c) and natural gas consumption.

Data was estimated when accurate data was not available. Most of the data for refrigerants are estimated on the basis of a kg/m^2 ratio, except for accurate data from Spain and the Netherlands.

The ratio was calculated on the basis of the average cooling capacity and the m^2 in stores and warehouses.

When accurate data is unavailable for natural gas, values are estimated on the basis of the kWh/m^2 ratio from the previous year.

Scope 2 groups emissions associated with purchasing electricity.

We calculate our scope 2 emissions using the *"market-based"* and *"location-based"* methods. We primarily use the market-based method for performance-tracking purposes.

Scope 3 groups the indirect emissions associated with our activities.

- with regard to products sold: extracting raw materials, processing these materials in plants, the use and end life of products sold
- with regard to our sites: building our sites, waste generation, buying fitting equipment and checkout bags, indirect emissions associated with purchasing electricity
- transporting our products, employees and clients

GHG emissions are calculated by multiplying activity data by an emission factor. Activity data was gathered from the defined area.

If data was unavailable or showed errors, it was used to make assumptions or was extrapolated using accurate data.

Excluding calculations concerning our product impact, most emission factors come from the Carbon database managed by ADEME (http://www.bilans-ges.ademe.fr/). Product impact modelling is performed using simplified lifecycle assessments. Calculations are performed using an eco-design module integrated into our in-house design tool. Product impact data comes from the ADEME Base Impact database.

The scope taken into account for the GHG assessment consists of company-owned Decathlon sites that were trading on 1 December 2019, i.e. 1,483 Decathlon stores and 47 warehouses.

4. *http://www.ghgprotocol.org/standards/corporate-standard*

We use a software solution to gather and consolidate the data from our sites.

In 2020, we plan to roll out a new data collection tool for our sites, in order to facilitate this with automated loading systems and a more user-friendly interface.

Compared with the CSR reporting scope:

- energy data for our sites was calculated using actual energy consumption from 1,476 stores out of 1,647 (90%) and 45 warehouses out of 73 (62%) as of 31/12/2019. Concerning natural gas, when accurate data is unavailable, this data is estimated on the basis of an average kWh/m^2 ratio calculated using accurate Group data from the previous year.
- water consumption in our stores and warehouses is not considered significant as it is limited to sanitation facilities, staff rooms, watering green spaces and automatic extinguisher tests. The average consumption for 2016 was calculated based on actual data obtained from a sample of 23 stores and one warehouse, and it confirmed that we did not need an exhaustive report, given the low consumption.
- waste data was calculated based on waste production at 87% of Decathlon stores (1,435 sites) and 52% of warehouses (38 sites). When accurate waste data is unavailable, this data is estimated on the basis of a kg/quantity sold ratio. In 2017, this ratio was calculated using the available accurate data. The quantity of waste calculated using this ratio was considered as not sorted. We thus consider the sorting rate to be 0% in the countries for which we do not have accurate data. In 2019, 61% of the consolidated quantities of waste were reported as accurate.

8- Restatement of previous data and error correction:

Some of the data calculated in previous financial years may differ from that published in our 2019 Declaration of Extra-Financial Performance, especially since calculation and inputting errors were detected. These modifications are not significant in any way. If method changes were introduced between 2018 and 2019, this is mentioned in a footnote for the indicator concerned.

REPORTING PERIOD

The reporting period for extra-financial data is based on the calendar year (1 January to 31 December 2019), so as to ensure consistency with the trading year of Decathlon's companies as well as the business's existing reports. In cases where data refers to a reporting period different to the calendar year, this is specified in the body of the report.

METHODOLOGICAL LIMITS OF THE INDICATORS

This is Decathlon's seventh extra-financial report and it forms part of a continuous improvement drive implemented over several years, with the aim of structuring and reinforcing the process internally.

