



DECATHLON

#TomorrowStartsToday

2021 NON-FINANCIAL REPORTING DECLARATION

**VITALITY
RESPONSIBILITY
GENEROSITY
AUTHENTICITY**

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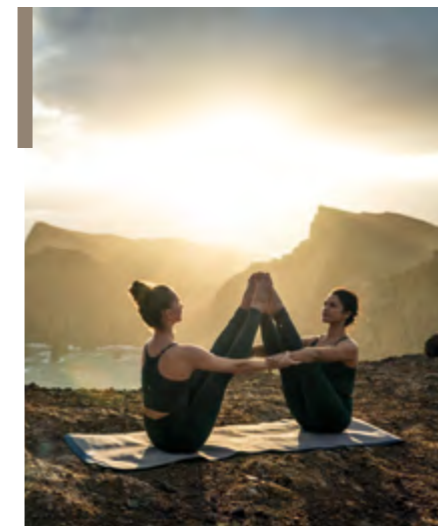
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DECATHLON

OUR PURPOSE

To be useful to people and to their planet

OUR MISSION

To sustainably make the pleasure and benefits of sport accessible to the many

OUR VALUES

Vitality, Responsibility, Generosity, Authenticity

sustainability.decathlon.com

STAKES & STRATEGIES

COLLECTIVELY
COMMITTED TO
SUSTAINABLE
PROGRESS



STAKES & STRATEGIES

EDITORIAL

"The crises we are facing are shifting the lines that had been established for years. This is an opportunity to use all of our motivation as sportspeople to push past our own limits and explore new horizons."

This year, our lives and our company were once again marked by the international context requiring constant vigilance and adaptation. We are still living in uncertain times and we have learned to cope over the last months thanks to the tremendous vitality of our teammates. As sportspeople return to their playing fields, we are encouraged to push past our own limits and truly live our purpose "to be useful to people and to their planet."

These circumstances make us all the more dedicated to sustainable development and encourage us to **stay true to the trajectories we have set for 2026** by pursuing our Transition Plan. For the past several years, we have chosen to move forward based on a robust and scientific study of our data. We organise our work methodically around pragmatic and ambitious action plans, to continuously improve our processes, in order to live this transition to the fullest, backed by our motivation as vital, authentic, generous and responsible sportspeople.

The key challenges to guarantee our company's sustainable performance are becoming increasingly clear. Our work to identify these issues, backed by a new **materiality assessment** in 2021, has confirmed that the subjects we identified as priorities in recent years (such as **protecting biodiversity**) are indeed in sync with our stakeholders' major concerns. For the past two years, we have been working to identify the most relevant indicators to calculate the impacts on ecosystems, in order to measure and improve Decathlon's footprint along the entire value chain. Through this constant research, we are defining the indicators that will allow us to best direct our activities. This is how, this year, we were also able to better measure the potential amount of **plastics released into the oceans** related to our activities and define associated action plans.

Of course, this analysis highlights again just how important it is to put People at the heart of our organisation and decision-making system: not only Decathlon's teammates, but also the employees of suppliers who manufacture our products every day. Using human and environmental audit grids, our responsible production teams are shedding light on complex new topics, such as forced labour. We are developing these monitoring processes, which cover our entire value chain, also to ensure that our suppliers become increasingly autonomous. Our suppliers can then observe their performance in terms of health, safety and well-being in the workplace in parallel with financial performance, to observe themselves how they are improving.

In 2021, we re-calculated our emission reduction trajectory in order to contribute to global efforts to reach carbon neutrality by 2050. Our new, science-based goal of reducing carbon intensity by 53% by 2026 ensures we can step up efforts in areas that will have the greatest impact: **renewable energy used by our suppliers and on our sites, our eco-designed products and the development of new sustainable business models.**

But we cannot take up this transition challenge alone. We need all sportspeople, with their curiosity and engagement, to make choices that will create the society of tomorrow. That is why we are providing our customers and users with more and more information in-store and on the Internet: in addition to environmental information, **we are now displaying the carbon impact on all Decathlon textile products.**

Finally, as we now know, we have to consider both financial and extra-financial data in order to sustainably manage the company. This year, we have begun monitoring **human and environmental performance reporting**, in the same way as financial markers. The sales realised with Ecodesign products, the results of environmental responsibility audits and our suppliers' renewable energy consumption all help everyone understand our performance in a global manner. And to ensure we all benefit from this progress fully, we are gradually integrating these concepts into the variable portion of our teammates' remuneration.

Paradoxically, the health and climate crises we are currently experiencing, which are shaking our foundations and shifting the lines we had established years ago, are offering a true opportunity to challenge and reinvent ourselves. Sportspeople are perfectly familiar with the determination and pleasure of 'getting started', to discover new energy and new landscapes, pushing themselves and their limits to discover new paths. This new human adventure is a challenge, one that we have to take up collectively to protect our playing fields.



Anne DESORMAIS
SD Report
Managing editor

DECATHLON IS COMMITTED TO THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS:



DECATHLON IN FIGURES

As of 31/12/2021

€13.8 bn
in sales excluding taxes
21.3% more than in 2020

20.8%
of digital sales

60 countries of distribution
1 more country in 2021
Luxembourg

1.47%
of sustainable sales
1.36% in 2020

103,161 teammates
10.1% more than in 2020

46.7% women
53.3% men

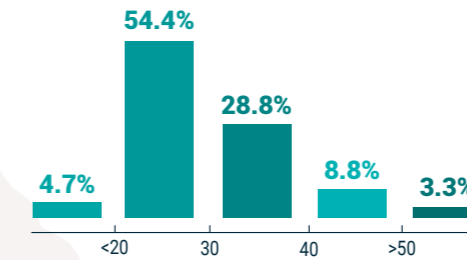
91% of teammates
are happy to come to work
92% in 2020

91% "Yes, somewhat" and "Yes, absolutely"
53% "Yes, absolutely"

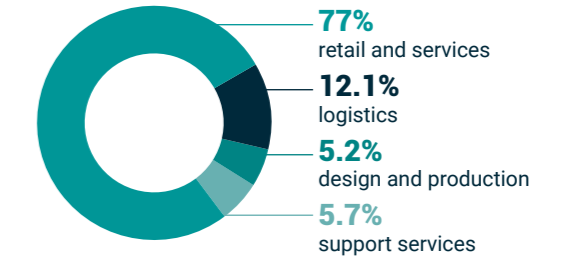
1,747
stores worldwide
(company-owned,
excluding franchises)
114 more than in 2020

74
warehouses
and logistics platforms

Breakdown of teammates by age



Breakdown of teammates by activity



424
million sports users
reached by our products
in stores and on the Internet

65
Decathlon
brands

71.5%
of delighted
sports users
69% in 2020

78%
of Rank 1 suppliers' production
sites are ranked A, B or C
in human responsibility
in production assessments
7.1% less than in 2020

10.4%
of sales realised with
Ecodesign products
5.9% in 2020



5 service platforms

DECATHLON ACTIVITIES
Conseil sport
DECATHLON

DECATHLON | E CLUB
DECATHLON Outdoor

DECATHLON
COACH

63.4%
of products with an
environmental labelling
63.8% in 2020

77% of relevant sites for
our Rank 1 and Rank 2 suppliers
were rated A, B or C for
environmental management
Down 4.2% from 2020

50
partner suppliers
out of a total of 1,285 suppliers

61
projects validated by
the Decathlon Foundation

2021 HIGHLIGHTS

PRESERVING NATURE



Validation by the Science-Based Targets initiative of **new emission reduction commitments** along Decathlon's entire value chain, p. 52

Score A- in the 2021 CDP climate questionnaire, p. 53

82.6% of electricity consumed in stores and warehouses comes from renewable sources, p. 59

289 production sites have set a reduction trajectory that was validated by Decathlon in line with science, p. 60

Completion of Decathlon's first biodiversity assessment and definition of an indicator, p. 66

Acceleration regarding the use of **polyester from more sustainable sources**, p. 78

ECODESIGN

Improvement in the environmental impact assessment of products and progress on in-store and Internet labelling, p. 75 and 89

Structuring of **new activities related to the economy of use**, p. 84

DEVELOPING PEOPLE



Update of the audit grid and Code of conduct with more stringent supplier requirements, p. 30

Deployment of a new survey tool measuring the level of satisfaction of workers in production, p. 31

Employee shareholding offered in two new countries: Lithuania and Tunisia, p. 41

CREATING SUSTAINABLE VALUE



Update of the **materiality matrix**, p. 18

Extra-financial performance integrated into global corporate reporting: sales realised with Ecodesign products, sustainable sales, renewable energies in production, p. 114

3 People and Sharing committee meetings and **3 Environmental Transition committee meetings** were held, p. 108

Launch of the **new industrial transformation project: "New Industrial Giant"**, p. 124

5 more partner suppliers (50 in total), p. 125

OUR VALUE CREATION MODEL

OUR MISSION:
TO SUSTAINABLY MAKE THE PLEASURE AND BENEFITS OF SPORT ACCESSIBLE TO THE MANY



MICHEL ABALLEA
Manager of Decathlon

Our resources

STRONG TEAMMATE ENGAGEMENT THROUGH AUTONOMY AND RESPONSIBILITY

- 103,161 teammates, of which 46.7% are women
- At least 97 nationalities
- Complementary and varied careers, from design to distribution

A VALUE CHAIN DEDICATED TO THE PRACTICE OF SPORT ACCESSIBLE TO ALL

- 1,747 stores, 74 warehouses and logistics platforms
- 1,285 suppliers in 44 production countries: 930 Rank 1 and 355 Rank 2, 50 partners with which we have a close relationship
- A responsible audit culture: 989 industrial audits for human responsibility in production and 129 environmental audits

A STRONG CULTURE OF PRODUCT INNOVATION

- 65 Decathlon brands to meet users' sporting needs
- In-house laboratories and workshops; constant investing in R&D
- Co-design and co-creation with users

SPECIAL AND LASTING TIES WITH OUR USERS, PARTNERS AND REGIONS OF OPERATION

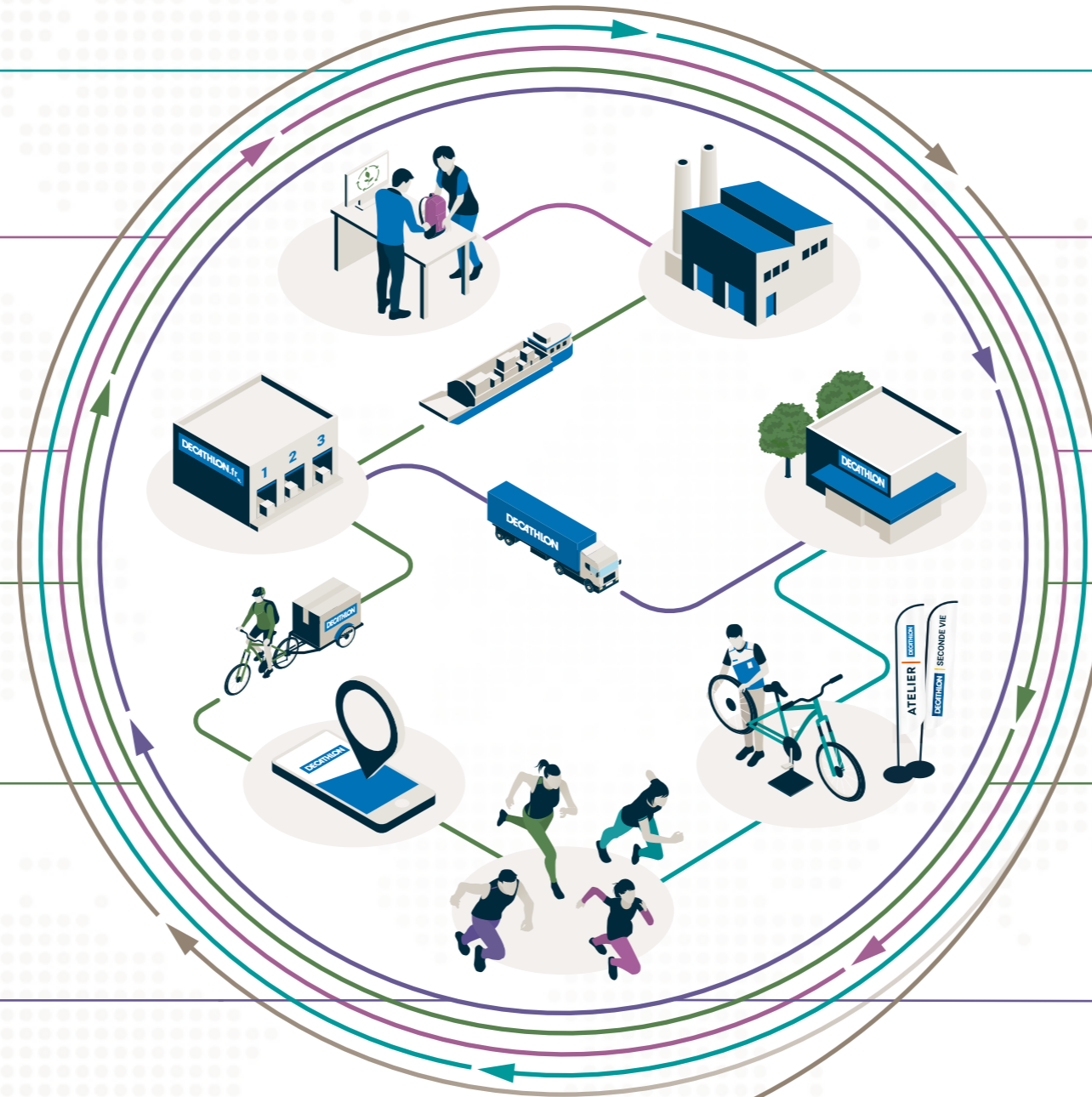
- 424 million sports users
- Presence in 60 countries of distribution
- Production activities in 44 countries/regions

DESIGNING AND DISTRIBUTING PRODUCTS WHILE LIMITING ENVIRONMENTAL IMPACT

- 728,625,696 kWh of energy consumed (gas and electricity, of which 82.6% is electricity from renewable sources)
- 8,965 million tonne-kilometres transported internationally
- 8.46 kg CO₂e/product sold, 0.76 kg CO₂e/euro
- 16 industrial processes using raw materials

SOLID FINANCIAL FOUNDATIONS

- Stable family shareholding
- €5.2 billion in equity



Value creation

- 91% of teammates are happy to come to work
- 50.9% of employees are shareholders
- Support in personal and skills development
- €2.65 billion spent on salaries

- 11.8 years of partnership with suppliers, on average
- Relationships of trust with our industrial partners: 78% of Rank 1 supplier production sites scored A, B or C for human responsibility in production
- 77% of relevant sites for Rank 1 and Rank 2 suppliers were rated A, B or C for environmental management

- 48 patents have been filed and extended around the world
- Reveal Innovation, an event celebrating the culture of product innovation

- 71.5% satisfied customers
- €3.7 billion in direct and indirect contributions, including €1.2 billion in taxes and social welfare contributions paid by Decathlon
- 71,864 Foundation beneficiaries, through 61 projects supported by teammates

- 1.47% of sustainable sales
- 10.4% of sales realised with Ecodesign products
- 63.4% of products with an environmental labelling
- 289 production sites have set a reduction trajectory that was validated by Decathlon in line with science
- Score of A- in the CDP climate questionnaire
- 100% cotton and 40.4% polyester are derived from more responsible sources

- €13.8 billion in sales excluding taxes
- €400 million distributed in dividends
- 22.4% Group effective tax rate
- €913 million in net income

OUR WINNING STAKEHOLDERS



TEAMMATES

Employees, social partners
Growing through responsibility and freedom, making decisions where they have the greatest impact



SUPPLIERS AND BANKS

Business partners, Decathlon product suppliers
Building long-term partnerships to share common social and environmental values and goals



CUSTOMERS, USERS AND PARTNERS

Customers, users, consumer associations, sports clubs
Goal: delighted users



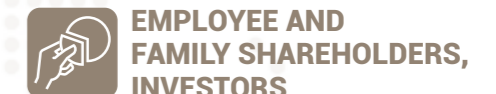
NGOs AND CIVIL SOCIETY

Media, NGOs, professional federations, education and research, local communities, CSR experts
Pragmatic, transparent and candid dialogue



PUBLIC REGULATORS

European Commission, OECD, ministries of ecology, environmental organisations, communities
Being proactive rather than reactive to legislation



EMPLOYEE AND FAMILY SHAREHOLDERS, INVESTORS

AFIR/AFM, banks, etc.
Monitoring and guaranteeing investments for a resilient and sustainable company



INTERVIEW

Jean-Marc LEMIERE

Economic Performance Director

Given Decathlon's environmental transition objectives, what are the company's priorities in terms of investments today?

First, we want to focus our efforts on reducing the CO₂ emissions related to our activities, and take action directly where we can have the greatest impact. Within this framework, we know that we need to work primarily on manufacturing. That is why we financially support our suppliers' use of renewable energies, as well as all types of research into eco-designing products that will have less of an impact. This is where we can make the biggest difference, but it is also where we really need to change how we do things in the long term.

At the same time, we have had to find ways to make these efforts measurable and comprehensible, so they are better understood and managed, while increasing conviction. Including extra-financial elements in overall performance reporting improves visibility and helps us compare these types of elements just like we measure financial results. And, gradually integrating Environmental, Social, and Governance (ESG) criteria into the variable part of teammate remuneration is also a good way to ensure everyone is fully committed to this transition.

How have you evaluated the financial investments dedicated to sustainable development?

Our work to finance the company's environmental transition began with an initial diagnosis phase, when we assessed our carbon impact. Once we had identified our major sources of emissions, we were able to assign an economic number identifying the difference between "business as usual" and a less impactful solution for each of the levers. We used this calculation to determine the financial effort required to meet our CO₂ emission reduction targets.

This increasingly refined assessment phase is essential for overall company management. Once we had estimated the financial cost at every level of the value chain, we could determine its impact on the quantities of goods sold and thus establish what it represented for our organisation. For a retailer, this is a significant investment, but one which we are able to take on.

Is this asset mobilisation going to profoundly change the way the company operates?

Today, we have drafted our strategies for the company's decarbonisation plans. The financial support needed has been carefully thought out and evaluated, and our shareholders are really on board. Now we need to go into greater depth, to bring the finance closer to what is actually happening on the ground in order to reconcile environmental and financial indicators. Now we need to actually apply our strategies with our operational stakeholders, who are already doing a lot of work at their level, so that we can change the scale of our transformation. Our entire organisation needs to integrate these changes, with much more fluid cooperation between decision makers, but also with a much less linear conception of our business. Putting product circularity at the heart of our strategic organisation also means we have to review our decision-making system, so that everyone understands and can determine how their own choices impact other areas of the company. Today, decision-making involves exercising not just economic responsibility, but environmental and human responsibility as well. In our transactional business model, the challenge is to establish this new balance between human, environmental and financial capital.

"We have to take action directly where we can have the greatest impact"



Four societal trends that drive our actions



1 | 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.



2 | URBANISATION OF POPULATIONS

Seizing the opportunities provided by these environments by highlighting our products and services.



3 | DAMAGE TO THE ENVIRONMENT

Preserving our playing fields by reducing the environmental impacts of our activities.



4 | 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 60 countries and production activities in 44 countries/regions. The field of activity is specialised distribution with the following three 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 and multi-brand sporting goods) and non-specialised distributors (sports departments of department stores, distributor chains and independent distributors). In terms of consumption, sporting goods are used both for sports and for their extended uses (casual wear, streetwear and 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 €471 billion (2018 figure). It is growing by 4 to 5% per year.

OUR VISION

A CO-CONSTRUCTED COURSE OF ACTION

Given the challenges of an increasingly volatile, uncertain, complex and ambiguous world, Decathlon decided in 2020 to evolve its Vision process so as to gain agility and be able to withstand risks such as the COVID-19 pandemic. The co-construction exercise led to the advent of Vision V21.1, reflecting Decathlon's desire to ensure resilience, keep its finger on the pulse of the present and prepare for the future in the short, medium and long term. In 2021, the company and all of its teammates set out to bring the new Vision to life, using its five targets as a foundation on which to start taking action. Tomorrow starts today.

METHODOLOGY

Questions asked on the collaborative platform:

"What will the world of tomorrow look like? What do you wish for your family and friends? What role do you want Decathlon to play in this world to which you aspire?"

Decathlon's Vision is part of a continuous improvement process that led the teams to rethink the project in 2019-2020. Launched just prior to the start of the COVID-19 crisis, this project was forced to evolve over time to adapt to the new realities of our society. The collaborative platform, which has been operational since 2019, has helped ensure project continuity and allowed us to establish major themes when we were unable to meet in person.

The pandemic has had a strong impact on the priority areas identified and the volume of shared texts, so we analysed the collected data before and after 1 March 2020 to ensure that Decathlon's new Vision is still well aligned with global concerns.

A new version of the platform was introduced during the global lockdown in April 2020. The stance in favour of collective intelligence was maintained, while the action phase was deployed in shorter timeframes, enabling us to navigate an uncertain world. The first findings were unambiguous: the content, consisting of 41,000 contributions and ideas from around the world, focused on converging themes, and above all, the desired timeframe for achieving these ambitions was no longer the same. Indeed, Decathlon's Vision was expected to be fulfilled in 2021, rather than 2030. As a result, it became **VISION 2021.1**, as part of a constantly changing movement.



Charlie FELGATE

Vision Leader

Where is Vision V21.1 today?

After 2020, a year marked by a major co-construction effort, we dedicated our energy in 2021 to explaining the five targets of the Vision to our teammates. Vision V21.1 is very different from the previous versions; while it is decidedly humanistic, it is also more abstract and difficult to implement. We still need time to explain it so that more and more concrete actions can emerge in all countries.

What comes next?

Before we consider a future update, we first want to ensure everyone takes ownership of Vision V21.1, especially our leaders who make the decisions that will create the Decathlon of tomorrow. But this new Vision also encourages us to look even farther ahead. It is a catalyst that has to help us transform our business model, and we are now actively working on that.

What is this new project about?

For several months, we have been working with three external organisations to propose a renewed mission for Decathlon. We have now finalised the initial phase of the project, which first consisted of a prospective analysis to 2030 and beyond, and an exploratory anthropology of sport. At the same time, ten experts—sociologists, anthropologists, etc.—identified potential causes that our company could serve. We selected 28 themes to be tested with 11,000 consumers from 11 countries. Following a second survey—in-house this time—we were able to narrow the list down to five themes, including the cause that we will choose to defend in the future. This study will help put even more meaning at the heart of Decathlon's business model.

THE FIVE TARGETS OF DECATHLON'S VISION 2021.1



#HEALTH

DECATHLONIANS are your partners for **health**, for a better quality of life. We promote a mindful way of living through sports.



#TranSPORT

DECATHLONIANS enable clean & healthy **transport**.



#LOCALIVING

DECATHLONIANS are 100% **Local Living** orientated, and globally connected.



#REGENERATIVE

DECATHLONIANS strive for responsible growth that benefits both people and the planet, acting within a **regenerative** economy.



#INCLUSIVE

DECATHLONIANS are fully **inclusive** and open to all, we reflect the society that we want to be a part of.

THE CO-EVOLUTION PHASE

Vision 2021.1 is a humanistic vision, in which personal events, emotions and experiences play an important role. Thanks to a specific methodology, the co-evolution phase in which we find ourselves today allows us to establish concrete actions in relation to the five targets that have been identified. These actions are led locally by a network of 220 Vision Relays.



Jules NAVARRO

Vision Relay, Decathlon Chile

"My objective is to carry the Decathlon Vision to the other side of the world. So, I make sure that everyone—at our stores, warehouses and offices—is familiar with its five targets. At Decathlon Chile, we believe that we can initiate change locally through concrete actions, and the Vision allows us to reinvent the commerce of the future."

TESTIMONIAL



Anna MUSZYNSKA

Vision Relay, Decathlon Belgium

"The Vision guides all of my decisions and all of my actions every day: I live it 100%. The short-term objective for 2022 is to ensure that the Vision is an integral part of the daily responsibilities of our teammates in Poland and Belgium. By striving to achieve this objective and creating synergies within the global network, our goal is to transform Decathlon by the end of 2025 so that this—currently product-oriented—company focuses instead on people and services."

#TomorrowStartsToday

www.decathlonvision.com

OUR MAIN EXTRA-FINANCIAL RISKS

For Decathlon, a risk is the possibility that an event will have consequences that are likely to affect our human, environmental, material, financial and reputation capital.

Decathlon implements measures to identify, prevent, manage and control its risks in order to achieve its objectives: **creating and preserving value, and managing deviations in performance**. The extra-financial risks are managed using internal management and control systems that play a key role in running and monitoring the company's activities: **design, production, logistics and distribution**.

DEVELOPING PEOPLE	Description of risks (-)	Description of opportunities (+)
Meaning and values	Loss of meaning and lack of clarity regarding corporate values (-)	Teammate commitment, cohesion (+)
Employment and skills management	Loss of skills including expertise, insufficient attractiveness, disemployability, inadequate response to development needs, failure to anticipate job changes, loss of connection between teammates and the company (-)	Availability and quality of skills, talent development (+)
Sharing value	Pay cut (-)	Sharing value, participating in company development, project involvement (+)
Health and safety of teammates	Accident, illness, psychological risks (-)	Teammate health and safety, quality of work life (+)
Fundamental human rights	Serious violation of human rights, fundamental freedoms, health and safety of teammates, third parties, suppliers and providers (-)	-
Health and safety of customers	Danger for health during use (-)	Customer/sports user health and safety, product safety (safety, solidity, etc.) (+)
	Accident (-)	Customer safety in stores (+)
Customer satisfaction	Negative image, dissatisfaction, loss of turnover (-)	Customer satisfaction, referral, loyalty, cart amount, product innovation, new consumption trends (+)

METHODOLOGY

This table presents and describes the main extra-financial risks identified within the company. Assessment of these risks is ongoing and can be completed in the light of changes in the internal and/or external context. Decathlon conducts its analyses in terms of both risk (-) and opportunity (+).

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.

A "Company Referent" (the risk coordinator), who apprehends the risk, defines the autonomy framework (action framework), makes it available and leads it. They circulate it within the community of referents located in the countries. Each leader (manager for the country, region, city, store and/or Signed Sport/Manufacturing Process), with the support of their relay, 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.

OTHER RISKS CONSIDERED

Decathlon devotes particular attention to the risks associated with the inappropriate disclosure, loss or modification of its customers' and employees' personal data by complying with the General Data Protection Regulations (GDPR). Decathlon also assesses the influence of external interactions, especially within the framework of the Duty of vigilance legislation. Other additional risks may exist of which Decathlon is not aware at the date of this declaration, or that are deemed insignificant at this date, and which could have a negative effect on the company in the future.

PRESERVING NATURE	Description of risks (-)	Description of opportunities (+)
Climate change	Physical and transition risks (-)	Energy savings, resource availability (+)
Environmental impacts	Pollution impacts, gradual depletion of resource availability and quality (-)	Emission and pollution control, protection and optimisation of resources in the value chain (+)

CREATING SUSTAINABLE VALUE	Description of risks (-)	Description of opportunities (+)
Transformation of the business model	Strategy for opening up to other economic partners not implemented (-)	New consumption trends, development of the economy of use (+)
Extra-financial data	Lack of data governance, reliability, integrity, inadequate access (-)	Data control along the entire value chain, better information management, better decision making, organisational efficiency (+)
Ethics	Internal and external acts of fraud/corruption (-)	Integrity, loyalty, values and moral principles in doing business, trust in business relations (+)

COVID-19

COVID-19 is not identified as such in Decathlon's financial and extra-financial risk mapping tool. The pandemic risk, which became a reality in 2020, is indeed considered to have a global and cross-departmental impact on the activities of our organisation. It is these impacts that are taken into account for the risk mapping. It should be noted that the combination of three lines of defence are used to establish, evaluate and improve the associated control systems, in order to reduce our exposure to the risks.

OUR MATERIALITY ASSESSMENT

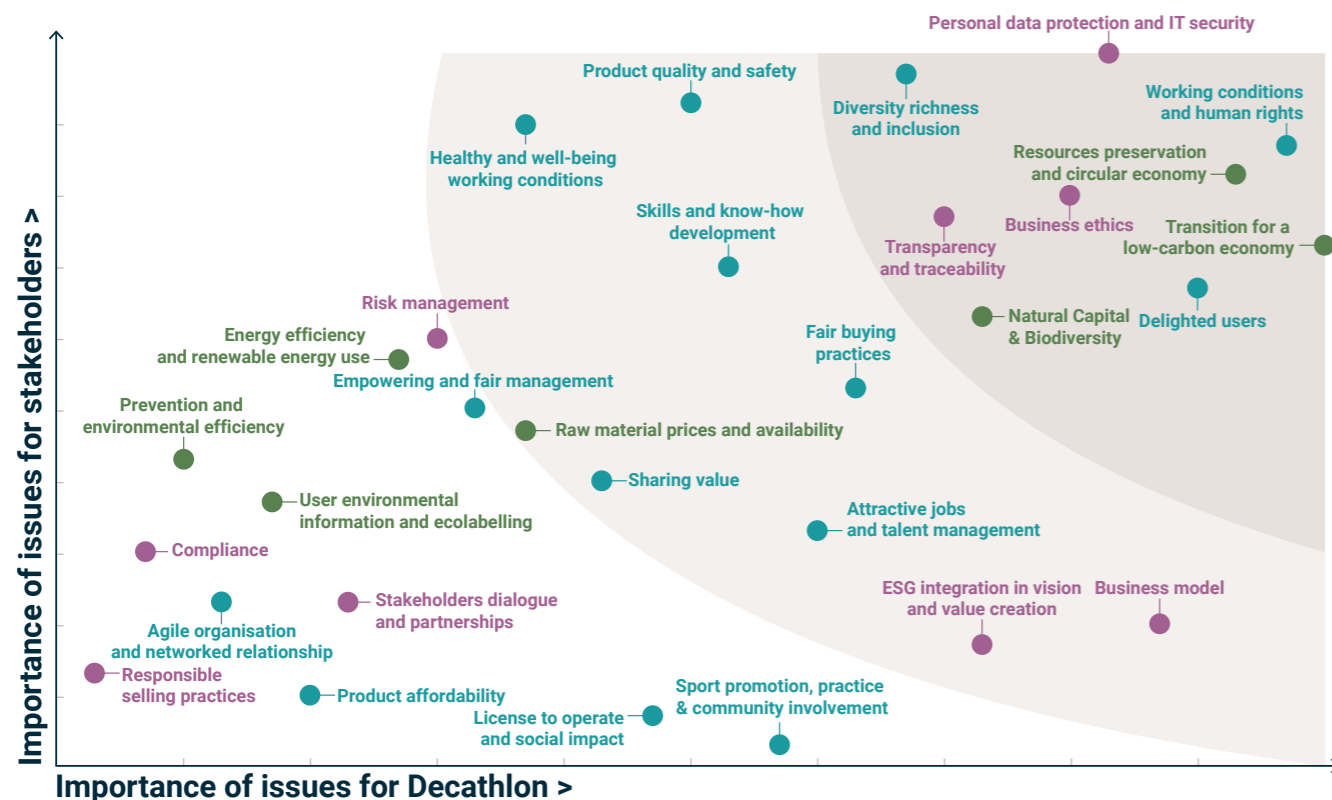
METHODOLOGY

The 2020 Transition Plan was partly based on the issues already identified in the 2018 materiality matrix. With the current global environment under severe strain, including some hard-to-predict issues, this mapping needed to be updated, based on what we are hearing from our internal and external stakeholders. This assessment will help us allocate resources fairly and prioritise issues within the company.

To get the most faithful representation possible of today's sustainable development issues, Decathlon has chosen an innovative method to listen to stakeholders, relying on

its provider Datamaran¹ to identify the digital audience for these issues. This method ensures that the subjects are representative and the occurrences are objective. As we use it and get used to it over time, we will be able to keep on listening to our audiences on a regular basis and stay in sync with their concerns.

The six-month study revealed growing concern about biodiversity, for example, and the importance of diversity and inclusivity in our teams.



PRIORITY : Level 1 priority Level 2 priority Level 3 priority

ISSUES : ● DEVELOPING PEOPLE ● PRESERVING NATURE ● CREATING SUSTAINABLE VALUE

Perspectives for future assessments

- Expand the panel of internal interviews to collect more international opinions;
- Include stakeholder interviews in the external analysis;
- **Use the latest update of the materiality assessment** to review the Transition Plan (2023);
- Prepare and comply with double materiality requirements;
- Use the tool's potential with issue referent, risks and opportunities and internal audit.

1. For more information on Datamaran: <https://www.datamaran.com/>

DISCUSSION - POINTS OF VIEW



Isabelle GUYADER
Environmental Transition Director



Miguel RUIZ
Human Resources Director

What did you expect from the materiality matrix update?

Isabelle - It is essential because it serves as the foundation for our policy and the resulting action plans. Therefore, it was fundamental to update our assessment in order to make sure our convictions were still justified.

Miguel - In today's world, we can clearly see that certain major human issues must be taken care of, together with the climate and environmental challenges that we are addressing. By prioritising these human issues, we can deal with them in depth and thus help Decathlon adapt.

Are you surprised by the results revealed by the exercise?

Isabelle - This mapping confirms the decisions we have already made. We knew, for example, that there was growing concern about protecting biodiversity, which was not an issue of concern in the previous study. These results confirm that the shift Decathlon is implementing towards a low-carbon transition is expected by our stakeholders. It also confirms that they now consider environmental issues to be just as important as human concerns, which makes sense, because this fight is not about protecting the planet, it's about protecting humanity.

Miguel - We listen to our stakeholders regularly. The issues that we identified as priorities are fairly well confirmed by this analysis. These results reflect our teammates' heightened awareness of the challenges that we will face in the future. They also validate the actions that Decathlon employees are taking every day.

What impact will the results of the assessment have on the issues that will be prioritised and on the Transition Plan?

Isabelle - Personally, I am very pleased to see that Decathlon's internal stakeholders consider the change in our business model—and especially issues around the economics of use—to be one of the most important issues. This is a reflection of the work we are doing to reconcile economic, environmental and human values and to initiate the necessary transition.

Miguel - The results really highlight our priority action plans. They shed light on the issues and areas of improvement that already guide our actions. The vision, demands and expectations that our stakeholders expressed are very clear. And they give us a lot of confidence, energy and desire to build our company's future, a future in which Decathlon creates human, environmental and economic value in a sustainable way. Still, I also pay special attention to human issues that aren't sufficiently visible on the matrix, such as value sharing. Although they are not top-level priorities in the matrix process, we still believe that we need to continue to work on them.

TESTIMONIAL



Charlotte MORIZOT
Materiality Project Manager and NFRD Audit

"Exploring this innovative approach to learn the opinions of different stakeholders represents a real step forward for the construction of the materiality matrix.

We were able to collect and scan thousands of different data from qualified sources to get an objective result that reflects our current industry issues and our real-time challenges.

It is a dynamic analysis process that we will learn to master better and better over time, to ensure that we are always aware of emerging issues."



The materiality assessment is available at:
sustainability.decathlon.com

DEVELOPING PEOPLE

WELL-BEING THROUGH ENJOYMENT AND BENEFITS OF SPORT



DECATHLON IS COMMITTED TO THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS:



DEVELOPING PEOPLE

Our commitments for 2026

STAKES	2026 COMMITMENTS	2020	2021
Well-being	60% of teammates ¹ say they are happy to come to work every morning, to support our project, their project, and the overall company purpose	55%	53%
	50% women and 50% men	46.5% women 53.5% men	46.7% women 53.3% men
Diversity and inclusion	50% of team leaders ² are women	n/a	38.8% ³
	90% of Rank 1 production sites ⁴ are ranked A, B or C in line with our audit grid	84%	78%
Human rights	100% of our teammates concerned are trained in human rights	n/a	n/a
	100% of our teammates ⁵ feel safe in their work environment	93%	94%
Health and safety	100% of our teammates ⁵ can express themselves and are heard	93%	92%
	100% of our teammates ⁵ say they take responsibility for their progress	88%	90%
Skills and development	100% of eligible teammates are co-owners of Decathlon (if they so wish), thanks to the employee shareholder scheme	55.9%	50.9%
Sharing value	100% of countries are driven by a digital maturity index	n/a	n/a
Agile, networked organisation	76% of our users are delighted ⁶	69%	71.5%
Delight for our products			

The Transition Plan was drawn up in 2020. Some indicators have been created or modified following the deployment of strategies and will therefore be available in 2022.

1. Who replied "Yes, completely" - 2. Female teammates with a hierarchical role in charge of at least one person. - 3. For more information on the detailed breakdown by country, see the methodological note on p. 154 - 4. Rank 1 suppliers: suppliers linked contractually with a Decathlon company to manufacture or assemble finished/semi-finished products (via a manufacturing contract) or to supply raw materials or components (via a purchase agreement), receiving purchase orders and invoicing the said company directly. - 5. Who replied "Yes, completely" or "Yes, generally". - 6. Users who gave a score of 5/5 in our customer ratings.

TEAMMATE WELL-BEING

Cultivating the pleasure of working together

Decathlon feels it is essential to provide teammates with a workplace that is in line with its positive human values. When employees enjoy their work, they make an enduring contribution to the performance of the business. This is why the quality of life at work is one of the company's core concerns.

In a dynamic of global growth in this area, the company is adding to its teams and forming a network at the international level in order to deal in greater depth with every theme that contributes to well-being at work (diversity, health, training, etc.).

To guarantee teammate well-being at work, maintain the level of commitment and overall personal development everywhere in the world, Decathlon measures a set of criteria with all of its teammates each year using an internal barometer called the "Decathlon Teammates Barometer" (DTB).



KEY FIGURES AS OF 31/12/2021



91%
of teammates are happy to come to work
(53% of "Yes, completely" and 91% of "Yes" in total in 2021, 55% of "Yes, completely" and 92% of "Yes" in total in 2020)¹



196
Quality of Work Life leaders
in France
(195 in 2020)



76.1%
of teammates out of the total
workforce have permanent
contracts i.e. 78,451 teammates
(79.4% in 2020 i.e. 74,393 teammates)

2021 HIGHLIGHTS

- In France, working time is being reorganised, particularly to bring night work and remote work into line, in order to establish a better **work/home life** balance for teammates.
- **Pleasure at work** is increasing as Decathlonians continue to adapt to evolving situations.

DECATHLON TEAMMATES BAROMETER

The "Decathlon Teammates Barometer" is an in-house survey that is sent to all teammates. It uses 40 questions to assess the application of human fundamentals on an annual basis. In 2021, 81% of teammates responded². This recurring form of expression allows us to reliably compare human data and establish improvement actions involving our teammates in spite of the decline due to the health crisis.

This year, the results received during the health crisis show that the level of human fundamentals has been maintained, and demonstrate the resilience of Decathlon's organisation thanks to teammate commitment, trust and solidarity.

The results in 2021 show a two-point decline in the area of pleasure and engagement at work, compared with 2020.

OBJECTIVE: 100% OF PART-TIME WORK IS DESIRED

In France, 26.1% of employees work part time. Decathlon's greatest wish is that its teammates find fulfilment in their work and are increasingly happy and committed to it, in particular through working hours that match the requirements of both parties. During a recruitment interview, it is essential to determine whether the part-time position on offer, based on the company's needs, actually fully corresponds to the applicant's needs.

Since 2019, the company's Human Resources teams in France have been using an annual survey to measure employee satisfaction with their working hours. Also, a series of checks is applied throughout the hiring period, before the job interview, at the time of application and at contract signature, to ensure that the employment conditions are a perfect fit for both parties. This response is then put into perspective through an in-depth discussion about the applicant's overall situation (parent, dual employment, student contract, etc.) in order to avoid making anyone feel forced to accept a part-time position.

The first step is to clearly define the working hours. Once this contract is established, an attempt is made to adapt the teammates' working hours to their personal needs, while taking the stores' constraints into account.

In 2021, the survey showed that 90% of teammates surveyed³ were satisfied with their working hours.

FRENCH AGREEMENTS ON WORK ORGANISATION

REORGANISING EXCEPTIONAL NIGHT WORK

In France, some employees are required to work nights on an exceptional basis, for example, to move or refit stores, while customers are absent for safety reasons. Even if new tools and processes have reduced the frequency of night work over the past several years, Decathlon wanted to negotiate a new agreement with its labour partners on exceptional night work, since the old one dates from 2006.

This new agreement has three objectives:

- Night work must be limited to tasks that are essential to business continuity;
- Night work must protect teammate health and safety;
- Night work must be approved by staff representatives.

To meet these goals, the agreement includes some significant advances:

- New wage terms: the hourly rate for night work is simplified and increased. There are now to be two night shifts: 9 PM to midnight with a 25% supplement, and midnight to 6 AM with a 35% supplement;
- New labour measures with the provision of a balanced meal, child care allowances and adapting night work schedules to family and social responsibilities;
- Staff representatives are given all new information on a regular basis.

A FRAMEWORK FOR THE ORGANISATION OF REMOTE WORK

Remote work was rare prior to the health crisis, but became in 2020 in order to ensure business continuity.

Pandemic travel constraints provided an opportunity to test this new mode of work organisation on a large scale, and confirmed a widespread desire among teammates to continue using it. **Its general outline was defined in a collective agreement signed in July 2021** following contributions from teammates, leaders and labour partners.

Negotiations for the remote work agreement were guided by the following goals and concerns:

- To promote quality of life at work through a better work-life balance;
- To guarantee efficient teamwork, creativity and project advancement by adapting workspaces to this new hybrid way of working;
- To maintain the importance of working together and of social and human relations, which are part of the company's DNA;
- To pursue our commitment to responsible and environmentally-friendly work by reducing work commutes.

In addition to exceptional remote work, two other remote work arrangements also exist at Decathlon in France:

- **Regular remote work**, for work that can be done partially from home on a regular basis. In this case, teammates are permitted to work remotely for up to two days per week;
- **Occasional remote work**, for those whose duties require them to be present on site all the time. The teammates concerned will be permitted to work from home for up to 12 days per year (or 24 half days).

