



# MODERN SLAVERY STATEMENT

2022 FINANCIAL YEAR

June 2023

# Move people through the wonders of sport

Every day, we strive to make sport yours: enabling everyone to participate, celebrating all the emotions of sport, and changing your relationship with it.

# Make sport yours

**DECATHLON**

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# 1

# Introduction

Purpose and context

## 1. Introduction

### 1.1. Purpose and context

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**This Statement is issued pursuant to applicable laws** concerning modern slavery, including but not limited to the California's Transparency in Supply Chains Act (2010), the UK Modern Slavery Act (2015), and the Australian Modern Slavery Act (2018). It presents the actions taken by Decathlon SE and its subsidiaries (Decathlon) to tackle modern slavery\* risks in its global operations and supply chain, for the **financial year starting January 1, 2022 and ending December 31, 2022**.

The elements displayed in this document are to be considered as a **part of Decathlon's global risk management initiative**. Indeed, the company's general due diligence framework is **set out in its annual Vigilance Plan\*\***, issued pursuant to a growing set of corporate sustainability due diligence regulations, i.a.: the French Corporate Duty of Vigilance Law (2017), the Dutch Human rights and Environmental Due Diligence Law (2019), the German Supply Chain Diligence Act\* (2023), and the EU Corporate Sustainability Due Diligence Directive (yet to be adopted).

The efforts and means put in place to assess and address modern slavery risks are to read in this broader understanding, considering the efforts and means deployed by Decathlon targeting all risks existing in its supply chain. Indeed, **Decathlon has a strong commitment to uphold corporate sustainability standards**, in order to prevent and remedy to negative impacts of its activities and those of its business partners on human rights, health and safety, and the environment.

**Among those matters, modern slavery is a major stake.** Decathlon strives to tackle connected risks in the most efficient ways, with the means and resources existent and accessible, as set out in this statement. This statement has been approved by Decathlon SE Chief Financial Officer, also member of the Board of Directors, on 26 October 2023.

Jean-Marc Lemière, Chief Financial Officer, Decathlon SE

*Franck Laden*

*Romain Gravigny*

*Jean-Marc Lemière*

**\*Modern slavery** is understood in this document as encompassing forced labour, prison labour, indentured labour, bonded labour, human trafficking, or other similar conduct.

**\*\*More information** on Decathlon's policies and actions to address human rights issues (among others) are to be found in its annual [Vigilance Plan](#).

# 2

# Business presentation

Business structure and operations  
Value chain

## 2.1. Business structure and operations

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Decathlon is the **world's largest sports retailer**. It is a French company founded in 1976 specialised in the design and distribution of sports goods, working to provide quality products accessible and adapted to the needs of all, from enthusiastic beginners to passionate professionals.

Decathlon operates around:

- its **4 values**: Vitality, Responsibility, Generosity, Authenticity
- its **3 pillars**: People, Planet, Profit

### Structure

Thanks to its **104,116 teammates**, Decathlon developed worldwide and now has **1,751 stores in 60 countries** (more numbers on the page below).

The company's headquarters are in Villeneuve-d'Ascq, France.

### Operations

Decathlon's own operations and those of its commercial partners touch upon the following sectors:

- research and innovation
- design
- raw materials extraction / cultivation
- industrial operations
- transport in its various forms
- information systems, digital applications and equipment
- distribution (physical and digital)
- communication

## Decathlon in numbers



# 104,116

**teammates**

+0.93% compared with 2021

46.3% women and 53.7% men



# -1.7%

**carbon emissions  
in absolute value vs 2021**



# €15.4 bn

**in pre-tax sales**

+11.7% compared with 2021

\*At constant exchange rate.

# 71.7%

**delighted sports users**

69% in 2021

# 1.75%

**circularity sales**

1.43 % in 2021

# 1,751

**stores worldwide  
(company owned and rented,  
excluding franchises)**

i.e. 4 more stores than in 2021

# 93%

**of teammates report  
"Being themselves"<sup>1</sup>**

94% in 2021

# 84.8%

**of electricity consumed  
in stores and warehouses  
comes from renewable sources**

82.6% in 2021

# 74

**warehouses and  
logistics hubs**

# 86.7%

**of Rank 1 supplier sites  
were rated A, B or C  
for human responsibility in production**

+11% compared with 2021

# 83.4%

**of Rank 1 and 2 supplier sites  
were rated A, B or C  
for their environmental management**

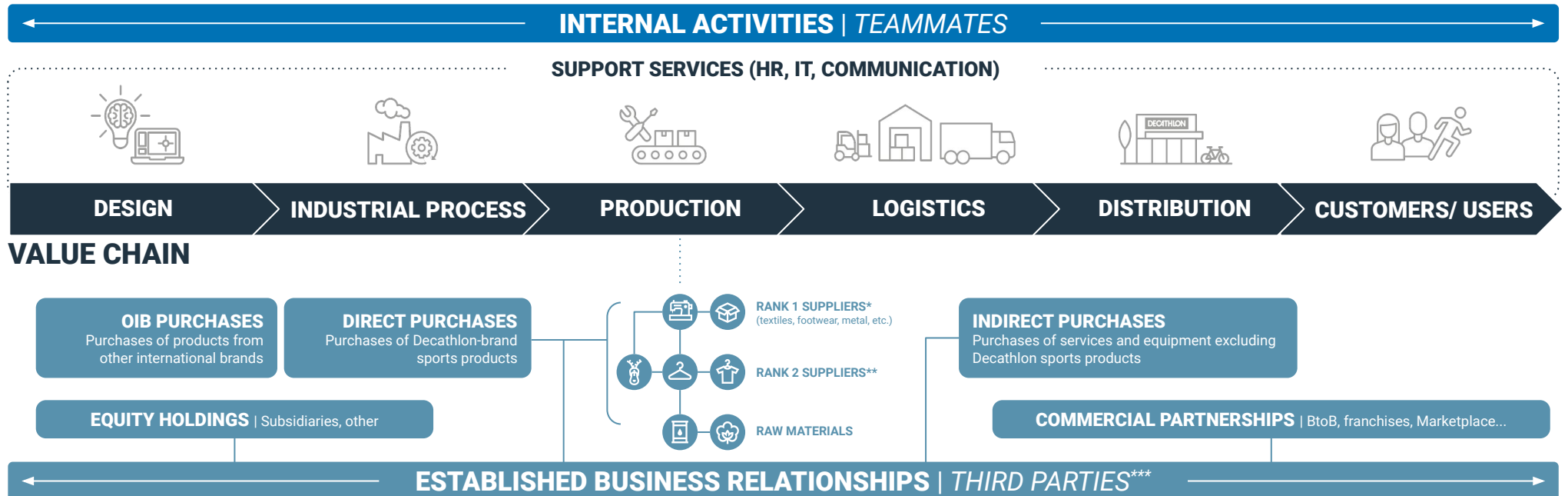
+8.3% compared with 2021

# 52

**partner suppliers<sup>1</sup>**  
out of a total of 1,267 suppliers



## 2.2. Value chain



**\*Rank 1 suppliers** are bound contractually to a Decathlon group company for the manufacture or assembly of finished and semi-finished products (via a manufacturing contract), or for the supply of raw materials or components (via a purchase contract). They receive purchase orders from that group company and invoice it directly.