Environmental, social and societal indicators can present methodological limitations caused by:

- non-harmonised definitions, national/international legislation and local practices
- problems in collecting certain data without data collection software solutions
- manual data entry in the PURE reporting tool: reliability depends on the quality of the information collected performed by the teams
- the availability of certain data within a limited field
- extrapolating and estimating certain data in situations where actual data is not available
- the gradual deployment of our internal reporting protocol to cover the collection, consolidation and management of indicators

DEFP CORRELATION TABLE

This table indicates where to find the information required by the regulatory obligations of the Declaration of Extra-Financial Performance within this publication:

CORRELATION TABLE FOR REGULATORY OBLIGATIONS	WHERE TO FIND THIS INFORMATION
Climate change	CHALLENGES AND STRATEGIES / p. 22
Societal commitments in favour of sustainable development	RESPONSIBILITY IN PRODUCTION / p. 76
A circular economy	PRODUCTS AND SERVICES / p. 55
The fight against food waste and food insecurity	Not treated, see note p. 129
Responsible, sustainable and fair-trade food choices	Not treated, see note p. 129
Animal welfare	PRODUCTS AND SERVICES / p. 57
Collective agreements	PEOPLE AND MANAGEMENT / p. 36
Measures in favour of people with disabilities	PEOPLE AND MANAGEMENT / p. 29
The fight against discrimination, promoting diversity	PEOPLE AND MANAGEMENT / p. 28
Business model	CHALLENGES AND STRATEGIES / p. 10
Main extra-financial risks	CHALLENGES AND STRATEGIES / p. 14
Policies	CHALLENGES AND STRATEGIES / p. 16
Results and key performance indicators	INDICATORS AND METHODOLOGY / p. 102

OUR MAIN EXTRA-FINANCIAL RISKS

This table below also shows the correlations between the list of main extra-financial risks and the key performance indicators:

CATEGORY > SUB-CATEGORY	DESCRIPTION OF OPPORTUNITIES [+]; RISKS [-]
TEAMMATES	
> MEANING AND VALUE	Teammate commitment, cohesion [+]; Loss of a sense of value [-]
> EMPLOYMENT SKILLS AND MANAGEMENT	Skills availability and quality, talent development [+]; Loss of skills including expertise, insufficient attractiveness, disemployability, non-response to development needs, failure to anticipate job evolutions [-]
> SHARING VALUE	Sharing value, participating in company development, project involvement [+], Pay cut [-]
> HEALTH AND SAFETY	Teammate health and safety, quality of work life [+]; Accident, illness, occupational stress [-]
CUSTOMERS	
> HEALTH AND SAFETY	Customer/sports user health and safety, product safety (harmlessness, strength, etc.) [+]; Danger for health during use [-] Customer safety in store [+]; Accidents [-]
> CUSTOMER SATISFACTION	Customer satisfaction, recommendation, loyalty, shopping cart amount, product innovation [+]; Negative image, dissatisfaction, loss of turnover [-]
ETHICS	
> BASIC HUMAN RIGHTS	Opportunities [+]; Serious infringement of human rights, fundamental freedoms and the health and safety of people [-]
> CORRUPTION	Integrity, loyalty, trust in business relations [+]; Internal and external acts of fraud/corruption [-]
ENVIRONMENT	
> CLIMATE CHANGE	Energy savings, resource availability [+]; Physical and transitional hazards [-]
> ENVIRONMENTAL IMPACTS	Management of emissions and pollution, protection and optimisation of resources in the value chain [+]; Pollution, loss of resources in availability and quality [-]

KEY PERFORMANCE INDICATORS	PAGE
DTB 2019 (Decathlon Teammate Barometer) survey	p. 108
DTB 2019 (Decathlon Teammate Barometer) survey	p. 108
Percentage of people having received at least one training course in the last two years	n/a
Number of shareholding employees	p. 106
DTB 2019 (Decathlon Teammate Barometer) survey	p. 108
Frequency rate for workplace accidents	p. 111
Number of quality returns per million of Decathlon products sold	p. 114
Percentage of sports users delighted with Decathlon products	p. 114
Percentage of suppliers rated A, B or C for Human Responsibility in Production	p. 118
Percentage of local Compliance advisers trained in the Sapin II law	p. 112
Scope 1 & Scope 2 CO_2 emissions	p. 104
Energy consumption per m²	p. 122
Rate of waste sorting on sites	p. 121
Percentage of products with environmental labelling	p. 113
Percentage of suppliers rated A, B or C for Environmental Management	p. 119