1. More information on all the indicators for workplace well-being on p. 145.

2. Out of a total of 70,405 teammates who responded to the Decathlon Teammates Barometer; more information on the results on p. 145.

3. 6,116 teammates working part-time out of 23,434 - 68% of the teammates involved participated in the survey, conducted in February 2021.

DIVERSITY AND INCLUSION

Promoting equal opportunities and preventing discrimination

Decathlon's Vision advocates for an inclusive and open working environment for everyone. Thus, the company aims to create teams of sports talents that reflect the diversity of local playing fields.

Decathlon is careful to protect the unique characteristics of each person and provides a working environment in which all teammates can express themselves and act freely. Decathlon tolerates no form of discrimination on the basis of origins, gender, sexual orientation or identity, age, disability or membership in a political, labour or religious organisation.

Actions are conducted on a regular basis at Decathlon in order to raise awareness of diversity issues among teammates and leaders. In France, for example, the people responsible for recruitment follow the "Recruiting Without Discrimination" training module to learn how to avoid discrimination in the hiring process.

Several times a year, Decathlon also holds "Diversity and Inclusion" events for both employees and others, to encourage discussions on best practices in sports product design and retail at the international level.

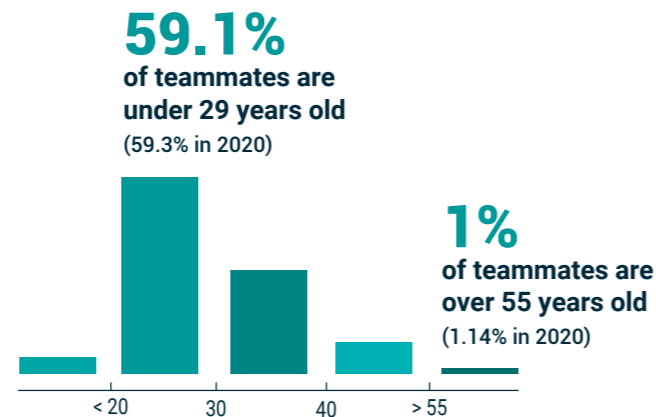
The Transition Plan's⁵ priority is to increase the number of women over all the teams, aiming to reach gender parity among teammates and team leaders by 2026. Decathlon is also committed to the social integration of young people and people with disabilities, two groups that have been greatly impacted by the health and economic crises.

All of the company's diversity and inclusivity projects contribute to the broad mix of people in the teams and are sources of wealth, performance, innovation and fulfilment for everyone who works at Decathlon.

KEY FIGURES AS OF 31/12/2021



3.1% of teammates in France have a disability (3.2% in 2020; 3.6% in Italy; 2.8% in Romania)



2021 HIGHLIGHTS

- In keeping with its corporate vision, Decathlon is developing initiatives worldwide to encourage inclusion and diversity in its teams.
- Decathlon France has signed a new gender equity agreement and is working to accelerate the prevention of sexism.
- Decathlon's Mission Handicap in France continues to work in the areas of recruitment, job retention and awareness building.
- Historically strongly committed to young people, Decathlon France took strong action in 2021 to respond to the challenges of the COVID-19 crisis through its "Being Useful to Youth" project.

GENDER EQUITY

A NEW PROJECT AT THE UNITED LEVEL

To achieve the goal of "44% of female leaders" by 2024, Decathlon appointed a "Gender Equity and Women's Leadership" leader, Irene Merino, in July 2021 to lead a new project at the United level.

This project focuses on the development of female talent in order to reinforce our leadership and create an equity ecosystem where every individual can express their potential as a way to drive our performance.

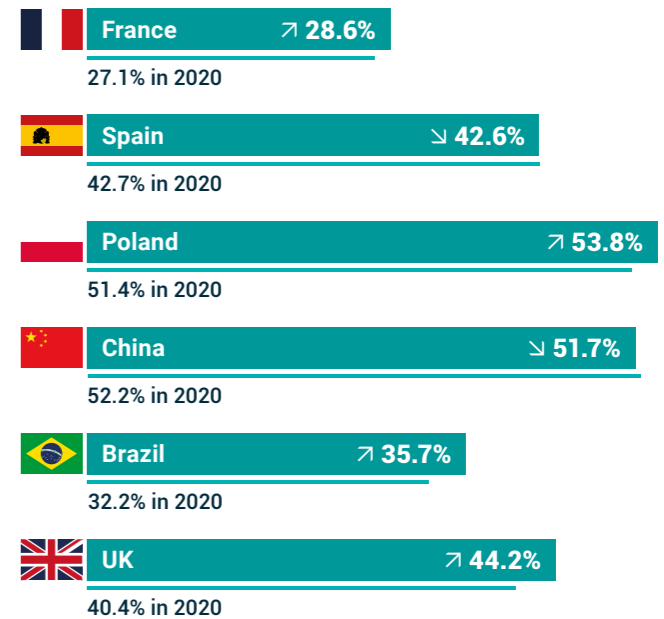
The first months of this project dealt with diagnosing and identifying discrepancies in order to go deeper and initiate action plans. At the same time, the main principles of the project have been drafted and will enable work on:

- Reinforcing our human ecosystem through gender-balanced leadership;
- Identifying female talent, training the women and giving them visibility.

In 2022, priority will be given to creating different networks and communities dedicated to this issue, as well as the publication of a United gender equity policy.



WOMEN LEADERS⁶



A NEW AGREEMENT SIGNED IN FRANCE

In January 2021, Decathlon France signed a new gender equity work agreement with its labour partners. This agreement sets ambitious targets that the company aims to meet by the end of 2023, including 25% women leaders in Signed Sports⁷ and services (31% at the end of 2021), 40% female store department managers (33% at the end of 2021) and 45% female logistics department managers (41% at the end of 2021).

To meet these goals, a roadmap has been put in place for each of the five themes comprising the agreement: preventing sexism, recruitment, professional advancement, remuneration and work-life balance.

TESTIMONIAL



Cindy FEDZAK
Professional Equity Leader,
Decathlon France

"For this new gender equity agreement, we decided to add a new theme to the four already required by law: preventing sexism. At Decathlon, we are very proud of creating a caring and respectful working environment. To heighten awareness, we are committed to training all our leaders on this issue by the end of 2023 and aim to reach as many teammates as possible. We have already trained over 600 people so far, including 70% of store managers in France, who can now train others and remind them of the rules every day."

Decathlon France also offers its female teammates "Women in Leadership" training via the Decathlon Academy platform to help them gain confidence, design a career plan that matches their ambitions and develop their potential.

4. Two events organised in 2021 that brought together 185 Decathlonians and 108 people from outside the company.
5. Decathlon's Transition Plan is available at: <https://sustainability.decathlon.com/transition-plan-2020-2026>

6. Women leaders: teammates who manage at least one person.
7. Signed Sports: Decathlon brands.

INCLUSION



Ravi SINHA
Inclusion Leader

TESTIMONIAL

"Inclusion gives our teams, customers and community the opportunity to strengthen our co-existence - creating unique and scalable solutions to drive our mission.

In order to build a more open-minded company, the first opportunity for Decathlon is to strengthen its cognitive diversity by promoting different ways of thinking, along with new skills and knowledge. At the United level, numerous services and Decathlon countries are already welcoming new personalities. The "Talent Inclusion" project has therefore been created to both integrate them and capitalize on these new competencies. The second challenge on which our company must work is internationalisation. We want the richness of human capital from different countries and nationalities to be represented in our leadership positions in order to enable in-depth dialogues and tailored solutions for our sports users. Thus, in the next three years (2022-2024), we have a strong ambition to increase the percentage of our international teammates in leadership positions (country leaders, sports leaders, etc.). Through these projects, we want to reinforce the idea of inclusion that is fully embodied in our vision. It is only by merging our teammates and partners' will to build a better world that we will fully adhere to the purpose of Decathlon - "To be useful to people and to their planet."

LGBTQI+

LOCAL INITIATIVES

In line with Decathlon's Vision V21.1 and its fifth target dedicated to inclusivity⁸, concrete actions are being taken locally to promote the inclusion of LGBTQI+⁹ individuals in compliance with each country's legislation and culture.

In Brazil, for example, the inclusion of LGBTQI+ people is one of the six pillars of the new local "Diversity and Inclusion" project launched in 2021. This project has already:

- Led to the creation of an LGBTQI+ committee composed of teammates;
- Raised the awareness of 100% of Decathlon Brazil's managers and 249 leaders, through "Diversity and Inclusion" training that includes a chapter on LGBTQI+;
- Allowed for internal and/or external communication campaigns during Pride Month and on the International Transgender Day of Visibility.

In Chile, several initiatives in 2021 can be highlighted:

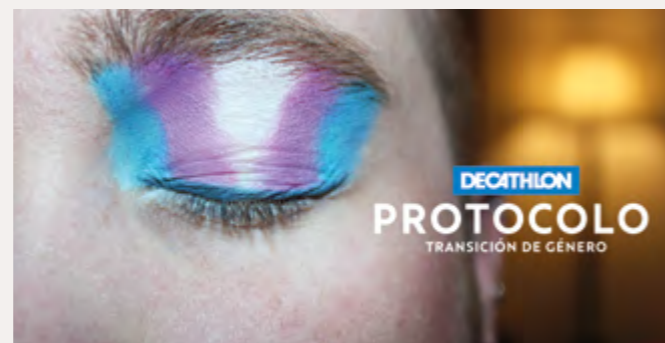
- 100 teammates attended two awareness-raising sessions on the diversity of sexual orientations and gender identities led by the local organisation "Todo mejora / It gets better";
- Gender-neutral toilet facilities (with signs featuring inclusive symbols) for both customers and teammates, as well as showers for non-binary staff¹⁰;
- Participation in seminars held during Pride Month on topics such as LGBTQI+ families and inclusive leadership;
- A published protocol supporting leaders and teams during a teammate's gender transition.



Stevenson BARRETO
People Management Leader,
Decathlon Chile

What progress was made in 2021 on improving inclusion of LGBTQI+ people at Decathlon Chile?

There were a lot of projects for us this year. A hundred teammates attended two awareness-raising sessions on the diversity of sexual orientations and gender identities led by the local organisation "Todo mejora/It gets better". During Pride Month, we attended seminars dedicated to LGBTQI+ families and inclusive leadership. These initiatives were very well received, as are the gender-neutral toilet signs and the provision of showers for our non-binary teammates. This encouraged us to go further and work throughout the year on drafting a protocol to support leaders and teams during a teammate's gender transition. We published it in November on the occasion of the International Transgender Day of Remembrance.



What message does Decathlon Chile want to send out through these initiatives?

It is very important that we demonstrate that our company is open-minded and inclusive. A lot of people are looking for a workplace where they can feel free to be themselves and be appreciated for who they really are. Through these initiatives, we want to encourage teammates and anyone who wants to join us to feel safe being themselves.

DISABILITY

Decathlon is committed to promoting and assisting the integration of people with disabilities in employment.

IN FRANCE

Decathlon France aims to apply its seventh disability agreement signed in partnership with Mission Handicap and labour partners by December 2022. This agreement is structured around four key areas: the hiring plan, integration, awareness within the company, protecting employment and developing relations with the sheltered employment environment. To implement the corresponding action plans, the company is able to rely on a network of Referents (110 disability Referents and 12 network Referents) who strive to improve their teammates' working conditions.

2021 HIGHLIGHTS WERE:

- **Launch of an internal and external communication campaign** promoting the integration of people with disabilities in the working world and in work-study programmes;
- **Updated "Recruiting Personalities" training programme** to raise leaders' awareness of disability issues;
- **"Duo Day" event** with 155 teammates across France ready to get involved and 87 "Duos" trained at 57 sites.

INTERNATIONALLY

Initiatives dedicated to integrating people with disabilities in the working world are also being prepared in different countries.

In Brazil, disability is one of the six pillars of the new local "Diversity and Inclusion" project launched in 2021. A teammate committee has been set up whose task is to better integrate people with disabilities in the company. This year, a number of concrete actions have already been taken, with a communication campaign to raise awareness among teammates on all aspects of disability and testing of a mobile app that allows customers to communicate with sign language interpreters in one store. Decathlon Brazil has also set up a permanent communication campaign broadcasted on internal and external channels to promote the recruitment of people with disabilities. In 2021, 21 people with disabilities were hired and a target of 6% of employees (about 150 people) was set for 2022.

In Italy, a new sign language interpreting service has been available for customers since late 2021. Progress has also been made on integrating teammates with Down's syndrome, where a teammate with Down's syndrome herself has been leading training courses in order to help create ties and better integrate these teammates. Testing is also under way on an app that memorises gestures, words and actions, which will be launched in 2022.



In Hungary, teams continue working to improve the daily lives of users with disabilities. In 2021, Decathlon Hungary launched a new support service for its blind and partially sighted customers. From the moment they enter the store and until they pay for their purchases, these users are assisted by a specially trained teammate who responds to their specific needs and helps them test our products under the best conditions. Also, given the success of sensory-friendly openings that have been scheduled once a month for the past three years, stores began holding the operation every Monday from October 2021.

PROFESSIONAL INTEGRATION OF YOUTH IN FRANCE

The COVID and economic crises have made it increasingly difficult for young people to find employment¹¹. **Decathlon is very aware of this issue and has been working for many years to create opportunities for young people to obtain their first work experience.** The company redoubled its efforts in 2021, when it launched the "Being Useful to Youth" project in France (right from work placements for secondary school students).

The initiative helped fight isolation by offering certain Decathlon Exchange courses to young people at risk, through partnerships with schools and associations. Ten thousand young people

also attended live events on our social media to maintain ties with the professional world, where we presented our jobs and provided a new vision of the private sector. At the same time, the company multiplied its efforts **to recruit 1,845 work placement trainees and 1,070 work-study trainees in 2021**, exceeding the objectives set at the beginning of the year.

The "Being Useful to Youth" project was launched during the COVID-19 pandemic and has helped to centralise all the actions in place for young people in a collective that will continue working in 2022.

⁸. #Inclusive - Decathlonians are fully inclusive and open to all, we reflect the society that we want to be a part of, Vision V21.1.

⁹. LGBTQI+: Lesbian, Gay, Bisexual, Transgender, Queer, Intersex; the + sign refers to the whole gender and sexuality spectrum.

¹⁰. A person who does not identify exclusively as male or female.

¹¹. For more information: <https://dares.travail-emploi.gouv.fr/dossier/les-jeunes-face-la-crise-sanitaire>

HUMAN RIGHTS IN THE VALUE CHAIN

Sharing our human ambitions with our suppliers

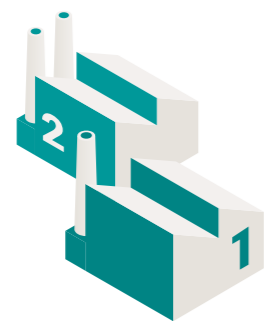
Decathlon ensures that all human issues are addressed at every level of the production and manufacturing chain for its teammates and users, as well as its suppliers and providers. Our Code of conduct, which was revised in 2021, responds to the social issues highlighted by international organisations (ILO, OECD, etc.) and in particular: **human rights** (child labour, forced labour, debt bondage, freedom of association, discrimination, decent living wage, etc.), **health and safety** (working environment, building safety, etc.), the **management of chemical substances, corruption, management and communication with employees**. This document has been signed by all our Rank 1 component and product manufacturers¹².

The application of this Code of conduct is verified by means of an internal and external audit system based on a regularly updated audit grid, as well as through the regular presence on site of Decathlon's local production teams. The strategy for making the process more reliable and implementing long-term corrective measures is under constant improvement.

This whole organisation has enabled Decathlon to maintain a relationship of trust with its suppliers despite the global crisis, and to ensure compliance with established health protocols, especially when factories resumed their activities.

In 2021, **78% of the production sites of our Rank 1 suppliers were managing their human risks to an acceptable level¹³ according to our criteria**; we are looking to increase this figure to 90% by 2026.

KEY FIGURES AS OF 31/12/2021



1,280 production sites for Rank 1 (902) and Rank 2 (378) suppliers are concerned by HRP audits (1,382 in 2020)



36 partner sites involved in the HRP autonomy programme

2,245 production teammates support suppliers on a daily basis (2,178 in 2020)

2021 HIGHLIGHTS

- Decathlon updates its audit grid and revises its Code of conduct to incorporate stronger requirements for its suppliers.
- The pandemic over the past two years and a new calculation method have impacted our panel's performance: 78% of our Rank 1 suppliers' production sites are rated A, B or C for Human Responsibility in Production at the end of 2021, down 7.1% from 2020.
- We continue our efforts to increase accountability and autonomy, for both our teammates and our suppliers, in order to pursue stringent and effective development strategies.

12. The requirements of the HRP audit grid demand that Rank 1 suppliers manage their own suppliers regarding the subjects evoked in Decathlon's Code of conduct.
13. At least a C rating on our scale.

PURCHASING STRATEGY IN PRODUCTION

Decathlon entrusts the production of its sports goods to a worldwide panel of suppliers categorized according to industrial processes¹⁴. The company's aim is to maintain long-term relationships with them based on trust. The teams based at the Decathlon production offices are in charge of this relationship with suppliers on a daily basis. They verify suppliers are complying with their commitments under the Decathlon Code of conduct and carry out audits.

PURCHASING POLICY

To sustainably make the pleasure and benefits of sport accessible to the many, the Signed Sports product offering meets the needs of a variety of sports. These products are designed by the Signed Sports teammates and manufactured by Decathlon suppliers, using 16 industrial processes¹⁵.

THE ROLE OF BUYERS

Like all teammates working with Decathlon product suppliers, our product and component buyers are trained in certain fundamental matters as soon as they start working in this

sector, such as detecting unacceptable critical situations among the requirements in the social grid. The buyers then integrate the results of the follow-up audits, as well as the action plans, into the panel's performance review. During this review, buyers may revise the purchasing forecasts upwards or downwards depending on the results of the audits and action plans monitored by the Decathlon teams. They may consider terminating the relationship if the supplier still does not meet expectations after a certain period of time, despite the support provided.

THE SUPPLIER ECOSYSTEM

- Partners: 50 suppliers** who share our vision and our values, with whom we have established a relationship of trust. They produce 34.7% of Decathlon's global output. In 2021, Decathlon began working with five new partners;
- Strategic and key account suppliers** with whom Decathlon has a relationship based on sustainable performance;
- Other suppliers** representing less than 20% of total production, which may be new entrants, local suppliers, etc.



On establishing a new partnership, the supplier undertakes to comply with Decathlon's Code of conduct¹⁶ and its minimum requirements. The audits serve to verify that the 12 chapters of fundamental human rights for workers, as well as health and safety conditions, are being applied correctly¹⁷.

Three types of investigation are carried out **during audits**: visual, documentary and in the form of interviews. On the basis of this information, the auditors fill out a grid and obtain a score ranging from A to E:

- A - Excellence level:** the risk management system is exemplary and best practices are available;
- B - Autonomy level:** risks are managed autonomously through a comprehensive management system;
- C - Advanced level:** short-term risks are controlled through a basic management system;
- D - "Construction phase" level:** immediate or high risk to employee health; high risk of pollution;
- E - Unacceptable level:** risk of death or basic human rights not respected; risk of direct pollution to the environment.

In the event of C, D or E scores, Decathlon asks for an action plan to be implemented. If this is not done, Decathlon reserves the right to terminate commercial activity conducted with the supplier. The deadlines required for implementing remedial actions vary according to the type of supplier. The frequency of the audits also varies according to the country and the human and environmental risks: the higher the risk, the more frequent are the audits.

HUMAN RESPONSIBILITY IN PRODUCTION AUDITS

DECATHLON'S AUDIT SYSTEM

To evaluate production conditions through an auditing process, Decathlon instructs OPM-SD (Operational Process Managers in Sustainable Development) and HRP (Human Responsibility in Production) auditors who are trained in-house on the SA8000 Standard.

OPM-SD spread over 21 countries and 83 auditors based in countries of production. Decathlon also uses external auditors. In 2021, 60% of audits were conducted by internal auditors.

14. More information on the supply chain on p. 122.

15. Industrial processes: for the sake of readability of reporting, industrial processes are aggregated by broad sectors. See page 123 for more information.

16. Decathlon's Code of conduct is available at: <https://sustainability.decathlon.com/legal-documents>

17. See page 62 for environmental audits.

EVOLUTION OF THE AUDIT GRID AND THE CODE OF CONDUCT

To meet its human rights goals, **Decathlon updated and increased the requirements on its audit grid in 2021**. New questions were added to the chapters on chemical risks and forced labour (see p. 33).

To encourage autonomy and ultimately reduce auditing frequency for its most advanced suppliers, the company increased the requirements to obtain a B rating.

A number of webinars were held for production teammates throughout the year so that they could help suppliers understand the new grid.

A new version of the Code of conduct was published following the update, presenting Decathlon's minimum requirement (corresponding to a C rating on the grid) and its goal for its suppliers (B rating) in each category.

PERFORMANCE OF OUR PANEL OF SUPPLIERS IN 2021

In 2021, **78% of Decathlon's Rank 1 supplier production sites were rated A, B or C** on a scale from A to E. The audit reflects a situation at time T, and helps identify areas for short-, medium- and long-term improvement at the production site.

Despite efforts to stay in touch with suppliers and the implementation of a self-assessment tool, the COVID-19 crisis impacted our panel's performance for the second consecutive year. Due to travel bans, 8.4% (76 sites) of Rank 1 production sites could not be audited. So, in a concern for transparency and reliability, this year it was decided that all sites that have not been audited for more than a year should be removed from the list of A, B or C-rated suppliers. This new calculation method explains the decline in results. Production teammates involved in reaching the target of 90% of Rank 1 supplier sites rated A, B or C by 2026 are working hard to reverse this trend and will travel on site as soon as the health situation permits. This difficult context highlights the relevance of our work to build supplier autonomy, so that as many of them as possible are able to progress independently towards sustainable performance.

PRODUCTION SKILLS

Every employee is responsible for developing their own skills, through a personalised development plan for each position now available on Decathlon Academy and via regular monitoring.

In production at Decathlon, the guarantors of sustainable development competencies are:

- **Production leaders:** they visit factories every week to ensure that cost, quality, time and sustainable development issues are being addressed in seven areas (quality, supply chain, sustainable development, continuous improvement, industrialisation, advanced manufacturing and purchasing).
- **Production managers:** they are the managers of the production leaders. They oversee the smooth running of production in all areas: quality, supply chain, sustainable development, continuous improvement, industrialisation, advanced manufacturing and purchasing. They are the guarantors of our suppliers' operational management.
- **Operational process managers in sustainable development (OPM-SD):** they are the Referents for sustainable development in production. In their capacity as experts, they must be autonomous in all matters and capable of disseminating information on them. They are in charge of competency and Decathlon's requirement standards; they are the key players for integration and compliance regarding sustainable development issues.
- **Auditors on assignment:** they are production leaders or production managers who wish to contribute to sustainable development in production issues through the certification of their audit skills and the time spent on this assignment.

All must have acquired and received certification of the three core skills within the first six months of their training.

At the end of this training period, they will be able to:

- Detect unacceptable situations in respect of human rights;
- Organise and capitalise on an HRP audit;
- Detect a risk related to the use or presence of chemical substances.

These skills are vital for the application of the whole strategy of our suppliers' compliance with human and environmental issues. They are mandatory for teammates who visit plants.

Teammates must subsequently learn additional skills. These are just as important, as they expand the teammates' knowledge of fire risks, the principle of continuous improvement and the detection of forced labour.

To reach the maximum level of training and become a Referent on the subject, certification is required from the Skills Leaders. Their role is to develop the network of Referents, ensure the training tools are up to date and available, and ensure an optimal requirement level.

Finally, several series of webinars were held in 2021. They were available to everyone and helped improve our teammates' knowledge of fire safety, forced labour and chemical risks.

At the end of 2021, 77% of production teams were trained on the subject of sustainable development (vs 83% in 2020).

PRODUCTION PARTNER HRP AUTONOMY

Through the HRP autonomy programme created in 2019, **Decathlon aims to certify 90% of partner sites as autonomous on the management of human risks and audits by 2025**. This ambitious programme aims to:

- Help our suppliers sustainably and constantly improve human performance using self-assessment tools;
- Encourage partner agility and efficiency through autonomous decision-making at the local level.

To earn their autonomy certificate, Decathlon's partners are required to meet a number of criteria demonstrating that they are effectively managing human risks independently through reliable systems and transparent sharing of information.

These criteria are:

- At least a B rating on Decathlon's HRP assessment scale;
- Demonstrate high and constantly improving performance on human indicators;

- Be assisted by an internal auditor whose training has been validated by Decathlon;
- Perform at least one self-assessment per year using Decathlon's audit grid and share the results;
- Conduct an "Engagement and Well-being" survey every year to assess employee well-being while guaranteeing confidentiality.

In 2021, 36 partner sites participated in the HRP autonomy programme. Four supplier sites have already met more than 80% of the technical requirements and are expected to earn their autonomy certificates in early 2022. Autonomous suppliers are required to renew their certificates half as often as they would their initial audit frequency (ex: initial audit frequency 2 years, recertification frequency 4 years).

FOCUS

This year, a new survey tool was deployed in four pilot countries (China, India, Bangladesh and Vietnam). The questionnaire is based on Nike's "Engagement and Well-being Survey¹⁸", which is used by a number of companies in the textile sector.



Lilian MEYER

Partner HRP
Autonomy Programme Leader

Why did Decathlon decide to adopt the "Engagement and Well-being Survey"?

Employee engagement is essential if we are to continuously improve working conditions in production. Thanks to our suppliers' self-assessment of their human risks and this new survey tool, we and more importantly our partner suppliers have a 360-degree view of worker well-being on site, thus making it possible to define areas for improvement. This project also offers a unique opportunity to identify the human risks that must be addressed and which will shape our future projects and strategies. By using Nike's survey, we have joined forces with other industry leaders in allowing production workers to express themselves more freely and with the assurance of confidentiality. It also avoids the proliferation of tools and demands towards our suppliers and their employees.

How does this survey tool work?

We called on a number of external providers to help us deploy the "Engagement and Well-being Survey", including Labor Solutions¹⁹ and KNO²⁰. These two companies adapt to each supplier's situation to offer individualised assistance (Internet

access, smartphones, languages spoken by employees, etc.), guaranteeing confidentiality and easy access for respondents. The survey addresses six areas: skills development, communication, stress at work, remuneration, health and safety, and social connection. Once the results have been analysed and with the support of our external providers, our partners set up action plans to meet the needs expressed by their employees and they develop regular engagement routines to ensure continuous improvement and monitoring.

What results were observed from the first pilot sites?

Over 15,000 employees from ten production sites have already expressed their opinions and the initial results are very encouraging. At our supplier OMAX, for example, the weekly employee participation rate was 76%. Thirteen corrective actions have been implemented in response to the first survey and the staff turnover rate has declined by 5%. One hundred percent of managers report being satisfied with this programme and want it to continue, as it helps them better understand employees' expectations. We are encouraged by these initial results and we aim to deploy the "Engagement and Well-being Survey" at 40 production sites in 2022.

TESTIMONIAL

Chandani LALJIBHAI BHOJAVIYA

Maintenance Assistant, OMAX

"We did exchange with management before the KNO app was introduced, but we were hesitant to share our opinions; there was a constant fear of authority or of saying something incorrect. But since we have started using KNO, we are able to share our feelings without hesitation. Now, there is no fear in our minds."

18. For more information: <https://www.laborsolutions.tech/post/nike-s-engagement-and-wellbeing-survey-now-available-to-anyone>

19. For more information on Labor Solutions: <https://www.laborsolutions.tech/>

20. For more information on KNO: <https://www.knoglobal.com/>

FIGHTING FORCED LABOUR

According to the latest report by the International Labour Organisation, nearly 25 million people worldwide were suffering under forced labour in 2016²¹. The economic and social impacts of the COVID-19 pandemic have made the populations most at risk of forced labour even more vulnerable.

Despite there being an auditing process applied throughout our value chain (for Rank 1 suppliers and some Rank 2 suppliers), each country has its own regulatory constraints which do not necessarily cover all of Decathlon's requirements in terms of human rights.

Driven in particular by the 2015 Modern Slavery Act²², and then by the 2017 Duty of Vigilance, Decathlon continues to strengthen its commitment to vigilance in three areas related to modern slavery: forced labour, responsible recruitment by our suppliers and debt bondage.

In 2021, we increased our level of requirements and modified our audit grid in this direction:

- New subjects were added to the unacceptable level (E) with regard to recruitment practices through third parties, assistance for migrant workers before and after arrival, and freedom of movement of workers in dormitories and at the workplace;
- Ten new questions were also added regarding the recruitment practices of our suppliers who commit to not charging workers any expenses.

To help suppliers better understand these new requirements, Decathlon has provided a toolbox containing illustrations for each of the new questions in the audit grid.

EXAMPLE OF AN IMAGE MADE AVAILABLE TO SUPPLIERS



In addition to updating the audit grid in 2021, we have made further advances in our fight against forced labour:

- **Deployment of two support guides for industrial partners:** Created in 2020, the dormitory guidelines and ethical recruitment guidelines were both added to the audit grid and the Code of conduct in 2021 and were deployed in all countries considered at greatest risk²³ according to our mapping, i.e. 237 production sites;
- **Improving teammate and supplier skills:** At a specific webinar, over one hundred people (teammates and suppliers) learned about the eleven indicators of forced labour identified by the International Labour Organisation; awareness training sessions were organized at production sites for workers; a poster illustrating these indicators is being deployed at priority suppliers in high-risk countries (this has already happened at 58 sites);
- **Training provided by the International Organisation for Migration:** 15 OPM-SD were trained on the recruitment practices for migrant workers;
- **Deployment of the Apprise app in at-risk countries:** This tool helps auditors identify situations of forced labour on the ground and suggests additional questions for individual interviews with workers while guaranteeing confidentiality. 58 production sites used Apprise in 2021.



TESTIMONIAL

Krishna KUMAAR DHAMODARAN
Production Team Leader,
Referent on combating forced labour

"At Decathlon, our mission is to be useful to people and to their planet. By working on the issue of forced labour, our aim is to achieve a more transparent and ethical supply chain. In the past two years, we have been focusing on teammate and supplier accountability in this area.

By building on skills upstream of the chain and by integrating the appropriate tools, we have been able to identify our main risks and prioritise our actions. In 2022, we will continue to roll out these tools, strengthen our teams and acquire the expertise to implement effective and sustainable mitigation measures. Finally, we will work with different stakeholders to use collective intelligence to go even further and faster."

KEY FIGURES AS OF 31/12/2021

67%
of production teammates
have completed "Fighting Forced Labour"
e- learning training

The Code of conduct, guidelines for dormitories, and ethical recruitment guidelines for suppliers and partners are available at:
sustainability.decathlon.com/legal-documents

21. ILO, IOM, Walk Free Foundation, Global estimates of modern slavery: forced labour and forced marriage, Geneva, September 2017; updated data is expected in 2022: https://www.alliance87.org/global_estimates_of_modern_slavery-forced_labour_and_forced_marriage.pdf

22. Global Slavery Index: [Legislation.gov.uk](https://www.slaveryindex.org/)

23. The risk mapping is available in Decathlon's 2020 Modern Slavery Statement: <https://sustainability.decathlon.com/decathlon-annual-sustainable-development-reports>

HEALTH AND SAFETY

Protecting our employees and stakeholders

Since its creation, and particularly in the current health context, **Decathlon has been uncompromising when it comes to the safety of its teammates, customers and partners.** Vigilance through prevention and safety verification processes is crucial in order to guarantee a safe and rewarding working environment for everyone.

Therefore, Decathlon is expanding its efforts to include the field of health in order to meet these needs. The COVID-19 crisis has highlighted the legitimacy of its strategy for managing health and safety issues on the ground, especially through a permanent link between actions taken locally and support provided by central services.

The global pandemic also underscored the importance of being constantly vigilant about teammates' physical health and well-being, as well as difficulties in their work. It has highlighted emerging but nonetheless critical areas, such as long-term illness and preventing occupational stress.



KEY FIGURES AS OF 31/12/2021



30 safety Referents
in the Safety United network,
60 safety leaders, 1 meeting held each month
(50 safety Referents in 2020)²⁴

94%
of teammates feel safe at their workplace
(93% in 2020)

656
occupational accidents in France
(295 in 2020)

2021 HIGHLIGHTS

- The strategy and operation of the Decathlon Safety Referent Network around the world promotes safety through the Safety United network, which serves local projects.
- The teamwork role of the Safety Referent and the Country Safety Leader pair is reiterated. The strategy is applied every day through constant and close relations, in order to develop a toolbox that is suited to the local situation and to expand appropriate skills.
- The Country Leader reports on the local situation regarding health and safety to the Board once a year.
- The occupational mental integrity and well-being autonomy framework is defined.

²⁴. This figure is not comparable and should be considered in relation to the network reorganisation, see page 35.

THE SAFETY UNITED NETWORK

DEVELOPING AUTONOMY TO DEVISE THE MOST APPROPRIATE LOCAL RESPONSES

At Decathlon, every country is responsible for the health and safety of its own team members, customers, suppliers and sports users, in accordance with the principle of subsidiarity, local regulations and the level of risk. Still, autonomy does not mean they stand alone.

To ensure that safety principles are consistent all around the world, and that they are lived by and applied with the same degree of stringency, Decathlon has structured its strategy around three key principles in recent years:

- 1 - First line of defence²⁵: the Country Leader appoints a local Safety Leader,** and reports regularly on the safety level in their country;
- 2 - Second line of defence: the country's Safety Referent and the Safety Leader pair** is strengthened; the Referent evaluates local safety management once a year;
- 3 - Third line of defence: an internal audit** provides an oversight.

This organisation supports safety and health performance; it includes specific roles and a deployment strategy, backed by a human organisation in line with needs.

In this context, the Country Safety Leader applies the Decathlon United autonomy framework locally and shares its results, progress and areas for improvement with the Country Board²⁶ once a year.

The Country Safety Leader and Safety Referent also assess local safety management using a precise and detailed methodology. This process guarantees objectivity and identifies areas for improvement. Lastly, this assessment feeds United risk mapping.

THE ROLE OF THE SAFETY REFERENT, AT THE HEART OF THE SAFETY UNITED NETWORK

The Country Safety Referent serves as adviser and evaluator within a framework of subsidiarity and autonomy. They are trained to set up action plans and apply solutions to resolve issues. They are also the guarantors of the framework, verifying and sharing the results. Through this cross-assessment, they are fully informed of local matters and can independently assess the level of risk in the prevention phase, report incidents, launch alerts and apply any necessary corrective actions.

Referents also serve as coaches and tutors to help everyone involved become autonomous in deploying the action plan on the ground. This support is prepared and clearly stated in an engagement letter that is written jointly by the Referent and the country they are assisting.

Lastly, internal auditing performs the verification phase. These auditors analyse and verify that the two previous lines of defence are working correctly, in accordance with the common rules.

²⁵. Line of defence: this term refers to risk control in organisations.

²⁶. The Country Board is composed of leaders from outside the country (leaders from other countries, sports departments, processes, administrative and financial leaders, etc.).

GROWING THE NETWORK TO IMPROVE RESPONSIVENESS

This entire strategy includes discussions over the long term. The current safety strategy is based on a network of over 60 safety leaders around the world (one per country) who are assisted by 30 Referents. This network was formed rapidly over the past few years and has evolved with Decathlon United's strong international development. However, the need for a more immediate local response, sometimes involving complex, riskier and more volatile situations, requires a larger United team in 2022.

This networking, sharing and the adjusted autonomy framework have enabled our company to adapt to the global pandemic, using the toolbox created by each Referent at their own level.

So, Decathlon is structuring itself based on these new risks. Its goal is to strengthen the core in order to support and structure the assistance we offer to these safety stakeholders in the countries, while promoting autonomy.

There can be several Referents within a local network if the country hosts different activities: so, there might be one Safety Referent for production and another for stores.

KEY FIGURE AS OF 31/12/2021

100%
of countries have a Safety Referent
in line with their needs

FOCUS : COVID-19 pandemic

In the context of the global pandemic and over the past 18 months, Decathlon has restructured its organisation. Following a phase of store closures because of lockdowns, the company was able to maintain its business at an optimal safety level wherever possible thanks to continuous learning and collective efforts.

Adaptation is ongoing, however, because vigilance must be maintained even as the intensity of the pandemic eases. It is now known what actions must be taken and these can be deployed rapidly.



BETTER CONSIDERING AND INTEGRATING THE CONSEQUENCES OF LONG-TERM ILLNESS AT WORK

During the COVID-19 crisis, Decathlon made a commitment to its employees to assist them in the event of long-term illness. Chronic and long-term diseases can sometimes have unexpected or poorly understood consequences on the lives of patients, both at work and at home. Complications that may be invisible, related to treatment or pain intensity, impact the sick person as well as their family and friends. So, our aim is to establish the best balance between the illness and work.

First, it is crucial that people are encouraged to talk about this issue, and any obstacles to including sick teammates in daily work are removed. To do this, training has been developed for all leaders. It reviews the issues and consequences of long-term illness, highlights questions that arise throughout the course of illness, and identifies the people involved and their roles.

The training aims to eliminate prejudices, help teammates learn to live with an illness while still being able to work, encourage them to freely share their challenges and needs, and incite managers to adopt appropriate solutions. Within this framework, Decathlon signed the Cancer@Work Charter in France in October 2021. This charter brings together companies wanting to reconcile cancer, chronic illnesses and employment around an action plan at the very heart of their organisation²⁷.

TESTIMONIAL



Franck MARTINEZ

Quality of Work Life Leader,
Decathlon France

"We are sending a strong message to our teams: we need to encourage people to talk, to remove stigma and encourage every employee to be themselves, so they can live their best lives with their physical or mental illness, whatever the symptoms."

PREVENTING PSYCHOSOCIAL RISKS

Psychosocial risks are defined as all the factors that can weigh on an employee and undermine their mental well-being at work. These risks are complex and multifactorial.

Symptoms impact both the personal and professional areas of life and are related to both individual and group situations, with occupational, organisational and relational aspects.

Issues can be related to either area and affect the person as a whole.

DEVELOPING AN INTERNATIONAL STRATEGY

The various transformations being made in the company to satisfy sports users require all teammates to demonstrate adaptability to the changes in management. Psychosocial risks have been integrated into Decathlon's comprehensive health and safety strategy, and are the focus of local attention and intervention, with an autonomy framework that was formally introduced in 2021.

A toolbox has been created and made accessible to everyone. It includes the autonomy framework for this subject, a training kit, tools for sharing best practices and measurement tools, such as a self-assessment questionnaire.

Since 2019, the "Better Being" collective has been defining the guidelines for this approach. Following the strategic plan established in 2020²⁸, we strengthened the network and added best practices and concrete examples to the toolkit.

The collective defines a clear framework for prevention and action, then ensures that all local players in the Safety Network have access to awareness and training tools.



ORGANISING SUPPORT CELLS

A number of initiatives to "stay in touch" have been launched in different countries around the world, primarily during the various lockdowns; such as the "Listening Ears" collective in India, which created a caring and supportive framework for any teammate needing to talk and feel supported.

A support group was set up in France and India, in the same dynamic.

In 2021, we defined six golden rules:

1. I am never alone;
2. I exercise to take care of myself;
3. As a leader, I am familiar with and apply local legislation;
4. As a leader, I create a safe and caring environment;
5. As a Decathlonian, I have access to the "Better Being" training modules;
6. As a country leader, I ensure that my crisis management includes the "Better Being" toolkit.

CONCRETE ASSISTANCE, ADAPTED TO EACH SITUATION

Today, Decathlon France provides several internal resources to teammates to help prevent the risks linked to stress, understand the symptoms of burn-out and define violence both within and outside the company.

These courses address topics such as "Working with Uncertainty" and "Preventing Violence".

In cases where a person is seen to be experiencing difficulties at work, a number of external resources are available to them, with guaranteed anonymity:

- Social assistance for personal problems (helpline "Entraid");
- Listening and emotional support (through an external provider);
- Assistance after traumatic situations with psychological support guaranteed within 24 to 48 hours in the event of death, robbery, etc.

27. For more information, see the press release: www.decathlon.media/fr_FR/dossiers-communiqués/decathlon-signe-la-charte-cancer-work

28. For more information: 2020 NFRD, page 24.

SKILLS AND DEVELOPMENT

Creating fulfilment trajectories

Training employees throughout their professional lives is a key part of maintaining the skills levels needed to gradually transform business strategies.

At Decathlon, training aims to allow each teammate to experience their work with maximum fulfilment. To help them do so, the company has put in place all the necessary tools to maintain and develop know-how and people skills.

Our vision of skills management is based on two key principles. First, skills acquisition must be accessible everywhere, in different forms, throughout a person's professional life. The COVID-19 crisis has been a reminder of how important this is, and has resulted in the rapid increase in digitised content to ensure every teammate can continue to grow in any situation. Secondly, teammates are responsible for their own learning

since only they can know what they need, particularly through personal development and self-assessment tools. In this context, the company has created a Referent role to share knowledge and concrete experiences. The Referent can support teammates as they learn to fit in, acquire and develop skills.

Tools to enable this human transformation are available on the **Decathlon Academy** platform, which brings together both digital and face-to-face training in one place, while providing physical spaces for dedicated exchanges.

To co-create the management of the future and guide each teammate in their personal development, **Decathlon Exchange** also offers a wide range of training courses in line with our company values, purpose and human fundamentals.

KEY FIGURES AS OF 31/12/2021



59 countries have adopted the Decathlon Academy digital platform²⁹
(51 in 2020)

500 skills are available on the Decathlon Academy platform in 16 areas

90% of teammates say they are taking initiative for their own growth
(88% in 2020)



3,800 Referents have been declared

2021 HIGHLIGHTS

- Every teammate everywhere in the world is guaranteed access to training thanks to the digital format and the implementation of robust COVID protocols for classroom training.
- Decathlon Academy continues its deployment with about one hundred local projects launched and a significant increase in the number of visitors to its digital platform.
- Decathlon Exchange has completed digitising all its content and can adapt to new needs with innovative formats and exclusive content to support leaders.