**\*\*Rank 2 suppliers** contribute to the Decathlon value chain. They have a direct business relationship with Rank 1 suppliers, with which they manage purchase orders and invoicing. Decathlon reserves the right to intervene in the choice or approval of these Rank 2 suppliers for their distinctive component offer, without however interfering in the commercial and legal relationship between Rank 1 and Rank 2 suppliers.

**\*\*\*Third parties:** suppliers or commercial partners for goods and/or services with which Decathlon has a direct or indirect commercial relationship.

# 3

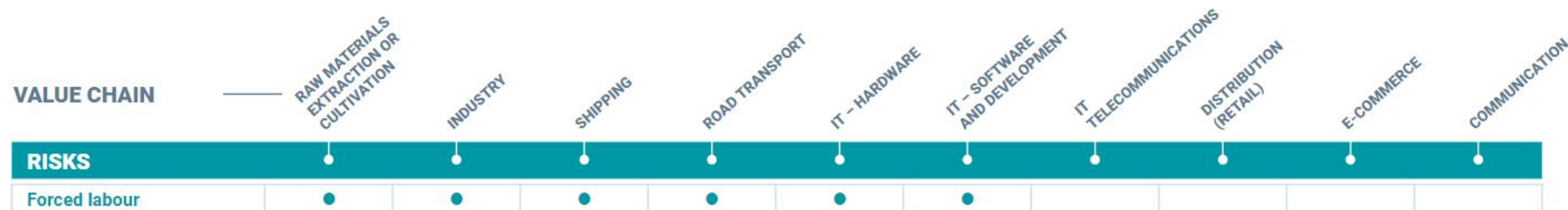
## Risk mapping

General vigilance risk mapping  
Forced labour country risk mapping

### 3. Risk mapping

## 3.1. General vigilance risk mapping

A risk mapping is performed\* by the global Duty of vigilance team (along with a variety of other actors, see below) to highlight areas of focus. Are included in this analysis the **social and environmental risks of both Decathlon's own operations and those of its commercial partners**. The latest mapping identified forced labour as a major risk in the following parts of the supply chain:



Through its partnership with Verisk Maplecroft<sup>2</sup>, Decathlon introduced since 2021 sectoral and geographical risk data on **14 environmental and social topics** (based on the [SASB](#) sectoral classification). Verisk Maplecroft assesses these topics using *inter alia*: corporate reports in the sectors ; media/ civil society reports of incidents, sanctions and violations ; political and judicial organisation and level of corruption in the countries ; etc.

In order to identify risks to prioritise, the analysis takes into account the three following parameters :

- **sector data:** sectors defined by the Verisk Maplecroft tool follow the ISSB/SASB sectoral classification
- **activity data:** company-specific data based on three criteria (purchase volume, sales and number of teammates)
- **country data:** Decathlon's countries of production and distribution

In 2022, Decathlon expanded the scope to include also countries representing 80% of its distribution activities (France, Italy, Germany, Spain, Belgium, Poland, the United Kingdom, the Netherlands, Switzerland, the Czech Republic, Brazil, Mainland China and India), and countries representing 80% of its industrial purchase volumes (Mainland China, Vietnam, Bangladesh, India, Portugal and Italy).

\*The risk mapping is reviewed in depth every 3 years, and adapted if needed in between

## 3.2. Forced labour country risk mapping

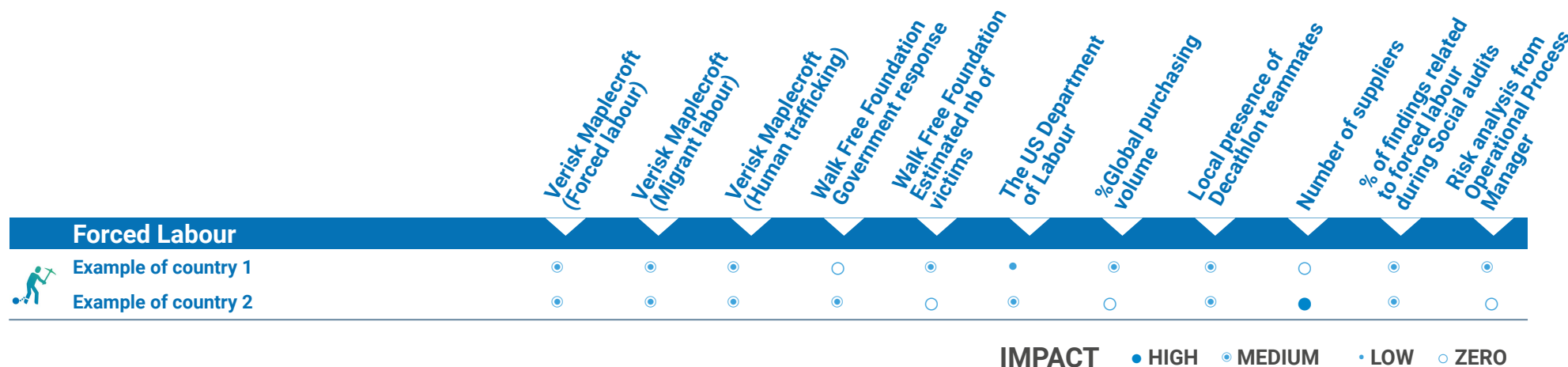
In order to be more precise and efficient regarding forced labour risk management, Decathlon also performs a country risk mapping specific to these issues. The analysis presently takes into account all procurement countries, which are the most risky ones, considering both internal and external data.

### Internal data

- Existence of a local production team, a physical office, an Operational Process Manager for Sustainable Development (cf p.19) : these elements enable each country to be autonomous and relevant locally, in a context where Decathlon’s worldwide activity often relies on subsidiarity
- Decathlon’s Purchasing Policy by categories of suppliers, based on long term project and purchasing volume
- Human Responsibility in Production performance indicators (% of findings in the suppliers related to forced labour during social audits)

### External data

- International Labour Organization (ILO)<sup>3</sup>
- International Organisation for Migration (IOM)<sup>4</sup>
- Walk Free Foundation Global Slavery Index<sup>5</sup>
- The US Department of Labour: risk on commodities<sup>6</sup>
- Verisk Maplecroft database on forced labour, human trafficking, modern slavery and migrant workers by Industrial sector
- Legal frameworks, including the modern slavery laws and more broadly the corporate sustainability laws (cf Introduction [p.5](#))



➔ Following this analysis, **10 procurement countries were identified as high risk**, designated as “Level 1 risky countries”.