LIST OF 2019 STAKEHOLDERS

INSTITUTIONAL RELATIONS

Sits on the Environment Committee for the FCD (Federation for Commerce and Distribution) that works to promote Sustainable Development: *http://www.fcd.fr/qui-sommes-nous/actualites-de-la-fcd/detail/decouvrez-la-video-de-presentation-de-la-fcd/*

On the CSR Commission since 2014 (including working on updating the code of conduct and on an event linking CSR and sport): *http://www.entreprisesdusport.com/fr/infos-conso/developpement-durable/ et http://www.unionsportcycle.com/*

Since 2015, follow-up of work monitored by the CSR Commission of the WFSGI (sharing intelligence information, CSR practice benchmarking, participation in webinars, etc.): *http://www.wfsgi.org/*

Member of the Eurocommerce Environment Committee, so as to monitor and anticipate any future strategic and legislative developments for the European Union in terms of the environment*: http://www.eurocommerce.eu/*

Member of the ORSE for the past several years. This organisation provides continuous monitoring of social and environmental responsibility in businesses across France, Europe and the world. Decathlon joined the governing board of the ORSE in June 2019: *http://www.orse.org/*

ECO-DESIGN

Part of the eco-labelling pre-roll-out project with ADEME and the French Ministry for the Environment. Leads the project committee (COPROJ) for textile eco-labelling:

http://www.ademe.fr/expertises/consommer-autrement/passer-a-laction/reconnaitre-produit-plus-respectueux-lenvironnement/dossier/laffichage-environnemental/laffichage-environnemental-aujourdhui-demain-bilan-experimentations-perspectives

Sits on the Board of Directors and the Scientific Committee of Eco-TLC: *http://www.ecotlc.fr/page-53-gouvernance.html*

PEF (Product Environmental Footprint): Participation in a European experiment to define a common multi-criteria method for calculating products' environmental footprint (T-shirts). Member of the technical secretariat with different stakeholders, including ADEME (French environment and energy management agency), the French Ministry for the Environment, the OFEV5*, brands (Promod, Pimkie, Okaïdi, etc.) and manufacturers (Les Tissages de Charlieu, TAD): *http://ec.europa.eu/environment/eussd/smgp/*

**OFEV: Swiss federal office for the environment*

Decathlon joined the BCI (Better Cotton Initiative) in January 2012. This non-profit-making association seeks to promote the development of better cotton throughout the world, to create a sustainable commodity that is better for those producing it, better for the environment it is grown in, and better for the future of the sector as a whole: *http://bettercotton.org/*

Decathlon participates in the "2020 Commitment" initiative of the Global Fashion Agenda, which brings together companies that have committed themselves to taking concrete measures for the circular economy. Decathlon has made the following commitment: "By 2020, all of our engineers and designers will be trained on circular design principles to improve recyclability, repairability and reuse":

https://www.globalfashionagenda.com/logo/decathlon/

Since March 2019, Decathlon has sat on the Board of Directors of "Pôle Eco-conception", the French national centre for eco-design and performance through the life cycle. Founded in 2008, this centre aims to support the development of sustainable consumption and production patterns. "Pôle Eco-conception" assists Decathlon in the eco-design of its products and implementation strategies: *https://www.eco-conception.fr/*

The Plastic Leak Project (PLP) deals in plastic leakages and was launched by the sustainable development consulting firm Quantis and EA, the centre of environmental management & CSR. It aims to contribute to global efforts to combat plastic pollution. The multi-stakeholder initiative plans to draw up methodology and metrics guidebooks to locate, measure and map out plastic and microplastic pollution in the value chain, in order to define effective action to find a solution to plastic leakages into the environment:

https://quantis-intl.com/global-plastic-leak-project-kicks-off-to-tackle-plastic-and-microplastic-leakage/