²⁹. The platform's interface is available in 50 languages, and each country can translate the content locally based on its needs.

DECATHLON ACADEMY

Since the health situation was still volatile in 2021, digital configurations continued to represent a very significant share of training. The "Transforming Classroom Training into Distance Training" and "Facilitating Distance Training" modules continued to help teams adapt to new formats.

While face-to-face training has not yet returned to pre-COVID levels, there was a significant upturn this year as restrictions were gradually eased and the health rules framework established in 2020 was maintained. At the same time, our teams opened a hundred new physical Decathlon Academy locations around the world to develop learning and share experiences.

Launched in 2019, the Decathlon Academy platform continues its roll out and has seen a significant increase in the number of visits this year (+41% vs. 2020). For 2021, it received an average score of 7/10 in response to the question: "Would you recommend this platform to your colleagues?" (6.6/10 in 2020)³⁰.

In order to improve the user experience and the satisfaction rate, many developments are currently underway or planned, in particular to stabilise the tool and improve the reliability of reporting. Today, the Decathlon Academy team's priority is to make browsing simpler and enable leaders to effectively lead their teams in developing skills.

In 2021, the Decathlon Academy teams also updated all retail training programmes, adding new topics such as digitisation and omni-channel challenges.

Platform use worldwide in 2021:

- 757,108 visits;
- 4,145,000 page views.

Top five face-to-face courses in 2021:

- Suggesting the right equipment (sports);
- First aid (safety);
- Understanding the technical characteristics of Signed Sports products;
- Being an effective omni-channel seller;
- Presentation shelving that sells.

Top five digital courses in 2021:

- Gestures and attitudes;
- Safety onboarding;
- Assessing my sports knowledge;
- In-store COVID protocols;
- Data protection.

³⁰. Result based on 3,000 users chosen at random.

DECATHLON EXCHANGE

Since 2005, the objective of the Decathlon Exchange teams (present in 14 countries), is to **give teammates the support they need to dare to take on Responsibility**, so that everyone assumes a proactive role and is accountable for their project. The goal of the training sessions is to pass on the values, core purpose and basic human values of Decathlon. They encourage every teammate to experience fulfilment at work, within the context of the company's global transformation, to promote empowered management.

In 2021, the priorities were to:

- **Complete the digitisation** begun in 2020 to give teammates access to training despite the COVID-19 pandemic, with the entire catalogue now available online;
- **Share the corporate culture (Purpose, Mission and Values)** by developing our Decathlon Exchange network of ambassadors. While health constraints prevented new countries from being added to the Decathlon Exchange network with a local physical site, 114 ambassadors helped to disseminate empowered management, encourage subsidiarity and co-create management content within every country in which we are present;
- **Support a leadership mentality** through a dedicated programme with new content and exclusive training, to meet immediate needs such as "Developing a Coaching Attitude", "Personifying Leadership", "The Impact of my Behaviour on Group Performance", "Vulnerability as a New Engine of Performance";
- **Experiment new teaching methods** with seven podcasts, game-based training modules in twelve countries, targeted master classes and short videos to help teammates become autonomous on subjects of responsibility;
- **Open up to the outside world** to allow our partners to benefit from what makes Decathlon unique and develop their own sense of responsibility, with training already provided to 169 people from other companies or associations.

KEY FIGURES AS OF 31/12/2021

14 Decathlon Exchange worldwide
(14 in 2020)

114 ambassadors
(80 in 2020)

SHARING VALUE AND SHAREHOLDING

Fair compensation for everyone who contributes to performance

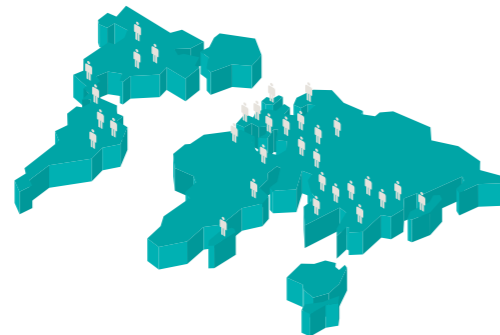
Requirements in terms of skills and human capital are constantly evolving. In this context, Decathlon wants to be a company that is committed and empowering when it comes to sharing value. So, we have put in place strategies focused on employee compensation and shareholding.

The main objective is to compensate teammates fairly according to their contribution to the development of the company's performance and to their creation of value³¹. Teammates share in the company's economic performance through a compensation package and an employee saving scheme, which allows them to participate in the company's development while also building savings.

KEY FIGURES AS OF 31/12/2021



50.9% of employees are shareholders (52,545 shareholders in 2021, i.e. +0.47% compared to 2020)



€2.65 bn payroll worldwide (€2.18 bn in 2020)



60% of teammates believe that their pay is fair in relation to their responsibilities and performance (62% in 2020)

2021 HIGHLIGHTS

- France is upgrading its compensation package by adding a bonus/malus to the variable part linked to sales of Ecodesign products and by raising the ceiling of the Sustainable Mobility Package.
- 44 countries now have access to employee shareholding with the scheme opened to Lithuania and Tunisia in 2021.

SUSTAINABLE DEVELOPMENT ISSUES PROGRESSIVELY INTEGRATED INTO COMPENSATION

To support sustainable development, which is one of Decathlon's strategic priorities, the company is gradually adding new criteria to teammate remuneration³².

Since 2020, a variable portion of country leaders' pay has been indexed to extra-financial performance criteria. In 2021, the French compensation package, was brought in line with the company's strategies.

- Services, Sports & Processes, IT³³:** a bonus/malus system linked to the sales of Ecodesign products³⁴ was applied to the quarterly global sales growth bonus;
- Stores & Logistics:** a sustainable sales bonus³⁵ was applied to the quarterly omni-channel sales growth bonus and in-store commissions.

These changes were decided as part of discussions with all of Decathlon's labour partners.

In addition, to further encourage ecomobility with our 23,434 teammates in France, the upper limit for the Sustainable Mobilities Package was raised from €300 to €500 per year.

TESTIMONIAL



Pierre FAHY
Environment Leader,
Decathlon Retail France

"I am convinced that adding a sustainable sales bonus to retail teammates' compensation will help speed up implementation of our sustainable development strategy. It is not always easy to change habits in store or to adapt our activities. So, this financial reward will be an added incentive to encourage the deployment of rentals, repairs and second-hand sales."

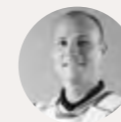
STRENGTHENING BELONGING THROUGH SHAREHOLDING

Shareholding is an opportunity for teammates **to invest in their business over the long term and to take part in a shared adventure**. It gives them an opportunity to better understand the economic and financial running of the company, to feel more involved, responsible, and to build up assets. With teammates who contribute to economic performance, shareholding becomes an asset for the company and makes it more attractive.

Decathlon teammates are given shareholding information by the 500 Relays in all the countries concerned. The Relays' mission is to ensure that everyone gets the same information through a detailed explanation of how the shareholding scheme works.

In 2021, two new countries (Lithuania and Tunisia), as well as certain partners (Alltricks³⁶), also began offering employee shareholding. This means that shareholding is now available to employees in 44 countries.

TESTIMONIAL



Dimitri DHAENENS
Administrative and Financial Leader, Decathlon Tunisia

"Opening shareholding in Tunisia represents the culmination of five long years of work and negotiations with local authorities. Throughout this marathon effort, the teams worked hard every day to ensure our teammates would also have the opportunity to join the Decathlon family of shareholders; so they are very proud today. This is a major victory in a country with very strict financial regulations and where shareholding is still rare."

To celebrate the event, we decided to give each of our teammates in Tunisia ten free shares so they can all fully experience Decathlon's purpose by becoming company shareholders. We also held a big kick-off party from different locations –virtually, of course, due to COVID—with a studio created especially for the occasion; in this way, we could share the success with all of the 250 teammates who joined us from multiple sites or via video conference."

HOW IS EUR 100 FROM A TEAMMATE INVESTED IN THE DECATHLON EMPLOYEE SAVINGS INVESTMENT FUND CALLED DECAVAL?



- RESPONDING TO REQUESTS TO RELEASE FUNDS**
EUR 30 are used by Decathlon to respond to requests by employees to release funds.
- IMPLEMENTATION OF THE DECATHLON VISION**
EUR 70 are invested by Decathlon to implement the Decathlon Vision and long-term strategies.

³¹. Each teammate's contribution to the company's performance is assessed each year at an individual annual review during which the teammate's performance and goals are examined.

³². More information on these criteria on p. 116. | ³³. IT: computers and information technology.
³⁴. More information on sales of Ecodesign products on p. 76-77 and methodological note on 3 p. 141.
³⁵. More information on sustainable sales on p. 84 and methodological note 4 on p. 141.
³⁶. Alltricks is a Decathlon subsidiary specialising in cycling, running and outdoor sports equipment.

DELIGHT FOR OUR PRODUCTS

Customer and user safety and satisfaction

Decathlon designs, manufactures and orders the manufacture of its own Decathlon Brand products. The requirements regarding customer and user safety and satisfaction are at the heart of the Quality teams' concerns, throughout the value chain: from design, during manufacture and up to the point of sale and product use. The teams' mission is to highlight the non-quality risks in order to find the appropriate prevention and remediation solutions quickly, in collaboration with a network of dedicated agents.

This management system is based on an integrated network of team members, led by Quality Referents, located throughout the world.

The quality of the products continues to be monitored during their sale: Decathlon answers all sports users' questions regarding quality, safety and the lack of danger. The company's design teams also read online customer reviews to continuously correct and improve product quality. This quality requirement is also beginning to be incorporated for second-hand products, sales to others, the Marketplace and products of other international brands.

KEY FIGURES AS OF 31/12/2021



71.5%

of users are delighted with the use of our Decathlon products
(69% in 2020)

988 products returned, per million products, due to failure or dissatisfaction
(1,072 in 2020)

93.9%

of suppliers are involved in chemicals management, having signed the Decathlon Restricted Substances List
(84.6% in 2020)

86%

of Decathlon Brand products passed the test for toxicological compliance
(86.9% in 2020)

1.9

day to initiate action, and a response sent in 40 days to answer a question or skin reaction issue
(2.4 and 58 days in 2020)

2021 HIGHLIGHTS

- The Quality teams continue to work to complete the 2020-2022 project structured around three major strategic areas: improving user safety, guaranteeing product quality through a strong and unified network, and reducing the costs and environmental impact of non-quality.
- New tools are being deployed to improve performance with increasingly reliable and centralised data, as well as much quicker non-conformity management times.
- Our Design teams are setting a new ambitious goal for themselves by launching the Product Excellence strategy: any product receiving a customer rating below 4.2 must now be analysed and a clear decision must be taken.
- New chemical risk training, aligned with the audit grid requirements for Human Responsibility in production, toward the environment and quality, is now available for suppliers for better preparation and individualised support.

FACILITATING QUALITY AT EVERY LEVEL IN THE VALUE CHAIN

Global Quality Performance is driven by the Quality department, which leads the action plans integrated into the entire Decathlon ecosystem, and deployed by a network of Referents throughout the world. This performance is based on listening to and understanding the needs of customers and users in terms of safety and satisfaction. The position of the quality network is to shed light on the risks and to co-construct solutions with all the company's stakeholders. It involves a high level of consistency and continuous improvement.

This performance is driven by key responsibilities:

- **Performance management:** ensuring consistency of quality and continuous improvement;
- **Skills management:** ensuring that each teammate is able to act and react according to their level of responsibility;
- **Quality risk management:** precisely determining the elements of vigilance in each area;
- **Technical approval:** ensuring that user needs are met in line with safety and regulatory obligations, translated into technical design requirements, validated and controlled at each stage;
- **Supplier management:** checking the correct transmission of key points of completion in the industrialisation and production chain;
- **Management of non-conformity:** detecting deviations as early as possible, blocking and isolating non-conforming products and being able to resolve situations quickly to ensure user safety.

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

ACHIEVEMENTS IN 2021

- The Offer process was created for the Quality department and is structured around three priority areas: selling to others, the Marketplace and products from other international brands. The Offer process aims to guarantee that the products sold by Decathlon are reliable in our customers' view and that they all meet the same standards.
- A new performance management tool to measure the Quality performance of Decathlon products: a new digital solution now allows Quality team members to monitor all of the indicators in their scope on a single platform. Thanks to more reliable data, this easy-to-use tool lets everyone evaluate their own Quality performance and take action if they observe a deviation.
- A new version of the digital non-conformity management solution: launched in stores and warehouses in 2021, this new version of the tool has already reduced our Quality Corrective Action execution time by a third compared with 2020.

A CONTROLLED AND ORGANISED NETWORK FOR CONSISTENT RISK MANAGEMENT AND UNIFORM QUALITY

The Quality department is composed of a support team and a network integrated within the various Decathlon design, manufacturing and sales teams around the world. Each country appoints a Quality Relay to take full responsibility locally and make decisions as quickly and efficiently as possible.

The support team assists all the Quality Referents in detecting their risks within their area of responsibility and co-writes a tailored management system with each of them to cover the risks identified.

The network comprises more than 400 players, who are involved to different degrees. Referents provide the necessary processes, tools and skills to ensure that the Quality system is upheld.

In order to maintain this level of quality, the production teams, for example, have a role in training suppliers so they become increasingly autonomous in this area.

There are two main objectives:

- **Knowing how to detect non-conformity** in order to remove products that do not meet the requirements as early as possible from the production line, and being able to provide the appropriate solution thanks to the correct use of tools and settings;
- **Working together to be able to control** the critical points of our products.

To assess the maturity of their Quality management systems, our suppliers are audited every two years in order to identify production risks and to deploy corrective action plans. These audits use a standardised grid with five ratings: A, B, C, D and E. Despite the deployment of self-assessment tools in production, the health restrictions over the past two years prevented Decathlon from increasing the frequency of audits this year and hampered skills development. In response to these constraints, the Quality team adapted its risk analysis and established new partnerships with external providers in order to perform audits that had previously been done by internal auditors.

A NEW STRATEGY BASED ON CUSTOMER REVIEWS AND PRODUCT EXCELLENCE

Decathlon pays special attention to customer questions and opinions. Customer reviews allow teammates to ensure that the company is meeting its user safety and satisfaction requirements; they also offer opportunities for continuous improvement.

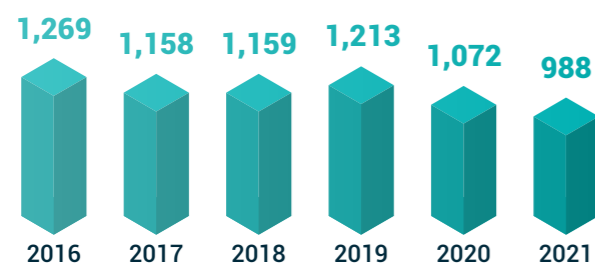
In line with their quest for excellence, in 2021 our Design teams set themselves the ambitious goal of **no longer offering any products³⁷ with a rating below 4.2/5 by the end of 2022**. Any product not reaching that score must now be analysed and a clear decision must be taken on whether to discontinue or redesign the product, or set up concrete action plans. In addition to what was achieved at the Sports & Processes level, there has been increased monitoring of products with ratings below 4.2 to obtain an overview of how this new strategy is being deployed within the company. Since its launch in 2021, the Product Excellence strategy has already led to a general improvement in Decathlon's offering, with the percentage of products with ratings below 4.2 declining from 14.5% in January to 11.1% in December.

QUALITY RETURN RATE

RPM* (returns per million) is an indicator for the quality of our products. A deteriorating RPM (increase in the quantity of returned products) may be the sign of a design or production problem for example, or it may indicate user dissatisfaction with the product usage. For the analysis to be relevant, we look at the evolution of this indicator over time rather than its raw value. In 2021, the strong focus on quality issues and the implemented action plans reduced the return rate by 10%.

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

QUALITY RETURN RATE FOR DECATHLON PRODUCTS PER MILLION PRODUCTS AS AT 31/12/2020



ENSURING QUALITATIVE CUSTOMER RELATIONS

Our teams also work to preserve the quality of our relations with sports users on product safety issues and to ensure that their questions are answered as quickly as possible.

In 2021, the average turnaround time was 1.9 day, with an answer provided within 40 days. These results are the fruit of strengthened processes during the lockdowns and better team integration.

With the creation of a network of Referents to address customer feedback around the world, we were able to handle almost as many cases internationally (208) as in France (246) this year.

More than **1 million** customer reviews received
(> 1.5 million in 2020)

Overall user rating for Decathlon products: **4.5/5**
(4.48/5 in 2020)

PARTICIPATING IN EXTERNAL INITIATIVES TO SHARE EXPERTISE

Since 2018, Decathlon has been a member of **Apparel and Footwear International RSL Management (AFIRM)** and actively participates in its working meetings. This organisation has created a Restricted Substances List (RSL) that includes international information on regulations governing the use of these substances in finished products for the textile and footwear industry. Decathlon's chemical risk management teams share this list with our suppliers as a reference tool, to check and protect against chemical, health and environmental risks. The RSL is updated in-house every two years and covers all of the materials used in Decathlon's products. Today, 94% of Decathlon's suppliers have committed to comply with this list of substances and thresholds.

Decathlon is also inspired by all the work done by the **Zero Discharge of Hazardous Chemicals (ZDHC)³⁸**, foundation, for everything concerning the risk management of chemicals in factories and in wastewater treatment, mainly in the textile process. In 2021, our teams actively worked on our application for membership in the ZDHC foundation, which we will obtain in 2022.

PRIORITY RISK SUBSTANCES

Decathlon is heavily involved in research to **replace existing chemicals and offer alternatives that are more respectful of people and the environment**, without reducing product performance. In 2021, the teams continued the work already begun and launched new actions:

- Flame retardants used on tents for the Canadian and U.S. markets have been replaced with safer alternatives that meet North American standards. Also, these tents now use a water-repellent treatment that does not contain any PFCs (perfluorocarbons) on these tents;
- A component engineer has been hired to eliminate the toxic substances contained in the glues used by Decathlon and by its suppliers;
- Bisphenols (identified as endocrine disruptors) have begun to be replaced in industrial textile processes, during which they are commonly used for dyeing polyamide. Decathlon is one of the first companies to address this issue and to demand that safer alternatives be used throughout its value chain. This work will be accelerated in 2022 until all of these substances of concern have been totally eliminated.

HELPING SUPPLIERS MANAGE CHEMICAL RISK

At Decathlon, product safety is crucial. As in all production-related processes, chemical risk management is controlled across the board, with the objective of ensuring supplier autonomy by raising their level of competence in this area.

Chemical risk management at Decathlon is based around several areas:

- Establishment of a **restrictive list of substances** in our value chain paired with a control plan to ensure compliance;
- Development of a **network of testing laboratories**;
- **Management of non-conformities**;
- **Supplier and team training**;
- **Management of questions/feedback** from our customers and authorities on the subject.

Supplier training is led by the country production and industrial processes teams, based on a risk matrix. The training is provided by Training Relays directly on the ground to improve the chemical risk management system in the plants, at the product, employee and environmental levels.

Because pandemic restrictions prevented them from going to the plants, the Decathlon teams set up regular steering and skills committee meetings in 2021 so they could stay in touch with their Relay teammates, share the latest advances, monitor the set targets and increase data robustness.



Elise TURBELIN
Chemical Safety Manager

Why offer new chemical risk training to suppliers?

We wanted to create much more interactive and tailored training. After nearly a year's work, we are proud to be able to offer our suppliers a tool that follows a chemical's cycle of use from its arrival in the warehouse to shipping to stores. Every step is included. With this new format, we can now tailor training to our suppliers' specific problems and target the suppliers that are having the greatest difficulties so we can help them improve.

Production Responsibility (HRP) audits and the Environment and Quality audits show that we still have work to do, which was also a reason that motivated us to change the training to bring it in line with the audit grids.

Why was this alignment important?

Our suppliers asked if they could use our training to prepare for audits efficiently and avoid nasty surprises. We worked hand in hand with the HRP, Environment and Quality teams to best match the requirements presented in the training with those of the three grids.

Also, we now display the audit score in each of the training topics. We also want to evolve content over time to include emerging topics such as endocrine disruptors; this will allow us to go further and prepare suppliers for future regulations, even though these subjects are not currently audited.

How many suppliers have been trained and what was their reaction?

The ongoing COVID-19 crisis made it very difficult to organise training this year. Still, we have trained 21 suppliers using this new tool since June 2021 and we are also offering distance training³⁹.

We have received very good feedback from both the most advanced suppliers and those having the greatest difficulties, particularly with regard to the level of detail provided in the content. The suppliers were very receptive and the training sessions provided real moments of sharing that we hope to see even more of in 2022.

37. Products with "active" status having at least 18 reviews (worldwide), including products of other international brands.

38. ZDHC: an initiative that brings together a global ecosystem of organisations to build common guidelines promoting the use of less hazardous chemicals: <https://www.roadmaptozero.com/>

39. A total of 43 suppliers attended chemical risk training throughout 2021, and 21 of them were trained using the new tool developed by the Quality team.

PRESERVING NATURE

THE PLEASURES
OF SPORT IN
A PRESERVED
ENVIRONMENT



PRESERVING NATURE

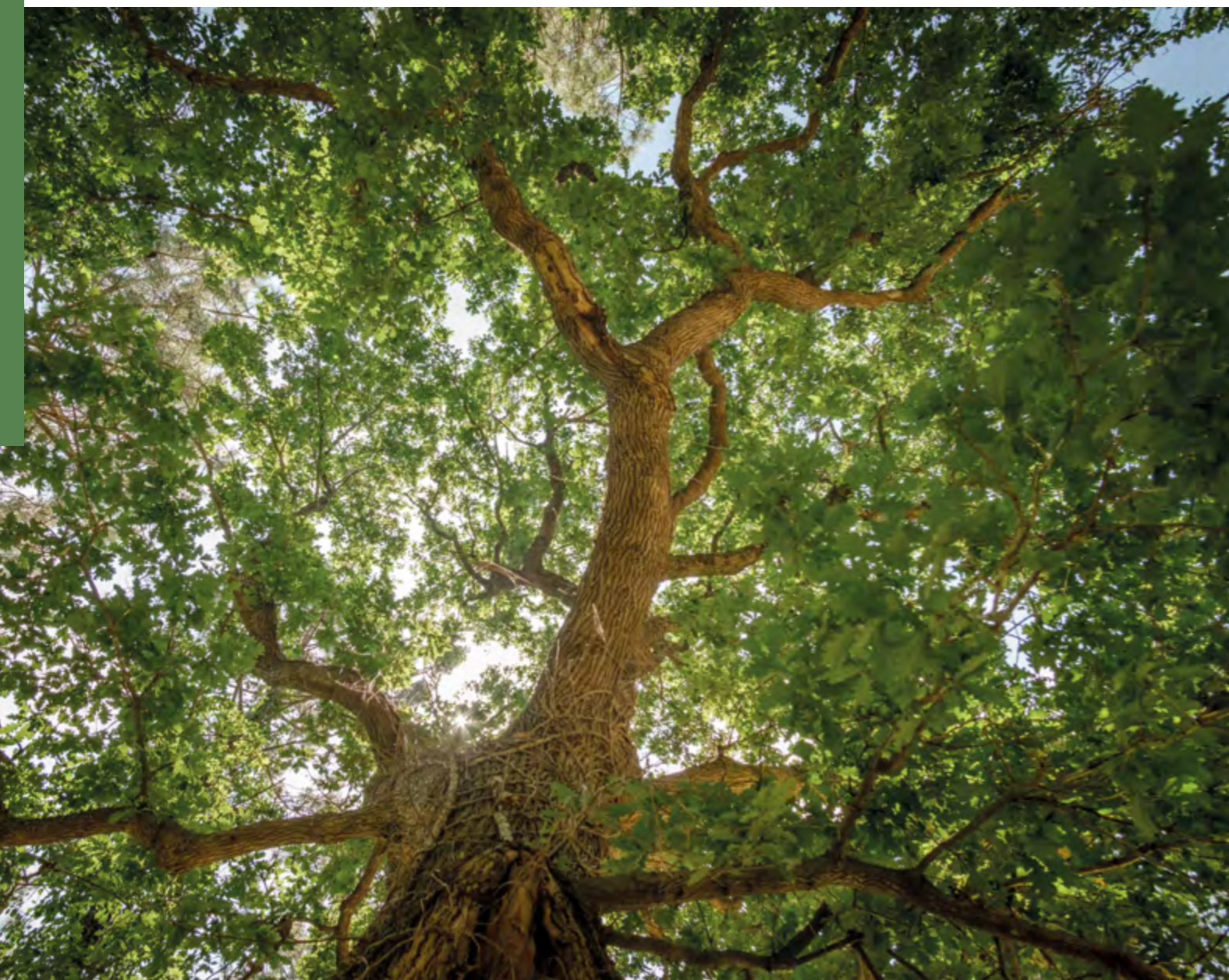
'Preserving nature' represents a major pillar of Decathlon's commitments and covers three wide scopes of action:

1_FIGHTING AGAINST CLIMATE CHANGE AND PROTECTING BIODIVERSITY

2.1_DEVELOPING MORE RESPONSIBLE PRODUCTS
2.2_COMMITTING TO MORE SUSTAINABLE CONSUMPTION

3_REDUCING WASTE AND RECYCLING

1_FIGHTING AGAINST CLIMATE CHANGE AND PROTECTING BIODIVERSITY



DECATHLON IS COMMITTED TO THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS:



PRESERVING NATURE

Our commitments for 2026

STAKES	2026 COMMITMENTS	2020	2021
Climate change	To reduce our carbon intensity by 53% (tCO ₂ e/Eur value added ¹) in scope 1, 2 and 3 by 2026 from a 2016 base year ² ↳ CO ₂ emission intensity in kg CO ₂ e per pre-tax sales	0.88 kg CO₂ eq/Eur	0.76 kg CO₂ eq/Eur
In our stores and warehouses	To reduce our absolute emissions by 90% (tCO ₂ e) in scope 1 and 2 by 2026 from a 2016 base year	-21.7%	-64.7%
	100% renewable electricity by 2026	58.7%	82.6%
At our suppliers	The supplier sites accounting for 90% of emissions associated with purchased goods and services are autonomous as regards measurement of their CO ₂ e emissions ↳ Number of autonomous production sites as regards measurement of their CO ₂ e emissions	662 sites	764 sites
	The supplier sites accounting for 90% of emissions associated with purchased goods and services define their own reduction trajectory in line with science ↳ Number of production sites with a reduction trajectory validated by Decathlon in line with science	69 sites	289 sites
	90% of our purchase volumes are produced at supplier sites that use renewable electricity ² ↳ Percentage of renewable electricity consumed by the sites	12%	33%
	90% of our purchase volumes are produced at supplier sites that have an energy efficiency project ² ↳ Number of production sites with an energy efficiency programme	20 sites	62 sites
	0 coal consumption at our Rank 1 production sites by 2025 and at our Rank 2 production sites by 2030 ↳ Number of Rank 1 production sites that use coal	37 sites	31 sites
	Industrial and local ecology at our suppliers	90% of relevant sites among our Rank 1 and 2 suppliers scored A, B or C in line with our audit grid	80.4%
Transport	<1% of our products are transported by air	4%	1.1%
Biodiversity	Drawing up of methodological guidelines and assessment indicators	In progress	
	100% of new owned stores in France are "Signature Biodiversité" certified	n/a	0%
	10% of our French real-estate base includes the Nature First approach	n/a	1%

The Transition Plan was drawn up in 2020. Some indicators have been created or modified following the deployment of strategies and will therefore be available in 2022.

1. Decathlon's commitment to reduce business intensity, validated by SBTi, is explained in "tCO₂e/Eur value added". However, for reasons of clarity and to facilitate the management of this target in the company, Decathlon manages the business intensity performances of its business units in "tCO₂e/Eur sales", and ensures a consolidated level aligned with the target validated by SBTi. - 2. Decathlon's commitment to reduce its carbon footprint is reinforced by the new Science Based Targets initiative validation, on target scope 1, 2 and 3 in September 2021. This development was validated in the second part of the year and so the information for ongoing projects will be reported in our 2021 NFRD, taking into account the performance indicators in force at the start of this period. These indicators will evolve in 2022 in line with the new Group commitments, and they will be reported in our 2022 NFRD. As an example, we have expanded the way we manage our suppliers to enable them to define their own science-based target trajectory, from a basis representing 90% of our purchase volumes to 90% of emissions associated with purchased goods and services.

CLIMATE STRATEGY AND STAKEHOLDERS

Committing to global objectives

In August 2021, the UN's Intergovernmental Panel on Climate Change (IPCC) released what is currently the most up-to-date assessment of knowledge on the physical bases of climate change¹. This alarming report highlights the unequivocal role played by human activities in global warming, as they are causing rapid changes in the atmosphere, oceans, soil, cryosphere and biosphere in every region of the world.



Given the urgency highlighted once more by the IPCC, Decathlon continues its efforts to lessen its emissions and follow the worldwide environmental trajectory to limit global warming to 1.5°C. In 2021, the company made new commitments to this effect that have been validated by the Science Based Targets initiative (SBTi)².

KEY FIGURES AS OF 31/12/2021

8.3% fewer CO₂ equivalent emissions per quantity sold compared with 2016
(8.46 kg CO₂e/product in 2021, 10.3% less than 2020)

22.1% fewer CO₂ equivalent emissions per euro of sales excluding taxes compared with 2016
(0.76 kg CO₂e/euro sales excluding taxes in 2021, 13.2% less than 2020)

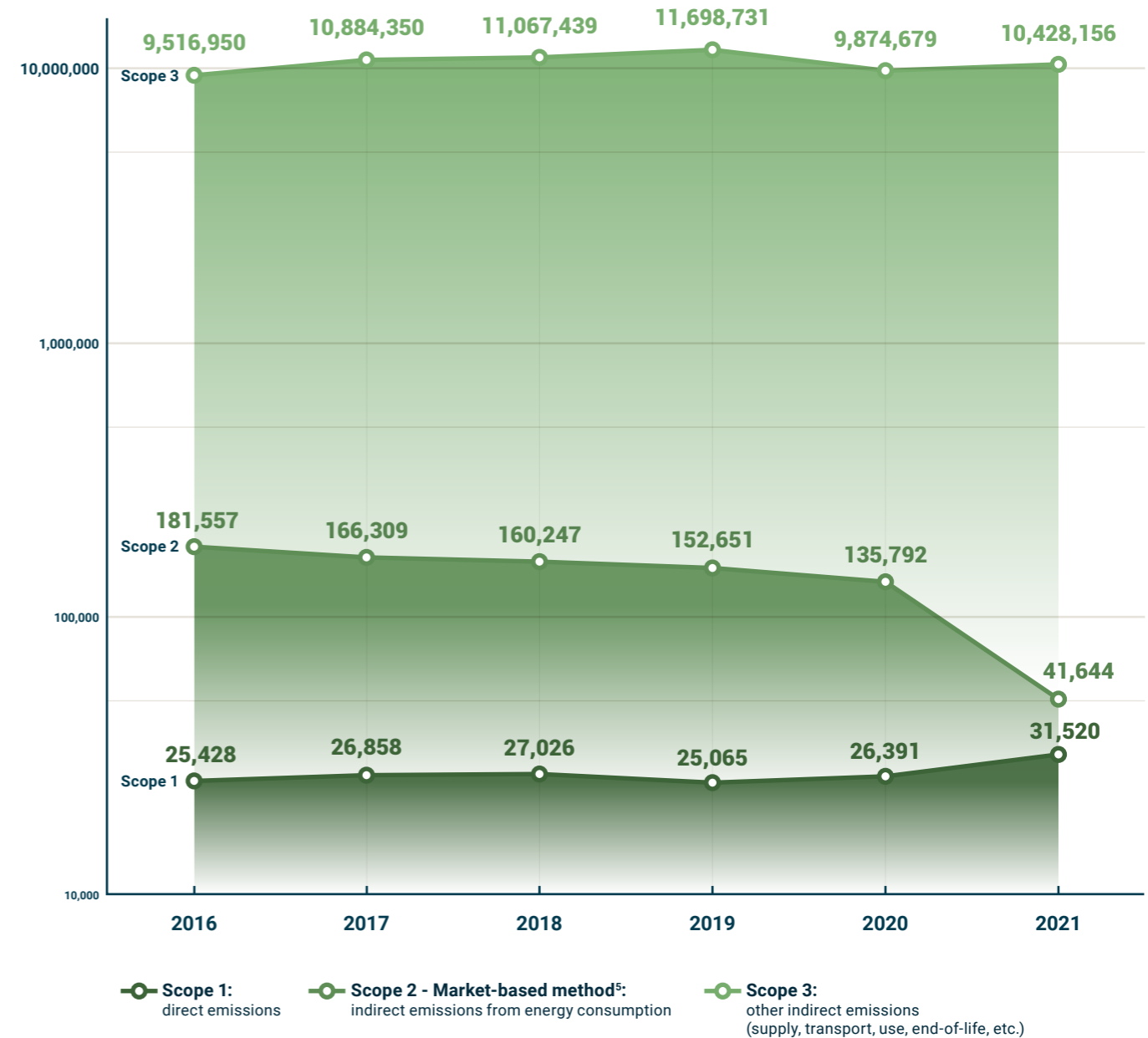
8.0% more absolute emissions compared with 2016
(10,501,320 tCO₂e in 2021, 4.6% more than 2020)

2021 HIGHLIGHTS

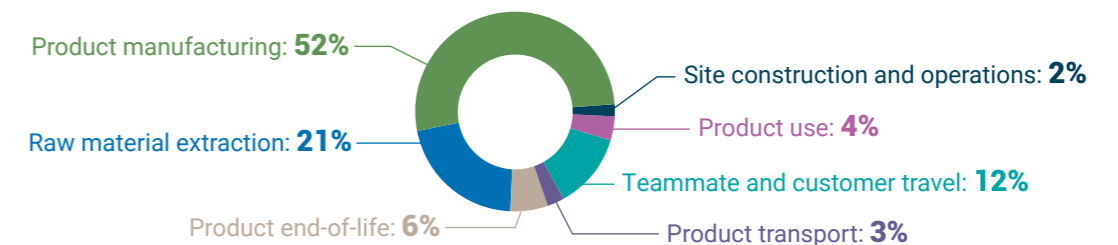
- The Science Based Targets initiative validates Decathlon's new commitments that cover its entire value chain (scope 1, 2 and 3).
- Decathlon receives a score of A- in the 2021 CDP climate questionnaire, joining companies that are considered leaders on the subject (B in 2020).
- In house, our environmental databases and calculation methods are being harmonised; this is accompanied by a shift to more efficient tools.
- Decathlon is developing an in-house climate risk assessment methodology and is continuing its efforts on the main risks it has identified.
- The company is maintaining its commitment to international initiatives (RE100, UNFCCC³ Fashion Industry Charter for Climate Action, Net Zero Initiative, etc.) to combat climate change collectively and was also an active participant in COP26.

BREAKDOWN OF OUR GREENHOUSE GAS (GHG) EMISSIONS BY SCOPE⁴ IN tCO₂e AS OF 31/12/2021

In order to make the CO₂e emission discrepancies between scope 1, 2 and 3 more understandable and comparable, Decathlon has chosen to use a graph with a logarithmic scale.



BREAKDOWN OF OUR GHG EMISSIONS FOR EACH STAGE IN THE PRODUCT LIFE CYCLE AS OF 31/12/2021



1. For more information: <https://www.ipcc.ch/about/>
 2. For more information on the Science Based Targets initiative: <https://sciencebasedtargets.org/>
 3. United Nations Framework Convention on Climate Change.

4. In 2021, the calculation method changed due to use of the new SAC 1 tool (see note 63 p.161), which meant the historical 2016-2020 data was reprocessed. In 2022, the 2016-2021 data will again be reprocessed when we begin to use the SAC 2 version. These changes in the methodology aim to make Decathlon's carbon assessment more reliable. See note 11, page 188-189, for more information.
 5. Market-based method: a method that calculates CO₂ emissions based on electricity consumption, using emission factors relating to the supplier from which the organisation has purchased its electricity.

STRENGTHENING AND DEPLOYING OUR STRATEGIES

A GOAL IN LINE WITH THE 1.5°C SCENARIO

Following Decathlon's announcement of its initial targets in 2020⁶, the Science Based Targets initiative officially validated the company's new commitments on its three emission scopes in September 2021⁷. Decathlon's commitments are in line with the global trajectory to limit global warming to +1.5°C, the IPCC's most ambitious benchmark scenario:

- **To reduce its absolute emissions by 90%** (tCO₂e) in scope 1 and 2 by 2026 from a 2016 base year;
- **To reduce its carbon intensity by 53%** (tCO₂e/Eur value added) in scope 1, 2 and 3 over the same time frame;
- **To engage suppliers accounting for 90% of emissions** associated with purchased goods and services to define their own reduction trajectory in line with science.



Emmanuel CIBLA
Climate Strategy Leader

"Bearing in mind the critical challenge and time pressure of the climate crisis, Decathlon is looking to apply and contribute to the most robust reference frameworks, in line with the recommendations of the international scientific community. In that regard, SBTi's validation of our reduction trajectory throughout the value chain is right on target. Building upon this achievement, Decathlon aims at continuing its efforts and reviewing the compatibility of its business model with a "low carbon +1.5°C" world, and it intends to embrace the opportunities provided by an economy based on optimal product use, circularity and services."

TESTIMONIAL

2021 PERFORMANCE

➔ **Full information on 2021 performance p. 160.**

90% reduction in absolute emissions (scope 1 and 2)

Between 2016 and 2021, there was a 64.7% decrease in our absolute emissions (tCO₂e) on scope 1 and 2.

- **On scope 1:** our absolute emissions increased by 24% compared with 2016, due to the increase in Decathlon's surface area after 2020, which saw the temporary closure of many sites due to COVID-19 restrictions. The impact of our natural gas consumption continues to increase in absolute terms and there was a sharp increase in emissions caused by air conditioning.
- **On scope 2 (market-based method):** despite an increase in overall electricity consumption, progress made in the purchase of renewable electricity has reduced Decathlon's impact by 77.1% on scope 2 compared with 2016. In 2021, 82.6% of the electricity consumed by the company was generated using renewable sources.

➔ **More information on the renewable energy used in stores and warehouses on p. 58.**

Therefore, the 64.7% decrease in absolute emissions (tCO₂e) on scope 1 and 2 is due to the results observed on scope 2, which accounted for 87% of the emissions on scope 1 and 2 combined in 2016.

53% reduction in carbon intensity (scope 1, 2 and 3)

In 2021, **Decathlon's economic carbon intensity on all its scopes decreased by 27.5% in tCO₂e/euro of added value and by 22.1% in tCO₂e/euro sales excluding taxes.** For practical reasons, the teams are encouraged to fulfil the SBTi commitments on the basis of this second indicator.

The 2021 performance on the tCO₂e/euro sales excluding taxes indicator can be explained by the concrete actions undertaken, by the methodological changes in consolidating Decathlon's

carbon footprint, by the effects induced by the price evolution of Decathlon products and by the characteristics of the mix of items purchased by customers:

- **Products⁸:** as economic activity rebounded and the quantities sold increased (+17%), the absolute emissions of CO₂e rose in 2021. However, thanks to Decathlon teams' efforts to reduce the impact of design, the company has been able to limit this increase to +8.0% between 2016 and 2021. The share of Decathlon's sales of Ecodesign products was multiplied by 1.8%, from 5.9% in 2020 to 10.4% in 2021. So, for products representing Decathlon's greatest impact, it is possible to see a 15.4% reduction in CO₂ emissions per euro of sales excluding taxes compared with 2016. Our encouragement of suppliers to use only renewable electricity to manufacture products has contributed significantly to this performance. It should be noted that the change in the tool consolidating the product environmental impact has led to historical data being reprocessed and also contributes in a decorelated manner to this performance of the actions Decathlon has undertaken.

➔ **More information on performance related to ecodesign on p. 77.**

- **Site construction and operation:** a significant reduction in emissions on scope 3 compared with 2016 can be observed. This is due to a decline in the number of buildings being built for new store openings.

- **Customer and teammate travel:** customer travel and teammate business trips increased between 2020 and 2021 following the easing of COVID restrictions and the resumption of business. However, thanks to the development of ecomobility and lower emission factors since 2020⁹, emissions related to customer travel and teammate business travel have decreased with respect to 2016.

➔ **More information on customer and teammate ecomobility on p. 92.**

Engagement of suppliers representing 90% of emissions

For 2021, Decathlon's performance on engaging its suppliers complies to the Transition Plan objectives in effect at the beginning of the reporting period. These relate to the perimeter of suppliers with which Decathlon has direct contractual relations. At the end of 2021, the following results can be recorded:

- 764 production sites are autonomous in measuring their CO₂e emissions (compared with 662 in 2020);
- 289 production sites have set a reduction trajectory that was validated by Decathlon in line with science¹⁰ (69 in 2020);
- 33% of the electricity used by the production sites is from renewable sources (12% in 2020)¹¹;
- Rank 1 suppliers are phasing out the use of coal: 17% of measured emissions for Decathlon's production are related to coal use, compared with 23% in 2020;
- 62 production sites have an energy efficiency programme (20 in 2020).

Decathlon expects these indicators to change in 2022 to reflect the company's new level of commitment on a perimeter that has been extended to the entire value chain upstream of the company, in line with the ambition validated by SBTi and the expectations of the Fashion Industry Charter for Climate Action sponsored by the United Nations Framework Convention on Climate Change.

➔ **More information on supplier engagement in decarbonising production on p. 60.**

CDP score

In 2021, Decathlon again answered the Carbon Disclosure Project (CDP) questionnaire¹². This time, the company was awarded an A- (leadership), an improvement over 2020 (B score), despite the stricter requirements.