The actions described hereunder are aimed first for these countries.

# 4

## Risk management

- Binding and guiding documents
- Purchasing policies
- Assessments on production sites
- Responsible teammates
- Trainings
- Remediation

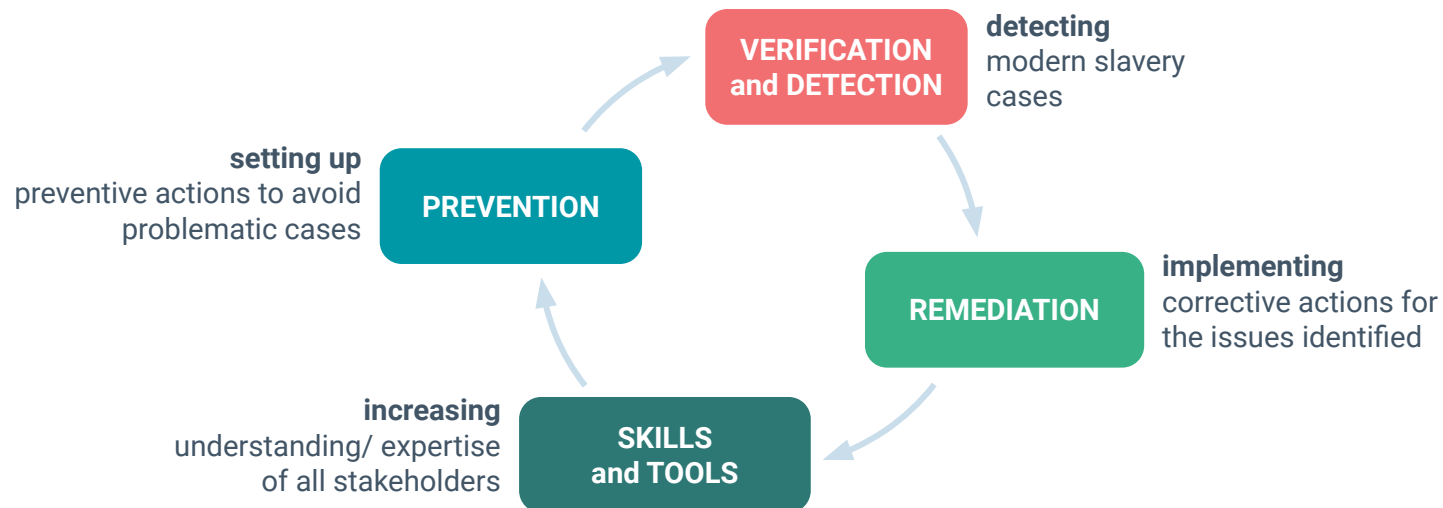
## 4. Risk management

# 4. Risk management

Decathlon strives to ensure that human rights are respected and promoted within its activities and in its relations with its business partners. This includes efforts to tackle modern slavery. In this view, Decathlon continuously improves its management of these issues *inter alia* for suppliers in production since 2002, notably with:

- **binding and guiding documents** to agree and/or advise on ethical standards
- **purchasing policies** taking into account a risk management approach
- **HRP assessment grid** to ensure compliance with the agreed standards, and proper risk control in factories
- **teammates dedicated** to work on these issues, with an expert and/or local perspective
- **trainings** for responsible teams and other targets to increase awareness

➔ All these tools, processes and frameworks aim at:



## 4. Risk management

# 4.1. Binding and Guiding Documents (1)

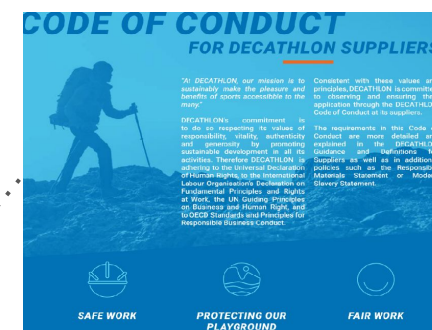
## Codes of Conduct

The codes **cover the major human rights matters at work**, including elements on forced labour, child labour, discrimination, physical/ mental health & safety, freedom of association and decent wages (it also includes elements on environmental risks). The documents **aim at making Decathlon's minimum standards clear and known to its business partners**, to ensure their respect on the production sites, and to enable compliance assessments.

In order to adapt the tool at best to different contexts and needs, Decathlon developed two codes, depending on the type of partners:

- **Code for manufacturing suppliers<sup>7</sup>**: very detailed on the elements listed above, this Code is incorporated in the purchasing agreement which identifies and lists the production sites used to manufacture Decathlon products.
- **Code for all other business partners<sup>7</sup>**: this Code is more succinct, as it is covering many different sectors (less risky regarding modern slavery matters)

Employment at Decathlon manufacturing suppliers must be voluntary, and workers must be free to leave the workplace after completing their standard working hours, or to leave the company respecting legal and reasonable notice. Contracted labour cannot be abused and any practice to facilitate or contribute to forced labour is prohibited.



### MOVING FORWARD

- Continue work to include the Code of Conduct in all new contracts as a rule, and revise existing ones

## 4. Risk management

### 4.1. Binding and Guiding Documents (2)

#### Dormitory Guidelines\*

The Dormitory Guidelines<sup>7</sup> help Decathlon's suppliers understand the **company's requirements to guarantee a decent living condition for its employees**. On this basis, dormitory facilities can be assessed through a dormitory Checklist, covering the following key points :

- living conditions & safety of workers
- legal authorizations
- freedom of Movement
- grievance mechanism
- medical facilities



In 2022, **dormitory assessments were done in 25 facilities** across different suppliers in priority risk countries, and **corrective action plans** were launched for the identified non conformities.

#### Ethical Recruitment Guidelines\*

The Ethical Recruitment Guidelines<sup>7</sup> help Decathlon suppliers understand the **prerequisites to an ethical and transparent recruitment process** for their workers.

Firstly, the partner suppliers start framing their Ethical Recruitment Policy. The Guidelines will then support them to:

- Identify a responsible intermediary/ broker,
- Establish prerequisites to ethical sourcing of workers through intermediaries and training them,
- Establish pre-departure and post-arrival orientation programs,
- Frame right induction program when they arrive at supplier

The Guidelines cover all key steps of a recruitment life cycle, and support on repatriation terms the suppliers shall adhere to when there is a termination procedure.



#### MOVING FORWARD

- Continue to prioritise assessments in migrant specific countries
- Train Decathlon's referents and HRP auditors (see below) to assess and remediate non-conformities in dormitories

#### MOVING FORWARD

- Prepare to integrate additional requirements in the social assessment grid to verify the implementation of the recruitment guidelines

*\*These two documents are guidelines: not binding but meant to advise suppliers*



## 4. Risk management

### 4.2. Purchasing policies

#### Direct Purchases

Direct purchases concern **all sports products sold directly by Decathlon**: from Decathlon's own brands from other international sports brands.