GREEN IT

Club Green IT brings together French-speaking Green IT project leaders from private and public organisations. Beyond the services provided to its members, Club Green IT represents user organisations and enlightens the market on the subject of responsible digital technology. In 2018, Decathlon's Green IT leader followed and obtained the "responsible digital" certification of the Green IT Club, which attests to the level of mastery of the methodology, good practices, vocabulary and fundamental knowledge associated with this practice: *https://club.greenit.fr/*

The INR (Responsible Digital Institute) is a place to reflect on the issues surrounding the digital world: footprint calculation (economic, social and environmental), impact reduction and the creation of social value to successfully manage everyone's e-inclusion.

ENVIRONMENTAL MANAGEMENT

RE100 is a global initiative created by The Climate Group and launched at the UN Climate Summit in New York in 2014. This initiative aims to involve, support and promote companies that are committed to 100% use of renewable energy (including biomass, geothermal, solar, wind and tidal energy): *http://there100.org/companies*

Press information: *https://www.decathlon.media/shared/dossiers-presse/pdfs/cp_re100_decathlon_media_energie_renouvelable_zlzmzuqq.pdf*

The Science Based Target initiative brings businesses together to help them scientifically reinforce their efforts to reduce greenhouse gas emissions and accelerate the transition to a low-carbon economy. The Carbon Disclosure Project (CDP), UN Global Compact, World Resources Institute (WRI), World Wide Fund for Nature (WWF) and players from the We Mean Coalition are all part of this approach. The SBT initiative identifies and highlights good practices for setting out steps to reduce CO_2, it provides the means to carry out this goal, and scientifically and independently approves the business trajectories: *https://sciencebasedtargets.org/*

Press information: *https://www.decathlon.media/fr_FR/dossiers-communiques/our-only-future*

Initiated by the UN Climate Change in 2018, the Fashion Industry Charter for Climate Change is attracting a growing number of major players in fashion and textile. There are currently 48 signatories who have committed to defining an objective to reduce their CO_2 emissions and work collaboratively to deliver the goals set out in the Paris agreements in order for the whole industry to move forward.

Read the charter: *unfccc.int*

https://unfccc.int/climate-action/sectoral-engagement/global-climate-action-in-fashion/about-the-fashion-industry-charter-for-climate-action

Press information: *https://www.decathlon.media/fr_FR/dossiers-communiques/engagements-climat*

The Fashion Pact is a global coalition of companies in the fashion and textile industry (ready-to-wear, sport, lifestyle and luxury) including their suppliers and distributors, all committed to a common core of key environmental goals in three areas: to stop global warming, restore biodiversity and protect the oceans. Launched as a mission given to François-Henri Pinault, the Kering CEO, by French President Emmanuel Macron, the Fashion Pact was presented to heads of state at the G7 summit in Biarritz on 26 August 2019.

Read the Pact: *https://thefashionpact.org/?lang=fr*

Press information: *http://developpement-durable.decathlon.com/documents-et-rapports/documents/*

RESPONSIBILITY IN PRODUCTION

Technical support for Decathlon's Human Responsibility in Production and Supplier Environmental Management assessments (conducting of audits, wastewater samples and analyses).

http://www.sgs.com/

Member of an advisory committee (with representatives from national contact points, businesses, the European Commission, multi-stakeholder initiatives, NGOs and unions) to draft a guide on due diligence in the textile and footwear industries:

https://mneguidelines.oecd.org/responsible-supply-chains-textile-garment-sector.htm

Stronger Together is a multi-stakeholder business-led initiative that aims to reduce modern slavery and provide evaluation tools. Co-creation of the digital training "Tackle Forced Labour in the Supply Chain[1]" for our suppliers and the teams of our industrial division (production and purchasing): *https://www.stronger2gether.org/*