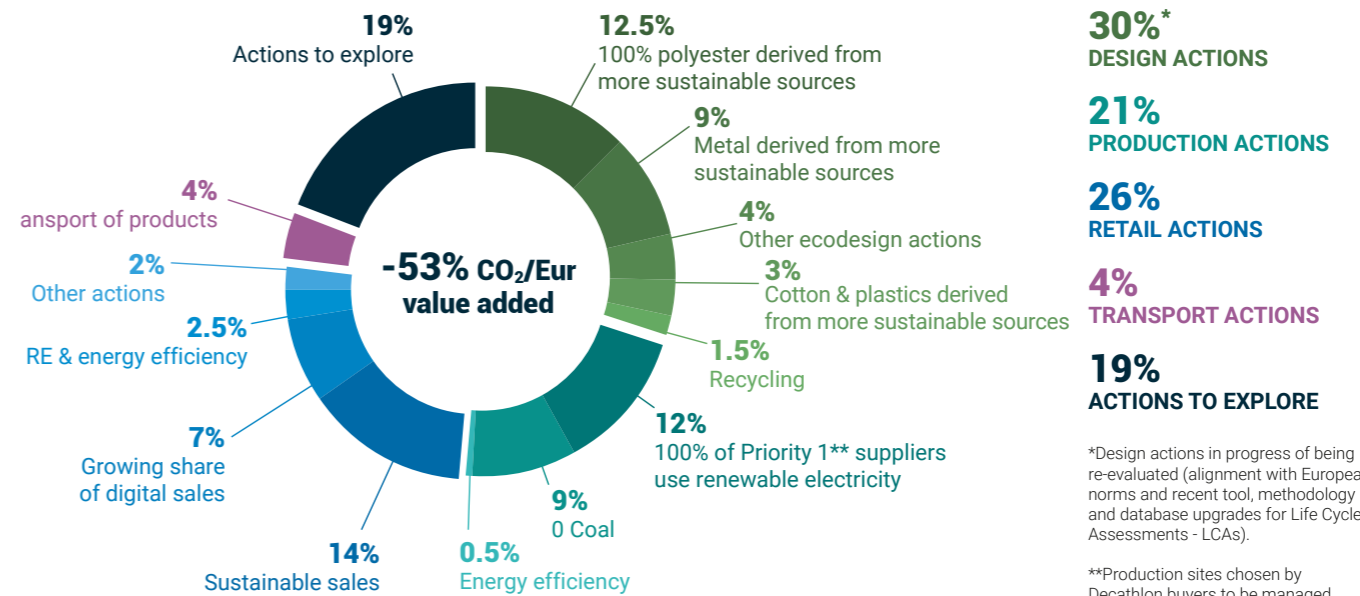
This score is based on:

- Team efforts on the level of detail assigned to the various CDP questions (in particular, opportunities related to energy transition);
- The definition of ambitious commitments validated by the Science Based Targets initiative with the integration of a target on scope 3;
- The degree of involvement in corporate governance on sustainable development issues.

The CDP also identified areas for improvement: to increase mobilisation of the value chain on the new SBTi commitments and to publish more information on climate risks¹³.

AREAS WHERE DECATHLON CAN REDUCE ITS CARBON INTENSITY

Decathlon is taking action in different areas along its entire value chain to reduce its carbon intensity by 53% on scope 1, 2 and 3 between 2016 and 2026. The following actions have been identified to contribute to this commitment:



30%*
DESIGN ACTIONS

21%
PRODUCTION ACTIONS

26%
RETAIL ACTIONS

4%
TRANSPORT ACTIONS

19%
ACTIONS TO EXPLORE

*Design actions in progress of being re-evaluated (alignment with European norms and recent tool, methodology and database upgrades for Life Cycle Assessments - LCAs).

**Production sites chosen by Decathlon buyers to be managed on decarbonisation issues.

¹⁰ Decathlon suppliers use the SBTi methodology to define their annual reduction targets.

These action plans are validated by Decathlon, each supplier sending a signed letter of commitment.

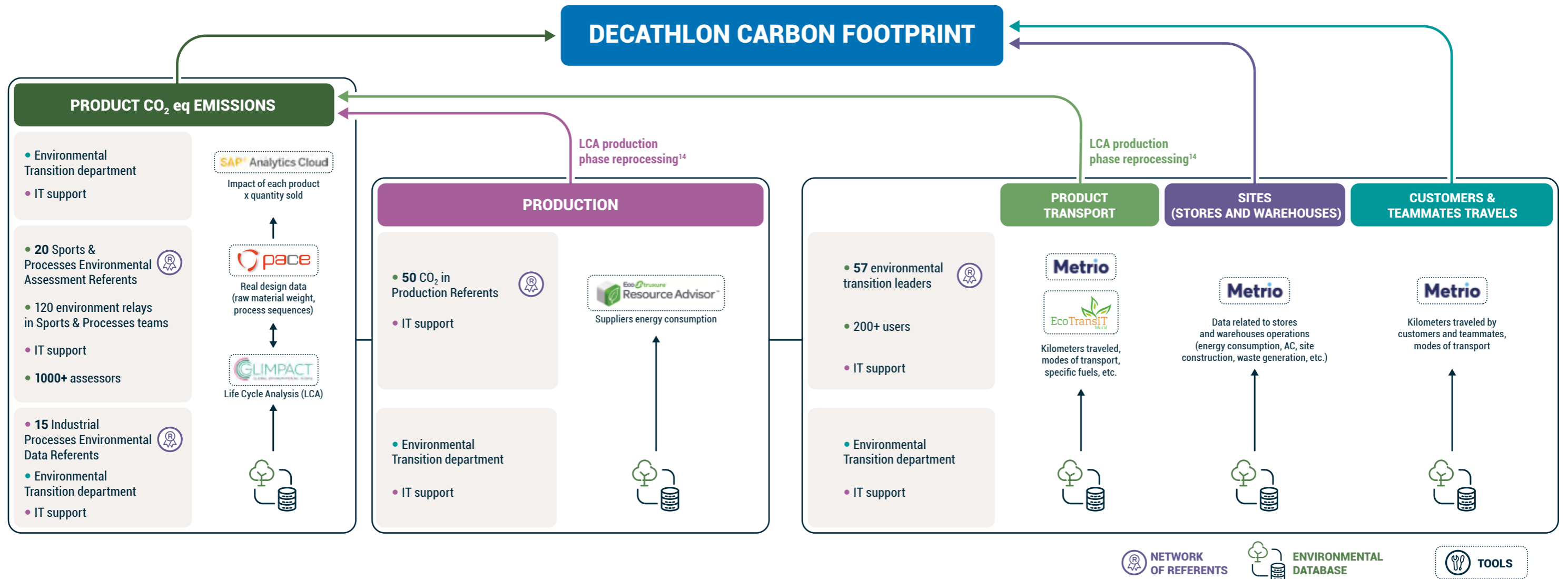
¹¹ 519 production sites were chosen by Decathlon buyers to be managed on decarbonisation issues as of 31/12/2021.

¹² For more information on CDP: <https://www.cdp.net/en>

¹³ The results of the 2021 questionnaire were published prior to the release of Decathlon's "Task Force on Climate Related Financial Disclosures" report.

⁶ For more information, see 2020 NFRD, p. 52.
⁷ The Science Based Targets initiative validated Decathlon's ambitions for scope 1 and 2 as being in line with the global commitment to limit warming to 1.5°C, the IPCC's most ambitious baseline scenario which requires global carbon neutrality by 2050. SBTi is currently developing a classification methodology for companies' scope 3 targets for the 1.5°C scenario.
⁸ Excluding transport. | ⁹ For example, the CO₂ emitted per kilometre travelled by car decreases each year.

DECATHLON CARBON FOOTPRINT



CALCULATING THE IMPACT OF OUR ACTIVITIES AND STEERING PERFORMANCE

TOWARD GOVERNANCE OF ENVIRONMENTAL DATA

In 2020, the design, production, logistics and retail teams were equipped with specific tools to improve the calculation accuracy of their business impact. This year, the focus was on harmonising the environmental databases, definitions and calculation methodologies used by these teams. In this way, Decathlon aims to establish true governance to professionalise the structuring and management of its environmental data.

Tools used by Decathlon in 2021:

- SAP Analytics Cloud¹⁵** has been used since 1 January 2021 to make Decathlon's overall environmental performance visible (emissions of CO₂e and sales realised with Ecodesign products), and enable the Sports & Processes teams to take appropriate action. In 2022, this tool will add the impact of the products measured using the Glimpact tool¹⁶;
- PACE** is an in-house tool centralising information related to article design (raw materials, industrial processes, etc.). This information is then used in Glimpact to calculate the environmental impact of all our products and components;

- Resource Advisor¹⁷** is a tool used by Decathlon suppliers to share their monthly energy consumption data: more than 900 production sites now have access to this tool and 764 use it regularly. Suppliers can enter several types of data, including energy sources (kg of coal, kWh of electricity, m³ of natural gas, etc.), as well as business-related information (number of items produced, size, weight, production process, etc.). The tool uses emission factors¹⁸ to calculate the CO₂e emissions for each production site and displays the performance of the entire panel of suppliers on interactive dashboards;
- EcoTransIT World¹⁹** is a tool developed specifically to identify the CO₂ impact of transporting Decathlon products. It provides a more accurate itemised costing, with more real data and less average or extrapolated data. It also improves reliability by reducing manual entry;

- Metrio²⁰** measures since 2020 the environmental impact of the countries in which Decathlon is present. The tool's analytical tables are used to support the implementation of environmental policies²¹. Metrio covers 90% of the impact of our store and warehouse activity²². In 2021, 34 teammates from different countries were trained to use this tool and to analyse CO₂ data. Q&A sessions were also held at each quarterly collection to assist employees in their reporting. Work has been carried out to improve the Metrio tool and reduce the risk of error. In 2022, we aim to finalise the automation of data import and improve data reliability.

A NETWORK RESPONSIBLE FOR MONITORING CO₂ EMISSIONS

Members of the CO₂ emissions monitoring network use these tools for greater autonomy and to assist them in decision-making. Each CO₂ Referent is responsible for assessing emissions and for ensuring that action is taken to reduce them. The network is composed of several groups of stakeholders at different levels of the company:

- The network of Sports & Processes Environmental Assessment Referents:** about twenty people are responsible for training component and product engineers in using

the PACE tool for the environmental assessment of sports articles;

- The network of Industrial Processes Environmental Data Referents:** about fifteen people are responsible for selecting Decathlon's most representative production environmental data. If this data is not available in public databases, the Referents work with the company's suppliers and independent design offices specialising in life cycle analysis to develop data in accordance with European requirements;
- The network of CO₂ in Production Referents:** 50 people are responsible for monitoring suppliers' energy measurement and their Science Based Targets commitments, and for monitoring action plans to reduce the carbon impact in production;
- Country environmental transition leaders:** 57 people are responsible for measuring CO₂ emissions and for actions to reduce them. To support this network, Decathlon created a regional CO₂ Referent role in 2021, to improve local expertise and autonomy in four specific geographical areas. The goal is to appoint a local Referent for each of these areas by the end of 2022.

14. Reprocessing is intended to replace data estimated in product ACV generated during design with data measured using internal tools when available.

15. More information on SAP Analytics Cloud: <https://www.sap.com/>

16. More information on Glimpact on p. 75.

17. More information on Resource Advisor:

<https://www.se.com/fr/fr/work/services/energy-and-sustainability/energy-and-sustainability-software/energy-management-software-resource-advisor.jsp>

18. Emission factors translate energy use into greenhouse gas emissions. They depend on the country and energy source.

19. For more information on EcoTransIT World: <https://www.ecotransit.org/en/>

20. For more information on Metrio: <https://www.metrio.net/>

21. As a French company, Decathlon is legally obligated to calculate and report the carbon footprint of each subsidiary: Carbon footprint per legal entity – French law.

22. Based on real or estimated data, see methodological note on p. 163.

MEASURING RISKS TO WORK ON ADAPTATION SCENARIOS

Following initial theoretical work modelling climate risks and opportunities by EcoAct²³ in 2020, Decathlon decided to develop a new in-house methodology this year, **to identify and study more deeply the issues** along its entire supply chain that are specific to the company. Begun in 2021, this methodology was then presented to the *Agence de la Transition Ecologique* (ADEME)²⁴ in France and to the *Oficina Española de Cambio Climático* (OECC)²⁵, the governing body of Spain's ministry of Ecological Transition and Demographic Challenge.

The goal is to assess the company's main vulnerabilities and to map climate risks so the company can anticipate their management and reduce their direct impact. The positive feedback from ADEME and OECC (working together in a working group as part of a consultation process), encouraged Decathlon to implement this methodology, which incorporates the risk of maladaptation²⁶ for the first time. It will be launched in 2022.

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Sergio GONZÁLEZ

Climate Change Adaptation Leader,
Decathlon United

"To minimise our vulnerability and avoid falling into the traps of maladaptation, we need to strike the right balance between mitigation strategies (reducing emissions) and adaptation strategies (reducing vulnerability). As the climate changes, certain adaptation measures such as the greater use of air-conditioning, can be counterproductive. By deepening our analysis of risks and opportunities, we acquire knowledge that will enable us to make better decisions about business sustainability and protecting the planet. We also need to bear in mind that the measures we implement could always have an impact on people. In this way, adaptation has a fundamentally social dimension."

In addition to developing a new methodology, Decathlon continued working on the risks and opportunities identified in 2020, focusing particularly in 2021 on issues related to water and rising temperatures:

1. Water scarcity in the supply chain: the decline in the availability of water for manufacturing will lead to a direct increase in production costs and supply difficulties for suppliers. In 2020, Decathlon conducted a first study with its partner suppliers that revealed that fourteen of them are at an extremely high risk of water depletion by 2030 under the RCP 8.5 scenario²⁷. To lessen this vulnerability in the supply chain and to find adaptation options, we launched various water management projects in 2021. One of these is the Sustainable Textile Processing project co-constructed by several of Decathlon's industrial process teams to determine the best balance between directly reducing the amount of water used and the energy consumption required for water treatment. To develop new industrial practices in production, Decathlon added specific questions to its environmental audit grid²⁸ to encourage its suppliers to accurately and regularly assess their water consumption, as well as setting up closed-circuit recycling and use systems.

2. Global temperature increases: rising temperatures are affecting operational activities at our suppliers, on the logistics chain and in stores. So, Decathlon needs to work to mitigate the direct impacts of this phenomenon, which could lead to a greater need for air conditioning. Under the RCP 8.5 scenario, 95 stores, four warehouses and 22 of our partner suppliers are currently at extremely high risk of heat waves. To address this risk, the company launched a survey in 2021 of internal best practices related to building insulation and store and warehouse energy efficiency.

PARTICIPATING IN INTERNATIONAL INITIATIVES

To take action to collectively combat climate change, Decathlon has been involved in international initiatives and coalitions³⁰ for several years, including:

Contributing to global carbon neutrality:



Commitment standards:



Evaluation and reporting standards:



More information on these initiatives and coalitions on p. 137.

In November 2021, Decathlon was also an active participant at the 26th Conference of Parties³¹ (COP26) in Glasgow. Ahead of the event, Decathlon and 778 other companies signed an open letter published by the We Mean Business coalition, calling on G20 leaders to take urgent action to limit global warming to 1.5°C³². At the France pavilion in Scotland, several members of Decathlon's environmental transition team spoke at round tables about the role companies play in contributing to carbon neutrality³³ and the decarbonisation of the value chain (Climate Group)³⁴. As a signatory of the Fashion Industry Charter for Climate Action sponsored by the United Nations Framework Convention on Climate Change, Decathlon also contributed to drafting the new version of the charter published for this global event³⁵. Finally, the company's representatives at COP26 contributed to awareness-raising activities through the organisation of "The Climate Fresk"³⁶ and "2tonnes"³⁷ workshops, and their participation to a conference on employee engagement organised by the New York Times Climate Hub³⁸.



30. More information on these initiatives on p. 137.

31. For more information on COP26: <https://www.un.org/fr/climatechange/cop26/> | 32. For more information on the open letter: <https://www.wemeanbusinesscoalition.org/g20-2021>

33. For more information on the round table: <https://ademe.smarshare.com/app/microblog/#/61892b9dccbdf600010f15bf> - Watch a replay of the round table here: <https://www.youtube.com/watch?v=MOur4Yu9dRk&list=PLoW8sG5JRWIVW13DoUS0XyT80bF58Wkd9&index=5> | 34. For more information on the Climate Group: <https://www.theclimategroup.org/>

35. More information on this charter p. 62. | 36. For more information on "The Climate Fresk": <https://fresqueduclimat.org/> - More information on p. 91.

37. For more information on the "2tonnes" workshop: <https://www.2tonnes.org/> | 38. For more information on the New York Times Climate Hub: <https://climatehub.nytimes.com/> - Watch a replay of the conference here: <https://www.youtube.com/watch?v=UA4FVNSmm4s>

23. For more information on EcoAct: <https://eco-act.com/> - More information on p. 54 of 2020 NFRD.

24. For more information on ADEME: <https://www.ademe.fr/en/frontpage/> | 25. For more information on OECC: <https://bit.ly/OECCesp>

26. Maladaptation is a term used to define an adaptation process that results directly in the increased vulnerability to climate variability and change and/or an impairment in existing and future capacities and prospects for adaptation.

27. RCP 8.5: The "Representative Concentration Pathway" 8.5 scenario, as defined by the IPCC, is based on no reduction in emissions, which would lead to an average increase in global temperature of between 2.6°C and 4.8°C.

28. More information on environmental audits on p. 62. | 29. For more information on the TCFD: <https://www.fsb-tcfd.org/>

30. More information on these initiatives on p. 137.

31. For more information on COP26: <https://www.un.org/fr/climatechange/cop26/> | 32. For more information on the open letter: <https://www.wemeanbusinesscoalition.org/g20-2021>

33. For more information on the round table: <https://ademe.smarshare.com/app/microblog/#/61892b9dccbdf600010f15bf> - Watch a replay of the round table here: <https://www.youtube.com/watch?v=MOur4Yu9dRk&list=PLoW8sG5JRWIVW13DoUS0XyT80bF58Wkd9&index=5> | 34. For more information on the Climate Group: <https://www.theclimategroup.org/>

35. More information on this charter p. 62. | 36. For more information on "The Climate Fresk": <https://fresqueduclimat.org/> - More information on p. 91.

37. For more information on the "2tonnes" workshop: <https://www.2tonnes.org/> | 38. For more information on the New York Times Climate Hub: <https://climatehub.nytimes.com/> - Watch a replay of the conference here: <https://www.youtube.com/watch?v=UA4FVNSmm4s>

ACTIONS IN STORES AND WAREHOUSES

Improving our buildings' environmental performance

According to the latest report by the Global Alliance for Buildings and Construction (GlobalABC), hosted by the UN Environment Programme (UNEP), the construction sector represented 37% of energy-related emissions in 2020³⁹. While the COVID-19 pandemic led to significant decreases in CO₂ emissions from buildings and construction, this report warns of the lack of real transformation in the sector.

As economic activity starts up again, a significant increase in emissions is likely if no effort is made to decarbonise buildings and improve their energy efficiency. Recognising the crucial importance of this issue in the fight against climate change, Decathlon committed to **100% renewable electricity by 2026** and launched a new international sustainable real estate strategy in 2021.

KEY FIGURES

AS OF 31/12/2021

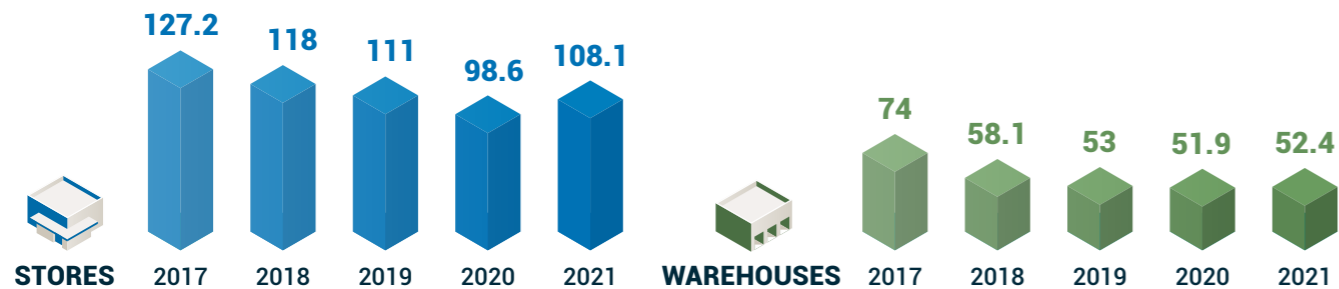
-64.7% CO₂ emissions on scope 1 and 2 (compared to 2016, -21.7% in 2020)

82.6% of electricity from renewable sources (58.7% in 2020)

26.9% of owned stores sales area with environmental certification (21.6% in 2020)

CHANGE IN ENERGY CONSUMPTION - STORES AND WAREHOUSES

PER YEAR WORLDWIDE, IN KWH/M², AS OF 31/12/2021



2021 HIGHLIGHTS

- Decathlon is developing its first sustainable real estate strategy at the United level, as well as establishing initial experiments on renewable energies on site (photovoltaic panels) and on the environmental certification of clean buildings.
- Nine new countries/regions joined Decathlon's commitment in 2021, enabling the company to reach 82.6% electricity from renewable sources (mainly through the purchase of Guarantees of Origin certificates).

IMPLEMENTING A NEW SUSTAINABLE REAL ESTATE STRATEGY AT THE UNITED LEVEL

To achieve its "100% electricity from renewable sources in stores and warehouses" and "environmental certification for 100% of owned buildings for which this is possible" targets by 2026, Decathlon has developed a new United-wide strategy and launched initial testing in 2021. This strategy will first be deployed for stores and warehouses owned by the company, followed by leased buildings. Priority is given to:

- 1 - Accelerating the environmental certification of stores and warehouses:** Decathlon is focusing on international certifications for its buildings and more specifically on EDGE (Excellence in Design for Greater Efficiencies) certification⁴⁰; this is a programme developed by the International Finance Corporation, a member of the World Bank group. Of the 356 stores owned by Decathlon, 101 have already received certification (LEED, BREEAM, HQE, EDGE, etc.). In 2021, four leased stores (three in Malaysia, one in India) underwent testing for EDGE certification;

- 2 - Installation of photovoltaic panels on site through Power Purchase Agreements (PPA):** in 2021, Decathlon launched an experiment with an external partner to install solar panels at six stores in China and five in India, for which PPAs are being negotiated. The goal is to build on the results of these first tests to speed up the installation of photovoltaic panels on site, to ensure that most of the buildings owned by Decathlon can be equipped with them. These programmes can then be complemented at a later time with off-site renewable energy solutions;

- 3 - Biodiversity:** Decathlon is conducting regulatory monitoring to anticipate future local legislation on biodiversity. In 2022, our teams plan to define a trajectory to reduce Decathlon's impact on biodiversity in countries that are subject to new laws.
➔ **More information on p. 66.**



Glauber FECCHIO

Real Estate Sustainable and Procurement Leader

"For the first time, Decathlon has adopted an international strategy to make its stores and warehouses more sustainable: this is a big step for our company! In 2021, we focused on building a solid foundation for matters of renewable energy, environmental certification, biodiversity and centralised purchasing. At the same time, we launched several experiments for both our owned and leased buildings to test the feasibility of this new strategy. In 2022, our objective will be to build on these experiments, increase the number of certified stores and sign as many power purchase agreements (PPAs) as possible. Today, it is essential that Decathlon works harder on these issues internationally, both to preserve the environment and to protect our company's viability."

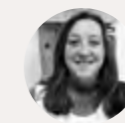
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CHOOSING RENEWABLE ENERGIES

Energy consumption is at the heart of all of Decathlon's activities. In 2020, Decathlon committed to use 100% of electricity from renewable sources in its direct activities by 2026 in its efforts to limit its impact on the planet.

In 2021, nine new countries/regions joined us on this path, enabling Decathlon to **reach 82.6% renewable electricity** compared with 58.7% in 2020 (mainly through the purchase of Guarantees of Origin certificates). Decathlon has put in place various international actions to achieve this result: for example, several stores were equipped with solar panels in Portugal (four stores) and Thailand (two stores). In China and Russia, the company purchased Guarantees of Origin for 100% of the electricity consumed. This is currently the easiest and fastest solution to implement, given local legislation in both countries; studies are also under way to install solar panels and develop power purchase agreements (off-site PPA).

9 new countries/regions have committed to electricity consumption from renewable sources: Brazil, China, Croatia, Philippines, Portugal, Romania, Russia, Taiwan and Thailand.



Emma WOOLLEY

Renewable Energy Project Manager

"Despite the lockdowns and the pandemic-induced store closures, we made our greatest progress this year towards fulfilling our commitment to '100% renewable electricity by 2026'. In fact, we increased our renewable electricity from 58.7% in 2020 to 82.6% in 2021! Nine new countries/regions joined us this year, including China and Russia. These two countries alone account for 17% of Decathlon's total electricity consumption, so their commitment marks a real turning point for us. These results were made possible thanks to the hard work of each of these countries' renewable energy managers and environmental transition leaders who have invested in renewable electricity solutions locally."

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³⁹. For more information: <https://www.unep.org/resources/report/2021-global-status-report-buildings-and-construction>

⁴⁰. For more information on EDGE: <https://edgebuildings.com/>

SUPPLIER ENGAGEMENT

Encouraging our suppliers to adopt more environmentally friendly practices

In 2021, 73% of Decathlon's total CO₂ emissions were derived from the extraction of raw materials and the production stages required to manufacture sporting goods. To contribute to the global effort to carbon neutrality by 2050, it is essential that Decathlon works with its suppliers to reduce its footprint along its entire value chain. Since the energy used in production worldwide is still generated primarily using fossil fuels (coal, gas, oil), Decathlon decided in 2017 to assist its suppliers in their transition. To monitor their emissions, suppliers measure their carbon footprint every month using the Resource Advisor tool, which is now being used by 764 production sites (up from 662 in 2020). Since 2019, Decathlon has been working to engage its suppliers in setting emission reduction targets using the Science Based Targets initiative criteria and has made this commitment a pillar of its decarbonisation strategy.

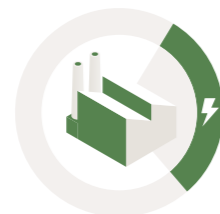
In order to reduce the risk of pollution that may affect the health of the local populations and to maintain the practice of sports in its production areas, Decathlon is also committed to the ongoing reduction of environmental impacts caused by the production of Signed Sports products. To achieve this goal, the company must address the issues arising from the use of resources, the industrial contamination of water, soil and air, and CO₂ emissions jointly with its suppliers.

This is why Decathlon conducts environmental audits at its 248 supplier production sites that present the greatest risk and that generate more than 50 cubic metres of wastewater per day due to their industrial processes (dyeing, leather tanning, textile printing, surface treatments and metal painting, for example).

KEY FIGURES⁴¹ AS OF 31/12/2021

764
production sites are measuring their CO₂e emissions
(662 in 2020)

289 production sites have set a reduction trajectory that was validated by Decathlon in line with science
(69 in 2020)



33% of the electricity used on production sites is of renewable origin
(12% in 2020)

2021 HIGHLIGHTS

- The Science Based Targets initiative has validated Decathlon's new climate targets directly related to scope 3 and its suppliers' emissions.
- 33% of the electricity used on Decathlon suppliers' production sites is of renewable origin (12% in 2020).
- Decathlon has strengthened its commitments to eliminate the use of coal by also involving its Rank 2 suppliers.
- Decathlon has updated its audit grid and revised its Code of conduct to incorporate stronger requirements vis-a-vis its suppliers.
- Two years of pandemic, new audit grid requirements and a new calculation method are impacting our panel's performance: 77% of our Rank 1 and Rank 2 suppliers' production sites were rated A, B or C for environmental management at the end of 2021, down 4.2% from 2020.

SUPPORTING OUR SUPPLIERS IN DECARBONISING PRODUCTION

AN AMBITIOUS NEW REDUCTION TRAJECTORY

After Decathlon's first climate target was validated by the Science Based Targets initiative in 2020 for suppliers representing 90% of our purchasing volumes, the company decided to increase its ambitions and to expand its scope of action in 2021.

In September 2021, the Science Based Targets initiative officially validated Decathlon's new emissions reduction trajectory along its entire value chain⁴². Two objectives are directly related to scope 3 and the activities of the company's suppliers:

- To reduce its **carbon intensity by 53%** (tCO₂e/Eur value added) in scope 1, 2 and 3 between 2016 and 2026;
- To engage **suppliers accounting for 90% of emissions** associated with purchased goods and services to define their own reduction trajectory in line with science.

Following the announcement of this new trajectory, Decathlon held a webinar to explain its new climate ambitions to its buyers and to members of the production network⁴³.

Now, the priority is to map the scope of action to identify, for each product family, the steps in the manufacturing process and the suppliers representing 90% of emissions associated with Decathlon's product and service purchases.

RENEWABLE ENERGIES IN PRODUCTION

Our production sites must use renewable energy sources if we are to drastically reduce the CO₂ impact of Decathlon products.

In 2021, the consumption of renewable energy in production more than doubled: **33% of the electricity used on the production sites of Decathlon suppliers is of renewable origin**, compared with 12% in 2020⁴⁴.

Manufacturing and industrial processes teams worked hard with their supplier panel to progress on this issue in 2021. This is the case of the **footwear industrial process, where more than 90% of the electricity consumed by Rank 1 suppliers is now generated using renewable sources**.

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Ambreen TABASSUM

Sustainable Development Operational Process Manager, Decathlon Bangladesh

"Production decarbonisation is a project that is particularly important to me, so I am very pleased to be involved in a mission that is so meaningful for Decathlon and our planet. In 2021, our project made significant progress in Bangladesh: we were able to get 23 of our 26 Rank 1 suppliers to commit to their Science-Based Targets trajectories. Five of them have installed solar panels on their sites and 17 are working on feasibility studies with GIZ⁴⁵ to generate electricity on site. We are also cooperating with other brands in the sector and with the United Nations Development Program to establish power purchase agreements (PPA), as well as other solutions supported by local legislation to use more renewable energy sources and to be aligned with our mission: to be useful to people and to their planet."

STRONGER COMMITMENTS ON ELIMINATING THE USE OF COAL

In 2021, 17% of the emissions measured on the sites of Decathlon's Rank 1 suppliers were linked to coal use, compared with 23% in 2020. In order to increase its efforts to eliminate this highly polluting fuel, and having already committed to do so for its Rank 1 suppliers by 2025, Decathlon has set a new target to **eliminate all coal use by Rank 2 suppliers by 2030**. To fulfil this commitment, teams have conducted feasibility and costing studies for most of the production sites that currently use coal and are now working on reduction trajectories.

ESTABLISHING ENERGY EFFICIENCY PROGRAMMES

In order to reduce the impact of its suppliers emitting the most CO₂, Decathlon is helping them analyse their energy maturity and then implement suitable efficiency programmes.

In 2021, priority was given to energy audits conducted with the assistance of external organisations:

- In particular, Decathlon worked with the Apparel Impact Institute⁴⁶ to enable ten of its suppliers in the textile sector to participate in the Clean by Design programme to reduce the environmental impact of this industry;
- Reset Carbon assessed the energy maturity of seven suppliers in the footwear industrial process and 24 suppliers in the textile process. Using this analysis, it was possible to identify energy efficiency actions and related potential gains.

A team of Decathlon engineers also launched the "Sustainable Textile Processing" project, which supported 23 suppliers having the highest energy consumption in 2021. Through this project, actions to optimise processes and reduce energy losses were implemented.

⁴². More information on Decathlon's new emissions reduction trajectory p. 52.

⁴³. More information on p. 55: "A network responsible for monitoring CO₂ emissions".

⁴⁴. 519 production sites were chosen by Decathlon buyers to be managed on decarbonisation issues as of 31/12/2021.

⁴⁵. For more information on GIZ: <https://www.giz.de/en/html/index.html>

⁴⁶. For more information on the Apparel Impact Institute: <https://apparelimpact.org/>

⁴¹. Because Decathlon's new emission reduction trajectory was validated by the SBT initiative in the second half of the year, the company performance monitoring published in the 2021 NFRD is based on the indicators in effect at the beginning of the reporting period. These indicators will change in 2022 to reflect Decathlon's new level of commitment and will be used in the 2022 NFRD.



Tristan LOUIS

"Decarbonising our Production" project leader

"The energy used by industry is one of the most important levers Decathlon can use to reduce its carbon impact. Since 2020, the sharp increase in emissions measurements at our suppliers and the implementation of Science-Based Targets objectives has enabled us to set ambitious trajectories for production, including reducing CO₂ emissions as an absolute value: I am very proud of this. Our suppliers are working with us and have taken actions to optimise their consumption, modify their energy mix and move away from the most polluting sources of energy. But all of this would not have been possible without the 50 or so Decathlon teammates, CO₂ Relays in the countries of production, who assist these suppliers on the ground and who are driven by this same desire to reduce our impact."

PARTICIPATING IN INTERNATIONAL INITIATIVES TO LIMIT THE IMPACT OF PRODUCTION ON THE ENVIRONMENT

Decathlon is involved in several international initiatives⁴⁷ to work collectively to limit the impact of production on the environment. Several achievements can be mentioned for 2021:

- **UNFCCC:** as a signatory to the Fashion Industry Charter for Climate Action since 2019, Decathlon participated in drafting the new version published for COP26. This version increases the commitments of textile brands in fighting climate change. Decathlon also participated in a working group under the auspices of the United Nations Framework Convention on Climate Change to develop online training for suppliers. This "Climate Action Training for the Fashion Industry" consists of five modules dedicated to climate change, greenhouse gas emissions, their measurement, trajectory setting and reporting, and energy efficiency and renewable energy solutions. Six of Decathlon's suppliers attended this course in three pilot countries before the modules were made available to everyone;
- **GIZ:** Decathlon and the German international cooperation agency for development (*Gesellschaft für Internationale Zusammenarbeit – GIZ*) are pooling their expertise to speed up the elimination of coal use by industrial companies. Several Decathlon suppliers have been put in touch with GIZ for technical feasibility studies aimed at replacing coal with biomass, for example;
- **ZDHC:** to help its suppliers to develop their risk management skills for the chemicals used in plants and for wastewater treatment, Decathlon's teams actively worked on its application for membership in the Zero Discharge of Hazardous Chemicals initiative, which the company will obtain in January 2022.

CONDUCTING ENVIRONMENTAL AUDITS

KEY FIGURES
AS OF 31/12/2021



248 Rank 1 and 2
production sites underwent
environmental audits
(255 in 2020)

77% of relevant sites for our Rank 1
and Rank 2 suppliers were rated A, B or C
for environmental management
(80.4% in 2020)

DECATHLON'S AUDIT SYSTEM

Why conduct audits on environmental standards?

To protect the health and safety of populations living or working near production sites and plants, and to preserve the local environment (from waterways to air quality). The aim is to mitigate the impact of Decathlon's production on the environment.

What kind of suppliers are subject to environmental audits?

To identify the relevant production sites, Decathlon has chosen an indicator based on the quantity of wastewater generated per day per site. The teams consider that sites **generating more than 50 m³ of industrial wastewater are at a high risk of environmental pollution**. This is because high water use goes hand in hand with high chemical consumption, which poses a risk of direct pollution and endangers the health of local populations. This use also requires greater energy resources with the potential emission of pollutants.

Today, the countries with the most sites involved in environmental management are China, Bangladesh, India and Vietnam.

However, this indicator will change in 2022 to target two objectives:

- **Expand the scope of the sites undergoing environmental audits**, in order to add new industrial processes with low water consumption but high environmental risk;
- **Enable better control of environmental risks.**

How are audits performed? And by whom?

In each of its countries of production, Decathlon deploys OPM SD (Operational Process Manager Sustainable Development) Referents in charge of leading sustainable development projects within the plants. Some of them are dedicated to environmental management and have been trained to conduct environmental audits. In 2021, there were 16 such referents. Part of these audits are conducted by them in-house, while another part is carried out externally by a firm of experts applying identical standards. The external firm is also responsible for the air and water quality tests carried out during each audit and for their analysis.

How are they scored?

Production sites are assessed based on a single environmental audit grid with five levels: A, B, C, D and E. Decathlon requires its suppliers to obtain a minimum score of C. If they are assigned a D, the supplier has a period of six months to a year to take corrective action. If they receive an E related to an immediate risk of pollution for the environment, actions are instantly implemented and can include immediate suspension of production until the problem is resolved. The scores are then published within the company to obtain an overall Decathlon United vision, then by country and finally by process.

➔ **More information on the purchasing strategy, audit system and production skills on p.29.**

EVOLUTION OF THE AUDIT GRID AND THE CODE OF CONDUCT

To meet its environmental goals, Decathlon raised its requirements on existing chapters and added two new themes to its audit grid in 2021: **environmental risk governance and energy management**.

So, Decathlon now focuses on verifying five main topics:

- 1 - **Environmental risk governance:** suppliers must put in place a robust governance system that enables the effective management of environmental risks. This system assesses management organisation, environmental policies, continuous improvement strategies and the supplier's ability to detect and mitigate their potential risks through regular self-assessments and the implementation of corrective action plans;
- 2 - **On-site industrial wastewater treatment:** discharged industrial wastewater must comply with Decathlon requirements and local regulations. If there is a discrepancy between local standards and our specifications, we apply the stricter rule. With the updated audit grid, requirements for recycled water quantities are now stricter and accurate monitoring of used quantities is required;

3 - **Hazardous waste management** (chemical, bio-chemical, electrical or production): hazardous waste must be stored in specific areas, protected from weather events (rain and sun), and pose no risk of a leak reaching groundwater, the main sources of drinking water. In 2021, Decathlon increased its expectations regarding chemicals by requiring accurate tracking of the quantities of hazardous waste entering plants and generated by the supplier;

4 - **Air pollution:** the release of fine particles, harmful gases (NO_x and SO_x) and other types of gaseous pollutants into the atmosphere must be limited and suitable filtration systems must be installed in the plants. To clarify its requirements, Decathlon published a guide in 2021 establishing the maximum recommended release level according to the energy sources used (coal, biomass, refined oil and gas);

5 - **Energy management:** CO₂ emissions must be measured on scope 1 & 2, and long-term strategies must be put in place to align emission reduction trajectories with science and with the goal of limiting global warming to 1.5°C.

Several webinars were held throughout the year for production teammates to help them best support our suppliers in understanding the new grid.

Decathlon published a new version of the Code of conduct⁴⁸ following this update, and it now includes the company's decarbonisation expectations: it presents Decathlon's minimum requirement (corresponding to a C score on the grid) and its goal for its suppliers' production sites (B score) for each subject.

PERFORMANCE OF OUR PANEL OF SUPPLIERS IN 2021

In 2021, **77% of the relevant sites for Decathlon's Rank 1 and 2 suppliers rated A, B or C on a scale ranging from A to E**. The audit reflects a situation at a given time, which makes it possible to identify short, medium and long-term improvements at the production site.

Because of the COVID-19 crisis, some suppliers could not be audited in 2020. In a concern for transparency and reliability, Decathlon decided this year to remove all production sites that are overdue for an audit by more than a year from the list rated A, B or C. This new method of calculation and the higher requirement in our new audit grid explain the apparently poorer results this year. In 2021, it became more difficult for production sites to improve from a D to a C. During the year, production teammates worked hard to maintain ties with Decathlon's suppliers and to guide them toward more sustainable development, as reflected by the number of audits performed in 2021 that exceeded the pre-crisis level despite the continuation of health restrictions.

⁴⁷. More information on these international initiatives on p. 137.

⁴⁸. Decathlon's Code of conduct is available at: <https://sustainability.decathlon.com/legal-documents>

TRANSPORT AND LOGISTICS

Decarbonising the transportation of goods

Currently, the transportation of Decathlon products accounts for 3% of Decathlon's overall carbon impact. At a time of strong digital growth, the emerging business model must take into account both small - and large-scale transport as well as storage constraints and opportunities.

As pandemic restrictions are being eased, international transport is subject to strong pressures, particularly financial ones. Through sustained education and leadership, we must maintain our positions and commitments in the Transition Plan. Local decisions are fundamental on this subject and are guided by sustainability leaders. These decisions allow a global vision of both the set of constraints and the solutions to be applied.

KEY FIGURES AS OF 31/12/2021

74 logistics warehouses worldwide

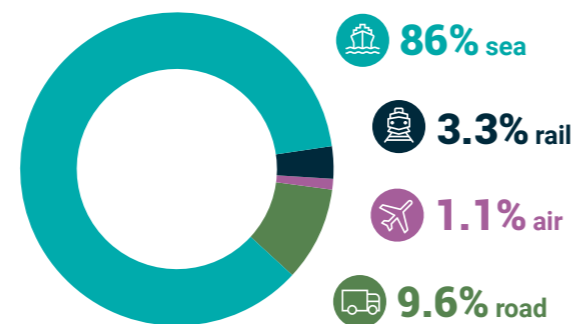
6 warehouses have received environmental certification⁴⁹

39% low-carbon kilometres for product transport in Europe (20% in 2020)

198 grams of CO₂ generated per article worldwide (242 grams in 2020 in Europe)⁵⁰

BREAKDOWN OF THE QUANTITIES OF FINISHED PRODUCTS TRANSPORTED PER MODE OF TRANSPORT USED

AS AT 31/12/2021



2021 HIGHLIGHTS

- Decathlon continues to renegotiate contracts with international carriers, to work towards low-carbon transport⁵¹. Local solutions allow a variety of solutions that are compatible with our low-carbon ambition: hybrid, electric motorcycles, bicycles for e-commerce and electric trucks.
- Measurement reliability has increased, thanks to the guidance of environmental transition leaders in the countries.
- CO₂ trajectories are being written in each country with a better understanding and use of the indicator and a general usage of the Metrio tool.

DEFINING THE GLOBAL STRATEGY AND LEADING TEAMS LOCALLY

DEFINING DECATHLON'S LOCAL CO₂ TRAJECTORIES

In order to steer global performance to reduce greenhouse gas emissions, Decathlon must be able to define a trajectory using a set of data. The quality of this data is crucial for the impact of decisions. Since 2019 therefore, the company has focused on improving the reliability of its data, using a selection of tools and management of the people in charge of its collection, at the international level.

Led by the country sustainability network, local transport teams are regularly kept informed and made aware of the strategies. This allows them to define their own carbon trajectory to meet the challenge of reducing Decathlon's transportation and logistics greenhouse-gas emissions by 52% per item sold by 2026, and thereby contribute to our overall target defined in collaboration with the Science Based Target initiative⁵².