Regarding the latter, structuring is underway. Regarding Decathlon's own brands, products are designed by the brand teams and then manufactured under the lead of industrial teams at supplier production units in 43 countries/regions, according to 16 processes\*.

In order to support the industrial transformation for greater sustainability and digitisation, the **categories of suppliers have been restructured** and will be implemented in the tools in early 2023, enabling to implement a **new industrial project** launched to improve sustainability, innovation and digitalisation.

In 2022, suppliers were still classified as follow:

- **“partner” suppliers** (52 in 2022) are long-term suppliers sharing Decathlon's values, which bring added value for production capacities and/or industrial innovations
- **“strategic” suppliers** include suppliers having technological exclusivity or a significant production volume, but which do not meet all conditions to be considered partners

#### Indirect Purchases

Indirect purchases include all purchases and **services necessary for the company's activities** to function properly (logistics, communication, IT, real estate, etc.). Since the end of 2020, 15 categories\* of indirect purchases were identified (annex).

In 2022, the process was further structured notably through:

- a **global indirect purchasing strategy** common to all categories, which identified challenges and levers of actions specific to certain categories for 2023 and 2024
- decision to focus on the **risk management for “critical suppliers”**, identified based on 4 criteria:
  1. risk for Decathlon
  2. contribution to the business model
  3. sales volume
  4. CSR risks (human rights, health and safety, environment)<sup>8</sup>
- referencing of the Ecovadis<sup>9</sup> **non-financial evaluation platform** to improve the management framework with service providers. The assessment process includes the implementation and monitoring of action plans for the environment, human rights, ethics and responsible procurement.

#### MOVING FORWARD

- Deployment of the Ecovadis platform (which started end of 2022) and its implementation in 10 countries: Germany, Brazil, Mainland China, Colombia, Spain, France, India, Italy, Turkey and Vietnam) ; 90% of critical suppliers will be assessed in 2023
- Development of a global framework on human stakes in indirect purchases

\* cf Appendix [p.37](#)

## 4.3. Assessments on production sites

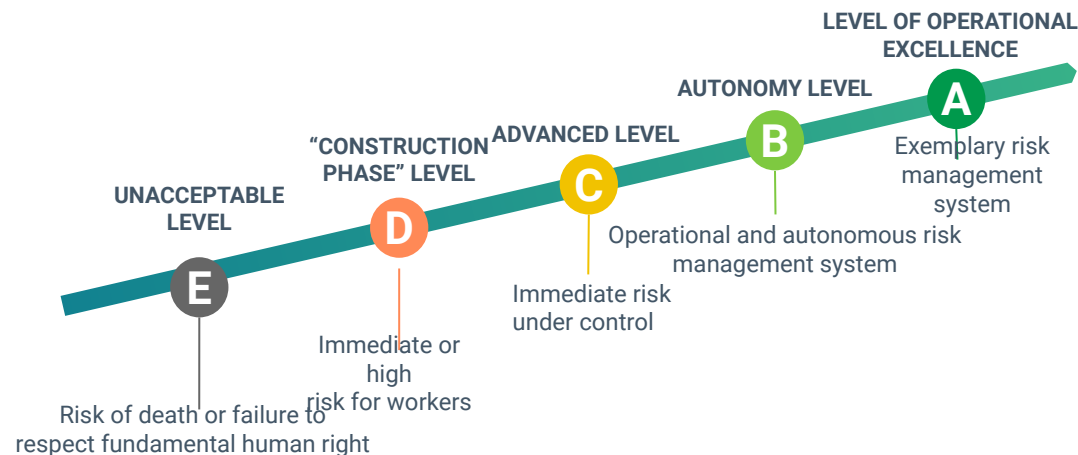
### HRP audit grid

The Human Responsibility in Production (HRP) audit grid is established based on the [SA8000 standard](#). It is structured in **risk management levels ranging from E to A**, with the aim of having 90% of supplier sites concerned having a level A, B or C by 2026 (cf diagram below).

These **human rights, health & safety assessments** are conducted with suppliers before the start of their business relationship with Decathlon. After that, a review is conducted on a regular basis, depending on the countries' risk levels (cf [Vigilance Plan](#) 2022 to see the HRP audits frequency map).

In 2022, 928 Decathlon Rank 1 suppliers' sites were evaluated through **1087 social assessments**. Following Decathlon's Code of Conduct for manufacturing suppliers, Decathlon assessment includes verification on modern slavery issues:

- forced labour: prison labour, forced labour under punishment / personal document confiscation threat
- bonded labour: physically or morally bonded through loans, deposits or illegal fees
- human trafficking



### MOVING FORWARD

- Further strengthening of forced labour detection through the integration of a new tool, the Apprise App (cf [p.27](#)), into assessment standard

## 4. Risk management

### 4.4. Responsible Teammates (1)

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In order to manage the risks efficiently, **Decathlon's policies and frameworks function with key actors** within the teammates, who are able to identify and address the challenges from an **expert and/or local perspective**.

#### Production teams

These teams are locally-recruited to **manage Decathlon's manufacturing activity at the operational level**. They visit suppliers' production sites on a regular basis, working with them on issues including:

- product development, quality, production cost control, lead-times
- compliance issues, via the Supplier Code of Conduct

They are in charge of **detecting critical and unacceptable situations**: when necessary, they must find immediate solutions or suspend production, and order to speed up resolution. Each team member has to follow the "Sustainable Development in Production" training, which includes (since 2018) elements to tackle modern slavery.

#### Operational Process Manager for Sustainable Development

The OPM SD (39 in 2022) are also **local recruits**, speaking the suppliers' language and understanding the country's culture. This enables them to work more effectively, and to identify local difficulties or problems. The OPM SD are **constantly training the production teams** and some are in charge of continuously improving the tools/ methods used.

In addition to the 39 OPM SD, another 57 teammates (who are involved in industrial production and who received trainings) have volunteered to become involved as Assessors (cf HRP Audits [p.18](#)).

#### Country Referent on Forced Labour (new role)

This new role has been established since 2022 **in all Decathlon Level 1 risky countries** (see above), so that all actions to prevent forced labour can be locally managed and adapted to each context.

As the topic requires cultural sensitivity and knowledge, the referents are already competent local social assessors, who will partially dedicate their mission on this topic. Referents have several roles:

- empowering local teams
- deploying tools
- initiating third-parties collaborations (e.g. with industry working groups, NGOs, etc.)

## 4. Risk management

### 4.4. Responsible Teammates (2)

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Along with local teammates working on these issues from a operational perspective, some teams are participating **from the central level** to establish adapted policies and risk management frameworks.

#### Human Responsibility & Social Impact in Production team

The team works to **positively impact the standard of living of the people making Decathlon's products**, their communities and across the industry.