A specialized and referent NGO in the fight against forced labour and human trafficking. Verité provides tools and methodologies to detect and eliminate forced labour and human rights abuses in supply chains:

https://www.verite.org/

DUTY OF CARE

Verisk MapleCroft is a British consulting firm specialising in the analysis of political, economic, social and environmental risks on an international scale. Thanks to the associated data and analyses on these subjects, it enables companies to better anticipate, identify and manage the risks they face in their activities: *https://www.maplecroft.com/*

PRODUCT QUALITY AND SAFETY

Sharing scientific knowledge about chemicals used in production processes and about emerging risks, in order to define Decathlon's future areas of work: *https://www.anses.fr/fr*

The AFIRM group is an international working group composed of leading brands in the textile, footwear and sports goods industry that works to harmonize the chemical requirements of products. Decathlon is participating in the development of a common list of prohibited substances; this list is available for use by all the brands: *https://www.afirm-group.com/*

The course of the "Groupe d'Etude et de recherche en Dermato-Allergo" (GERDA) is the annual meeting of dermato-allergology in France. Decathlon participates in order to share scientific knowledge on the chemicals used in production processes and to reduce the risk of allergy among users of Decathlon products:

http://www.gerda2018.com/EventPortal/Information/GERDA18/HOME2.aspx

1. *"The fight against forced labour in the supply chain".*

CONFIRMATION OF PARTICIPATION AND REPORT ON THE FAIRNESS OF THE INFORMATION

DECATHLON
FINANCIAL YEAR ENDED
31 DECEMBER 2019

Report by an independent third-party body, relating to the consolidated declaration of extra-financial performance contained in the management report

To the shareholders,

In our capacity as an independent third-party body, member of Mazars' network, statutory auditor of DECATHLON, whose accreditation was accepted by COFRAC under the number 3-1058 (scope of accreditation available at www.cofrac.fr), we have drawn up this report on the consolidated declaration of extra-financial performance for the year ended 31 December 2019 (hereinafter named the "Declaration"), included in the management report, pursuant to the legal and regulatory provisions of articles L. 225 102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code *(Code de commerce)*.

COMPANY RESPONSIBILITY

The Board of Directors of Decathlon is responsible for preparing a Declaration in accordance with legal and regulatory provisions, including a presentation of the business model, a description of the main extra-financial risks, a presentation of the policies implemented with regard to these risks, and the results of the said policies, including key performance indicators.
The Declaration was produced according to company procedures (hereinafter named the "Guidelines"), the salient elements of which are presented in the Declaration and available on request from the company's head office.

INDEPENDENCE AND QUALITY CONTROL

Our independence is defined by the provisions of article L. 822-11-3 of the French Commercial Code and the French Code of Ethics *(Code de Déontologie)* of our profession. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with the applicable legal and regulatory requirements, ethical requirements and French professional standards.

RESPONSIBILITY OF THE INDEPENDENT THIRD-PARTY BODY

On the basis of our work, our responsibility is to formulate a reasoned opinion expressing a conclusion of reasonable assurance relating to:

• the compliance of the Declaration with the provisions of article R. 225-105 of the French Commercial Code

• the fairness of the information provided pursuant to section one and section two, paragraph three of article R. 225-105 of the French Commercial Code, namely the results of the policies, including any key performance indicators, and the actions taken with respect to the main risks, hereinafter named the "Information".

It is not within our purview, however, to comment on the company's compliance with other applicable legal and regulatory provisions, particularly with regard to the vigilance plan and efforts to combat corruption and tax evasion; nor on the compliance of the products and services with applicable regulations.