TOOLS AND RESOURCES FOR AUTONOMOUS DECISION MAKING

The right approach to the entire strategy is essential to encourage compliance with the commitments, according to each decision maker's ambit. The ultimate goal is to allow everyone to make decisions based on the maximum amount of information regarding the issues and using reliable data. Today, the teammates directly in charge of transportation matters make these decisions, with guidance from the environmental transition leaders. This performance management is enabled by the Metrio tool, which is deployed uniformly to the teams in the countries. Thanks to the management of the transport and logistics network, **100% of countries used the tool for their CO₂ performance** in 2021. This increased adoption of use leads to a better understanding of the strategies for decision makers and additional information to refine action plans.

In order to have a broader and more coherent impact, the country's sustainable development networks dedicated to stores were merged with the transport and logistics networks in 2021. Shared communication (comprising a newsletter, communication packs and a project Intranet site) ensures everyone shares the same level of information, with clear figures, for more coherent decision-making. The full management programme includes training courses, joint monthly meetings, webinars and podcasts to help increase warehouse employees' understanding of the subject. In this way, the topic of sustainable development is led autonomously by decision makers.

REDUCING THE IMPACT OF INTERNATIONAL TRANSPORT

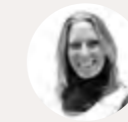
MODES OF TRANSPORT

Air transport has the greatest impact in terms of greenhouse gas emissions. This mode of transport is the focus of a resolute policy in the attempt to limit it as much as possible and to use air only for express demands for priority products. This year, 1.1% of product volumes were delivered by air, which is 74% less than in 2020. In absolute value, however, the carbon emissions related to air transport increased by 19.2% compared with 2020, with a carbon impact of 12,792 tCO₂e, as a result of heavier products being transported.

The direct consequence of this commitment is the phasing in of longer but less carbon-intensive means of transportation. Therefore, Decathlon is renegotiating its contracts with international carriers, using the carbon data calculated across the entire distribution value chain (transport, storage, and then distribution from warehouses to stores, for both components and finished products). This data is provided by a CO₂ calculation platform linked directly to the data lake⁵³, which provides real-time data to the EcoTransIT tool⁵⁴. This calculation methodology was the subject of a Decathlon position paper at the European parliament level, as part of the future provision of transport CO₂ data to customers.

In 2021, 71% of shipped products transited in Europe, so the subject of post-shipping is fundamental for reducing this impact further. Still, calculation efforts allow us to focus on carriers that offer low-carbon transportation solutions. In 2021, 39% of kilometres travelled were within Europe using low carbon modes for the distribution of Decathlon products. Decathlon is continuing to seek concrete solutions for the final kilometre, particularly for urban deliveries related to e-commerce, which are made by electric vehicle or bicycle in Germany, Vietnam and Chile, for example.

THE CHALLENGE OF POST-SHIPING IN EUROPE



Amandine BOURGHELLE

Post-shipping Europe Manager

What are the main challenges of post-shipping at Decathlon?

Post-shipping is the last leg of international transport, between the port in the country of import and the destination warehouse. It involves three main issues in addition to quality of service: delivery time, cost and, especially over the last three years, sustainable development solutions. We are focusing on the number of low-carbon kilometres travelled, so that we use the same indicator as the company's other transportation activities worldwide.

What are the main achievements in 2021?

In 2019, we were at 6.7% of low-carbon kilometres travelled, meaning the low-carbon kilometres travelled other than by diesel trucks. At the end of 2021, this figure was 30% and our target for 2022 is 50% (80% in 2026). The modes of transport used are river barge and train. We also use trucks running on natural gas, B100 (rapeseed) and HVO 100 (biofuel). The two key elements to reduce our CO₂ emissions are the **organisation of our internal processes** and the **choice of carriers**, which offers several solutions in moving toward low carbon flows. Trucks remain an essential solution for our priority products that need to be available to customers more quickly. Our teammates are committed and our service providers support us on these issues: we support them in their investments and as they change their fleets, such as the transition of trucks from diesel to rapeseed. This year, we also included our maritime carriers for a maximum of barge or train solutions (carrier haulage⁵⁵).

What promising initiatives are being developed in the countries?

We are moving ahead together, although different energy sources are used in different regions around the world: natural gas and rapeseed are the preferred choice in France, whereas in Belgium it is biofuel consisting of waste oils or waste by methanisation. These are structural choices: rapeseed emits very little CO₂, but the question is whether it should be cultivated solely for energy. We realise that things are not perfect; that what is most important is to engage in a profound transition and to be aware of market offers to meet the energy challenge.

This impact will also evolve as the company reorganises its warehouse network, to create structures dedicated to e-commerce and others dedicated to supplying stores. The transport issues for these warehouses are not the same (availability, speed, packaging, etc.) and can therefore be optimised.

⁴⁹. More information on building certification on p. 59.

⁵⁰. The indicator's perimeter has been changed: in 2020, the scope was European, whereas it is global in 2021.

⁵¹. According to the ADEME database, an emission factor is considered to be low carbon when it is below that of a "truck of the same type (articulated or rigid) running on 100% diesel or with 7% biodiesel": <https://data.ademe.fr/datasets/base-carbone3>

⁵². More information on Decathlon's new emissions reduction trajectory on p. 52.

⁵³. A centralised storage location containing structured computer data from the company's different databases.

⁵⁴. For more information on EcoTransIT World: <https://www.ecotransit.org/en/>

⁵⁵. A term used in logistics and more specifically in maritime transport, which means that the maritime carrier is responsible for delivering the container to the consignee.

BIODIVERSITY

Committed to fighting the erosion of life

The erosion of biodiversity, with a decline in animal and plant populations, is one of the nine planetary boundaries⁵⁶. According to the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES)⁵⁷, the decline in biodiversity and the threat to ecosystems is accelerating at an unprecedented pace in human history.

There is still time to change however, if decisions are taken at all levels, both global and local, and in all areas of activity: economic, health, quality of life, etc. So, we must protect and then restore our resources to re-establish a balance between the natural functions provided by ecosystems.

Decathlon has been working on the subject for several years, seeking an approach that measures our footprint as broadly as possible, while being the most representative of the company's activities so we can establish the most effective action plans. Through this scientific rigour, we aim to limit the pressures and impacts of Decathlon's activities on biodiversity, and to restore natural areas. Measuring our biodiversity footprint therefore involves all activities in Decathlon's value chain, from supply to product use and product end-of-life.



KEY FIGURES

65 artificialised km² eq.
Dynamic pressures on the terrestrial ecosystem linked to Decathlon's activities for 2021

2 artificialised km² eq.
Dynamic pressures on the aquatic ecosystem linked to Decathlon's activities for 2021

6,830 artificialised km² eq.
Static impacts on the terrestrial ecosystem linked to Decathlon's activities since its creation

421 artificialised km² eq.
Static impacts on the aquatic ecosystem linked to Decathlon's activities since its creation

2021 HIGHLIGHTS

- Decathlon relies on internally disseminated scientific definitions in line with IPBES, in order to share a common framework of understanding, build the action plan and define Decathlon's responsibilities in its activities.
- In February 2021, Decathlon set out its biodiversity commitments with the organisation *Entreprises Engagées pour la Nature*⁵⁸.
- Decathlon identifies measurement methods that are applied to certain perimeters: property, product design, production and the supply chain. The company has chosen a tool (the Global Biodiversity Score) and a single unit of measurement (artificialised square kilometre equivalent). Thanks to this method, Decathlon is in particular able to measure its impact linked to the artificialisation of ecosystems.
- In line with the carbon footprint, Decathlon is conducting an initial global biodiversity assessment to enable local teams to include the "artificialised square kilometre equivalent" indicator in their strategies and action plans.

DEFINING ISSUES, AND MEASURING PRESSURES AND IMPACTS ON BIODIVERSITY

BIODIVERSITY ISSUES

To share a common framework, understand the issues and build action plans to preserve biodiversity, Decathlon relies on scientific definitions that are shared with the teams internally.

So, when the company refers to biodiversity, it uses the definition put forward by IPBES, which includes:

- Genetic diversity** (differences between similar individuals, such as at the species level);
- Species diversity** (differences between distinct groups of individuals);
- Ecosystem diversity.**

The balance between species and their habitat (ecosystem) is fundamental to human life on Earth. This biological diversity includes the genetic differences in human, plant and animal species, as well as differences in the environments in which they live.

In its Global Assessment Report on Biodiversity and Ecosystem Services⁵⁹, IPBES also highlights that biodiversity contributes to human societies and their well-being:

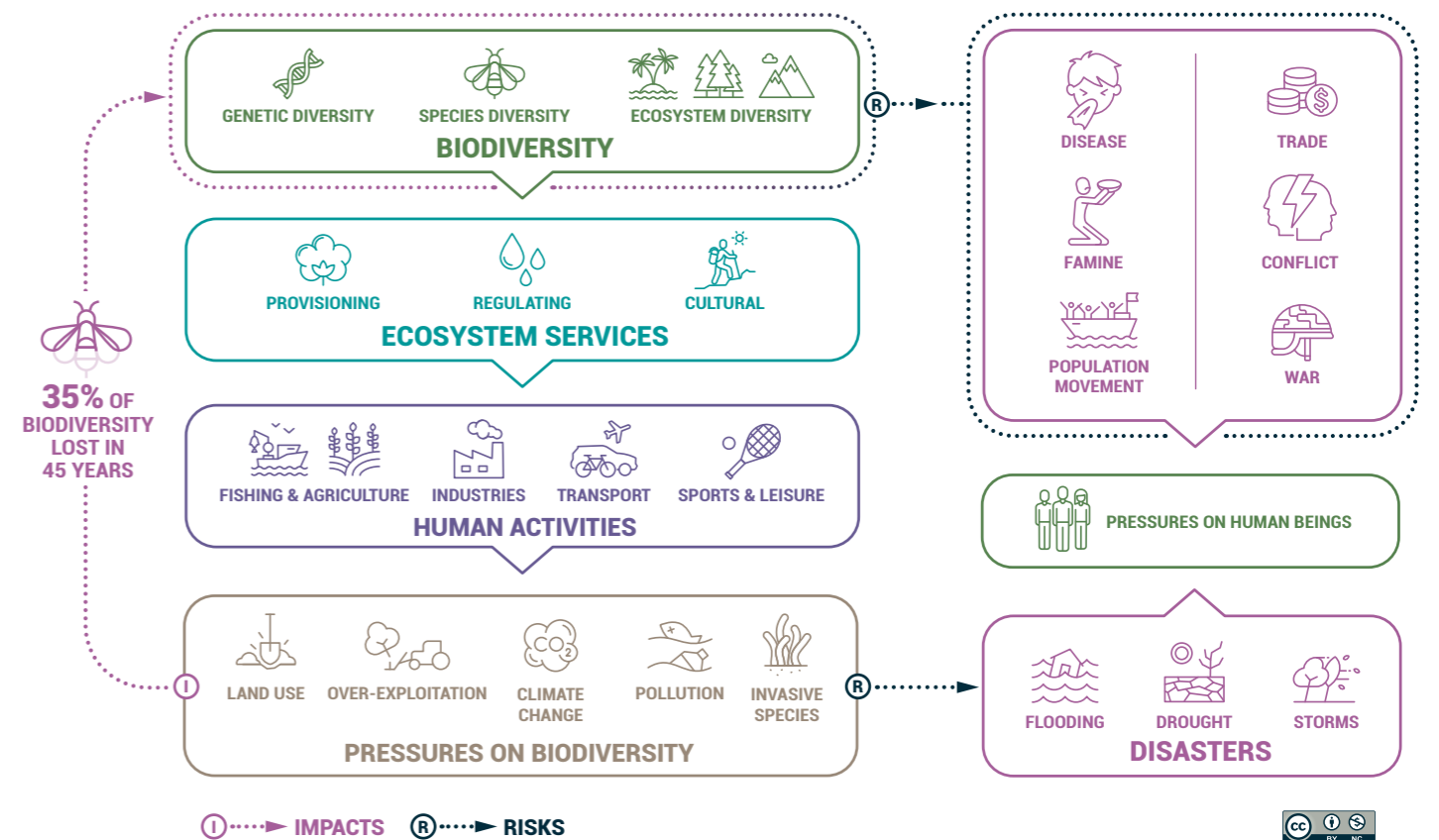
- Regulatory contributions** (habitat creation and maintenance, pollination, regulation of air quality, climate, etc.);
- Material contributions** (energy, food, medicinal resources, etc.);
- Non-material contributions** (learning and inspiration, physical and psychological experiences, etc.).

These contributions vary depending on the state of health of the ecosystems.

The pressures on biodiversity exerted by human activities change life circumstances and therefore have an impact on the resources available, including those necessary for human life. IPBES has identified five major pressures on biodiversity: changes in land and sea use, direct exploitation of certain organisms, climate change, pollution and invasive alien species.

It is within this framework that Decathlon must base its actions while taking into account the specific nature of its activities.

A REPRESENTATION OF BIODIVERSITY AND ITS ISSUES⁶⁰



⁵⁶. Planetary boundaries are the thresholds that humanity should not exceed in order to avoid compromising the favourable conditions under which it has been able to develop and live sustainably in a safe ecosystem, i.e., by avoiding brutal and unforeseeable changes to the global environment: <https://www.stockholmresilience.org/research/planetary-boundaries/the-nine-planetary-boundaries.html>

⁵⁷. A group dedicated to biodiversity and supported by the UN: <https://ipbes.net/news/Media-Release-Global-Assessment>

⁵⁸. For more information: <https://engagespourlanature.ofb.fr/entreprises>

⁵⁹. For more information: IPBES, 2019, "The global assessment report on biodiversity and ecosystem services", p. 22-23.

⁶⁰. Infographic by Decathlon, based on IPBES studies and the *Fresque de la Biodiversité* workshop.

MEASURING BIODIVERSITY

To assess biodiversity, we have chosen MSA⁶¹.km² as indicator, which represents the average abundance of species; this measurement is expressed as a percentage and characterises the integrity of ecosystems. To make it easier to understand, Decathlon has chosen to change the name of the indicator and instead uses the term “artificialised square kilometre equivalent”.

To measure this footprint, Decathlon has chosen to use the Global Biodiversity Score[®] (GBS) developed by CDC Biodiversité⁶². This tool was created to produce a customised and turnkey result, since no regulatory context yet exists for this issue⁶³. When applied to the company's different activities, this same calculation methodology generates a measurable result that can be used to develop improvement scenarios. It offers the advantage of being adaptable to various levels of accuracy: the more data is added, the more reliable the results will be.

The tool reports impacts related to the use of resources, such as cotton or polyester for instance.



Where consumption data is not available, it calculates the impacts based on purchasing and sales financial data.

By combining the definition of the metrics and use of the tool, major pressure points can be identified and therefore the most relevant impact reduction scenarios and action plans can be established.



Marie-Morgan GRÉBENT

Biodiversity Project Manager



Antoine LABLÉE

Biodiversity Project Leader

It is complex work, which takes a great many parameters into account, using both real and extrapolated data, for now. It is an iterative approach: we will continue improving this collection and reliability process to gain an increasingly refined assessment of Decathlon's footprint each year.

How do you measure our impact around the world?

Marie-Morgan - To identify the most relevant calculation methods, we had to select criteria that are essential for our organisation. We had to choose an internationally recognised measure with an associated robust method. Then it was the ease with which the indicator can be used that helped us make our final choice: it is vital that every entity is able to perform its diagnostic simply and autonomously, as it does for water or energy consumption, for example.

How can this measurement be implemented?

Marie-Morgan - We rely on the local teams, in each perimeter, to gradually integrate the biodiversity indicator in decision-making. Beyond the tools, the teams still have a lot to learn before they have a full understanding of the subject. The process is gradual, and we are identifying and capitalising on victories to expand the spectrum.

What assumptions did Decathlon use in defining biodiversity protection?

Antoine - First, the challenge was to outline the extent of our responsibility: what subjects are involved, in what activities? Then we had to identify what information we wanted to gather: only the results, or also the identified pressures and on which scope? It is this process, that was both necessary and thorough, that led us to make these choices. They are crucial if we are to act as quickly and as effectively as possible on priority issues.

What methodology are you using to calculate our footprint?

Antoine - No regulations currently exist on this issue. Stakeholders are looking for the right indicator, by adapting the tools that are already available to their own activity.

IDENTIFYING DECATHLON'S PRESSURES AND IMPACTS

The five major biodiversity pressures discussed previously (changes in land and sea use, direct exploitation of certain organisms, climate change, pollution and invasive alien species) have direct impacts or consequences (e.g., the depletion of vegetation in forests due to climate change). **So, there is a more dynamic reading of the issue including the pressures, and a more static reading with the impacts.**

Within this framework, Decathlon measures the pressures generated by its own activities. These readings should lead to two distinct action strategies and enable the company to engage in evolving its practices to contribute to the fight against the erosion of biodiversity.

In line with these criteria, Decathlon's priority issues are to:

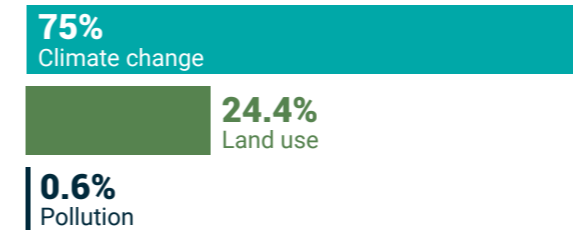
- **Reduce pressures on biodiversity** by modifying the manufacture of sports goods that contributes to both climate change and erosion of resources, for example;
- **Restore biodiversity equal to the extent of Decathlon's impacts** by acting on the company's building footprint, for example.

Dynamic pressures

To observe the pressures on biodiversity, it is necessary to look at each of its ecosystems (terrestrial and aquatic⁶⁴). Indeed, each of these ecosystems requires specific actions.

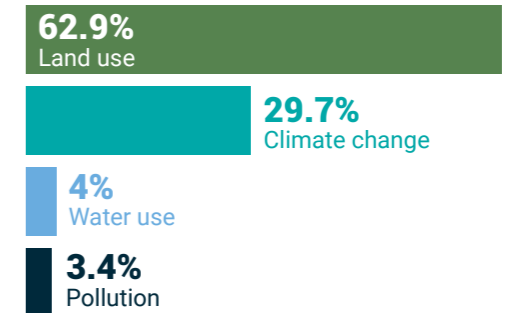
BREAKDOWN OF TERRESTRIAL DYNAMIC PRESSURES

With a total of 65 terrestrial artificialised km² eq.



BREAKDOWN OF AQUATIC DYNAMIC PRESSURES

With a total of 2 aquatic artificialised km² eq.



This data shows that the erosion of biodiversity is indeed directly linked to climate change, which is responsible for nearly 75% of the terrestrial dynamic pressures. So, by working on climate change, action is also being taken to limit biodiversity loss.

In this case, land use refers to the occupation of fresh water surfaces. Therefore, actions taken on terrestrial environments cannot compensate for pressures in aquatic environments.

➔ **More information on actions related to climate change on p. 52.**

61. MSA or "Mean Species Abundance", a metric created by the PBL (Dutch environmental assessment agency).

62. For more information: <https://www.cdc-biodiversite.fr/>

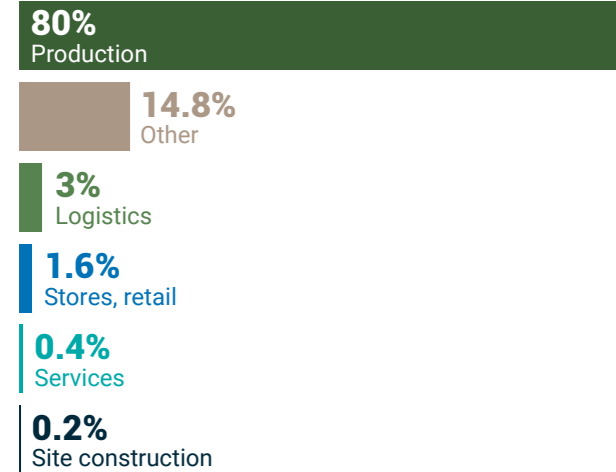
63. At the international level, an agreement on a common goal should be reached at COP15 in 2022 (which has been postponed several times due to the pandemic).

64. Since the GBS methodology is under development, Decathlon's impact on marine biodiversity has not yet been modelled.

Dynamic pressures by activity

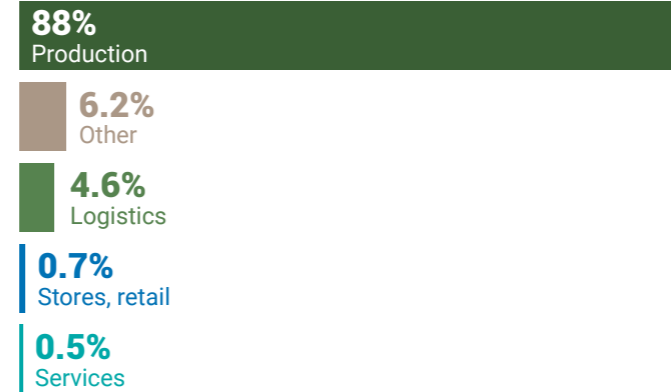
BREAKDOWN OF TERRESTRIAL DYNAMIC PRESSURES PER ACTIVITY

With a total of 65 terrestrial artificialised km² eq.



BREAKDOWN OF AQUATIC DYNAMIC PRESSURES PER ACTIVITY

With a total of 2 aquatic artificialised km² eq.



The dynamic pressures on terrestrial & aquatic surfaces mainly come from product manufacturing.

Static impacts

MEASURING OUR DEBT TO BIODIVERSITY

By studying the pressures generated by its activities, Decathlon hopes to halt or correct certain mechanisms through preventive and curative actions.

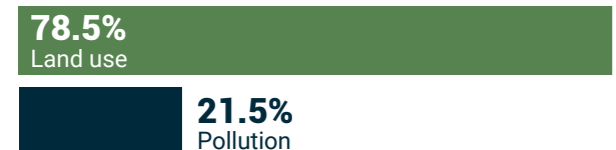
Decathlon is one of the first companies to carry out this global assessment, which also allows us to consider all the impacts related to the company's activities since its creation.

Therefore, this analysis enables Decathlon to assess its debt to biodiversity, define its responsibilities and measure the path to be taken to restore the resources and ecosystems affected by the company's activities since 1976.

Based on simulations performed by the GBS, Decathlon has been able to determine the impact of its overall activity since its creation. This corresponds to an area of more than 6,000 square kilometres, which is equivalent to the surface area of a French Department.

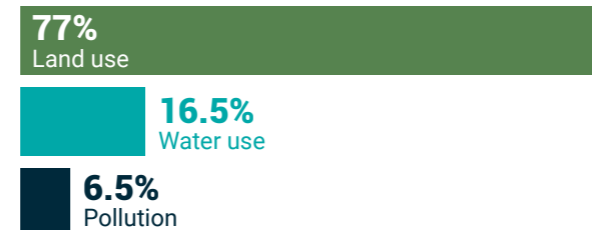
BREAKDOWN OF TERRESTRIAL STATIC IMPACTS

With a total of 6,830 terrestrial artificialised km² eq.



BREAKDOWN OF AQUATIC STATIC IMPACTS

With a total of 421 aquatic artificialised km² eq.



Considering the breakdown of Decathlon's terrestrial and aquatic static impacts, the next restoration actions are to change the company's occupation of the land and to clean up spaces.



DEPLOYING STORE ACTIONS IN FRANCE

As it upgrades its real-estate base, Decathlon has been working with Act4Nature⁶⁵ since 2020 on measurable actions, with the following goals:

- 100% of new owned stores in France will be "Signature Biodiversité"⁶⁶ certified by 2023;
- 10% of our French property base will include the Nature First approach by 2023.

Since 2020, store locations in France have been following the "Signature Biodiversité" approach, which is a diagnostic based on 74 criteria that are evaluated for environmental performance, such as: ecological continuity, water resources, plant density, light pollution, climate, quality of life, etc. The result (a score between 0 and 100) expresses the site's biodiversity footprint and is used to identify priority actions. This diagnostic is repeated every three years to measure the evolution of the indicators. For example, the Saint-Malo store's first result was 42/100, then 79/100⁶⁷. Today, five sites have undergone renaturing actions: Saint-Malo, Haguenau, Lorient, Vannes and Hénin-Beaumont.

→ Learn about the Saint-Jouan-les-Guérets store (video link): <https://sustainability.decathlon.com/biodiversity-and-decathlon>



65. For more information on Act4Nature: <http://www.act4nature.com/>

66. For more information on "Signature Biodiversité": <https://signature-biodiversite.com/>





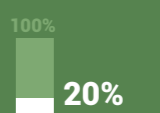


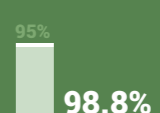





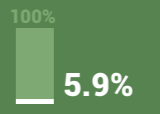

67. Evaluation carried out in 2019. More information on p. 65 of the 2020 NFRD.

2.1_DEVELOPING MORE RESPONSIBLE PRODUCTS

PRESERVING NATURE

Our commitments for 2026



STAKES	2026 COMMITMENTS	2020	2021
Eco-responsible materials and industrial processes	 100% of cotton is derived from more sustainable sources (recycled, BCI, organic cotton) ¹	 100%	 100%
	 100% of polyester is derived from more sustainable sources (recycled, solution-dyed)	 20%	 40.4%
	 95% of the materials used for our packaging is derived from more sustainable and certified sources ²	 98.8%	 80.3%
	   Other materials: we identify the main human and environmental risks for the materials used in our supply chain in order to structure our commitments		
Ecodesign	 100% of sales realised with Ecodesign products	 5.9%	 10.4%

The Transition Plan was drawn up in 2020. Some indicators have been created or modified following the deployment of strategies and will therefore be available in 2022.

DECATHLON IS COMMITTED TO THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS:



1. Target achieved since 2020.
2. FSC or PEFC certified pulp.

MORE RESPONSIBLE PRODUCTS


Offering our customers products with a lower impact


On 29 July 2021, humanity's demand for ecological resources and services exceeded what Earth is able to regenerate in a year¹. Earth Overshoot Day comes sooner and sooner each year, which means that Decathlon has to help preserve resources.

The company knows that 86% of Decathlon's total carbon impact is generated by its products and it is aware it needs to develop more environmentally friendly activities. So, it is picking up the pace on its commitment for the ecodesign of its products in line with its mission: to sustainably make the pleasure and benefits of sport accessible to the many. **The company aims to generate 100% of its sales with Ecodesign products by 2026.**



KEY FIGURES AS OF 31/12/2021

 **10.4%** of sales realised with Ecodesign products (5.9% in 2020)

 **40.4%** of polyester is derived from more sustainable sources (20% in 2020)

2021 HIGHLIGHTS

- Decathlon is continuing the environmental assessment of its products and is using a new tool based on a methodology recognised at the European level.
- Decathlon has registered and clarified the definition of the "Ecodesign" designation to identify its products created using an ecodesign approach. 10.4% of sales were realised with these products in 2021.
- Decathlon continues to be dedicated to choosing more sustainable materials in order to reduce its environmental impact.
- In a concern to extend the life of products and for the circular economy, the company is conducting many projects to take action right from the design stage, to offer sports goods that are more durable, more repairable and more recyclable.

ASSESSING THE ENVIRONMENTAL IMPACT OF PRODUCTS AND DEFINING ECODESIGN CRITERIA

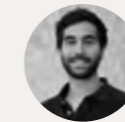


Thanks to Glimpact, Decathlon's calculations now comply with the most advanced life cycle analysis method in Europe. We offered several training sessions this year to teach Decathlon designers how to use this new tool.

From now on, Decathlon will be using this new impact measurement to develop the environmental labelling it provides to its users as it strives toward greater transparency.

➔ **More information on environmental labelling on p. 89.**

TESTIMONIAL



Quentin BADONNEL
Environmental Assessment Leader

"Thanks to Glimpact, we can now use a methodology that complies with European frames of reference. This enables us to improve the reliability of our data, be even more transparent, and show that it is possible to assess an entire catalogue of products using a tool that is both exacting and accessible to everyone. By working in this direction, Decathlon opens the way for other companies; we are in fact the first company in the clothing and sports sector to have generalised and extensively used Glimpact to assess our products' environmental impact. We are now working hand in hand with other companies that use the tool to continue to improve the quality of the assessment for the entire textile sector."

ENVIRONMENTAL ASSESSMENT

Since 2009, Decathlon has been conducting environmental assessments of its products, analysing their complete life cycle from the extraction of raw materials to their end-of-life. If it is to obtain the most exact calculation, it needs an efficient tool, reliable calculation rules and representative databases. Once indicators have been calculated, they are used to identify the processes having the greatest impact. Then, armed with this data, designers and buyers can make the best choices in terms of materials, processes and suppliers.

This is why it is important to conduct an environmental assessment of all Decathlon products: today, we have assessed more than 50% of our references representing 78% of sales.

In 2021, **the priority was to change the tool** used to calculate product impacts. Decathlon now works with Glimpact², a company that uses the Product Environmental Footprint (PEF) method developed under the auspices of the European Commission, for its environmental assessments³. This new tool provides a reliable and comparable score by standardising and weighting 16 impact categories (carbon footprint, water use, fine particulate emissions, etc.)⁴.

In addition to changing the tool we use in 2021, Decathlon teams have continued their participation in the European Product Environmental Footprint Category Rules (PEFCR) project led by the Sustainable Apparel Coalition⁵, which now aims to define rules for measuring the environmental impact for each product type in the clothing and footwear sectors.

Decathlon is also continuing discussions with French and European institutions to demonstrate the need for global governance of the databases used to calculate the impact of products sold in the European market. This year, our company's engagement has led to the establishment of a multi-brand working group to collectively pursue our efforts on this subject.



² For more information on Glimpact: <https://www.glimpact.com/>

³ For more information on the Product Environmental Footprint (PEF) method: <https://eplca.jrc.ec.europa.eu/EnvironmentalFootprint.html>

⁴ For more information on impact categories: https://ec.europa.eu/environment/eussd/smgp/pdf/EF%20simple%20guide_v7_clen.pdf

⁵ For more information on the Sustainable Apparel Coalitions: <https://apparelcoalition.org/>

¹ For more information on Earth Overshoot Day: <https://www.overshootday.org/2021-calculation/>

DEFINING DECATHLON ECODSIGN PRODUCTS

In 2021, Decathlon registered the "Ecodesign" designation along with a new logo in order to complete the identification of its products created using an eco-design approach. **Our teams also expanded the definition of Ecodesign products to include two new criteria: durability and repairability.** Specific criteria for textiles, footwear and equipment has finally been established, which will come into force in-house in 2022. The definition process for Decathlon's Ecodesign products is constantly evolving. The company will be adding to it over time as it takes into account new technologies, changing science and methodologies.

To be considered Ecodesign, a product must meet at least some of the following design criteria:

Common criteria

- **10% reduction in the product's impact on at least two indicators** (including climate change CO₂ equivalent) with respect to the previous product (before eco-design) and without a significant decline in other indicators. Decathlon has chosen to focus on certain key indicators: climate change, air quality, resource depletion and water eutrophication;
- **Durability:** 1/3 longer lifespan compared to the average lifespan in the same product family;
- **Repairability:** 80% of breakage and breakdowns can be repaired.

Specific criteria⁶

Textiles – The product meets at least one criterion in the list, for example:

- More than 70% of the product weight is made using recycled polyester;
- At least 30% of the product's primary fabric is recycled cotton;
- More than 90% of the product's primary fabric is organic cotton;
- More than 50% of the product weight uses Biton⁷;
- More than 50% of the product is dope dyed⁸.

Footwear: 25% of the product weight is composed of materials or uses processes that are less impactful (recycled cotton, recycled polyester, dope dyeing, etc.);

Equipment – The product meets at least two criteria in the list, for example:

- More than 40% of the product weight is made using recycled plastic;
- 10% reduction in the weight of the material used;
- At least 20% of the product weight is made of steel rather than aluminium.

➔ **For more information on the definition of Ecodesign products:** <https://sustainability.decathlon.com/our-ecodesign-approach-and-criteria>



ECODESIGN

Do you want to know more about
Ecodesign at Decathlon?

Read more at sustainability.decathlon.com ➔

⁶ Only the textile criteria were already in force in 2021, whereas the criteria for shoes and equipment will take effect internally in 2022.

⁷ Biton fabrics are made of two threads, of which only one is dyed in order to reduce water consumption and the impact on water.

For more information: <https://sustainability.decathlon.com/our-ecodesign-approach-and-criteria>

⁸ In dope dyeing, the colour is added directly to the solution before extrusion in order to avoid the traditional dyeing process, which consumes large amounts of water.

For more information: <https://sustainability.decathlon.com/our-ecodesign-approach-and-criteria>

2021 PERFORMANCE

In 2021, 10.4% of sales were realised with Ecodesign products (5.9% in 2020).

Despite this, Decathlon was unable to reach its target of 12% set for this year, as part of its goal of reaching 100% by 2026.

Several factors can explain this delay. With design time averaging up to 18 months, the presentation of new Ecodesign products in stores did not pick up until the fourth quarter of 2021. This delay is also due to the COVID-19 crisis because of the large stocks generated by temporary store closures during lockdowns.

Lastly, eco-design solutions do not yet exist or are currently difficult to implement for some types of products, so Decathlon's Sports & Processes teams are moving ahead at very different speeds depending on the product. Given this, our priority for 2022 will be to invest in research and development to find new eco-design solutions, and to develop a network of Referents for each product type in order to identify and prioritise the actions that need to be implemented.

Decathlon will also specify the criteria used to define Ecodesign products for each of these types. Our teams are working hard to grow the share of sales realised with Ecodesign products and aim to reach 30% by 2022.



FOCUS

Kipsta SG 500 "L" football goal: a new design for a more durable product

Ecolab, Decathlon's internal design office, helped Kipsta⁹ redesign its SG 500 "L" football goal¹⁰ in 2021.

This team of eco-design experts conducted a comprehensive analysis of the product's life cycle in order to propose solutions to Kipsta's designer to reduce this goal's environmental impact.

The changes made to this model, including replacing aluminium tubes with steel ones, have reduced the product's carbon impact by 34%.

To increase the product's lifespan, the Kipsta team also added an anti-corrosion treatment and now offers a five-year warranty (vs two years for the previous version).



⁹ Kipsta: Decathlon's brand dedicated to football.

¹⁰ Product available in stores in 2022.

CHOOSING MORE SUSTAINABLE MATERIALS

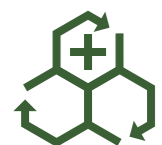
Decathlon is looking to address the main issues associated with the selection of its raw materials, from the country of origin to their incorporation in the products. To achieve this, the company draws up lists of criteria that must be followed so that the teams can commit to choosing more eco-friendly suppliers and materials. The criteria chosen by Decathlon include the reduction of pesticides and CO₂ emissions, as well as use of renewable resources¹¹.



COTTON

In 2021, 100% of the cotton used by Decathlon came from more sustainable sources: 70.8% BCI cotton¹², 16% organically grown cotton and 13.2% recycled cotton.

The objective was attained, but the teams are nevertheless continuing their work to improve the traceability of the cotton used and give a second life to cotton-based products.



SYNTHETIC & POLYESTER THREADS

Although Decathlon's synthetic thread production and consumption needs had been declining over the previous two years due to the COVID-19 crisis, they increased again in 2021, up 26% over 2020. A significant achievement this year is that **Decathlon has doubled the share of polyester it uses from more sustainable sources, from 20% in 2020 to 40.4% in 2021.**

This rise can be explained first by the sharp increase in the quantities of polyester purchased by Decathlon's synthetic fibres industrial process team from more sustainable sources¹³. In this process, the share of dope dyed threads¹⁴ used has also surpassed the share of virgin threads for the first time (dope dyed thread: 35%; virgin thread: 15%; recycled thread: 50%). This transition is also backed by the new guidelines announced by company management to speed up the ecodesign of Decathlon products.

TESTIMONIAL



Fabrice BESCHU
Chief Operating Officer

"To reach our commitment to realise 100% of our sales with Ecodesign products by 2026, we need to speed up our transition to more durable components. This means that every one of our Sports & Processes teammates has to work in this direction. From now on, we must always prefer the most environmentally friendly components if the increase in the price of the finished product due to the use of sustainable raw materials is less than 10%."



WOOD

Decathlon uses wood fibres to manufacture components in its products, for its packaging, for shipping pallets, for buildings and store layouts and to generate biomass energy at production sites.

In 2021, **73.4% of the paper pulp¹⁵ used by Decathlon for packaging was FSC and PEFC certified¹⁶** (58% in 2020). This year, the company's score on the CDP Forests questionnaire¹⁷ improved from C to B- for timber. This is thanks to the efforts made in traceability, the objectives set, along with risk measurement and analysis. The wood sector was Decathlon's priority in 2021 because of the significant quantities of wood it uses in its activities.

On other deforestation factors, the company received the following scores: C for palm oil, C for soybeans and D for leather. All of Decathlon's teammates are determined to completely eliminate the use of palm oil and soybeans within two years; the quantities the company consumes are already very low.

In 2022, Decathlon will work on the leather sector in order to make rapid progress on the action plans identified in 2021.



FOCUS

Domyos Woodbike: controlling raw materials and contributing to reforestation

In 2021, Decathlon launched its first stationary bike in Europe with a frame made entirely out of beechwood from France. The approach used to design this new fitness device illustrates Decathlon's commitment to control the raw materials it uses in manufacturing its products. To limit its impact on forests, the company has committed to plant ten trees in France, with Reforest'Action¹⁸, for every tree used to manufacture a Domyos¹⁹ Woodbike. Decathlon aims to plant at least 15,000 trees to contribute to reforestation. Based on the life cycle analysis conducted at the design stage, using this French wood in place of steel has reduced the stationary bike's carbon footprint by 35%.



WOOL

A code of best practice was put in place in 2018 with breeding farms in South Africa, then extended to Uruguay and Argentina. Decathlon makes sure that breeders do not practise mulesing, that their animals are raised in wide-open spaces and that the living and shearing conditions are good, while animal welfare requirements are being followed²⁰.



FEATHERS

Decathlon works with suppliers who observe decent breeding conditions: no animal abuse, no force-feeding of geese and ducks, no live plucking. Since 2020, 100% of the feathers for garments used by our suppliers are Responsible Down Standard (RDS)²¹ certified.

11. A renewable resource is a natural resource whose stock can be reconstituted over a short period of time on a human scale, at least as quickly as it is consumed.

12. BCI: Better Cotton Initiative; for more information: <https://bettercotton.org/>

13. In 2021, Decathlon's synthetic fibre industrial process represented 50% of the synthetic materials consumed by the company and about 85% of our consumption of threads made using more sustainable sources.

14. See Note 9 on p. 76.

15. Paper pulp used exclusively for retail and shipping packaging.

16. FSC: Forest Stewardship Council / PEFC: Programme for the Endorsement of Forest Certification schemes.

17. More information on the CDP Forests questionnaire: <https://www.cdp.net/en/forests>

18. More information on the partnership with Reforest'Action: <https://www.reforestation.com/blog/decathlon-lance-un-velo-dappartement-avec-une-structure-bois>

19. Domyos: Decathlon's brand dedicated to fitness.

20. When Decathlon talks about animal welfare, it means that the company encourages practices that respect animals during shearing.

Decathlon works only with suppliers that do not practice mulesing, and who take care to avoid injuring the animal (micro-cuts) during shearing.

21. The RDS label guarantees the protection of geese and ducks raised for the production of textiles with down and feathers.

ANTICIPATING THE ENTIRE PRODUCT LIFE CYCLE

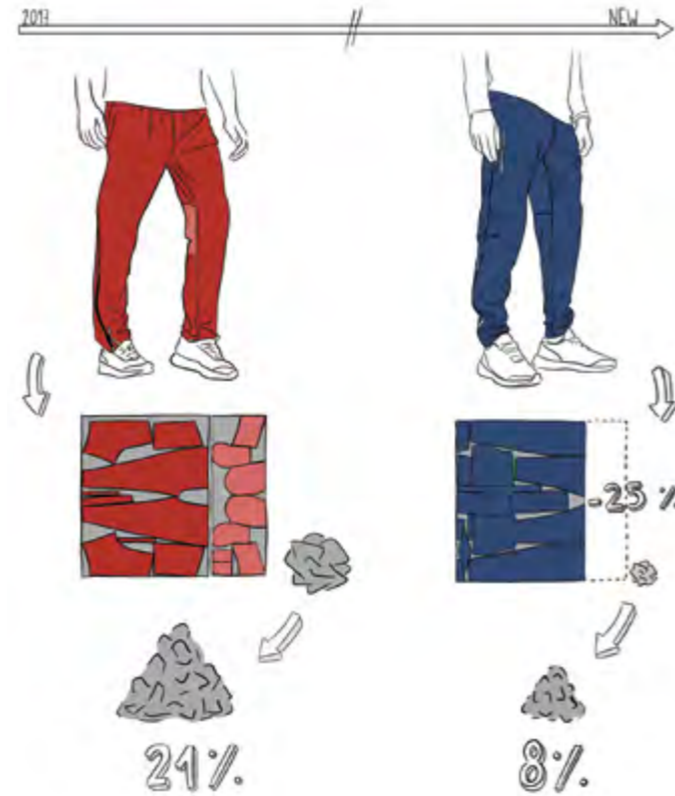
OPTIMISING THE USE OF MATERIALS THROUGH DESIGN

To combat climate change, Decathlon has committed to reduce its carbon intensity by 53% (tCO₂e/euro value added) between 2016 and 2026. This requires that we all work together at every level of the company.

Recognising that on average 20% of the fabric intended for textile manufacture is not actually used, the members of the Minimal Waste Design project are addressing these issues by optimising use of the material through design. **The aim is to use pattern making and completely rethink the product to imagine and propose new, more frugal shapes.**

In 2021, Decathlon's Minimal Waste Design group supported 27 projects to modify fabric consumption and reduce the CO₂ impact of textile products. According to estimates, these 27 projects will help us save 861,856 m² of fabric. All of the pattern optimisation work carried out in 2021 saved 1,096,120 m² of production scraps and avoided 8,330 tCO₂e.