The main activities touch upon:

- safe and healthy working conditions (HRP compliance)
- ethical employment and responsible compensation
- wellbeing and gender equity
- community and solidarity

#### Industrial Strategic Buyers

These buyers (70 in 2022) are **trained by Decathlon to develop sustainable development and leadership skills**.

At Decathlon, buyers build their international purchasing policy according to their industrial process but always including the company's social responsibility policies and considering the respect for human rights and prevention of modern slavery.

To do so, they are trained during their induction period on those fundamentals subjects, and regularly manage their suppliers during quarterly reviews of their suppliers panel.

#### Global Duty of Vigilance team

The team (4 persons) leads and assesses the **reasonable coverage of risks in the company's operations**, including modern slavery risks within its supply chain. The team main activities include :

- co-constructing vigilance programmes adapted to the company's activities (e.g. HR, direct/indirect purchasing, legal, health & safety, etc.)
- writing of the Vigilance Plan and of the Modern Slavery Statement, with inputs from the teammates working on the matters reported on
- assessing the programme's efficiency and compliance with existing legal frameworks, and looking ahead to future regulations
- reporting to the Audit and Compliance Committee on the vigilance programme (twice in 2022)

## 4. Risk management

# 4.5. Trainings

## E-learning

Decathlon collaborated with the NGO Stronger Together<sup>10</sup> (UK organisation tackling modern slavery) and deployed **e-learning on “Tacking forced labour in global supply chains”** in 2019.

The training also includes several documents explaining the company’s standards on the topics, as well as a toolkit from the Responsible Sourcing Tool\*.

In 2020<sup>11</sup>, **50% of Decathlon teammates in production were trained** via this e-learning, in order for them to be able to detect and react to forced labour. The training is regularly monitored and improved in order to stay adapted to the needs of different target audiences identified.

## Webinar on “ILO\* Indicators”

Decathlon updated its training offer in 2022 with a **webinar on “ILO indicators of forced labour” aimed at the company’s key actors in production countries.**

It includes theoretical explanation of the context and the stakes, and concrete examples of modern slavery cases - each ILO indicator is illustrated with realistic cases for participants to understand the connection with their working environment in a supplier factory.

The webinar helps:

- learning about / understanding different forced labour indicators
- identifying problematic cases in the manufacturing sector

In 2022, **3 sessions took place, training 82** internal production teammates and 90 representatives from priority suppliers.

These representatives in turn trained workers in their factories: close to 2000 workers last year.

## MOVING FORWARD

Different steps are being taken to continue training and empowering Decathlon’s local teams and priority suppliers on these topics, such as:

- development of referents (TOT\*\*) to reach wider audiences, internally and externally
- launching of curated trainings for our assessor network & referents to focus on detection and remediation skills
- further collaboration with expert organisations such as Vérité, Mekong Club, the ILO to meet on the skill needs and integrate new risk factors

\*International Labour Organisation  
\*\*Trainer of trainer

## 4. Risk management

### 4.6. Remediation process

Decathlon's **remediation processes are mainstreamed in many of its activities**. Daily remediation occurs internally following alerts or audits, through the reworking of tools and frameworks by the teams, or corrective actions plans with suppliers *inter alia*. Examples of these actions can be found throughout the Statement.

In a great number of cases, remediation is **managed as much as possible locally** in order to ensure efficiency and better follow-up. When necessary and feasible, the teams collaborate **with external local supporting organisations** and brand working groups, which provide complementary expertise and assist in protecting/ accompanying victims and handling process. In 2022 for instance :



- 2 working groups were facilitated by the Mekong Club<sup>12</sup>, as part of a collective stakeholder engagement in addressing the key issues with respect to forced labour.
- Decathlon's methodology for focused assessments was further developed with the assistance of Vérité<sup>13</sup> and other external organisations.

In 2022, Decathlon performed **focus assessments for 14 suppliers** and identified issues related to: abusive living conditions, freedom of movement, deception, isolation and excessive working hours. The findings were transparently shared with the supplier and a remediation plan was launched to streamline their systems, in order to achieve a sustainable solution. Decathlon's local referent and Operational Process Manager are engaged in working collaboratively with the supplier until the risks are nullified.

The learnings from the focus assessments and remediation are capitalized and injected into our social audit grid. Decathlon indeed believes that the ecosystem built by the teams will help interpreting the alerts and building effective remediations.

#### MOVING FORWARD

- Further formalize the remediation process and identify a list of local remediating organisations to support qualitative action plans
- Establish a database of local remediating organisations to support qualitative action plans
- Capitalise our learnings from the focus assessments collaborating with Vérité
- Structure a remediation SOP for our suppliers to effectively address the alerts from Apprise
- Empower Decathlon's referents on how to build an effective remediation process

# 5

## Reporting Mechanisms

Alert system  
Wellbeing survey  
New tool for production sites

## 5. Reporting mechanism

### 5.1. Alert system (1)

#### Presentation

As part of a process of continuous improvement and a desire to listen, Decathlon has set up a reporting or **alert system for human and environmental breaches** for our own operations and those of our suppliers, subcontractors and service providers.

These alerts **can be reported by various stakeholders** in the business ecosystem or by company stakeholders: teammates, customers and users, NGOs, communities and residents, civil society, experts, media and social media, shareholders and financiers, etc.

They can include studies and reports, publications, direct contacts, or reports via the alert platform.

In 2019, Decathlon established an independent, multilingual alert tool to:

- guarantee **confidentiality** and protection of whistleblowers
- offer **technical independence** from the company's own IT systems
- manage alerts from start to finish
- improve processes and capitalise on good remediation practices
- obtain a global view
- comply with ethics regulations (corruption, human rights, etc.)

To ensure coherence and optimise means, the Duty of Vigilance team works closely with the business ethics team to develop a **shared platform to receive reports on reasonable vigilance, corruption** and business ethics more generally.



Teammates can access this "Whispli" platform internally via the intranet. Customers, suppliers, civil society, etc. can access it externally on [engagements.decathlon.fr](https://engagements.decathlon.fr) and on the [whistle-blowing platform](#)

The alert tool has been **deployed in 62 countries and regions** in the local language(s). Communication and awareness actions were provided for teammates about:

- the link with Decathlon's value of responsibility
- ways to report (e.g., via hierarchy or the platform)
- confidentiality and protection for whistleblowers if they use the platform



## 5. Reporting mechanism

### 5.1. Alert system (2)

#### Internal deployment

The goal is to **encourage teammates to use** the tool when usual channels (report to direct manager, HR, staff representatives) do not work or if employees do not feel safe and prefer a tool guaranteeing confidentiality. Deployment is **highly dependent on local situations**: the regulatory context, relationship with the hierarchy, level of transparency and culture are all parameters that have to be taken into account with discernment.