NATURE AND SCOPE OF THE WORK

Our work described below was performed in accordance with the provisions of articles A. 225-1 et seq. of the French Code of Commerce, professional guidance issued by the national auditing body relating to this work and with the international standard ISAE 3000[1]:

- We obtained an understanding of the business activities of all entities included within the consolidation scope and the exposure to the main risks
- We gained an understanding of the appropriateness of the Guidelines in terms of their relevance, their exhaustiveness, their reliability, their neutrality and their comprehensibility, taking into consideration good practices used within the sector, if applicable
- We checked that the Declaration covers each category of social and environmental information provided in section three of article L. 225-102-1
- We checked that the Declaration presents the information as set out in section two of article R. 225-105 when this is pertinent with regard to the main risks and that it includes an explanation, if necessary, justifying the absence of any information required by section three, paragraph two of article L. 225-102-1
- We checked that the Declaration presents the business model and a description of the main risks associated with the business activities of all entities included in the consolidation scope, including, when relevant and proportionate, the risks resulting from their business relations, their products or their services, as well as the policies, actions and results, including key performance indicators pertinent to the main risks
- We consulted documentary sources and conducted reviews:
  - to gain an understanding of the selection and validation process for the main risks, as well as the consistency of the results, including the key performance indicators, with regard to the main risks and policies presented, and
  - to corroborate the qualitative information (actions and results) we considered the most important presented in Annex 1. For the corruption risk, our work was carried out with the consolidating entity, for the other risks, the work was undertaken with the consolidating entity and with a selection of entities[2]
- We checked that the Declaration covers the consolidation scope, namely all the companies included in the consolidation scope in accordance with article L. 233-16, with the scope limits specified in the Declaration
- We have studied the inhouse control and risk management procedures implemented by the body and have assessed the collection process that aims to provide sincere and exhaustive information
- For the key performance indicators and the other quantitative results presented in Annex 1 we considered most important, we introduced:
  - analytical procedures, work that involved checking that the collected data was correctly consolidated and that changes in this data were consistent
  - detailed tests performed using surveys, work that involved verifying the correct application of definitions and procedures and reconciling data from documentary evidence. This work was conducted with a select group of contributing entities[2] and covers between 21% and 100% of the consolidated data selected for these tests
- We evaluated the overall consistency of the Declaration in light of our knowledge of all the entities included in the consolidation scope.

1. ISAE 3000 - Assurance engagements other than audits or reviews of historical financial information.
2. France, Poland, Turkey, Germany on CO_2 emissions.

We feel that the work we have performed exercising our professional judgement has enabled us to formulate a conclusion providing reasonable assurance; greater assurance would have required more extensive verification procedures.

METHODS AND RESOURCES

For this work we enlisted the expertise of seven individuals; it was carried out between September 2019 and May 2020, lasting a total of seven weeks.

We conducted some ten reviews with those responsible for preparing the Declaration, who work in the departments of sustainable development, internal audit and risks, human resources, health and safety, environment and compliance.

CONCLUSION

Concerning the Employment and Skills Management risk, the Group identified a new key performance indicator *(Percentage of people having received at least one training course in the last two years).* However, the 2019 data is not published due to the unreliability of the data in the reporting tools and the lack of traceability of the supporting documents that would confirm if training had been received.

On the basis of our work, with the exception of the elements mentioned above, we found no significant irregularity that would call into question the fact that the Declaration of Extra-Financial Performance complies with the applicable regulatory provisions and that the Information, taken as a whole, is presented in a sincere manner, according to the Guidelines.

COMMENTS

Without undermining the conclusion above and in accordance with the provisions of article A. 225-3 of the French Code of Commerce, we offer the following comments:

- The main extra-financial risks presented in the DEFP were defined by each risk carrier, with the support of the Sustainable Development and Internal Audit and Risk department, but they have not been validated by a governing body of the Group.
- Some of the policies have been rolled out within a limited scope. Regarding HR and the health & safety of teammates, a Human Resources Policy was defined in 2019 in the Group scope, but it will effectively be rolled out in all the entities in 2020. The policies associated with transport and logistics currently only pertain to the European geographic area, i.e., 71% of article volumes shipped during the 2019 financial year.
- The scope of publication is not exhaustive or consistent over all the key performance indicators. In the HR section, the scope covers between 41% and 85% of the Group workforce as of 31 December 2019, due to the failure of some countries to report and the exclusion of certain data deemed to be unreliable. In the environmental section, the scope covers between 87% and 90% of the stores and between 52% and 64% of the warehouses in the Group as of 31 December 2019, due to the failure of some countries to report. The countries concerned by these exclusions or rate of coverage are stated indicator by indicator in the methodological notes.
- In the face of the *Teammate health and safety* risk, the Group has begun monitoring the frequency rate for accidents but has not published the data for 2019, in context of this initial consolidating period.