The team responsible for this project is assisting Decathlon Signed Sports and sharing the Minimal Waste Design method with as many people as possible so that it eventually becomes the rule. Thanks to various workshops, 40 indirect projects were undertaken independently in 2021. In 2022, we will focus on developing training and tools to further accelerate the deployment of this method.

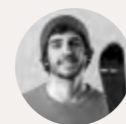


Optimised trouser design through the Minimal Waste Design approach with 25% less material and a reduction in production scraps.

IMPROVING PRODUCT RECYCLABILITY

Decathlon aims to act on every part of its value chain to reduce the environmental impact of its products. It is working to better take into account product end-of-life and improve recyclability right from the design phase. In 2021, five experiments were launched in footwear, helmets, textiles, electronics and bicycles.

The objective of this approach is to start on the ground using the knowledge of partners such as recyclers and producer responsibility organisations in order to establish recyclable design rules that are appropriate for our industries. With these experts, we will co-create training programmes and methodologies dedicated to recycling and recyclable design in 2022, which will then be deployed in Decathlon's design teams.



Balthazar VERLET-BANIDE

Product Recycling Project Manager

"As a product designer, Decathlon has an important role to play in the issue of recycling. We are able to take action upstream of the cycle and thus anticipate our products' end-of-life for the least possible impact. To do this, we need to listen to recycling professionals and our partner Producer Responsibility Organisations. By working with them and taking their constraints into account as much as possible at the design stage, we will be able to make our products easier to recycle."

➔ Information on product recycling on p. 101.

TESTIMONIAL

EXTENDING PRODUCT LIFESPAN

Decathlon launched the Long Lasting Products project in 2019 in order to extend the lifespan of its products. The project's goal is to integrate durability (resistance, reliability, performance over time and timelessness), as well as reparability, right from the product design phase.

Progress made on durability

Using the methodologies defined in 2020, Decathlon continued laboratory testing combined with usage testing in 2021 on five product families (socks, shoes, gloves, T-shirts and bags). Through these tests, we were able to:

- **Establish durability criteria** that are now integrated into the definition of Ecodesign products²²;
- **Build a database** of best practices to be used in product design;
- **Identify Decathlon products** whose durability makes them Ecodesign products.

Alongside laboratory testing, the members of the Long Lasting Products project committed to promote product durability in-house. General training on the subject as well as more specific modules on methodology have been initiated within the company. The aim now is to set up a network of Referents to deploy the methodologies by product type within the various design teams.



FOCUS

Kalenji Dry+ Breath T-shirt: an Ecodesign product through durability

In 2021, a Kalenji²³ brand T-shirt made from 90% recycled polyester was one of the first products to be created using the complete durability approach and to be recognised as Ecodesign in this way. During the process, the Kalenji team helped create a tool that both assesses and anticipates the degradation of textile products. Tests were conducted with the participation of 400 volunteers, who were asked to try to wear out the clothes to provide us with as much information as possible. To understand when and how degradation can occur, the teams then observed product evolution in real time. Following the various tests, the Kalenji Dry+ Breath T-shirt was found to be 50% stronger than the average running T-shirt. This is because of its denser-than-average knit that provides better resistance to abrasion and reduces shrinkage.

Progress made on reparability

Using the reparability index developed in France by ADEME²⁴, Decathlon established criteria to define its products' repair potential in 2021. For each product family, it was possible to check that:

- **Documentation is accessible;**
- **Replacement parts are available;**
- **The product can be disassembled;**
- **The repair cost is at least 30% lower than the purchase price of a new product.**

Using these four criteria, and through extensive work to identify the most common problems for each of the product families, the teams were then able to define the percentage

of breakage and breakdowns that are covered by a repair solution for each type. A threshold of 80% was set for a Decathlon product to be considered Ecodesign²⁵. In 2021, the company began working on the reparability of several product families: a scooter, and all treadmills, kayaks and paddleboards will be the first to be recognised as Ecodesign for reparability in early 2022.

From now on, the goal for the design teams will be to apply these criteria to all new products to make them more repairable by providing accessible repair solutions, developing documentation and making replacement parts available for at least ten years.

➔ Information on Decathlon's repair workshops on p. 87.

22. More information on the criteria for an Ecodesign product on p. 76.

23. Kalenji: Decathlon's brand dedicated to running.

24. For more information on the ADEME reparability index: <https://www.ecologie.gouv.fr/indice-reparabilite>

25. Excluding bicycles for which this threshold is not high enough, given their already considerable repairable potential.

2.2_COMMITTING TO MORE SUSTAINABLE CONSUMPTION



PRESERVING NATURE

Our commitments for 2026

STAKES	2026 COMMITMENTS	2020	2021
REUSE OF OUR PRODUCTS			
Repair	30% of products in our ranges are classified as repairable	4% 4.7%	
	100% of our repairable products are repaired in our workshops or by our customers	78.9% 77.1%	
Second life	100% of our countries have a second-hand sports product range ↳ Number of countries/regions offering a range of second-hand sports items	14 countries/regions	30 countries/regions
Rental/subscription	We are developing rental and subscription models to meet the expectations of new consumption patterns		In progress
COMMUNICATION - AWARENESS			
Communication about our products	100% of Decathlon products have an environmental labelling	63.8% 63.4%	
Awareness-raising actions	A minimum of 1 event per year and per site		In progress
Ecomobility of teammates	We share the best ecomobility practices in different countries, cities, etc, in order to minimise the environmental impact of our teammates' travel		

The Transition Plan was drawn up in 2020. Some indicators have been created or modified following the deployment of strategies and will therefore be available in 2022.

DECATHLON IS COMMITTED TO THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS:



ECONOMY OF USE

Developing a more eco-friendly offering

Product economy of use and functionality must be an integral part of Decathlon's business model if it is to meet its international climate and environmental commitments. Choosing product use over ownership requires that it considers how the product can be repaired, leased, resold or reused for as long as possible, and then eventually recycled. As a designer and distributor, this means that the company needs to rethink the entire value chain in order to create sustainable value, while having the least impact on the environment. It is fundamental today that we move toward implementing these promising business models at every level of the company, with structuring action plans to develop all these activities, while taking into account their specific constraints.



KEY FIGURES

AS OF 31/12/2021

1.47% sustainable sales²⁶
(second life products,
product rentals, product repairs)
(1.36% in 2020)

1,133 workshops
and **4,095** technicians worldwide
(1,114 workshops and 4,377 technicians in 2020)

0.21% of global sales
from second life products,
503,157 Decathlon and OIB²⁷
second life products sold worldwide
(0.09% of global sales and 98,616 products in 2020)

97,474
Decathlon product rentals
(short period, subscription, long period)
(63,090 in 2020)

2021 HIGHLIGHTS

- **Second-hand products are available on Decathlon's retail websites** and are being phased in alongside new products in the value chain; they are also available in stores. This decision has triggered global discussions on how Decathlon can reorganise its logistics chain, on new skills developed by the teams and has shown encouraging economic performance.
- **Product rentals are growing in popularity.** Digital solutions and dedicated teams are structured to develop the various solutions (subscriptions, short and long-term rentals) internationally.
- **Workshops** are considered the cornerstone of product durability by taking the subject into account right from the design stage, allowing product lifespan to be extended.

DEVELOPING SECOND LIFE PRODUCTS

IMPROVING SECOND LIFE PRODUCT AVAILABILITY THROUGH DIGITAL SOLUTIONS AND BUY-BACKS

Developing the position of second life products from e-commerce returns in the Marketplace

The overall value chain has to be reconsidered in order to increase the popularity of second life products in Decathlon's offering and make second life sales a true resource-generating activity. To do this, various sales processes have to be tested to make these products available.

Since October 2021, second life products from e-commerce have been included directly in the decathlon.fr general Marketplace²⁸. This first step in France will gradually be extended to other countries. Our goal is to bring all products together in one place for sports users, who will be able to choose their item from new products and second life ones, in a high-quality digital experience.

For this project to be successful, the products must be centralised, refurbished and made available to the information system for sale on line. In 2021, a team of 25 people was recruited and trained to meet this need. Thanks to this activity, undertaken at the Brétigny warehouse in France, we have been able to determine space needs and develop the necessary know-how around each step of product reuse: centralisation, necessary repairs, refurbishment, posting on line and shipping. This unique competency develops our ability to understand users' needs and to return to the market products that have been inspected and meet Decathlon's quality requirements. Products are examined using detailed check lists developed by Decathlon brand design engineers and are specific to each type of product.

€2.5 million of all second life product sales came from e-commerce returns in 2021

Accelerating the buy-back system

The buy-back system lets users sell their sports products back to us directly in store or online. This system is currently used for bicycles in good condition, but Decathlon plans to extend it to other products in 2022.

If the company is to develop this area, service simplicity is fundamental. At Decathlon, customers receive payment immediately in store when they sell a product back to us. This system was originally developed to help buy new products, but payments are now made directly to users' bank accounts so customers are no longer required to purchase a new product. Products for resale are then inspected and are covered by a two-year warranty. The new owners are guaranteed satisfaction or their money back.

DEVELOPING AND IMPROVING SECOND LIFE PRODUCTS IN STORES

Areas dedicated to used products are proliferating in Decathlon stores around the world, as we redesign merchandising, train our teams with time dedicated to second life products and improve customer communications²⁹ (in-store corners, signage testing, etc.).

12 countries have a digital application used by teammates to manage second life products

30 countries offer second life products, representing 50% of countries

Lastly, Decathlon is maintaining its Trocathlon concept, promoting local events where individuals can sell their used products to others. Although the Trocathlon events have been disrupted severely by COVID-19-related restrictions over the past two years, they still allow individuals to set their own price for their products. It is now possible for users to be paid by bank transfer if they wish, in which case Decathlon charges a commission.

Thanks to the integration of sustainable sales in our financial reporting, the process dedicated to second life products has grown considerably. Its promise is growing, especially for bicycles, in all countries in which Decathlon is located; it offers a single solution for customers, online as well as in stores, while meeting quality requirements.

Trocathlon: €1.6 million or 28,954 units
680 events in France (initiative impacted by the COVID-19 crisis)

Buy-backs: €8.2 million or 87,000 units sold (growing strongly)

Store returns: €5 million or 57,900 units sold

E-commerce returns: €2.5 million or 9,700 units sold

Donations: 26,095 units worth €550,000
200 associations supported through Commerco and Donnez.org

TESTIMONIAL



Eric FORTUNE
Economy of use Leader

"As we transition to a less environmentally impactful business model, we are gradually moving away from product ownership to product use and to extending product lifespan as much as possible. These are profound changes that affect our entire value chain and logistics, because they require all our teammates to learn new activities and skills. Today, we aim to move from good intentions to concrete implementation of our ambitions."

26. For more information on sustainable sales, see methodological note 4 on p. 141.

27. Other international brands.

28. Marketplace: a space reserved on the country's retail website for dealers other than Decathlon.

29. More information on second life product communication in stores on p. 90.

EXPANDING PRODUCT RENTALS

After several years of testing in different areas to build strategic convictions, rental has now become a sustainable activity that allows Decathlon to rethink its business model.

Several rental solutions currently exist:

- **Monthly rentals with subscription:** offering flexibility (usually a minimum of one or three months). This has started in France and is to be deployed in other European countries in 2022;
- **Long-term rentals:** with a longer commitment period (between 12 and 36 months), currently being tested in France;
- **Occasional rentals:** for short periods (between one hour and two weeks). This is still in the exploration stage with different levels of maturity and interest depending on the country.

For each model, the offer, exact conditions, customer experience and logistics are being studied to determine the most appropriate format that best matches user needs.

In 2021, Decathlon focused on structuring its teams, offering and information systems, so that rentals can be deployed effectively around the world. A "rental leader" was appointed to identify rental proposals globally. This strategy revealed a priority area for us: monthly rentals with a minimum commitment of three months for children's bicycles. The teams were also able to refine pilot tests, to continue to explore and gain a clearer understanding of the characteristics and issues related to this topic.

B'TWIN KIDS MONTHLY RENTALS

Monthly rental contracts for children's bicycles³⁰ were launched in May 2021 at our Bordeaux stores (France). The first months were spent collecting feedback from users and inhouse teams, before deploying the offer to all French stores in October. As of 31 December 2021, 872 contracts had been signed, representing approximately 2,167 months of rental. Today, the biggest challenge to be overcome is synchronising a single information system for all the countries and offerings to guarantee a consistent customer experience, while adapting the conditions to specific local needs.

Managing this global offer is complex, because the requirements are new to our internal organisation: product repairs, recurring invoicing, customer risk management (fraud, payment continuity) and long-term valuation are new approaches that need to be understood in an organisation that had been designed as linear-based with a single transaction (e-commerce or in-store payment). Product managers, who are experts in their sport, determine optimal uses and related offers. The offer is structured by the departments and services in the stores closest to the users.

All of the observations are used to structure an entire part of the economy of use, since rented equipment can be repaired and then made available for rental once again, or for second life sale. In 2022, Decathlon aims to extend this offer to adult bicycles (currently being tested in France), as well as weight training and fitness equipment. After that, the company will look at all equipment requiring a significant level of investment (e.g., heavy fitness equipment) and intended for regular sports training.

Monthly rental is different from (long-term) leasing due to the flexibility it provides to customers.



OCCASIONAL PRODUCT RENTALS

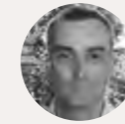
Decathlon's ambition is first and foremost to provide an alternative to systematic purchases. Several convincing examples stand out:

- **Tent rentals through the Quechua offer:** during the warmer seasons, camping equipment (tents, mattresses, sleeping bags, etc.) can be rented. The offer is currently being tested via a dedicated website³¹ and customers can either pick up the products in stores or have them delivered directly to the campsite. Logistics services (product deconditioning/reconditioning) are provided by an external partner. The offer was available at all stores in France in 2021, but will only be on offer in 20 identified stores in 2022; it will also be made available in Belgium as we continue refining our logistic scenarios and the profitability of the model;
- **Water sports equipment rentals:** in Italy, Spain and Portugal, we are developing water sports equipment rentals in season, in tourist areas;
- **Ski equipment rentals:** in Switzerland, adult and children's ski equipment is available for hire. In 2021, this model represented a total of 2.3 million rental days. This success can be explained by favourable weather conditions (sufficient snow cover over a long period), practice of the sport throughout the entire country and attractive rental conditions (COVID-19 guarantee, no deposit required).

³⁰. With a minimum commitment of three months.

³¹. More information on the Quechua offer: www.quechua.fr/service-location-decathlon-materiel-de-camping

TESTIMONIAL



Éric MERMET

Rental Leader, Decathlon Switzerland

"Ski equipment rental already existed in Switzerland in the chain of stores with which Decathlon joined forces in 2018. We maintained this activity because it is a good relay of growth, associated with the frequency of customer and user visits to our stores, and also because rentals fulfil a need, since more and more of our customers prefer to pay for use, rather than ownership. Following the COVID-19 crisis, we have seen a 50% increase in rentals during the 2021-2022 season. Thanks to this success, we have integrated the rental offer fully into our Swiss business strategy and are now developing other winter rental offers, such as snowshoes. For the summer season, we are testing paddleboard, electric mountain bike, trekking equipment and tennis racket rentals (in some stores). Along with this development, we are examining the best options and services to put in place to simplify the lives of users so that rental becomes a natural reflex."

PUTTING WORKSHOPS AT THE HEART OF OUR STRATEGY TO INCREASE THE PRODUCT LIFESPAN

INTERNATIONALLY



1.23% of overall sales generated by product maintenance and repairs in Decathlon workshops

77.1% of products repaired (considered repairable) in Decathlon workshops

2,064,295 products repaired in Decathlon workshops

Decathlon helps users increase the lifespan of their products through a network of 1,133 in-store workshops and 4,095 technicians worldwide.

Product repair is the cornerstone of our circular economy approach, and at the heart of the development of a new business model based on increasing the product lifespan. This activity will also allow us to refurbish rental items and provide the information needed for more sustainable product design through a wider variety of replacement parts.

Maintenance and repair solutions are based on the coordination between Decathlon brand technical managers, the repair process and the supply of replacement parts.

In 2021, the workshop activity was borne up by a complex environment: although the global COVID-19 pandemic limited access to repair services, successive lockdowns encouraged users to change how they travelled individually, particularly through the use of bicycles.

In France, for example, the government offered a bicycle repair bonus to encourage soft travel modes.

Overall activity is also borne up by the development of **user self-repair** as the supply of replacement parts has grown and the desire for a sustainable sports experience³² has been integrated right from the product design stage. Longer repair times due to increasing demand and more free time during the pandemic period encouraged self-repair.

These steps include an online after-sales service site with replacement parts and tutorials for possible repairs: <https://support.decathlon.co.uk/>. This platform, available in 14 languages and in 13 countries, includes chat and video conferencing with a technical expert who can guide users in carrying out repairs.

IN FRANCE

In France, 900 technicians at 300 in-store workshops and ten regional workshops repaired nearly 122,000 products that were either returned to their owner or sent to a second life or used product sales channel.

Our workshop teams in France are aware that we have to make this approach global, so they drafted a new project in 2021 to integrate these new practices. The main areas of focus for 2022 are:

- Recruiting and training technicians;
- Developing skills to support the deployment of mobility;
- Developing user repair services and making replacement parts available.

³². More information on design approaches on p. 81.

COMMUNICATION AND AWARENESS

Working toward better informed and lower-impact consumption

Decathlon's environmental impact reduction targets are linked to the company's structural changes, and to the need to get customers and users to embrace its product and service offering.

To better inform choices towards more responsible consumption, it is gradually increasing customer awareness and information, to ensure maximum clarity and transparency.

At the same time, Decathlon is using the powerful vector of sport to communicate the importance of protecting our playing fields, by regularly offering sporting events focused on environmental protection.



KEY FIGURES

AS OF 31/12/2021

63.4% of apparel and footwear products have an environmental labelling and the carbon footprint is displayed for some products

22,861 people participated in World Clean Up Day worldwide, cleaning up 77.7 tonnes of litter

27,717 people participated in 1,098 events organised by Decathlon sites around the world

1,470 teammates attended 112 "Climate Fresk" workshops worldwide

2021 HIGHLIGHTS

- Decathlon has enriched its environmental information and transparency in product communication in stores and on digital platforms by publishing the carbon impact on certain products³³ on the internet, alongside the environmental score (A, B, C, D, E).
- Decathlon has continued to hold sporting events related to environmental protection despite an increasingly complex COVID-19 crisis context.

MAKING ENVIRONMENTAL IMPACT VISIBLE IN PRODUCT COMMUNICATION

ENVIRONMENTAL LABELLING FOR INFORMED CONSUMPTION

Decathlon provides product environmental labelling to help consumers make informed consumption decisions. The company has been working for several years on displaying the environmental score, information that allows customers to compare the impact of products within the same category. In 2021, Decathlon enriched this labelling with the carbon footprint of textile products. This information is necessary to understand the impact of each product, and will ultimately allow customers to compare products of the same category in a reference database that is shared with other stakeholders (companies and institutions).

The environmental labelling includes:

- The environmental score (A to E);
- The product's carbon footprint.

The goal is to provide a context of transparency and clarity that facilitates consumption decision making.

The environmental score

Since 2014, Decathlon has been adding the calculations regarding the environmental impact of its products in its databases³⁴. An overall score of A, B, C, D or E is assigned to each product in order to compare its environmental impacts with those of other products within the same category. This score is a calculation of the product's impact on the environment (air and water discharge, greenhouse gas emissions, depletion of natural resources) at each stage of its life cycle, based on a method established by ADEME. Decathlon currently covers only three product categories: textile/clothing, footwear, other textiles (sleeping bags, etc.)³⁵.

This score **complements the carbon footprint information**, to provide complete product information.

Decathlon's goal is to continue working towards improving calculation methods for all products concerned and finding the best display format, in order to contribute to better informed consumption, with the least impact.

Product carbon footprint

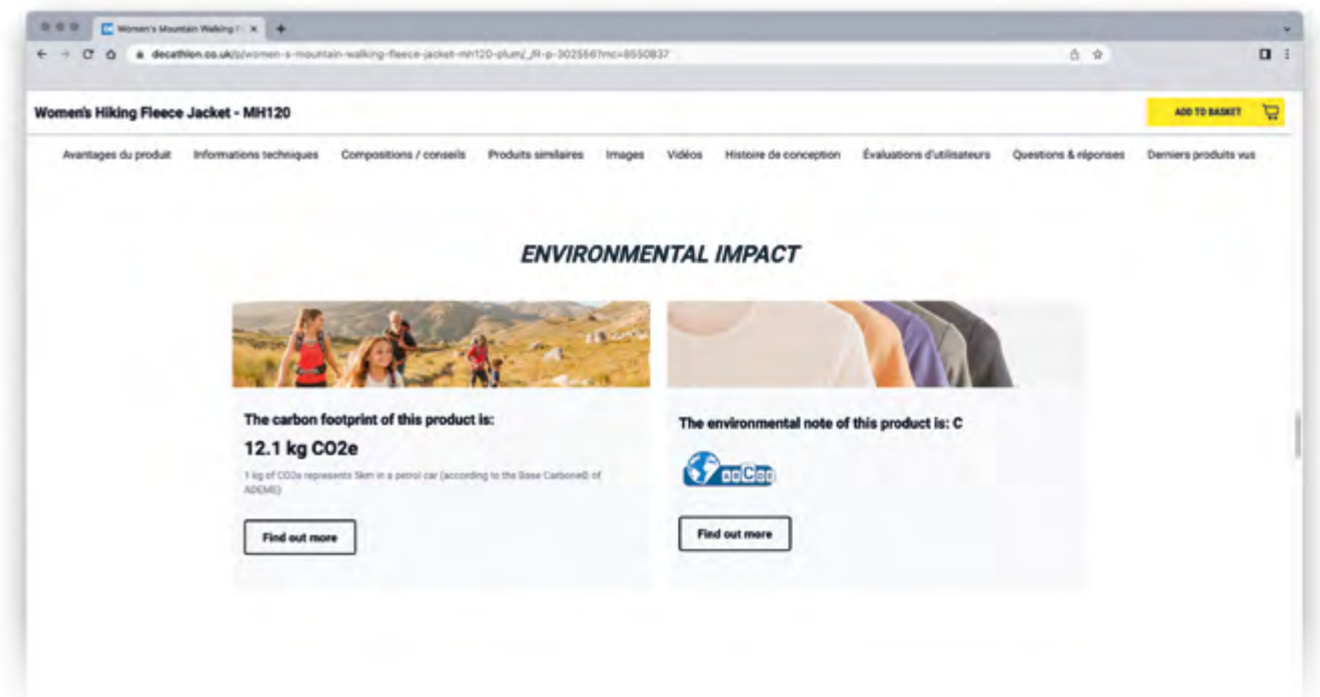
The carbon footprint of each product is calculated by its product engineer. This footprint is the sum of the greenhouse gases emitted over the product's entire life cycle: raw materials, manufacturing, transportation, use and end-of-life. To make it easier to understand, the carbon footprint is converted into kilograms of CO₂ equivalent. In 2021, Decathlon deployed a tool that combines European databases and methodologies in order to gradually automate this calculation and evolve it accordingly.

The goal is to provide an environmental labelling for all Decathlon products by 2026³⁶.

FOCUS : The Ecodesign logo



This information is indicated by Ecodesign markings on the products. Only articles that meet these criteria³⁷ bear this logo, which is accompanied by a one-sentence claim informing the customer about the progress made on the product.



33. For more information: https://www.decathlon.media/fr_FR/dossiers-communiqués/decathlon-partenaire-d-une-consommation-eclairée

34. More information on product eco-design on p. 74.

35. More information on calculating environmental impact on p. 75.

36. Indicators related to this deployment will be progressively added to internal and then external reporting.

37. More information on Ecodesign criteria on p. 76.

TOWARDS GREATER AWARENESS IN STORES

In recent years, Decathlon has increased the number of alternatives to new product purchases as it works to develop the circular economy, and it has developed an Ecodesign product offering. These new models must include clear and consistent information on both products and services, in digital spaces and in stores.

Throughout the world, **efforts have been focused on better presenting the service offering** right from the store entrance, including making the workshop space highly visible to encourage product repairs. To ensure that our second life offering is clearly understood, different types of specific second life product corners have been designed to find the right level of communication and organisation: either integrated in the product's department or in a separate, dedicated space, for example.

These spaces may also include other types of communication about how to give products a second life. For example, recycling collection points (e.g., neoprene wetsuits, fins, tennis balls, etc.) are provided in cooperation with local partners, in order to communicate the need to recycle sports goods (notably in France, following the entry into force of Extended Producer Responsibility (EPR) for Sports and Leisure Goods in January 2022) (see page 103).

The aim is to find the correct balance in providing the right information to customers: visible and attractive enough to be clear and encourage a change in consumption habits, while also detailed enough to be as transparent as possible.

AWARENESS-RAISING EVENTS FOR CUSTOMERS AND TEAMMATES



Awareness-raising events around the world:

- Number of participating countries: 40
- Number of events: 1,098, including 740 on WCUD
- Number of participants: 27,717, including 22,861 on WCUD
- Amount of litter cleaned up: 77.7 tonnes
- Number of gigabytes deleted: 5,018 during digital WCUD

Top six countries by number of events:

- Spain: 155
- France: 117
- India: 71
- China: 64
- Poland: 49
- Brazil: 26



WORLD CLEAN UP DAY

As part of a principle of responsibility of local stakeholders, each Decathlon site around the world is encouraged to organise an event that combines a civic act of cleaning up litter and the practice of sport outdoors, in order to raise awareness among sportspeople of the importance of preserving the spaces in which they practice sports.

World Clean Up Day³⁸ (WCUD) continues to attract interest, but each site can decide to join other organisations if it makes more sense for them to do so, to have a greater impact and to encourage collective involvement³⁹. These events always involve a sporting aspect and are held on the occasion of specific international events. The appointment of environmental transition leaders for each zone has facilitated decision-making for these events.

In 2021, teammates linked WCUD with a variety of disciplines: orienteering, walking, running, hiking, kayaking, sailing, fishing, diving, paddleboarding and climbing.



THE CLIMATE FRESK

The Climate Fresk⁴⁰ is an educational module that encourages participants to take ownership of climate change issues.

Through collective intelligence, this training workshop helps participants connect the effects, causes and mechanisms of climate change, and highlights the role humans play.

This experience is currently being led at Decathlon by **41 "freskers"**, who raised the awareness of **1,470 teammates** at **112 workshops** worldwide in 2021.

38. More information on World Clean Up Day: <https://www.worldcleanupday.org/>

39. See the ecomobility actions deployed in Spain on p. 93.

40. More information on "The Climate Fresk": <https://climatefresk.org/>

TEAMMATE AND CUSTOMER ECOMOBILITY

Encouraging more environmentally friendly travel

One of the company's carbon impacts is travel by customers coming to Decathlon stores, together with teammates going to work. In order to reduce this impact, to promote more environmentally friendly modes of travel and encourage their use every day, Decathlon has decided to become an agent for more sustainable mobility⁴¹. The key elements in this strategy involve reducing retail-related greenhouse gas emissions, while highlighting the health benefits of active modes of travel for our teammates, customers and users, as well as all our local communities.

KEY FIGURES

AS OF 31/12/2021

12% of Decathlon's carbon emissions are due to travel by teammates and customers

21% of home/work trips were travelled by teammates using active or ecomobility⁴²
In Chile, this rate is 80%

18% of customers use active or ecomobility

Definitions: active mobility and ecomobility

- For Decathlon, **active mobility** means transportation that uses human energy without assistance, except for electric assistance.
- For Decathlon, **ecomobility** means transportation that emits less than 0.10 kg of CO₂ per kilometre, as well as electric buses and cars. Cars and motorcycles are not included in the percentage of ecomobility.

2021 HIGHLIGHTS

- Decathlon measures its teammates and customers' travel in terms of active or ecomobility⁴³. The result is expressed as a percentage of the kilometres travelled.
- The network and community for ecomobility topics are growing: local alliances are multiplying, and the number of mobility Referents located in the countries is increasing.
- Decathlon has established itself as an agent promoting health through active mobility and eco-friendly modes of travel in cities via ecomobility. Decathlon includes the subject of mobility in its real-estate development projects and the company's sites write their own mobility plan.
- In 2021, Decathlon deployed its ecomobility strategy for teammates and is preparing to extend it to include customers through more and more local events.

DEPLOYING OUR NETWORK AND LOCAL ACTIONS

FOR TEAMMATES AROUND THE WORLD

In 2021, the goal was to have an initial estimation of the percentage of teammates using eco or active mobility to travel to work in each country where Decathlon is present. The objective of this was to establish a common indicator that would allow us to work on the issue on a regular basis, regardless of the teams' geographic constraints and the density of stores and warehouses in the area.

Several types of action were implemented, all or some of which have been selected depending on the country:

- An internal survey to determine the number of kilometres travelled, per store and per country (January 2021);
- A mobile app that allows people to automatically calculate the distances they travel;
- Reporting via human data management software⁴⁴.

Based on this data, it was established that **21% of the distance travelled by Decathlon teammates** around the world involved active or ecomobility. The aim is for this figure to reach 30% by 2026. The company is even more determined to attain this objective as 70% of teammates live less than ten kilometres from their workplace.

Using these results, discussion workshops were organised with teammates to identify priority action plans:

- Promoting active home/work travel for health benefits;
- Raising awareness of Decathlon's issues and commitments related to the reduction of its greenhouse gas emissions;
- Improving the accessibility of more sustainable means of transport to Decathlon sites and warehouses;
- Increasing bicycle fleets for teammates;
- Providing shared electric cars;
- Improving dedicated facilities (showers, secure parking areas, etc.).

FOR CUSTOMERS

Decathlon is developing ecomobility in close collaboration with local institutional networks and all stakeholders (associations, collectives, etc.) near our sites. While we want to keep customers coming to stores (since home delivery has its own carbon impact), this dialogue aims to improve travel efficiency through financial incentives or improved infrastructures.

The success of these actions is amplified in many European countries through financial subsidies for mobility (bicycle purchases, repairs, etc. for individuals) and the development of corporate mobility plans, which must be included in real-estate developments.

For example, in France every store has been required to publish a mobility plan since 2019⁴⁵, in order to change employee habits and offer customers a public transport alternative. This mobility plan aims to:

- Improve accessibility: facilitating access to stores through more sustainable modes of transportation for both employees and customers;
- Encourage sustainable travel: promoting the use of transport modes that contribute to increased physical activity and improved health;
- Increase the efficiency of private vehicles: through employee carpooling and minimising emissions from travel by private vehicles;
- Extend the use of bicycles and mobility products: through repairs and promoting second life products;
- Encourage mobility: creating a powerful network to get as many people as possible to travel sustainably.

In 2021, Decathlon held several Mobility Weeks dedicated to ecomobility, featuring challenges on the number of kilometres travelled without a car in several countries: Spain, Thailand, Portugal, France, etc.

PARTICIPATING IN INNOVATIVE INTERNATIONAL INITIATIVES

A number of initiatives were deployed in various countries to encourage awareness of sustainable urban mobility.

For example, Decathlon Spain and Decathlon Portugal participated in European Mobility Week between 16 and 22 September 2021⁴⁶.

FOCUS

Ecomobility in Spain

In 2021, the impact of teammate and customer mobility accounts for 93% of Decathlon Spain global CO₂e footprint, excluding the product impact. In this country, Decathlon has held more than 300 ecomobility events at its 94 stores. At the same time, a digital platform offered online events promoting the benefits of active mobility. The final weekend was devoted to in-person events in 23 cities to promote sustainable mobility, with bicycle repair workshops, product testing, travel itineraries, debates and advice from the teams. Employees also participated in round tables as part of citizen discussions to improve mobility in the areas concerned.

During Mobility Week, Decathlon Spain also participated in discussions on mobility issues at the European Annual Assembly, which it joined as a member in September 2021. Decathlon Spain is the ambassador of this Assembly, which includes 50 other member organisations. Thanks to this involvement and influence, the company hopes to trigger a profound change in people's habits in favour of more active and responsible travel and to become a major player on this subject in Spain. The aim is to invite Decathlon's other European entities to join Spain's initiative in the coming years.

In house, several countries (Decathlon Spain, Portugal, Poland, Chile and Thailand) have also developed tools in response to the needs revealed by a questionnaire that had been created to encourage employees to choose active and eco-friendly modes of travel:

- A mobile app to encourage employee carpooling and to provide information on the carbon footprint of travel;
- Safe bicycle and scooter routes;
- A savings calculator;
- Secure bicycle parking areas (Spain, Poland, Thailand).

The Mobility Challenges held in several countries also promoted a rapid change in habits, with results exceeding the set targets (1,959 km target in Portugal, 2,000 km achieved, for example).

Note that the COVID-19 situation had a positive impact on these initiatives to promote active mobility in a context where people preferred individual over public transport.

41. For more information: <https://conseilsport.decathlon.fr/mobilite-douce-trotinette-roller-velo-definition-et-conseils>

42. Survey conducted in 2021 in 41 countries.

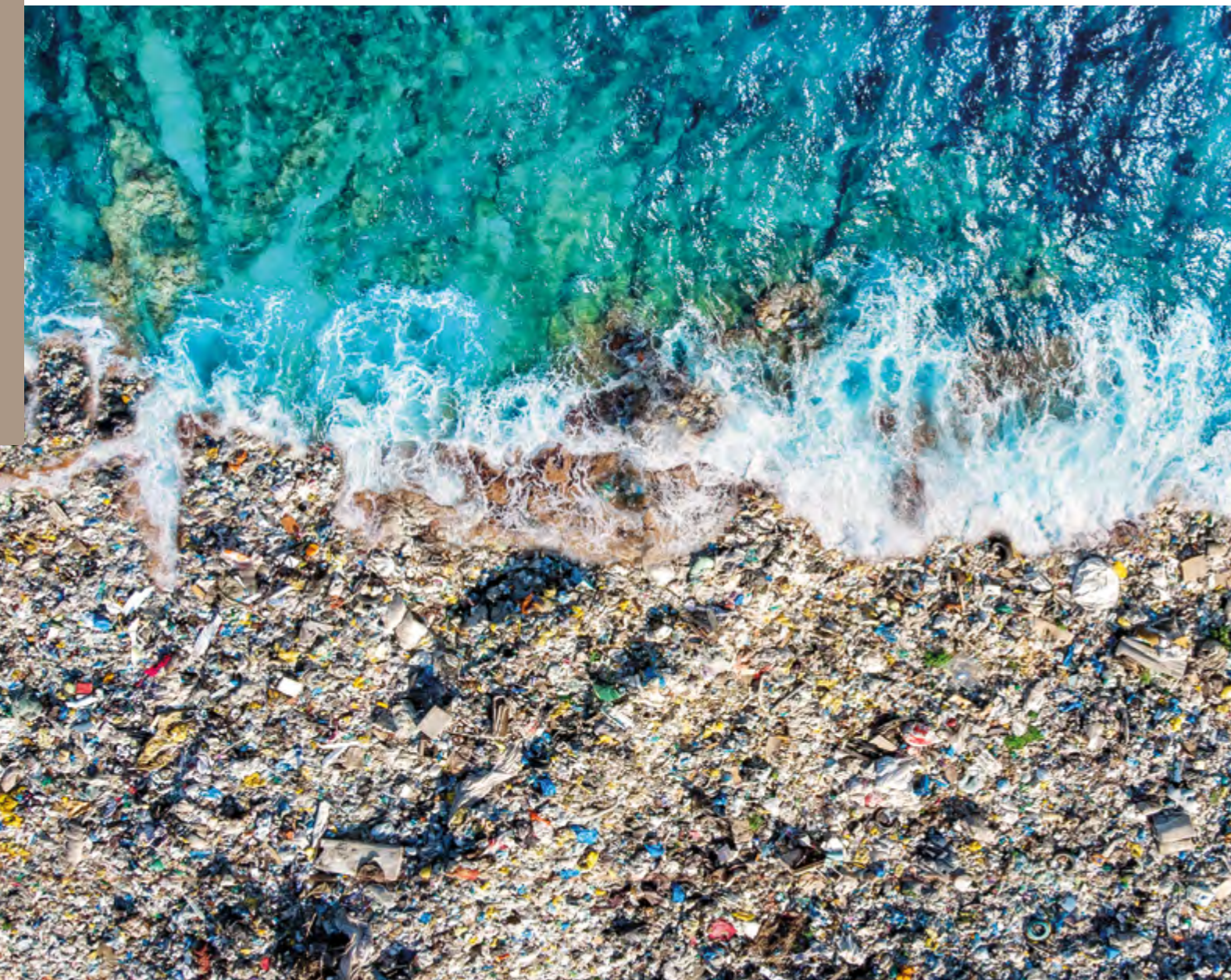
43. See insert "Definitions: active mobility and ecomobility" on this page.

44. HR software: Effiplan.

45. For more information: Mobility Law <https://www.ecologie.gouv.fr/loi-mobilites>

46. For more information: <https://mobilityweek.eu/home/>

3_REDUCING WASTE AND RECYCLING



PRESERVING NATURE

Our commitments for 2026

STAKES	2026 COMMITMENTS	2020	2021
Plastics	0 single-use plastic in our packaging (excluding nutrition, chemicals and cosmetics, or any products requiring protection for technical purposes, or products subject to legal restrictions) ↳ Tonnes of single-use plastic packaging eliminated	300 t of single-use plastic packaging eliminated	1,416 t of single-use plastic packaging eliminated
	Drawing up of methodological guidelines and assessment indicators		
Overstocks	0 components or finished products incinerated or sent to landfill in 2026	n/a	n/a
Recycling	80% of products sold in France have a recycling channel	 56%	 56%
	Mapping existing and potential recycling channels in our other distribution countries		In progress
Waste	100% of waste recovered	n/a	54% in stores – 68.6% in warehouses

The Transition Plan was drawn up in 2020. Some indicators have been created or modified following the deployment of strategies and will therefore be available in 2022.

DECATHLON IS COMMITTED TO THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS:



PLASTICS

Fighting plastic pollution

In its latest estimates, the World Wide Fund For Nature¹ (WWF) reports that between 19 and 23 million tonnes of plastics are released into waterways each year, with much of it ending up in the oceans. The NGO states that this pollution, which threatens species and ecosystems, has now officially reached every part of our oceans.

Yet the oceans are vital to human life and are the Earth's main reservoirs of biodiversity. They produce 50% of the world's oxygen and store 50 times more carbon dioxide than the atmosphere. Also, by covering more than 70% of the planet's surface, oceans transport heat from the equator to the poles, thus regulating the climate and weather patterns.

This means that the ecological risks due to plastic pollution could become very significant if immediate action is not taken². In this context, and because single-use plastics account for 60% of marine pollution, **Decathlon wants to take action on this major issue and commits to eliminating single-use plastics in its packaging by 2026³.**

To take collective action against plastic pollution, Decathlon has also joined several multilateral organisations:

- **The Fashion Pact⁴**, a global coalition of fashion and textile companies committed to following three environmental goals: mitigating climate change, restoring biodiversity and protecting the oceans;
- **The Microfibre Consortium⁵**, which develops solutions for the textile industry aimed at reducing the release of microfibrils.

2021 HIGHLIGHTS

- Decathlon is conducting theoretical and practical studies to estimate the quantities of plastic released by its products in order to take targeted action.
- The company is limiting single-use plastics by gradually eliminating them from its packaging or recycling them.

MEASURING DECATHLON'S IMPACT

ESTIMATING THE QUANTITIES OF PLASTIC POTENTIALLY RELEASED

Decathlon's "Plastic Pollution in the Oceans" project, launched in 2019, aims eventually to reduce the potential release of plastic created by the company's activities. In 2021, an important step was taken with the completion of a theoretical inventory that provides an initial estimate of the total quantity of plastic created by Decathlon that is released into the oceans.

For this study, Decathlon used an innovative methodology created by the Plastic Leak Project⁶ and its partner, Environmental Action⁷. Using data from all its products sold in 2019 and scientific modelling, Decathlon was able to formulate the following initial estimates and conclusions⁸:

- **Of the 270,612 tonnes of plastic sold in 2019, 3,931 tonnes⁹** could be released into the oceans at various points in the products life cycle (production, shipping, use, end of life);

- Of these 3,931 tonnes, **3,907 tonnes would come from macroplastics** (measuring > 5 mm: packaging, plastic products, textiles) and **24 tonnes would come from microplastics** (measuring between 1 µm-5 mm: textiles, tyres);
- **The most impactful processes reflect Decathlon's sales:** textiles (30%), footwear (14%), and plastics and components (9%) account for more than 50% of the potential release of **macroplastics¹⁰**;
- **The production and use of textiles** (washing) are responsible for most of the theoretical release of fragments of **microplastic fibres** (22 tonnes vs 2 tonnes for tyre abrasion).

Along with this first analysis, practical studies were conducted directly in the field to refine these estimates and most closely reflect Decathlon's actual impact. All this work will then enable us to take targeted action.

1. Tekman, M. B., Walther, B. A., Peter, C., Gutow, L. and Bergmann, M. (2022): [Impacts of plastic pollution in the oceans on marine species, biodiversity and ecosystems](#), 1–221, WWF Germany, Berlin

2. WWF, [Ocean plastic pollution to quadruple by 2050](#), 8 February 2022.

3. Excluding nutritional, chemical & cosmetic products, as well as products requiring protection to maintain their technicity and products subject to legal constraints.