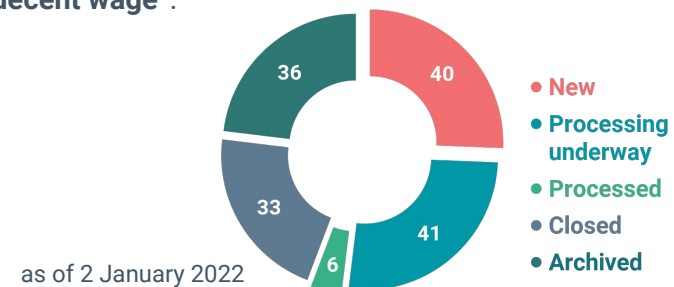
#### External deployment

The tool was implemented in May 2019, and then **included in the codes of conduct** for industrial suppliers (shared in 2021) and commercial partners (since 2020).

Decathlon aims at making this tool **known to the most vulnerable populations, particularly with industrial partners and suppliers**. In 2022, a test was conducted with a supplier in India, implementing the tool alongside the plant's own management system, reporting mechanism, and role of staff representatives. The tool was presented and training was provided to reassure plant managers and involve them in displaying posters accessible to production line employees. This test will allow continued **implementation with all partner sites being involved by 2026**.

#### Results for 2022

In 2022, the overall number of reports increased, as the platform continued to be implemented at the remaining countries and regions. Out of a total of **152 alerts**, **10 were identified as related to "Work load and decent wage"**.



**Four external reports** were submitted on the external tool:

- 2 in Vietnam regarding physical safety issues and working hours. Local teams investigated and provided the necessary action plans for the suppliers concerned.
- 2 reports in Pakistan which did not identify the sites concerned, nor qualify the nature of the report. In spite of several reminders, the whistleblower did not follow up on the original report. Local teams remain on standby during visits and audits.

#### MOVING FORWARD

- Internally, two priorities:
  - increase the teammates' familiarity and trust in the platform (through local communication will be set up by the network of compliance officers using communication kits developed by the central teams)
  - further structure report processing and work with HR departments to systematically address the root causes of reports.
- Externally, the aim is to speed up the implementation of the platform with industrial partners, in order to cover all of their sites by 2026.

## 5. Reporting mechanism

### 5.2. Wellbeing Survey

#### Engagement & Wellbeing survey (EWB)

At Decathlon, employees' engagement is essential to the continuous improvement of working conditions. That is why it was decided to deploy the EWB survey<sup>14</sup>, an **anonymous survey including 20 questions** on employees' engagement and wellbeing. It covers topics such as: skill development, communication, stress, compensation, health and safety, social connection, sexual harassment.

The questionnaire is based on [Nike's "Engagement and Wellbeing Survey"](#), **used by a number of companies in the textile sector**. By using this existing basis, Decathlon joined forces with other industry leaders in allowing production workers to express themselves more freely, with the assurance of confidentiality. Choosing this common tool also avoids the proliferation of mechanisms and demands towards suppliers and their employees.

The EWB survey enables Decathlon and its suppliers' teams to get a 360-degree view of worker wellbeing on site, identify risks at stake and define areas for improvement. This is crucial to shape Decathlon's future projects and strategies. After analyzing the survey results with the help of external providers, **Decathlon's partners define action plans to address the needs identified by their workers**, and establish regular engagement practices to ensure ongoing improvement and monitoring.



Currently, Decathlon collaborates with two external providers (Labor solutions & KNO) to adapt to the requirements of its suppliers. This allows the company to deliver personalised assistance (internet access, smartphones, languages spoken by employees, etc) and ensures that it address the supplier's specific needs effectively. Moreover, it guarantees **confidentiality, easy access for respondents** and a user-friendly experience.

#### MOVING FORWARD

- Expand the survey to more strategic partners and increase its scalability.
- Focus on upskilling our suppliers so they can conduct remediation plans based on the survey results.
- Add more providers to the panel to enhance scalability in more countries

## 5. Reporting mechanism

### 5.3. New Tool for Production Sites

#### Apprise Audit App

Decathlon collaborated with [Mekong Club](#) and [Diginex](#) to use the [Apprise Audit App](#), which **permits to receive real-time, anonymous and confidential feedback on working conditions of workers across the supply chains in Priority risk countries**. Decathlon aims at developing this process thanks to the company's internal network of referents and the expertise of Mekong Club.

In 2022, the Apprise app was deployed with the help of our local referents in **100+ sites** in Priority risk countries. More than **2000 workers** took the survey anonymously. This is facilitated also by the previous deployment of The deployment of Decathlon Toolbox on ILO Indicators (cf [p. 21](#)), Dormitory Assessments and Recruitment Guidelines (cf p.16) has helped our workers to be empowered and engaged.



Decathlon played an active role in streamlining the dynamics of the tool. It now has a refined dashboard clearly indicating the alerts from respondents prioritized based on the criticality. This will help the social assessors to prioritize based on the alert criticality and go deeper to authenticate the alerts. NB: This tool is **used only during audits**, contrary to Whisply (accessible at all times) and the EWB survey (circulated regularly to teammates).

#### Quote from Clémence Aron, Programme Director at Mekong Club:

*"During 2022, Apprise tool was deployed on 60+ sites in our supply chain with the help of our local referents. More than 2000 workers took the survey anonymously. The deployment of our ILO Indicators Toolbox and Guidelines (Dormitory and Ethical recruitment), coupled with Apprise audit practices, have helped us to better engage workers through supplier HR management. Besides, we worked with Decathlon to refresh their Training content which is aimed to empower the HR management at suppliers. In addition, Decathlon joined our working group focused on Traceability in June 2022."*

#### MOVING FORWARD

- Integrate Apprise tool into our social assessments in Priority 1 countries focussing on suppliers with migrant workers
- Authenticate the alerts from the tool through our validated social assessors
- Collaborate with suppliers to remediate potential alerts from the tool
- Work with Mekong Club to establish a database of local organisations who will facilitate a qualitative remediation

# 6

# Measuring effectiveness

Indicators for progress  
Internal audit

## 6. Measuring effectiveness

### 6.1. Indicators for progress (1)



**86,7% of suppliers comply** with the Code of Conduct requirements (ISO compare to 2018)

This indicator is calculated using % of **rank 1 production sites rated A, B and C**, meaning there is no immediate risk for the health or the fundamental rights of workers.

2022 marked a recovery year from the impact of the Covid-19 pandemic, impacting many areas. New requirements were added to the HRP assessment grid, and the teams are working to improve the company's performance on these matters.

➔ *Target: 90% compliant suppliers by 2026*



**100+ suppliers assessed** through Apprise tool (measure of suppliers in Level 1 risky countries)

This indicator is a measure of number of suppliers who **deployed Apprise in Level 1 risky countries**. During 2022, Apprise was deployed with 100+ suppliers. The purpose of this tool is to detect potential alerts, authenticate and remediate them by establishing right systems.