Drawn up in Paris La Défense on 18 may 2019
Independent third-party body

MAZARS SAS

Isabelle MASSA
Partner

Edwige REY
CSR and Sustainable Development Partner

ANNEX 1: LIST OF QUALITATIVE AND QUANTITATIVE INFORMATION, INCLUDING KEY PERFORMANCE INDICATORS

Qualitative information (actions and results) relating to the main risks:

- Meaning and Value
- Employment and skills management
- Value sharing
- Teammate and customer health and safety
- Customer satisfaction
- Fundamental human rights
- Corruption
- Climate change
- Environmental impacts

Quantitative indicators including key performance indicators:

QUANTITATIVE COMPANY INFORMATION	ENTITIES AUDITED
Workforce as of 31/12/2019	France – Poland – Turkey
Percentage of teammates with permanent contracts	France – Poland – Turkey
Percentage of shareholding employees	France – Poland – Turkey
Results of the Decathlon Teammates Barometer	France – Poland – Turkey
Number of work accidents leading to stoppage *(mock audit)*	France – Poland – Turkey

QUANTITATIVE ENVIRONMENTAL INFORMATION	ENTITIES AUDITED
Percentage of products with environmental labelling	France
Energy consumption per m^2	France – Poland – Turkey
Waste sorting rate	France – Poland – Turkey
CO_2 emissions, scopes 1 and 2	France – Poland – Turkey – Germany

QUANTITATIVE SOCIETAL INFORMATION	ENTITIES AUDITED
% ABC Human Responsibility in Production	France – Poland – Turkey
% ABC Environmental Responsibility in Production	France – Turkey
% of sports users delighted with Decathlon products	France – Poland – Turkey
Rate of returns per million	France
% of local Compliance advisers having been trained	Group

THANKS

Decathlon would like to thank everyone who has helped to produce this Declaration of Extra-Financial Performance:

- **The many internal contributors** throughout the world, for their involvement in the process of collecting information on their actions and strategies, as well as their follow-up and performance indicators
- **The external stakeholders:** customers and users, partners, organisations that were willing to report of their experiences and commitments alongside Decathlon
- **Particularly for 2019, the teams in France, Poland and Turkey** who took part in the audits of their data
- **The members of the dedicated management committee this year:** Isabelle Guyader, Michel Aballéa, Marie-Do Théodore, Philippe Dourcy, Olivier Cestre, Etienne Callafe, André-Marc Deschamps, Thierry Monniaux, Pierre Fahy, Jean-Sebastien Tronchon, Jean-Baptiste Rivière, Benoit Fournier, Nicoletta Latorre, Sophie Criquelion
- **The editorial team:** Besa Kokonozi, Axelle Kiers, Sophie Jaworska, Anne Desormais
- **The reporting team:** Rahel Damamme, Sophie Jaworska, Marie-Do Théodore
- Philippe Cornet Conseil, Extra-financial reporting expert, in partnership with AFNOR Compétences

RESPONSIBLE FOR THIS PUBLICATION:

Sustainable Development Director: Isabelle Guyader

Chief Editor: Anne Desormais

Sustainable Development Reporting Manager: Rahel Damamme

Graphic design and production: BāM retail design

Photo credits: Decathlon Communications Department

This report has been printed on FCS-certified paper using vegetable-based ink, by an ISO 14001 certified printing company.



4, boulevard de Mons - 59650 Villeneuve d'Ascq
developpement-durable.decathlon.com