4. For more information on the Fashion Pact: <https://thefashionpact.org/?lang=fr>

5. For more information about the Microfibre Consortium: <https://www.microfibreconsortium.com>

6. For more information on the Plastic Leak Project: <https://quantis-intl.com/strategy/collaborative-initiatives/plastic-leak-project>

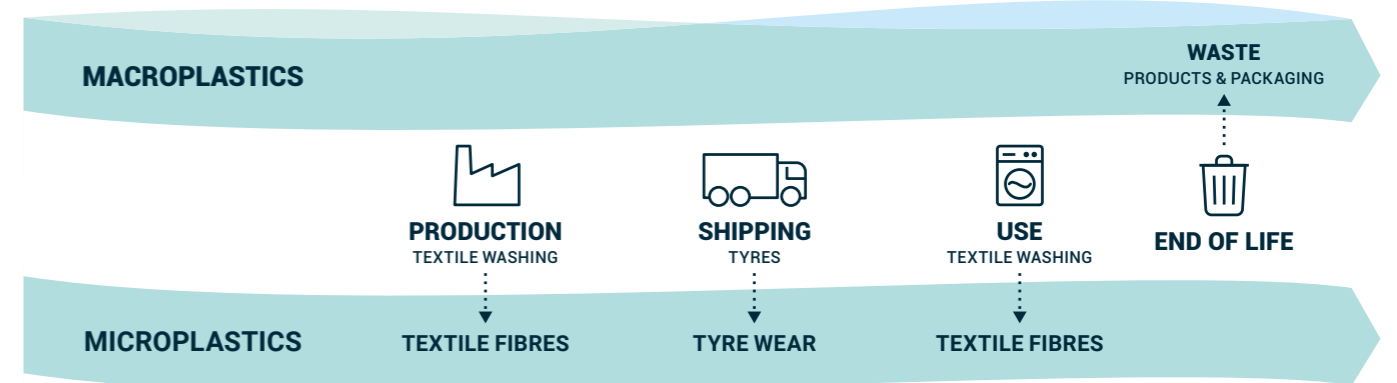
7. For more information on Environmental Action: <https://www.e-a.earth>

8. To establish these initial estimates, Decathlon relied on assumptions and generic mean values derived by cross-checking data from several external studies.

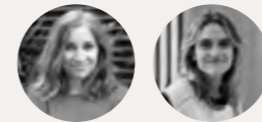
9. Excluding production losses, plastic bags and pollution from bicycle tyre wear.

10. The degree of macroplastics release is linked strongly to each country's waste management systems.

SIMPLIFIED OVERVIEW OF PLASTICS RELEASE IN DECATHLON'S VALUE CHAIN



TESTIMONIAL



Laura CHERET and Mathilde GEERTS

"Plastic Pollution in the Oceans" Project Leaders

"In this study, we first wanted to get an overview of the situation, a snapshot of Decathlon's potential impact on plastic pollution in the oceans. Our calculations are based on the idea that every product sold in 2019 can have an impact throughout its life cycle through the release of microplastics and/or macroplastics. The methodology includes numerous criteria such as the type of polymer, the countries of production and sale, the size of the products, and the maturity of the waste collection and processing channels in those countries. Our goal wasn't to get 100% reliable and empirically verifiable results, but rather an initial approximation that we will refine through our field work, and elements of comparison. Beyond determining the theoretical quantities of plastic released, we wanted to understand the mechanisms and consequences of this pollution for both humans and the ecosystem, while identifying our main impacts so that we can prioritise our actions. This study helps us become even more aware of our dependence on plastic and the need to limit its release as much as possible, and to work towards eliminating it."



COMPARING FABRICS TO REDUCE THE RELEASE OF MICROPLASTICS

To compare the theoretical results obtained in the "Plastic Pollution in the Oceans" project, Decathlon also used the Microfibre Consortium methodology to **calculate the quantity of plastic fibre fragments released by fabrics, which represent 30% of its annual production.**

The objective of this project is to compare fabrics in order that those with the least impact can be identified, so the Decathlon teams can get to work on reducing microplastic release.

Laboratory tests were therefore conducted on 43 different fabrics to simulate their loss of microplastics during domestic washing. The plastic fibre fragments that would have arrived at water treatment plants were collected by filtering the water. Analysis of these fragments showed that, on average, 672 milligrams of microplastics are released per kilogram of fabric during each wash.

It should be noted that this figure does not represent the actual amount of microplastics released into the oceans because the water used in this test was collected prior to filtration and treatment.

Using these results, teammates from the Textile Microplastic Leak project are now working to define a reduction target for 2026. They will also be analysing all the technical parameters for the thread (type, length, structure, etc.) to determine what can be done to minimise the release of plastic fibre fragments.

AIMING FOR ZERO SINGLE-USE PLASTIC

REDUCING THE IMPACT OF PACKAGING

Decathlon's teams have defined an environmental strategy that includes every stage of the packaging life cycle. Using this strategy, Decathlon is aiming for 100% of its packaging to be ecodesigned by 2024, 95% of packaging to be FSC and PEFC certified by 2025 and zero single-use plastic by 2026:

- **Raw materials:** preferring mono-material packaging (to optimise recycling) and plastic free packaging, such as that made with 100% cellulose from sustainably managed forests that are certified by the FSC and PEFC labels;
- **Design:** measuring the environmental impact of designs and considering packaging end-of-life right from the design stage;
- **Production:** measuring and supporting our suppliers' environmental performance;
- **Logistics:** optimising container sizes to reduce the volume of boxes being shipped; in warehouses, replacing plastic with paper alternatives (paper adhesive tape, paper packing, etc.) and working to find a replacement for stretch film (1,775 tonnes purchased in 2021);
- **Retail:** reducing the quantity of packaging by urging retail countries to encourage the purchase of reusable shopping bags and use paper or cardboard e-commerce packaging;
- **End-of-life:** enabling packaging to be collected and recycled.



Implementing this strategy in 2021 has already led to the elimination of 1,416 tonnes of plastic in Decathlon product packaging worldwide. Here are a few examples:

- **The B'Twin reflective cycling vest:** the plastic bag and stickers were replaced with 70% recycled FSC-certified cardboard packaging; thereby eliminating 9 grams of plastic per product, which represents 3.4 tonnes per year. This ingenious new design, which reduces the packaging impact and better displays the vests, will be used for other products as well. To offset the increase in the weight of the packaging (+7 tonnes), optimised filling of the export boxes (-15 tonnes), according to product sizes and colours, has also helped to reduce CO₂ emissions by a full 8 tonnes on the logistics side;
- **Nabaiji and Olaian one-piece swimsuits and bottoms:** by doing away with plastic shipping unit polybags, 171 tonnes of single-use plastic were eliminated in 2021.

KEY FIGURES AS OF 31/12/2021

1,416 tonnes of single-use plastic packaging have been eliminated for Decathlon products¹¹
(300 in 2020)

85% of packaging is ecodesigned¹²
(82% in 2020)

73.4% of the paper pulp¹³ used by Decathlon for packaging is FSC¹⁴ and PEFC¹⁵ certified
(58% in 2020)

REUSING AND RECYCLING HANGERS

Decathlon now collects 56% of its used hangers, with the goal of reaching 80% by 2023. Despite the challenges caused by the COVID-19 crisis, our teams have been able to **increase collection with respect to the pre-pandemic period through strong actions:**

- Gradually extending the collection of hangers to e-commerce orders;
- Deploying procedures and communications locally;
- Working with the Signed Sports teams to evolve Decathlon's "How to Sell", to limit the number of products hung in stores and thereby reduce hanger consumption.

56% of used hangers were collected
(48% in 2020)

50 million hangers were reused
(25 million in 2020)

44% of recycled materials were used in making new hangers
(38.6% in 2020)

11. In 2020, the quantity of plastic packaging required to package finished products was estimated at 10,000 tonnes. This data was revised downward to 7,000 tonnes by the packaging team in 2021.

12. Packaging composed of mono-materials that are recyclable worldwide and excluding single-use plastics. Considering the continuous improvement approach inherent in ecodesign, these criteria will evolve over time.

13. Paper pulp used exclusively for packaging in retail and shipping.

14. FSC: Forest Stewardship Council.

15. PEFC: Programme for the Endorsement of Forest Certification schemes.

3_REDUCING WASTE AND RECYCLING

NON-DESTRUCTION

Committed to avoid destroying products and components

Decathlon is taking action globally along its entire value chain to avoid overstocks and the destruction of products or components. This frugal and innovative approach is being applied at every stage of the design and life cycle of goods.

To accelerate the action in this direction, Decathlon committed in 2020 to:

- Stop destroying, burying or incinerating **any products and components that can still be sold or used, as of 1 July 2021;**
- Stop burying or incinerating **any finished products or components by 2026.**

KEY FIGURES AS OF 31/12/2021

1.6 million products for which destruction has been avoided through the "Save the Frogs" project
(valued at approximately €8 million¹⁶)

496 tonnes of products saved from destruction by the Quality team

2021 HIGHLIGHTS

- Decathlon's commitment to no longer destroy, bury or burn any products or components that can be sold or used, took effect internally on 1 July 2021.
- Decathlon launches the "Save the Stocks" platform to identify and allow in-house access to all surplus A and B quality finished products at discounted prices.
- Tests and partnerships are launched to devise even more solutions to reach zero destruction.

STOPPING DESTRUCTION AND REUSING OVERSTOCKS

THE "SAVE THE FROGS" APPROACH

To make our commitment to stop destruction possible, the "Save the Frogs"¹⁷ project team set up a methodology in 2015 to work towards "just the right amount" directly from the product design phase, as well as solutions for disposing of all remaining overstocks. Decathlon's priority is to dispose of these stocks through its traditional sales channels; then the teams have different options to dispose of the products: through clearance sales, sales to others and donations (if they cannot be sold), and finally through recycling.

SOLUTIONS TO AVOID DESTRUCTION



A QUALITY: new or repaired new product;
B QUALITY: new or refurbished product with a visual defect not affecting its use;
C QUALITY: product unfit for use.

Delayed introduction, sales to customs areas, sales in limited editions

Outlet, Decathlon Pro, resale at a discount via e-commerce

Sales to an approved panel of stock clearance companies

Only if the products cannot be sold, because all manufactured goods are intended to be sold

Sell or buy recycling services for C quality products and components that cannot be sold or donated

▪ No sellable or usable components or finished products incinerated or buried from 1 July 2021;
▪ No components or finished products incinerated or buried by 2026.

16. USD 9 million.

17. "Save the Frogs": though the project has an ecological objective, its aim is not actually to save frogs. The name arose out of internal discussions at the time of project creation.

ACHIEVEMENTS IN 2021

The commitment made by all Decathlon managers and its internal ecosystems to **no longer destroy, bury or incinerate any of our products or components that are sellable or usable entered into force internally** on 1 July 2021.

Decathlon launched the **"Save the Stocks" platform** in December 2021 to increase the visibility, desirability and accessibility of overstock products. This internal catalogue lists all overstocked A and B quality finished products and offers them at discounted prices. At the end of 2021, it represented about €14.3 million¹⁸ in overstocks. The goal is to expand this catalogue to include components in 2022 and to make the platform available to other companies, in order to work collectively towards zero destruction.

Progress has been made this year on various solutions put forward to avoid destroying overstocks, non-conforming products and components.

1 - Traditional sales

- **Delaying new product introductions:** to avoid destroying products, the Signed Sports delayed the sale of certain new models and colours. For example, we kept 2020 colours in stock until they had all been sold before we brought out the new spring-summer 2021 collection. For Decathlon, this is the simplest way to avoid overstocks and destruction;
- **Testing B quality products:** these products, whose only defect is visual, represent 3 to 5% of manufactured products; until now, they were systematically destroyed. To avoid this, the "Save the Frogs" teams tested the sale of several of these products (flippers with a colour issue, golf nets or tents whose bags were cut, etc.) in stores in 2021. B quality products were therefore sold near similar products within a marked area in their original departments. The objective of this first test was to identify all possible barriers to the sale of these products in order to find long-term solutions and deploy a system that would save all B quality products.

2 - Sale to others – External clearance

- **Launch of a partnership with Noz²⁰:** Decathlon and the European stock clearance leader have signed a first partnership, allowing Noz to buy batches of sports products directly in the countries of production.

STOPPING DESTRUCTION AND RECOVERING NON-CONFORMING PRODUCTS

A non-conforming product is one with a defect related to use, regulatory compliance, appearance or safety. When a non-conformity is identified, the products undergo Quality Corrective Actions. In 2021, the Quality team looked for new ways to save non-conforming products to limit destruction as much as possible. For these products, all the possible solutions are considered in turn and those that are unfeasible are gradually eliminated: the teams first seek to have the products repaired and then sold through the traditional channels; if this is not possible, the products are donated or recycled. Finally, if no solution can be found, and as a last resort, non-conforming products are destroyed.

The different percentages for the sports goods affected by this approach are as follows²²:

- 91.7% repaired;
- 1.6% recycled;
- 1% donated;
- 5.7% returned to suppliers and destroyed.

In 2021, the Quality team saved 496 tonnes of products from destruction (347 tonnes in 2020).

➔ **More information on non-conforming product recycling by the Quality team on p. 102-103.**

In 2021, Noz bought its first batches from France, Vietnam and India. In France, this partnership saved 23,000 items that had been stored in one of our warehouses for many years, thus offering them a first life. Decathlon now aims to develop similar partnerships around the world.

All of the solutions Decathlon has put in place prevented the destruction of **more than 1.6 million products worth approximately €8 million** in 2021.

TESTIMONIAL



Céline CROUZAT

Leader of the value chain sustainable development strategy¹⁹

"2021 is a year that will go down in company history. When we made Decathlon leaders' commitment official, we changed the rules of the game. It will not be easy to change our habits; it will obviously take time for us to adapt in order to reach our goal. But we have laid the foundations and our teammates are both motivated and excited about this decision. Now, we are going to do all we can to make this process simple and automatic for everyone as we move toward zero destruction. When we made this commitment formal, we also added the issues associated with the "Save the Frogs" project to the priority topics of Decathlon's governance; this represents a huge step forward for us and will help us move more quickly along this path that we have set for ourselves."

FOCUS

Kimjaly: Designing yoga gear using overstocks

For several years, Kimjaly²¹ has been working hard to avoid destroying any of its components. For example, this Decathlon brand has designed a new yoga T-shirt from a stock of trouser belt components, and a meditation shawl from components initially intended for the design of a yoga blanket.

18. USD 16 million. Cost price, representing a market value of between €20 and €40 million.
19. Supply and logistics chain. | 20. For more information on Noz: <https://www.noz.fr>
21. Kimjaly: Decathlon's yoga brand. | 22. For more information, see methodological note on p. 158.

3_REDUCING WASTE AND RECYCLING

PRODUCT RECYCLING

Inventing a new life for products

In its circular economy approach, Decathlon is committed to reducing environmental impacts at every stage of the product life cycle. While the company aims to encourage the recycling of sports equipment that is unusable or has reached the end of its life, there are currently no recycling options for many of these products. To address this issue, Decathlon is working to offer solutions and find a recycling channel for 80% of its products sold in France by 2026.

KEY FIGURE AS OF 31/12/2021



56% of products sold in France have a recycling channel (56% in 2020)

2021 HIGHLIGHTS

- Decathlon is setting up partnerships with circular economy experts to develop new technologies and find recycling channels for its sports goods.
- Decathlon France is preparing for the entry into force of Extended Producer Responsibility²³ (ERP) for Sports and Leisure Products and will be able to give a second life to the articles sold in its stores.

DEVELOPING THE RECYCLING OF SPORTS GOODS

Textiles and footwear, electrical and electronic equipment, furniture, etc: many products in France are now subject to Extended Producer Responsibility (EPR)²⁴: Under EPR, Decathlon is required to pay an eco-contribution for every item of this type sold to finance their end of life. To maximise the recycling rate of textiles and footwear in particular, which represent its largest quantities sold by Decathlon, the company is conducting several research projects in partnership with circular economy experts. These projects are being carried out in France first before being deployed later in countries where Decathlon is present.

This year, REWIND has made significant progress in validating fabrics and the technical elements related to the manufacture of the Solognac shorts. In July 2021, Decathlon launched the experimental sale of 772 pairs of shorts made using 30% recycled cotton from post-consumer textiles. Designed to be as sustainable as possible through various design elements (recycled buttons, built-in logo, 100% recycled sewing thread), these shorts also have an embedded RFID chip²⁷ that provides all the information necessary for sorting (composition, colour, etc.) to prepare their end-of-life and recycling.

Thanks to the knowledge gained through the REWIND project, Decathlon now wants to create an extended offer of recycled threads in France and develop this initiative for other types of fabric, so that it can sell products that are increasingly environmentally friendly.

In addition to REWIND, other textile projects are being conducted in various countries involving the recycling of fabric scraps. For example, 260 tonnes of scraps of polyester²⁸ were collected in China in 2021, to be recycled and converted into new threads that are injected directly back into production.

RECYCLING TEXTILES

Decathlon initiated the **REWIND circular economy project**, funded by ADEME²⁵, in 2017. REWIND brings together the expertise of six French organisations in order to gradually remove technological blocks in the textile sector. Members of the consortium have sought to deploy industrial plants in France capable of collecting, sorting, dismantling and recycling post-consumer goods to convert them into recycled thread. In REWIND, Decathlon is responsible for validating the technical characteristics of the threads and components used to manufacture bermuda shorts for Solognac²⁶, our brand involved in this project.

23. For more information on Extended Producer Responsibility: <https://www.ademe.fr/expertises/dechets/elements-contexte/filieres-a-responsabilite-elargie-producteurs-rep>

24. In 2020, the AGECE law also created several new EPR channels concerning Decathlon activities.

This includes propane cartridges, toys, as well as sports and leisure items. For more information: <https://www.ecologie.gouv.fr/loi-anti-gaspillage-economie-circulaire>

25. For more information on ADEME: <https://www.ademe.fr/> | 26. Solognac: Decathlon's hunting brand.

27. RFID: radio frequency identification.

28. Representing 1.7 million metres of components that can be used to make about 1.9 million recycled T-shirts.

RECYCLING FOOTWEAR

In 2021, in partnership with several other sector brands, Decathlon contributed to one of the first industrial innovation programs at CETIA²⁹, a new technological centre dedicated to the recyclability of textile and leather goods in France. The goal of this programme is to **develop a technology capable of automatically disassembling shoes so that the soles can be recovered and each element can be recycled separately.** Automation would accelerate the development of the footwear recycling chain, which continues to be held back by the high cost of manual disassembly. Using a complementary technology able to automatically identify and sort products, recycled materials could then be incorporated in closed-loop production.

This year, the Decathlon teams also continued experimentation launched in Greater Bordeaux in late 2020. In this area, 3,000 pairs of used shoes were collected in stores for shipping in early 2022 to a recycler, SOEX³⁰, that will shred and separate the various materials. As it prepares to create a circular economy, Decathlon plans to reuse these materials to make soles and hunting shoes.

FOCUS

Simond: Recycling and reusing climbing ropes

Decathlon is also conducting many other experiments on products for which recycling channels have been found.

For example, Simond³¹ has launched its first collection of climbing ropes in the Rhône-Alpes region. In 2021, 30 stores collected 1.5 tonnes of ropes, 500 kg of which have already been sent to a French recycler for transformation into plastic parts for industry. A second recycling test will be carried out in the Netherlands with two tonnes of material. If these experiments prove conclusive, the project could be replicated in other regions in France and Europe. This type of approach, identifying and validating a recycling chain and then testing it via regional collection before deployment, will be gradually replicated for any recyclable product.

FINDING INCLUSIVE AND SOCIALLY RESPONSIBLE RECOVERY SOLUTIONS FOR NON-CONFORMING PRODUCTS

In 2021, in order to go even further in its attempt to limit destruction as much as possible (see p. 100), the Quality team launched a new partnership with Umains³², which proposes an inclusive and socially responsible recovery solution.



Élodie ÖZEN

Founder of Umains



Franck YONNET

Retail & Logistics Quality Manager

How did the partnership between Decathlon and Umains come about?

Franck - Until 2020, most non-conforming products that could not be repaired or donated were mostly destroyed. Today, this has become unacceptable. So, the starting point for this partnership was Decathlon's desire to find an alternative to destruction by calling on recovery specialists capable of handling the large quantities stored in our French and European warehouses.

Élodie - At Umains, we realised that it was difficult for companies to take action on their own to avoid destroying their products: it is a very time-consuming process, there are many recycling and recovery players and there are many different products to be dealt with. So, we wanted to offer a logistics and digital solution that is very simple and guarantees product traceability. And we wanted to provide companies like Decathlon with a single contact so that we can help them save as many products as possible.

How does this partnership work?

Élodie - As part of our collaboration with Decathlon, we developed a platform to simplify and speed up recovery searches. Now, any Sport Quality Manager can enter the non-conforming products that they want to recycle, specifying the quantities at each storage location. After examining the request, Umains presents all possible solutions nearest to the warehouses. This helps limit the environmental impact and contributes to the local economy. Once a solution has been selected, a network of inclusion or disability partners takes care of processing.

Franck - We are even prouder of this partnership because it allows Decathlon not only to contribute to the circular economy, but also to be socially responsible. We reduce our waste while helping to create professional integration jobs.

What results have you achieved so far and what are your plans for the future?

Franck - In one year, we have already opened nineteen Quality recovery files that will eventually prevent the destruction of 216,373 products. Through this partnership, people will remember the first two products saved from destruction by a network of integration workshops: 996 rugby shirts that were transformed into bicycle luggage kits and 1,200 Nabaiji buoys transformed into pencil cases. Our goal now is to increase the number of possible recovery solutions and establish a formal process that can be extended to the other countries where Decathlon is present.



Élodie - With the goal of saving as many products as possible, this partnership with Decathlon is particularly strategic and impactful for Umains; we are receiving many requests not only from the Quality team but from other departments as well, which demonstrates their true commitment in this area. The recovery actions launched in 2021 will enable us to eventually save 16.18 tonnes of products for Decathlon! Now, our priority is to develop our network further in order to be located as close as possible to Decathlon's warehouses throughout France.

PREPARING FOR THE ENTRY INTO FORCE OF EXTENDED PRODUCER RESPONSIBILITY FOR SPORTS AND LEISURE GOODS

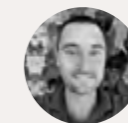
In 2021, one of the priorities of the Decathlon teams responsible for recycling issues was to prepare for the entry into force of **Extended Producer Responsibility (EPR) for Sports and Leisure Goods (SLG)** scheduled for January 2022. ERP requires of all companies that design and distribute these types of articles on the French market to contribute financially to the management of the products' end-of-life.

Since 2020, Decathlon has been actively discussing with all stakeholders involved in the creation of this new branch³³ in order to promote its progressive vision of reusing and recycling sports goods. **These discussions have led to Decathlon being acknowledged as a player in the circular economy and to the brand receiving approval to give a second life** (reuse or recycling) to items dropped off by customers in stores.

In addition to discussions on the specifications for this new branch, **in 2021 Decathlon participated in four experiments conducted by Ecologic³⁴**, the Producer Responsibility Organisation authorised by the French government to help sports retailers reuse and recycle their products. Thus, we have set up collection points at nine Decathlon stores in France (including Roncq, Bailleul and Hénin-Beaumont) to better identify the waste streams, get a first estimate of the product reusability rate and test the technical and logistical aspects of ERP (choice of containers, development of logistic flows, etc.). Over 30 tonnes of products have been collected through these experiments, which also involved other companies in the sector and about 15 waste disposal sites. Through this project, we have established links with actors in the Social and Solidarity Economy in order to provide solutions for the repair and reuse of a significant portion of our products.

Several deployment waves are planned for 2022 to ensure that we provide collection points in as many stores in France as possible. Under EPR-SLG, all stores must be ready to collect sports goods by 2023.

TESTIMONIAL



Vianney BURUCOA

EPR Project Manager, Decathlon France

"Decathlon is fully on board with the spirit of EPR-SLG: as a designer and distributor of sports goods, we are also responsible for financing our products' end-of-life. Offering customers the opportunity to drop off their sports items at in-store collection points is a real step forward in separating and recovering sports waste, to recycle or reuse it wherever possible. It represents a great opportunity to reduce our environmental footprint while helping our sports users consume more responsibly."

29. A centre created by the ESTIA School of Engineers and the European Center for Innovative Textiles (CETI); for more information on CETIA: <https://cetia.tech/>

30. For more information on SOEX: <https://www.soex.de/fr/processing/>

31. Simond: Decathlon's climbing and mountaineering brand.

32. For more information on Umains: <https://www.umains.co/>

33. In particular, Ecologic, the eco-organisation approved for this sector, Union Sport et Cycle and its members, as well as Community-Oriented Economy structures.

34. For more information on Ecologic: <https://www.ecologic-france.com/>

WASTE MANAGEMENT

Making waste valuable

As a product designer and distributor, Decathlon generates waste that contributes to its carbon footprint.

The company is conscious of its responsibility to reduce its environmental impact as much as possible, so it addresses the issue of waste on the local level through its network of country sustainable development leaders, who define the most suitable action plans for their local communities (collection, recycling providers, etc.), as well as at the global level.

Decathlon commits to ensure that 100% of its waste is recovered by 2026.

KEY FIGURES AS OF 31/12/2021

103,495 tonnes of waste generated by Decathlon sites worldwide (96,252 in 2020)

42% in-store recycling (39% in 2020)

66.4% warehouse recycling (68.9% in 2020)

2021 HIGHLIGHTS

- Decathlon has improved the reliability of its waste management data and developed its network internationally to take action locally.
- In France, Decathlon has prioritised its different waste streams and launched a 2021-2023 project to reduce its level of non-hazardous industrial waste.
- It has continued to deploy its partnership with Too Good To Go in order to combat food waste in Europe, avoiding the generation of 73 tonnes of CO₂ in 2021.

SORTING AND RECYCLING WASTE IN STORES AND WAREHOUSES



Mélissa GRAYEL

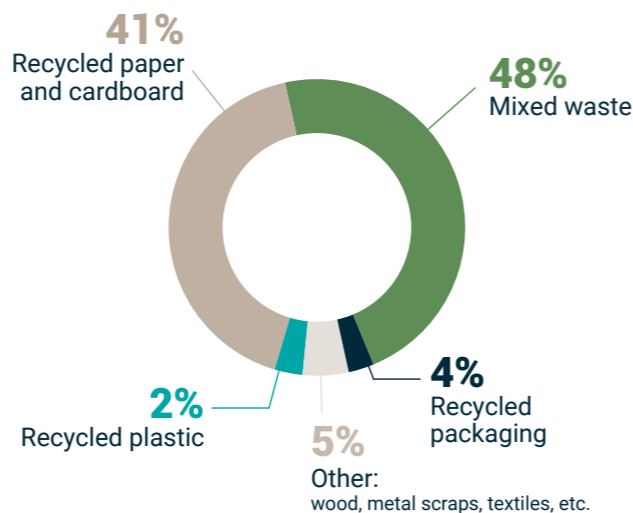
Store and Warehouse Waste Management Leader

"2021 saw a growing mobilisation in our network on the issue of waste. Not all countries are moving at the same pace, which demands we provide strong, individualised support, but we are now witnessing plenty of emulation; more and more country sustainable development leaders are tackling this issue. We have also undertaken a major effort to improve the reliability of our data over the past two years using the Metrio tool, and we hold a quarterly webinar to analyse our performance, share best practices and raise awareness in our network, which grew strongly this year. This is very encouraging for the future."

TESTIMONIAL

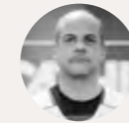
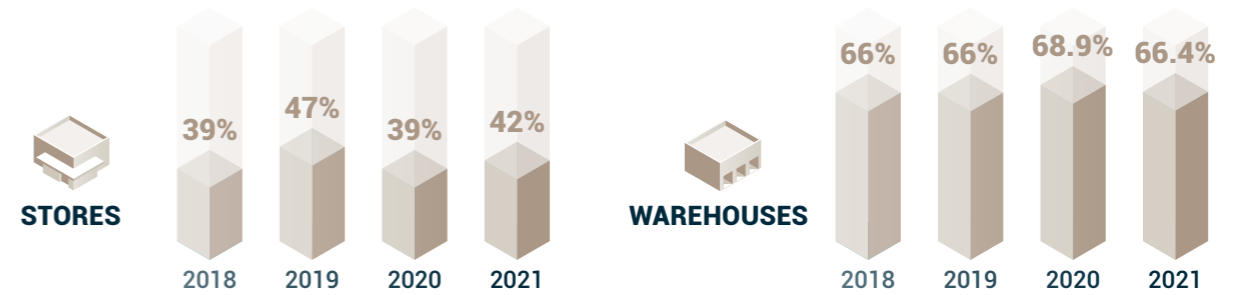
TYPES OF WASTE GENERATED BY OUR SITES WORLDWIDE

DECATHLON STORES, BRANDED SITES AND COMPANY-OWNED WAREHOUSES



EVOLUTION OF THE RECYCLING RATE OF WASTE SORTED BY TEAMS

DECATHLON STORES, BRANDED SITES AND COMPANY-OWNED WAREHOUSES



Stephen COE

Waste Management Leader, Decathlon United Kingdom

TESTIMONIAL

"Since the end of 2020, waste from every Decathlon UK store has been taken to a single recycling centre on a weekly basis. It is then sorted on site into specific streams and collected by national recycling suppliers with whom we have established a real relationship with this year. Together with awareness-raising initiatives in stores, these actions enabled Decathlon UK to reach a recycling rate of 89% in 2021, stores and warehouses combined! This work contributes to the preservation of our playgrounds and I am very proud of this result!"

PRIORITISING AND SORTING WASTE IN FRANCE

In 2020, Decathlon France conducted an experiment to identify the contents of the rubbish bins in stores so they can be directed to the appropriate recycling channels³⁵.

After identifying eighteen categories of waste, **the teams were able to prioritise different waste streams and establish a 2021-2023 project** organised around three levels of control:

In 2021, the teams focused on renegotiating collection contracts for the intermediate level. The aim is to make waste recycling more competitive to encourage more environmentally friendly practices. These negotiations helped us to better regulate the services and draft collection procedures that will be deployed in stores in 2022.



- Cardboard
- Flexible polyethylene plastics
- Hangers
- Batteries
- Electric and electronic waste
- EPR textiles
- Non-hazardous industrial waste



- Workshop metal
- Office paper
- Inner tubes
- Tyres
- POS advertising
- Shoe padding



- EPR-SLG
- Food packaging
- Organic waste
- Aluminium
- Mixed hard plastics

FIGHTING FOOD WASTE THROUGH "TOO GOOD TO GO"

A partnership to combat food waste was launched between Decathlon and **Too Good To Go**³⁶ in 2020. The principle is simple: all the food products in our nutrition and hydration departments nearing their use-by date are taken off the shelves and repackaged in baskets of mixed goods. Then, users of the Too Good To Go app can pick up these baskets in store for a third of the original price of the items. Our goal is to sell our stocks before they become out of date and have to be thrown out.

After Italy, Portugal and the United Kingdom in 2020, four new countries joined the initiative in 2021: Poland, France, the Netherlands and Spain. In all, 30,000 baskets were saved and 73 tonnes of CO₂ were avoided in Europe in 2021.



Antoine LÉVÊQUE

Nutrition Product Engineer

TESTIMONIAL

"The Too Good To Go project is an excellent example of the collaborative work being done at Decathlon. After observing the need in our stores, we put in place all the necessary actions to provide a quick, simple and efficient solution."

35. For more information: 2020 NFRD, p. 86.

36. For more information on Too Good To Go: <https://toogoodtogo.fr/fr>

CREATING SUSTAINABLE VALUE

TRANSFORMING TO DEVELOP HEALTH AND WELL-BEING THROUGH SPORT



DECATHLON IS COMMITTED TO THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS:



CREATING SUSTAINABLE VALUE

Our commitments for 2026

STAKES	2026 COMMITMENTS	2020	2021
Governance	Specialised committees dedicated to sustainable development	3 People and Sharing committee meetings – 4 Environmental Transition committee meetings	3 People and Sharing committee meetings – 3 Environmental Transition committee meetings
Incorporating human, environmental and financial performance into our value measurements	Some KPIs enable us to measure our actions that create the most impact* in order to achieve our climate targets defined with SBTi → All the actions are included in Decathlon's monthly performance report *The actions creating the most impact account for more than 70% of the total SBTi commitment	n/a	100% 71%
	100% of teammates are paid in line with extra-financial performance criteria	n/a	n/a
Business ethics	An Ethics & Compliance Referent is trained and supported in applying the Sapin II Anti-Corruption Law in each country → Every country in which Decathlon operates has appointed an Ethics & Compliance Referent	100% 60%	100% 100%
	100% of teammates have access to the internal alert platform that enables them to raise questions and reports	100% 100%	100% 100%
	100% of reports are processed	32.5% of reports are being processed – 67.5% of reports have been processed	46% of reports are being processed – 54% of reports have been processed
Connecting and dialoguing in an open ecosystem	List of our memberships and partnerships with leading stakeholders (organisations, programmes and initiatives, etc.).		✓
	Annual publications (Non-Financial Reporting Declaration, Vigilance Plan, Modern Slavery Statement, etc.)		✓

The Transition Plan was drawn up in 2020. Some indicators have been created or modified following the deployment of strategies and will therefore be available in 2022.

GOVERNANCE

Organising for sustainable performance

Decathlon was founded in 1976 and is based on a unique governance system that ensures both:

- **Stability and independence** thanks to the guarantors of its long-term vision (family and employee shareholders, board of directors);
- **Great agility** through its respect of the principles of subsidiarity and global/local responsibility.

Decathlon's corporate governance bodies acknowledge the importance of human and environmental issues, so they place **sustainable development at the heart of their strategies** and ensure it is deployed throughout the entire organisation.

KEY FIGURES

AS OF 31/12/2021

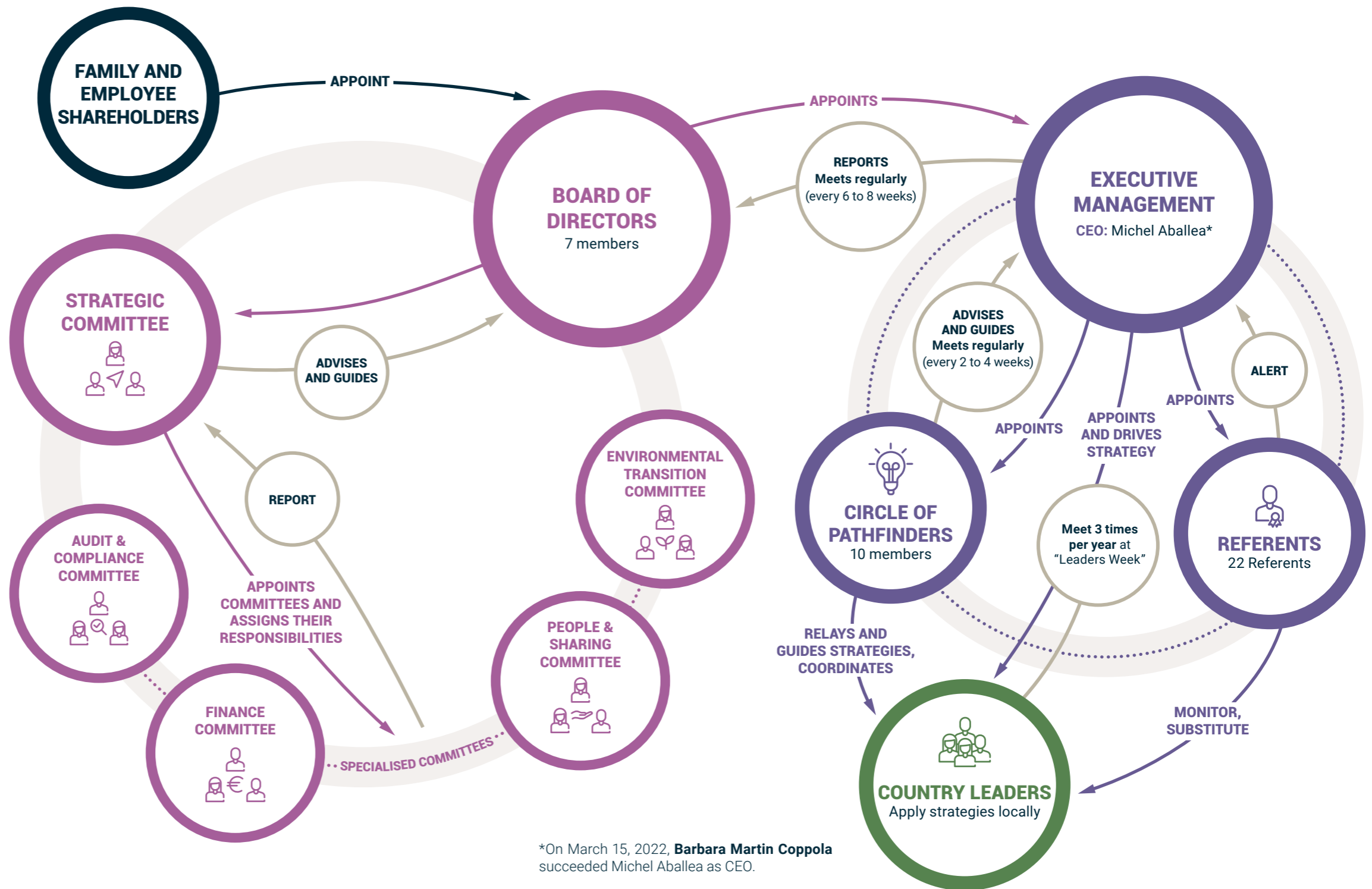
3 "Leaders Week" events bringing together the company's leaders¹

3 People & Sharing committee meetings

3 Environmental Transition committee meetings

DECATHLON'S GLOBAL GOVERNANCE SYSTEM

Decathlon is organised into different networks that are interconnected based on their scope of action. Their strategies are guided by the principle of global and local responsibility, and are supported by Referents who are experts in the issues they address. The strategies are disseminated locally by Relays, who are influencers in their operational decision-making areas.



*On March 15, 2022, **Barbara Martin Coppola** succeeded Michel Aballea as CEO.

2021 HIGHLIGHTS

- **Three People & Sharing committee meetings and three Environmental Transition committee meetings** were held in 2021 to place sustainable development issues at the highest level of Decathlon's governance.

- **The Environmental Transition department evolved its organisation** in line with its mission to "catalyse Decathlonians to conciliate, through sport, human well-being and planet boundaries".

FOCUS

The Strategic committee and the board of directors' four specialised committees

The Strategic committee advises and guides the board of directors on issues most strategic for the company. To improve efficiency and relevance, the Strategic committee delegates a number of fundamental topics to four independent and specialised committees² having specific duties, and that produce studies and recommendations:

The Audit & Compliance committee examines internal oversight, challenges risk mapping, validates the internal audit plan and monitors the second line of defence³ and implementation of compliance measures. This committee met seven times in 2021.

The Finance committee validates the financial, legal and fiscal autonomy frameworks, monitors changes to the fiscal policy, manages the company's balance sheet, issues opinions on the real estate policy, etc. This committee met five times in 2021.

The People & Sharing committee challenges and monitors human indicators, expresses an opinion on the value-sharing policy, monitors actions promoting the corporate culture, etc. This committee met three times in 2021.

➔ **More information on the People & Sharing committee on p. 112.**

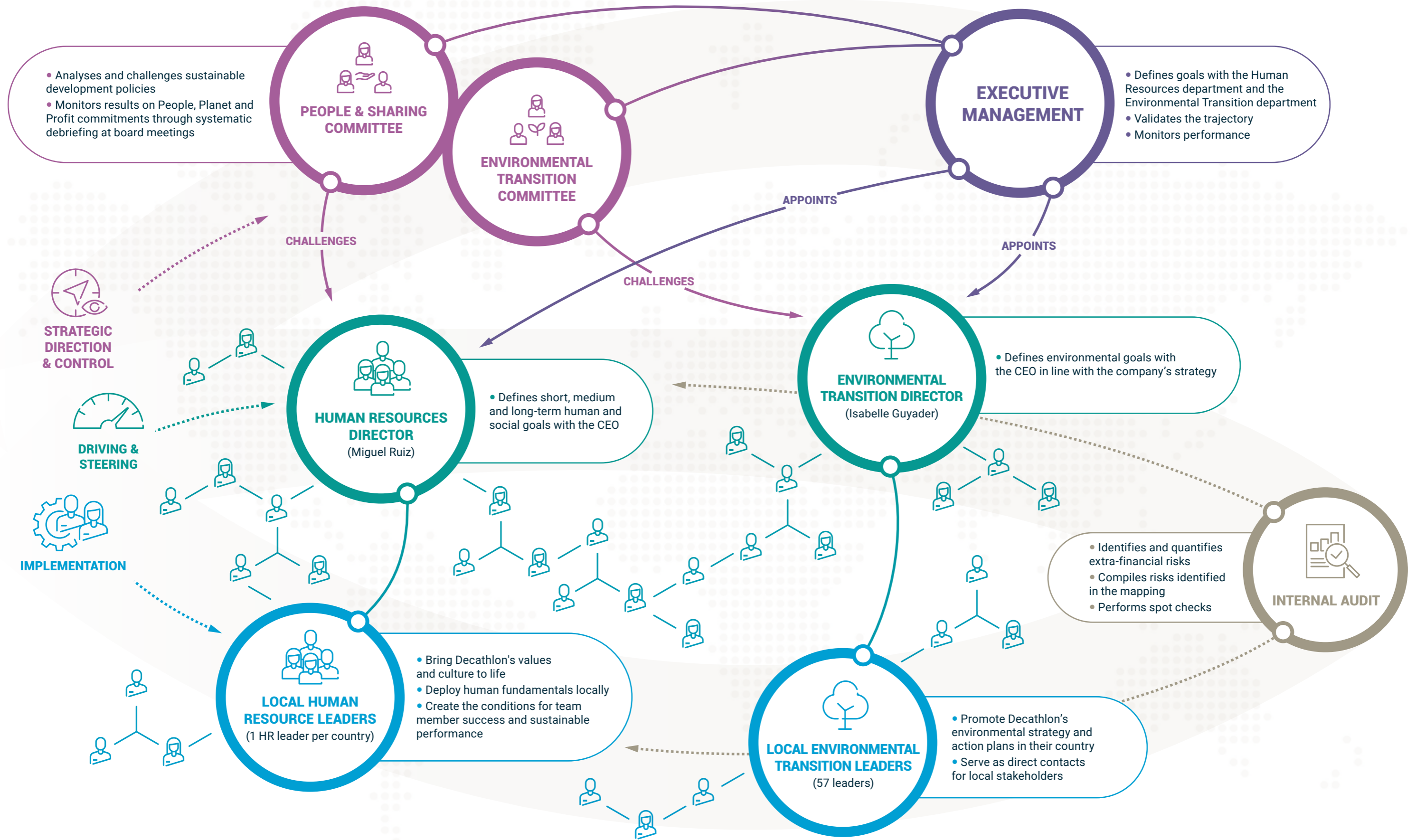
The Environmental Transition committee issues an informed opinion on the company's environmental goal, ensures the convergence of its economic and environmental interests, challenges and monitors indicators, validates the environmental audit plan, etc. This committee met three times in 2021.