Our focus is to be conscious and not target the number of suppliers where its deployed , but on the alerts from the tool and remediating them qualitatively.

**More than 2000 workers** participated voluntarily with complete anonymity. Also we have started to work with the tool provider to streamline the alerts based on the criticality of questions

➔ *No quantitative target is set, as the tool is new and the focus is set rather on remediation*



## 6. Measuring effectiveness

### 6.1. Indicators for progress (2)



**96 suppliers deployed the toolkit** on “Indicators of Forced Labour”  
(Toolkit + deployment of Dorm & Ethical Recruitment Guidelines: Level 1 risky countries)

This indicator is a measure of the number of suppliers who deployed our Toolkit on “Indicators of Forced Labour” **in Level 1 risky countries**.

The human resources teams from those countries’ suppliers attend Decathlon’s Webinar on “Indicators of Forced Labour”, and **integrate this new learning in their human management policies** in order to better sensitise employees (e.g. via posters, trainings, routines, etc.).



#### MOVING FORWARD

- **Code of conduct:** the teams will continue working to uphold high standards, notably by Integrating a worker-led due diligence tool with the social compliance assessment in country migrant specific regions to identify key issues and help our suppliers to remediate them.
- **Apprise App:** in 2023, the tool will become an integral part of the HRP assessment
- **Toolkit “ILO Indicators”:** Continue with the deployment of the toolkit at priority risk suppliers

## 6. Measuring effectiveness

### 6.2. Internal assessment

#### Internal assessment: scorecards

In 2022, Decathlon set up an **internal assessment tool for the vigilance programme** in order to measure the implementation of social risk management frameworks and resources (health and safety, human rights) **in various sectors**.

This tool took the form of a scorecard, that regularly inventories the situation in the countries where Decathlon is established. This inventory enables the Duty of Vigilance team to monitor the effective implementation of existing risk management frameworks/ means in the subsidiaries:

➔ Are they known to local teams, used, effective, appropriate?

This scorecard is the fruit of **quarterly data collection** (from local and central teams), which is then transcribed into scores, positioning each country on a risk scale ranging from very limited to critical risk. Results are used to identify successes/ areas for improvement, to discuss best practices and challenges and to raise the alarm in the event of a widespread problem to improve the risk management frameworks and means in place.

The scorecard is for now based on a **limited number of indicators** in order to start the process, on the following topics - relevant for forced labour matters:



**Human rights training**



**Reporting mechanism**



**Safety frameworks**



**Code of conduct**



**Audits and CAP (direct purchasing)**

The indicators will evolve as the process matures and as needs are identified with the central teams (human resources, sustainable development, production, safety, legal, etc.). Eventually, the scorecard is intended **to ensure knowledge and control of risk in a transversal manner**, through regular reviews at the global level.

# 7

# Conclusion

Review and prospects



## 7. Conclusion

### 7.1. Review and prospects

#### 2022 Results

**928 Rank 1 supplier sites** concerned by HRP audits (902 in 2021)

**1,067 HRP audits** conducted (989 in 2021)

**86.7% of suppliers** scored A, B or C in the HRP audit (78% in 2021)

**100+ sites** where the new Apprise App was used, with 2000 respondents among worker

**14 suppliers** went through a focus assessments by Decathlon

**25 dormitories assessments** in suppliers' facilities in priority risk countries (leading to corrective action plans)

**70 industrial strategic buyers** trained by Decathlon on sustainable development and leadership.

**3 webinar sessions** on "ILO indicators of forced labour" for 82 teammates in production and 90 representatives from priority suppliers, who then trained close to 2000 employees

#### Prospects

Decathlon will continue in 2023 to work and improve its processes and frameworks to **tackle modern slavery across its value chain**. This will require continuous collaboration with internal teams, suppliers and partners in order to embed standards on these complex and crucial matters.

The current priority focus is to identify the **risks specifically faced by migrants** (notably thanks to the Apprise App), and work on linked remediation.

More broadly, **actions in 2023 will include:**

- continue working with partner organisations on complementary investigation when a doubt is raised during assessments ;
- integrate the Apprise App (detection tool) in Decathlon's social assessments ;
- start remediating the alerts from the Apprise App after authenticating them ;
- sensitise suppliers' teams via local referents on "ILO Indicators of forced labour" ;
- train referents on the verification of the alerts from Apprise App and others ;
- collaborate with other relevant stakeholders to build collective remediation plans ;
- monitor that 100% of relevant teammates complete the e-learning on "Tackling forced labour in global supply chains" ;
- further define and manage rank 2 suppliers\* ;
- consolidate the approach on raw materials\*.

\* cf [Vigilance Plan 2022](#) for more information

# 8

# Appendices & notes

Notes  
Major due diligence laws applicable to Decathlon  
Appendix

## 8. Appendices and notes

### 8.1. Notes

*Click on the notes to go directly to the page.*

**1. Partners:** These are the suppliers with which Decathlon builds a long-term industrial project and a common vision based on sharing meaning and values, transparency and collaboration, and with which it establishes a relationship of trust.

**2. Verisk Maplecroft:** Consultancy and research firm specialised in global risk data and country risk analysis: <https://www.maplecroft.com/>

**3. International Labour Organisation:** Tripartite UN agency bringing together governments, employers and workers to promote decent work for all: <https://www.ilo.org/global/lang-fr/index.htm>

**4. International organisation for migration:** UN agency, leading in the field of migration and works with governmental, intergovernmental and non-governmental partners: <https://www.iom.int/fr/>

**5. Global Slavery Index:** A tool ranking all countries in relation to the number of persons in a situation of modern slavery: <https://www.globallslaveryindex.org/>

**6. The US Department of Labour:** This department provides a regularly updated list of products, along with their country of origin, that have potentially been produced from child or forced labour: <https://www.dol.gov/agencies/ilab/reports/child-labor/list-of-goods>

**7. Available at:** <https://sustainability.decathlon.com/legal-documents>

**8. CSR risks** are identified through a structured mapping around three areas: geographical location, sector of activity and volume of sales with the supplier. Buyers identify other risk qualification criteria through an annual review of their supplier panel.

**9. Ecovadis** is a platform for the non-financial assessment of suppliers on their CSR performance, including environmental, labour, human rights, business ethics and responsible purchasing: <https://ecovadis.com/fr/>

**10. Stronger Together** is an international initiative working on training, guidelines and resources for tackling forced labour: <https://www.stronger2gether.org/>

**11.** Due to the current change of the platform used for teammates' training, no data could be collected for 2022.

**12. Mekong Club** is a non-profit organization that focuses on working with the private sector to address modern slavery: <https://themekongclub.org/>

**13. Vérité** is a non-governmental organisation providing tools to combat forced labour: <https://www.verite.org/>

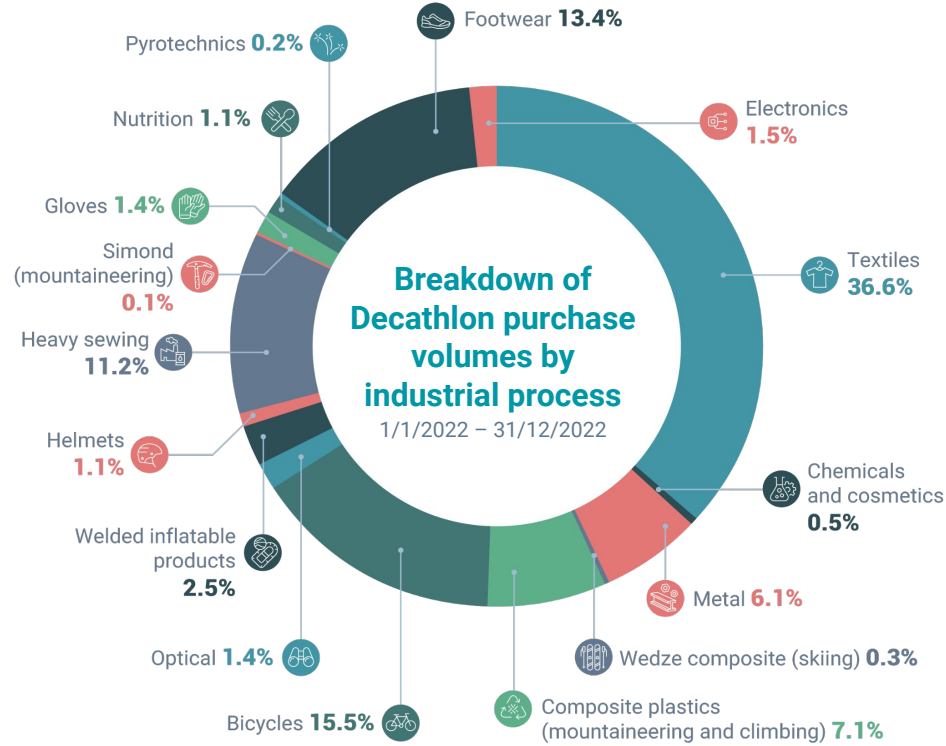
**14. The Engagement and Well-being Survey** is an open-source survey based on employee engagement and well-being developed by Nike, designed to help suppliers better monitor and facilitate factory worker engagement: <https://www.laborsolutions.tech/post/>

## 8.2. Major due diligence laws applicable to Decathlon

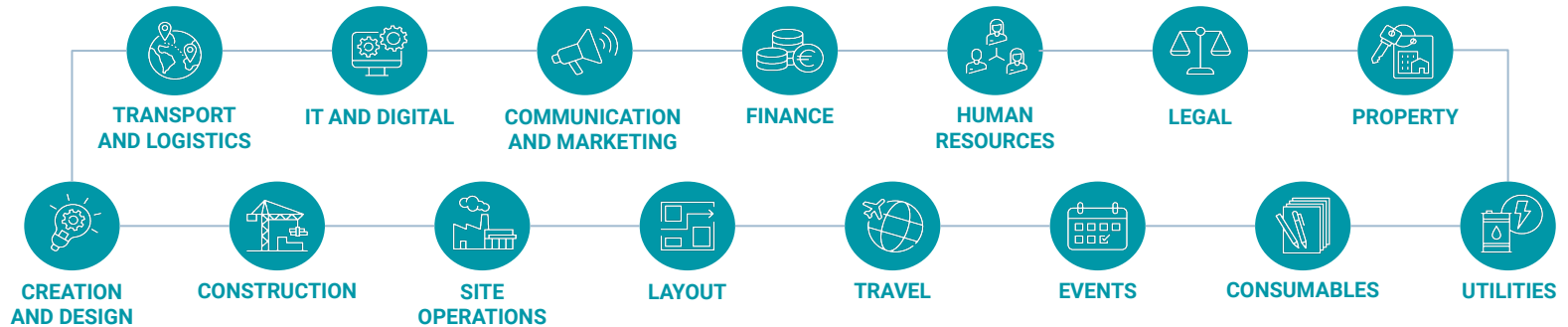
Country	Date	Law
 European Union	23 February 2022	EU Corporate Sustainability Due Diligence Directive <a href="#">proposal</a> - yet to be adopted
 Germany	11 June 2021	German Supply Chain Due Diligence <a href="#">Act</a> - in effect since Jan 2023
 USA	23 December 2021	Uyghur Forced Labor Prevention <a href="#">Act</a> - in effect since June 2022
 Netherlands	13 November 2019	Child Labour Due Diligence <a href="#">Law</a> - yet to be implemented
 Australia	18 September 2018	Modern Slavery <a href="#">Act</a> - in effect since Jan 2019
 European Union	17 May 2017	<a href="#">Regulation</a> 2017/821 laying down supply chain due diligence obligations for Union importers of tin, tantalum and tungsten, their ores, and gold originating from conflict-affected and high-risk areas
 France	27 March 2017	<a href="#">Law</a> No. 2017-399 on the Duty of Vigilance of parent companies and contracting companies
 United Kingdom	26 March 2015	Modern Slavery <a href="#">Act</a> - in effect since Oct 2022
 Singapore	31 December 2014	Prevention of Human Trafficking <a href="#">Act</a> - in effect since March 2015
 European Union	22 October 2014	<a href="#">Directive</a> 2014/95/EU amending Directive 2013/34/EU as regards disclosure of non-financial and diversity information by certain large undertakings and groups
 USA / California	30 September 2010	California Transparency in Supply Chains <a href="#">Act</a> - in effect since Jan 2012

### 8.3. Appendix

**16 industrial processes for direct purchases :**



**15 identified categories of indirect purchases :**





**DECATHLON** MODERN SLAVERY STATEMENT 2022

**ACKNOWLEDGMENTS:**

Decathlon thanks everyone who participated in developing this Statement:

- all internal contributors for their involvement in the processes defined in this plan
- external stakeholders, associations and organisations for their support
- Cédric Delaporte of CD GRAPHIC for graphic design and creation

The drafting team:

Krishna Kumar Dhamodaran, Mathilde Bénard


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Group Chief Financial Officer		Resent: 11/8/2023 6:53:55 AM
DECATHLON		Viewed: 11/8/2023 7:05:31 AM
Security Level: Email, Account Authentication (None)	Signature Adoption: Pre-selected Style	Signed: 11/8/2023 7:05:39 AM
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**Agent Delivery Events**

Agent Delivery Events	Status	Timestamp

**Intermediary Delivery Events**

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Certified Delivery Events	Status	Timestamp

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Carbon Copy Events	Status	Timestamp
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mathilde.benard@decathlon.com		Viewed: 11/9/2023 1:32:58 AM
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**Notary Events**

Notary Events	Signature	Timestamp

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**Payment Events**

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