➔ **More information on the Environmental Transition committee on p. 112.**

1. The event brings together the Executive Director, the members of the Circle of Pathfinders, United Referents and country leaders over several days. The purpose of this meeting is to share strategies and examples of local applications in order for these people to inspire one another.
2. The specialised committees are composed of representatives of family shareholders and external experts.

3. Line of defence: term used by organisations to refer to risk control.

SUSTAINABLE DEVELOPMENT GOVERNANCE



IDENTIFYING EXTRA-FINANCIAL RISKS

The Internal Audit and the Sustainable Development teams rely on a **principle of co-construction** to identify the most significant extra-financial risks. By working together, they combine the risk identification and quantification methodology with expertise on sustainable development topics.

The preliminary identification of risks is based on the expertise of operational staff who are best qualified to express their vision of reality. This information is gathered through interviews, consultations and documentary analyses, following which a summary report is drafted. Once the risks have been identified, quantification work is undertaken to **determine the probability of the extra-financial risks occurring and the severity of the repercussions.**

In the case of climate risk, for example, two main sets of risks have been identified:

- **Endogenous risks**, related to the impact of Decathlon's activities on the environment;
- **Exogenous risks**, which are the risks that Decathlon faces due to climate change at the planetary scale.

The teams assess and prioritise these risks according to pre-established and quantified scales, and then present them in the form of a mapping⁴.

Using this mapping, the teams submit an audit plan assessing the degree of risk coverage to the Audit & Compliance committee for validation. Then audits can be conducted to determine actual risk.

SPECIALISED COMMITTEES AND SUSTAINABLE DEVELOPMENT

Several committees have been set up to ensure that all components enabling responsible development are present at Decathlon's highest levels. They are responsible for conducting discussions for sustainable in-depth decisions that are taken at the same level as those that enable the company to be responsive, agile and adaptive, to attain both medium and long-term results.

People & Sharing committee

The People & Sharing Committee **aims to ensure that topics concerning people are understood and implemented. It anticipates and explores future challenges and prepares for them with care and ambition.**

This independent committee is composed of representatives of family shareholders and external experts. It supports the implementation of the company's people strategies with close attention. It monitors human performance in relation to the strategies identified on a regular basis.

This committee:

- Monitors our teammates' engagement and enjoyment at work;
- Verifies the coherence and relevance of short, medium and long-term people strategies;
- Anticipates human challenges and drives change for a successful and sustainable company;
- Measures social and human performance;
- Considers the relationship of people strategies with environmental and economic results;
- Examines the contribution of all Decathlon stakeholders.

The People & Sharing committee met three times in 2021.

People committee meetings are also held annually at various Decathlon entities. They are an integral part of the company's local and global governance.

Environmental Transition committee

The Environmental Transition Committee was created in 2020 to **promote and monitor the preservation of our natural capital with the utmost attention.**

This independent committee is composed of representatives of family shareholders as well as external experts. It takes an impartial view in order to observe, evaluate and challenge the strategies put in place to preserve Decathlon's resilience for the long term. This committee also monitors environmental performance on a regular basis in relation to the strategies identified.

The following objectives were set at the time of this advisory body's creation:

- Sustainability of Decathlon's decisions and business model;
- Complementarity between the environmental transition and the economic trajectories;
- Reliability of the indicators.

This committee reports to the Decathlon board of directors annually and holds discussions with the various company bodies. It serves as a guarantee that environmental results are systematically addressed and analysed at board meetings.

The Environmental Transition committee met three times in 2021. During these meetings, it systematically analysed the company's progress on product carbon intensity, sales realised with Ecodesign products and sustainable sales. A central theme was also addressed at greater depth at each meeting this year:

- Meeting 1: product ecodesign and the selection of more sustainable materials;
- Meeting 2: environmental aspects in production;
- Meeting 3: product end-of-life (waste management, recycling, plastic pollution in the oceans).



THE STRATEGY AND ITS STEERING

Decathlon's sustainable development strategy is led by the Environmental Transition and the Human Resources Directors, both of whom are members of the Circle of Pathfinders. **The strategy is stated in the 2020-2026 Transition Plan⁵** (see p. 21, 49, 73, 83, 95 and 107), a document that can be updated annually based on the lessons learned from company experiences and changing scientific knowledge, methodologies and issues. This Transition Plan is built on three pillars:

- 1 - **Developing people;**
- 2 - **Preserving nature;**
- 3 - **Creating sustainable value.**

Through this organisation, skills can be shared at different levels:

- **Environmental transition process leaders and United people leaders** are experts in their topic; they deploy the strategies every day and steer sustainable performance indicators;
- **The environmental transition leaders and human resources leaders in the countries** are real relays of these strategies and take decisions in their regions.

These different players work together to guarantee consistent implementation of the Transition Plan.

The Human Resources department

Historically, the Human Resources department has been based on the principle of subsidiarity, the foundations of which encourage the autonomy and responsibility of local teams.

However, certain fundamental common human principles have been defined at the United level and form the basis for local autonomy.

Above all, the Human Resources department **provides assistance to local leaders and teams.** This collaboration relies on United people leaders who guarantee the conditions for the teams' success and performance and who measure the creation of sustainable human value.

Every year, an **international Decathlon Teammates Barometer (DTB) survey⁶ measures the deployment and practical implementation of our people strategies**, as well as our teammates' level of fulfilment, enjoyment and performance. The DTB is a reflection of teammate involvement and engagement at Decathlon, a structuring measurement tool that enables the company to assess the effectiveness of its people policies.

Environmental Transition department

In 2021, the Environmental Transition department changed its organisation in line with its mission to "catalyse Decathlonians to conciliate, through sport, human well-being and planet boundaries". The organisation is now based on several pillars that aim to:

- Think and build a desirable future;
- Transform all Decathlon activities to include the environmental transition;
- Drive and report on the company's extra-financial performance;
- Build and develop careers dedicated to sustainable development.

Staff dedicated to these topics are supported by specialised communication, legal, information technology and human resources teams on a daily basis.

The Environmental Transition department is also linked to **various operational networks:**

- **Sports & Processes networks** for the ecodesign of components and products, as well as the development of a more sustainable product offering;
- **Production networks** located around the world, providing vigilance for the respect of fundamental human rights and the environment when manufacturing Decathlon products;
- **Logistics and retail networks** to develop local strategies related to the environmental transition;
- **Communication teams in stores** to develop awareness and information on sustainable development (environmental management of energy and waste, second-hand products, etc.) for customers and users.

4. More information on risk mapping on p. 16-17.

5. For more information on the Transition Plan: <https://sustainability.decathlon.com/transition-plan-2020-2026>

6. More information on the Decathlon Teammates Barometer on p. 23.

MEASURING VALUE

Accelerating the integration of human, environmental and financial performance

A company's performance can no longer be considered solely according to financial data. Human and environmental issues must be included to allow a global analysis of performance, serving an environmental transition that is necessary in assessing the company's full value, beyond strictly financial aspects.

Though separate, financial and extra-financial performance indicators are closely linked: in particular, the company's economic data is directly related to the availability of the natural resources needed to manufacture products, to energy consumption and to the volume of shipped products.

By calculating its greenhouse gas emission intensity, Decathlon can assess and manage its global impact and make responsible decisions accordingly.

To accelerate actions taken in the Transition Plan, Decathlon's extra-financial performance can be examined on different levels: for example, when evaluating share value for shareholders, for teammate remuneration and for impact credits, which link the company's bank financing with sustainable development indicators.

KEY FIGURES

AS OF 31/12/2021

10.4% of sales realised with Ecodesign products (5.9% in 2020)

22.1% less CO₂e emissions per euro of net sales compared with 2016 (0.76 kg CO₂e/euro in 2021, -13.2% less than 2020)

1.47% of sustainable sales from second-hand products, repairs and rentals (1.36% in 2020)



2021 HIGHLIGHTS

- Extra-financial performance and ESG criteria⁷ are included in the company's general reporting to provide global visibility of the actions taken, including human and environmental capital.
- Scorecards⁸, as genuine snapshots of the countries' overall performance at a given time, are defined in order to measure and guide extra-financial performance on the various scopes in an educational, regular and effective manner.
- Financial teams receive training to ensure they thoroughly understand our environmental and human commitments and their significance, as well as how data is collected, so that they are able to construct their own performance monitoring independently.

7. ESG criteria: Environmental, Social and Governance.

8. Scorecards: management reports.

HELPING EVERYONE UNDERSTAND EXTRA-FINANCIAL PERFORMANCE

INCORPORATING ESG CRITERIA IN FINANCIAL REPORTING TO REFLECT SUSTAINABLE PERFORMANCE

In order to reach its Transition Plan objectives, Decathlon needs to manage its extra-financial performance with the same regularity and rigour as it does financial elements. An overall understanding of the company's performance is also essential in order to assess the creation of global value for the long term. Including fundamental environmental issues among these criteria also provides information on the company's resilience and long-term sustainability.

In 2021, the following indicators were incorporated in financial reporting:

- Carbon intensity (tCO₂e/euro sales);
- Sustainable sales (sales of second-hand products, repairs and rentals);
- Sales realised with Ecodesign products.

These reports are intended for all teammates and are issued every month. Although the goal is to provide an overall representation, the purpose is basically to provide information on a regular basis.

The aforementioned indicators are currently the first to be processed, although the company aims to add more in order to move from a historical mode of economic reporting to providing visibility of performance for the new business models required for the environmental transition.

Decathlon has been monitoring this data for the past few years, and has been refining it in order for it to be integrated into this global reporting. This data is the fruit of reliability and structuring work undertaken by the financial teams, with assistance from the teams dedicated to extra-financial performance.

STEERING THE CREATION OF EXTRA-FINANCIAL VALUE

MANAGING ENVIRONMENTAL PERFORMANCE THROUGH "BOOST PLANET SCORECARDS"

To accelerate the decarbonisation of Decathlon's business model, financial and extra-financial performance need to be managed with the same level of thoroughness. The company decided to use the same recognised and effective steering method to integrate these concepts to avoid the trap of processing environmental information separately. Therefore, its objectives have been translated into concrete actions and paired with quantified data and regular feedback.

The objective of this performance dashboard, called the "Boost Planet Scorecard", is to provide a quarterly snapshot of a country's financial and extra-financial position. A number of specific criteria have been defined in relation to their performance target established for 2022.

This assessment helps Decathlon determine the disparity between the current situation and the goal, and above all to provide the necessary teaching and information to remedy the situation quickly. Most of all, the Scorecard is a pragmatic assistance tool. It provides a score that is used to rank countries and provide leaders with visibility of their performance and that of other countries in order to encourage the sharing of best practices in a logic of continuous improvement and healthy competition.

Boost Planet Scorecard criteria

Criteria used to measure the countries' environmental performance:

- Data reliability;
- Adherence to the trajectory (local compliance with Decathlon Group's ambitions);
- Maturity of the action plan (coherence of the ambitions with dedicated human and financial means);
- Adherence to commitments.

Environmental data assessed in the Scorecards for Retail and Logistics:

- Percentage of sales realised with Ecodesign products;
- Percentage of sustainable sales (rentals, second-hand products and repairs);
- Percentage of reduction in carbon intensity: tCO₂e/euro of sales⁹.

Environmental data assessed in the Scorecards for Production:

- Percentage of coal used by Rank 1 suppliers;
- Percentage of renewable electricity consumed by production sites¹⁰;
- Percentage of production sites whose reduction trajectory is based on science¹⁰;
- Percentage of reduction in CO₂ emissions¹⁰.

Following this initial work identifying and ranking performance, the system will be strengthened in 2022 to provide individual assistance to countries that have a significant environmental and economic impact. The aim will be to identify and solve problems more thoroughly in all areas concerned: production, Sports & Processes, and distribution.

9. More information on the indicator on page 161: tCO₂e/euro of value added.

10. 519 production sites were chosen by Decathlon buyers to be managed on decarbonisation issues as of 31/12/2021.

TEACHING FINANCIAL TEAMS TO STEER, UNDERSTAND AND REPORT EXTRA-FINANCIAL INFORMATION

Previously, extra-financial issues were kept separate from the financial sphere. Though this is no longer the case, a great deal of education is required in order to understand their full scope and interconnections. The sustainable development teams provide insight to support the transition and guide financial teams toward concrete ideas. Initially, it was necessary to re-explain the commitments taken for the environmental transition as well as to help prioritise actions in order to focus our efforts.

Financial teams need new skills if they are to provide this data. **By adding management on the performance of new extra-financial criteria, our contributors will be able to master new tools and networks.**

In order to maintain reliable and effective information reporting, this assistance means encouraging the sharing of best practices within the international financial community, together with an awareness of the expectations of internal stakeholders who lead the actions and external stakeholders who analyse Decathlon's progress.

Through these connections, sustainable development leaders can work more closely with country CFOs for real efficiency. In 2021, six webinars were held for 130 people from the financial and sustainable development spheres.



Katy DRAPER
Boost Planet Scorecard leader

TESTIMONIAL

"The environmental transition requires that everyone involved receive assistance on the local level. Although people are truly rallying around the subject, this transformation requires new skills and new methods, as we build strategies simultaneously. While we allow financial teams to tackle issues independently, we also offer them concrete tools to help them better understand the issues, enable them to mobilise the relevant people and report information reliably and regularly."

A network of contributors and new training will be created in 2022 in order to study the challenging subjects that have been identified in depth.

CONVERTING EXTRA-FINANCIAL PERFORMANCE INTO MONETARY TERMS

INCLUDING ESG CRITERIA IN TEAM AND LEADER COMPENSATION

Linking the company's human and environmental performance to remuneration is an effective way to encourage teammates to help create value and drive extra-financial projects.

This is why Decathlon is gradually including extra-financial performance criteria in the remuneration of certain groups of teammates and in their area of responsibility (country, project), with the aim of gradually extending this new element. Staff representative bodies have responded positively to this change to remuneration.

In 2021, these criteria were applied to members of management teams, including country leaders, with some ESG data assessment criteria applied to the determination of a portion of their annual bonus. An individual assessment based on the measurement of human, environmental and financial performance was also added.

In 2021, ESG criteria were applied to service, logistics, and store organisation employees in France.

Based on the principle of subsidiarity, similar initiatives to integrate ESG criteria into remuneration are being taken voluntarily in some countries, such as Vietnam.

INCLUDING EXTRA-FINANCIAL CONCEPTS IN SHARE VALUE

Each year, independent experts evaluate Decathlon's financial value in order to determine its shareholder value¹¹. Since 2018, this evaluation has also presented and studied the quality of Decathlon's performance on environmental and social criteria.

A further step was taken in 2021, by adding an economic approach to quantifying environmental and social performance in order to express the company's financial value. By linking this data to shareholder value, Decathlon's efforts can be revealed to the company's co-owners. Including extra-financial criteria in this manner serves as an incentive to meet the objectives set in all the company's strategies.

So in this way, Decathlon's extra-financial performance is assessed globally, with a **focus on certain representative environmental and social indicators:**

- Teammate happiness and engagement at work;
- User delight;
- Sales realised with Ecodesign products;
- Sustainable sales;
- Supplier panel performance on human responsibility in production issues;
- Supplier panel performance on environmental responsibility in production issues;
- Reduction in CO₂ intensity per euro of sales;
- Supplier CO₂ management.

11. More information on shareholding on p. 40.

CREATING SUSTAINABLE VALUE

DIGITISATION

Bringing about the digital transformation

Decathlon addresses important societal issues related to the digitisation of its product and service offerings. The challenge of digital transformation has to be addressed in step with the human and environmental transition. That is why these issues need to be monitored at the same time, since both subjects create both constraints and opportunities.

Therefore, more and more applications are being created and related human resources are being hired to handle the increasingly complex data required for calculations that assess and steer environmental impacts.

Because the computer resources themselves consume energy, they are also gradually being included in the assessment tables. Finally, because data processing is at the heart of the company's digitisation, significant efforts are being made to protect data security, both inside and outside the company.



KEY FIGURES AS OF 31/12/2021



20.8% of digital sales (products and services)
(19% in 2020)



80% of teammates learned about the importance of personal data protection

Nearly **10** digital solutions are used to calculate our environmental impacts

2021 HIGHLIGHTS

- Decathlon is investing in technology and people to improve reliability and expand the **digital data used to analyse its environmental impacts.**
- Decathlon's teammates are being **made aware of the environmental impact of computer hardware** and the electricity required to **store and use data.**
- **Cybersecurity** are beefed up to protect customers' and teammates' personal data, together with all the company's information systems.

MEASURING PROGRESS IN SUSTAINABLE DEVELOPMENT USING DIGITAL TECHNOLOGY

INVESTING TO DEVELOP DEDICATED DIGITAL RESOURCES TO MEASURE AND REDUCE OUR ENVIRONMENTAL IMPACT

In order to calculate all of our extra-financial indicators, which are true reflections of the action plans the company has implemented, a catalogue of scope-specific applications is made available to environmental transition project managers. These software products are able to construct human and environmental trajectories as reliably as possible. Nine people now oversee IT tools for sustainable development (two people in 2020).

For example, the sports goods design tool now uses data from Glimpact environmental impact measurement software¹², which uses both French and European databases, as well as specific Decathlon data.

New positions are being created to prioritise software investments, such as:

- **Product manager**, who upgrades digital tools to meet user needs;
- **Data owner**, who defines data and indicators, and sets quality objectives for them;
- **Data steward**, who ensures that the appropriate data is available, so that they can be used correctly, with the right tools, in the right place.

Data quality depends primarily on a global understanding of needs and on regulating in real time the human resources assigned to it. This assessment ensures that the various tools can be coordinated, such as to integrate human and environmental data in financial tools.

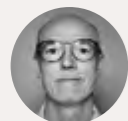
RAISING AWARENESS OF THE DIRECT ENVIRONMENTAL IMPACT OF USING DIGITAL PRODUCTS

In order to share best practices with others, Decathlon participates in a number of working groups created by various organisations in France:

- **Institut Numérique Responsable**, with its WeNR tool¹³, which assesses a digital organisation's environmental impact, allows the sharing of methodologies and the definition of common indicators;
- **French Transfo**, which creates common methodologies to calculate the environmental impact of IT services.

Several awareness events were held to raise teammates' awareness of the environmental impact of their computer use and of the energy consumed to store and use their data. Cyber World Clean Up Day was used as an opportunity to address digital waste¹⁴ in some countries. Nearly 35,900 teammates in 37 countries were involved in a week of events to learn about the impact of the energy consumed for data storage, during which close to 6,000 gigabytes of digital waste, representing 114,152 kg of CO₂e, were deleted.

Lastly, Decathlon monitors the power it consumes for data storage. Migration to the cloud helped optimise this impact by 39% between 2020 and 2021.



Vincent DELLACHERIE
Green IT leader

TESTIMONIAL

"Digital technologies represent a significant share of corporate environmental impact. This is one of the areas with the largest increase and it could represent 8-10% of the world's carbon footprint by 2026. That is why it is so important that we address it today. First, by working on digital solutions that can help resolve our company's sustainable development challenges (IT for Green), but also through ways in which digital technologies can reduce their own environmental impact (Green IT). These are issues that we need to examine globally within Decathlon teams."

BEEFING UP CYBER SECURITY

The growing complexity of new technologies, the development of remote computing in the cloud and growing cyber security risks are all leading to a significant increase in incidents involving information systems (including cyber security incidents), both generally and globally. Regulatory changes concerning digital technologies—and data protection¹⁵ in particular—require a clear strategy and related action plans to protect both the company and its stakeholders.

Every day, Decathlon's teammates use critical and/or personal data that are entrusted to the Brands, the Group or its partners. This means that the company is exposed to risks of data loss, corruption or insufficient protection. These risks could lead to malicious use and could infringe on people's rights and freedoms. Decathlon could also be exposed to attacks on its information system leading to unavailability or loss of integrity, confidentiality or traceability.

PROTECTING PERSONAL DATA AND RESPECTING PRIVACY

Decathlon is committed to protecting its teammates' and its customers' personal data, actively ensuring that **personal data protection principles are applied in accordance with the local framework** in every country in which it is established. Each subsidiary is provided with a privacy policy in a concern for consistency and efficiency. A community of Referents from each entity, called "Privacy Officers", has been set up to guarantee everyone's continuous improvement through the sharing of organisational and operational best practices.

In 2021, Decathlon improved compliance in two key ways:

- By re-designing the training catalogue to educate more than 200 employees;
- By considering the issue right from the start of projects.

PROTECTING INFORMATION SYSTEMS AGAINST CYBER ATTACKS

As it pursues its digital transformation, Decathlon is impacted directly by the complexity and specificities of cyber security. As cyber attacks become increasingly sophisticated and complex to prevent and eradicate, it is difficult to predict the consequences of a potential security breach.

The impacts can be significant and can directly threaten business continuity. The many contacts, including suppliers and service providers, add to the company's cyber security risks related to outsourcing, since a contractor having non-compliant security measures could represent an entry point into the company's information system.

Decathlon has strengthened cyber security measures in response to this strongly evolving context, completely overhauling its information security policy for all employees and third parties, and implementing new cyber surveillance systems. **Today, Decathlon ensures that every tool is up-to-date, monitored and includes surveillance systems.** The company's goal is to continuously detect weak signals in order to counter or contain computer attacks.

Before sharing any data with business partners and when considering a business alliance, **Decathlon systematically drafts a contract allowing it to audit the third party's security well upstream.** This protection is backed by a security insurance plan that protects the relationship on a daily basis. The goal is to be able to share tools while isolating the company from potential damage.

This IT security policy is defined in a charter available for all employees. It is known that potential human errors, such as between project teams, can lead to security vulnerabilities.

Awareness programmes were deployed in 2021 to raise awareness among teammates, using teaching kits and fake phishing campaigns. Every new employee learned about this concept during an hour of training. Today, 100% of country leaders have signed the internal cybersecurity charter, which outlines the main issues and risks in this area. The goal is to have 100% of employees trained in these risks by 2025.

TESTIMONIAL



Farid ILLIKOUD
Digital information security leader

"Not all company entities are exposed to the same level of risk. We adopt an analytical stance first of all to support leaders and projects toward greater autonomy. Training and awareness raising are key elements in our approach, along with regular auditing and monitoring, because cybersecurity means managing human risk, with connections between the different teams of experts and good cooperation."

¹². More information on Glimpact on p. 75.

¹³. For more information on WeNR: <https://wenr.isit-europe.org/fr/wenr-2021/>

¹⁴. More information on Cyber World Clean Up Day on p. 91.

¹⁵. For more information on Europe's General Data Protection Regulation: <https://gdpr.eu/>

ETHICS AND COMPLIANCE

Conducting our activities responsibly

Because Decathlon is present in 60 countries of distribution, and as a player in the global sports market, it risks being exposed to corruption and influence peddling. **The company adopts a zero-tolerance approach regarding these risks.** Following the entry into force of France's Sapin II law¹⁶ in 2017, Decathlon established a corruption and influence peddling prevention and detection programme that is applied in every subsidiary around the world. The company is also subject to the USA's Foreign Corruption Practices Act and the UK Bribery Act.

Decathlon began publishing its **Vigilance Plan** in 2017 in accordance with France's law on the Duty of vigilance¹⁷. This report identifies human rights and environmental risks in the company's value chain and with its third parties¹⁸.

KEY FIGURES AS OF 31/12/2021

100% of countries have adopted Decathlon's "Anti-corruption" Code of conduct

100% of the countries in which Decathlon operates have appointed an Ethics & Compliance Referent (60% in 2020)

100% of reports received via the alert platform were processed (54%) or are being processed (46%) (100% in 2020)

2021 HIGHLIGHTS

- Decathlon accelerated the deployment of its corruption and influence peddling prevention and detection programme. Risk mapping, the Code of conduct and the alert platform have now been implemented in all countries.
- The company proposes a new tool to evaluate all third parties with which Decathlon wishes to engage in a business relationship.
- An ethics commission was set up at the highest level of the company to rule on the most sensitive reports.
- Decathlon strengthened its Vigilance Plan and published it for the 2020 financial year.

FIGHTING CORRUPTION AND INFLUENCE PEDDLING

IDENTIFYING AND ASSESSING RISKS OF CORRUPTION AND INFLUENCE PEDDLING

In 2017, Decathlon began a mapping process to identify and prioritise the risks of exposure to corruption and influence peddling within the company's departments.

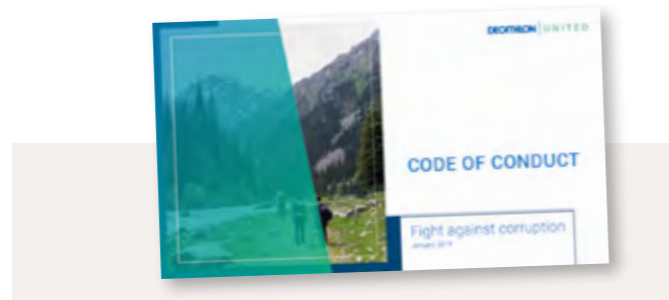
In 2021, 100% of countries signed the final report presenting the results of this risk mapping, which means that they are now capable of addressing local risks of corruption and influence peddling.

Corrective and preventive measures are currently being deployed.

DEPLOYING THE CODE OF CONDUCT IN ALL COUNTRIES

Published in 2019, the "Fight against corruption" Code of conduct defines and illustrates the types of behaviour that should be adopted or avoided to prevent and combat corruption and influence peddling. It advocates zero tolerance in this matter. This document also lists a set of good reflexes when dealing with a delicate ethical situation.

The "Fight against corruption" Code of conduct has been translated and adapted to local regulations, with local examples to ensure that teammates in every country are able to fully understand it and take ownership of it. **In 2021, the Code of conduct was adopted by 100% of the countries in which Decathlon operates.**



16. Law No. 2016-1691 of 9 December 2016 on transparency, combating corruption and modernising economic life.

17. Law No. 2017-399 of 27 March 2017 on the Duty of vigilance of parent companies and contracting companies.

18. Note that Decathlon's Vigilance Plan addresses primarily human issues within the company and in production as well as in relations with third parties. It includes a reference to the Non-Financial Reporting Declaration, which further develops environmental issues.

EVALUATING, PREVENTING AND REPORTING WHEN NECESSARY

Decathlon is deploying a variety of tools to raise teammate awareness of the risks of corruption and influence peddling and to enable them to react, when necessary.

In 2021, Decathlon provided every employee with a **tool to evaluate the third parties** with which they might work. This tool makes an ethical assessment using a risk-based approach to guide teammates in determining whether collaboration is possible or whether further verification is required before a contract can be signed. Local Referents are trained in the use of this tool and in third party assessments to assist employees.

The alert platform¹⁹ has been deployed in all countries, enabling teammates—and anyone outside the company—to report situations they believe to be contrary to the company's corporate values, Code of conduct or regulations. This platform is also used in house to report discrimination, harassment or other situations that could jeopardise the physical or mental health of employees.

Today, 230 case managers trained in privacy issues review each report received and are guided at every stage of their investigation by a process within the platform. All the reports received (82) in 2021 have been processed or are currently being processed; 19% of these relate to issues of corruption, fraud or conflict of interest.

Lastly, a dedicated internal website for all teammates provides information on preventing corruption and influence peddling.

ADDRESSING ETHICAL ISSUES AT THE HIGHEST LEVEL OF THE COMPANY

In 2021, the issues of combating corruption and influence peddling were raised to the company's highest level. In July and November, these issues were presented at "Leader Weeks", events for leaders from all countries in which Decathlon operates²⁰.

In the summer of 2021, an **Ethics Commission** was also set up at the highest level of the company to address the most sensitive reports received on the platform.

TRAINING THE REFERENT NETWORK AND RAISING TEAMMATE AWARENESS

In 2021, 100% of the countries in which Decathlon operates appointed an Ethics & Compliance Referent (60% in 2020). The network receives regular training to improve skills, particularly on emerging issues. In 2022, the priority will be to structure training and increase communication dedicated to anti-corruption issues.

For the second year, Decathlon held an event for all teammates who were interested on 9 December 2021, declared **International Anti-Corruption Day** by the United Nations. This year's event was broadcast in five languages (English, French, Chinese, Spanish and Portuguese) to provide information and raise teammate awareness of issues relating to internal reporting. Local events were also organised and held in Ukraine, China, Portugal and Brazil.

FULFILLING THE DUTY OF VIGILANCE AT EVERY LEVEL OF THE COMPANY

The Duty of vigilance team leads, challenges and guarantees reasonable coverage of the company's environmental and social risks and impacts throughout its value chain. To do this, it relies on Referents who are responsible for setting up the Duty of vigilance programme within their scope. The programme is also presented to corporate governance at special meetings of the Audit & Compliance committee, and it has been formally defined in Decathlon's Vigilance Plan and in the Non-Financial Reporting Declaration.

In May 2021, Decathlon published the **fourth edition of its Vigilance Plan** for 2020.

This public report is accessible to everyone and covers all the company's responsibilities towards its value chain and third parties.

It presents a mapping of environmental and human rights risks, action plans to prevent them and explains how the alert system operates.

The team worked on a new risk mapping methodology in 2021 in preparation for the publication of the fifth edition of the Decathlon Vigilance Plan. The 2022 edition will include external data from Verisk Maplecroft²¹.

In 2021, the Duty of vigilance and Business ethics teams also began drafting an ethics charter, which will be available in 2022.



The Decathlon Vigilance Plan is available at:
<https://sustainability.decathlon.com/decathlon-annual-sustainable-development-reports>

19. For more information on the platform: <https://decathlon.whisppli.com/sustainability>

20. The event involves the Executive Director, the members of the Circle of Pathfinders, the United Referents and the country leaders for a week. More information on Decathlon governance on p. 108.

21. For more information on Verisk Maplecroft: <https://www.maplecroft.com/>

SUPPLY CHAIN

Maintaining long-term purchasing relationships

Decathlon's sports goods are manufactured by a global panel of suppliers organised by industrial process. They share the company's desire to make its products sustainably accessible to as many people as possible through common goals that are based on respect, team fulfilment, product quality and environmental protection.

Decathlon has teams established at production offices in several countries to support its suppliers.

The many different industrial processes used to manufacture the various types of products (textiles, heavy-duty sewing, electronics, metal equipment, etc.) makes Decathlon's supply chain extremely complex, particularly when it comes to controlling quality, quantities and deadlines.

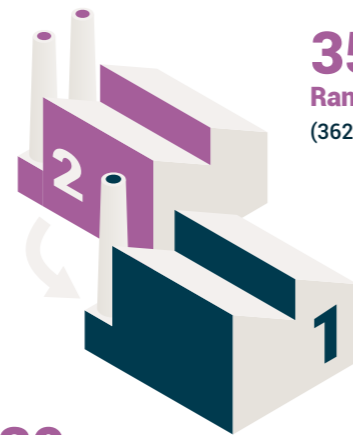
This complexity is managed through collaboration and transparency with all the company's suppliers, and its partners in particular, as well as through individualised responses along the entire supply chain. Thanks to the efforts of the production teams, the value chain was kept under control during the COVID-19 crisis.

Decathlon's suppliers are at the heart of its strategy and will play a key role in the industrial transformation focusing on product excellence that was launched in 2021.

KEY FIGURES AS OF 31/12/2021



50
partner suppliers
(45 in 2020)



355
Rank 2 suppliers²²
(362 in 2020)

930
Rank 1 suppliers²³
(977 in 2020)

2021 HIGHLIGHTS

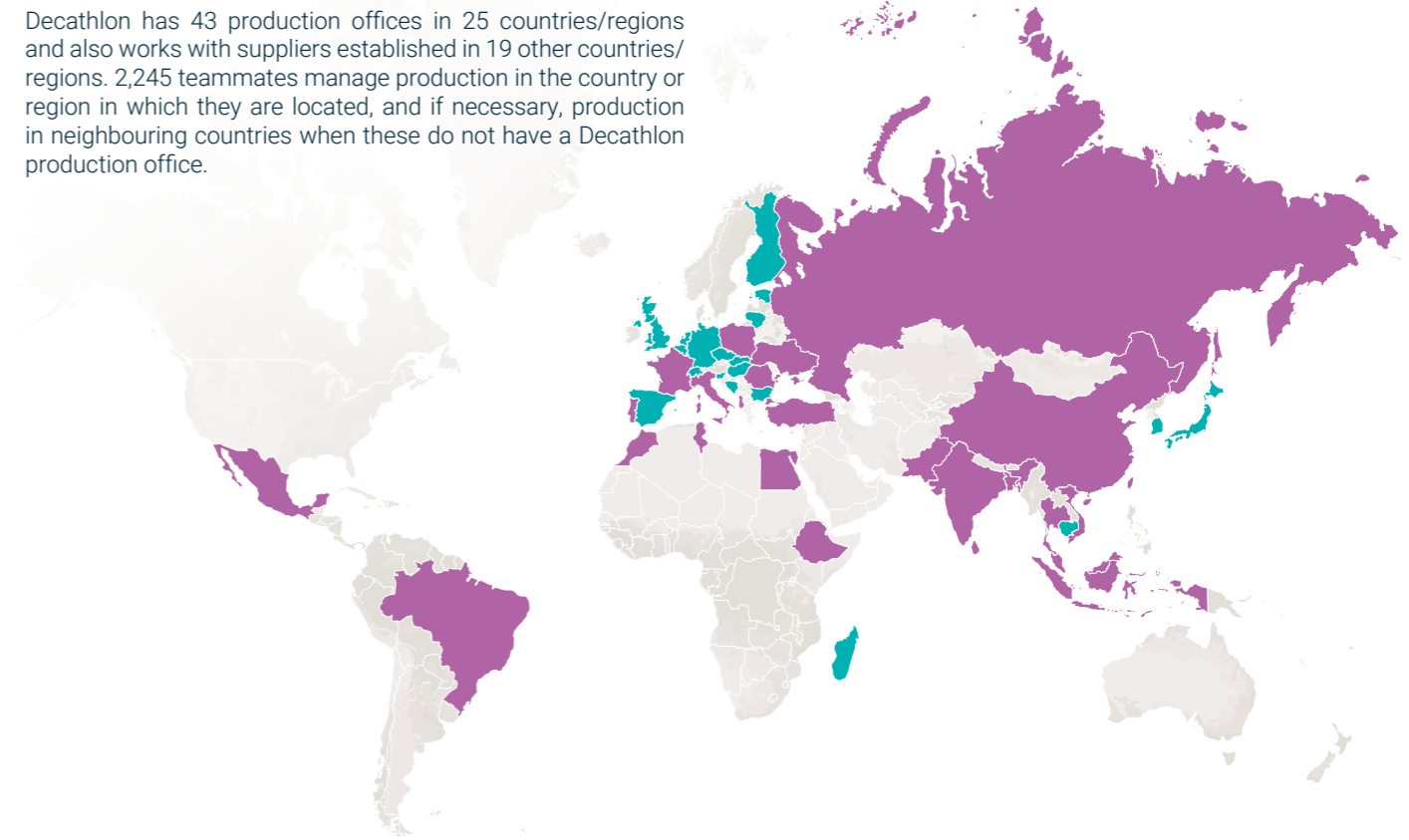
- Decathlon launched its "New Industrial Giant" transformation project. Four strategies (flexibility guaranteed to customers, relevance of technology and component offerings, sustainable development for all and the digital metamorphosis) were put in place to achieve product excellence.
- The company's partnership strategy advanced in 2021 with the addition of five new suppliers that have met all the criteria required to reach partner status.
- Decathlon continued raising awareness in sustainable purchasing issues by training its buyers.

²². Suppliers of our Rank 1 suppliers, not having a contractual relationship with Decathlon.
²³. Suppliers of finished products and components in a direct contractual relationship.

DEVELOPING A MULTI-PRODUCT OFFERING, AS WELL AS SOLUTIONS FOR MULTIPLE INDUSTRIAL PROCESSES AND MULTIPLE COUNTRIES/REGIONS

PRODUCTION COUNTRIES/REGIONS

Decathlon has 43 production offices in 25 countries/regions and also works with suppliers established in 19 other countries/regions. 2,245 teammates manage production in the country or region in which they are located, and if necessary, production in neighbouring countries when these do not have a Decathlon production office.



■ Countries/regions with a Decathlon production office (team):

Africa: Egypt, Ethiopia, Morocco, Tunisia | Americas: Brazil, Mexico | North Asia: China, Taiwan | Southeast Asia: Indonesia, Malaysia, Thailand, Vietnam | Southwest Asia: Bangladesh, India, Pakistan, Sri Lanka | Europe: Albania, France, Italy, Poland, Portugal, Romania, Turkey, Ukraine | CIS (Commonwealth of Independent States): Russia.

■ Countries/regions without a Decathlon production office (team present in a neighbouring country):

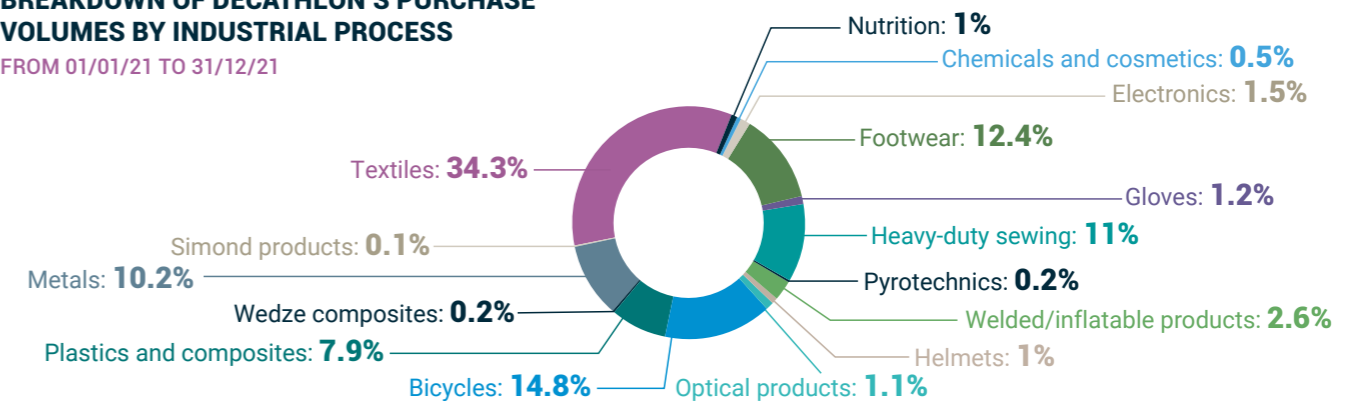
Africa: Madagascar | North Asia: Japan, South Korea | Southeast Asia: Cambodia | Europe: Germany, Belgium, Bosnia, Bulgaria, Estonia, Spain, Finland, Hungary, Lithuania, Netherlands, Czech Republic, United Kingdom, Slovakia, Slovenia, Switzerland.

PURCHASING VOLUMES BY INDUSTRIAL PROCESS

Decathlon offers a wide range of sports items in line with user requirements for the 65 Signed Sports. These products, designed by the Decathlon teams and suppliers, are manufactured using a number of industrial processes, including those in sectors such as textiles, metallurgy, electronics, footwear, etc. The products are designed and manufactured in compliance with Decathlon's specifications and contracts, which include its social and environmental requirements.

BREAKDOWN OF DECATHLON'S PURCHASE VOLUMES BY INDUSTRIAL PROCESS

FROM 01/01/21 TO 31/12/21



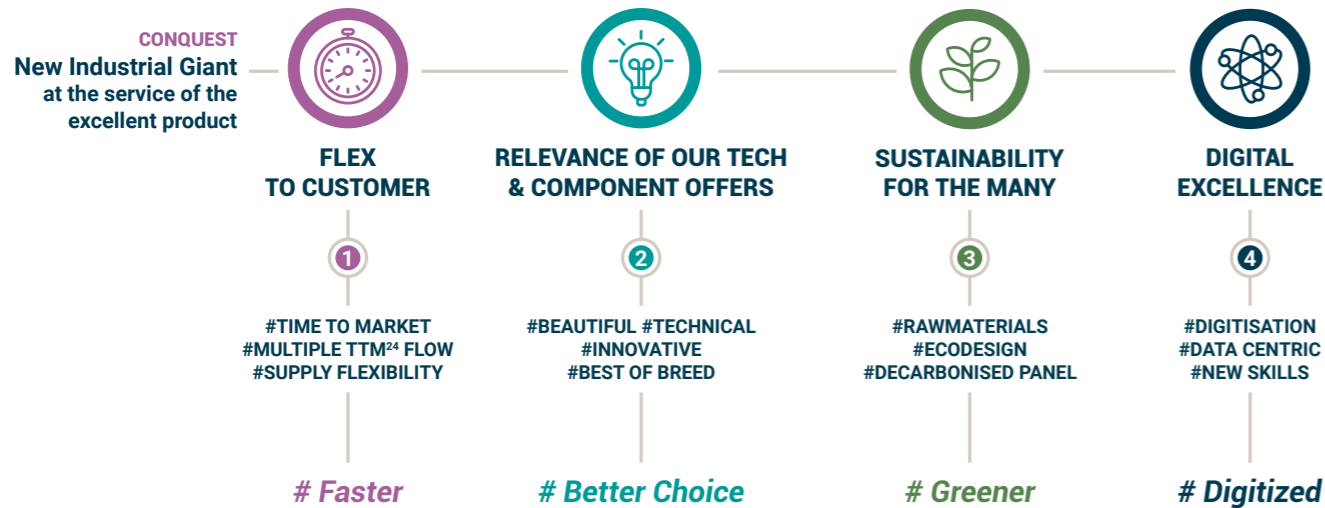
IMPLEMENTING A NEW INDUSTRIAL STRATEGY

THE NEW INDUSTRIAL GIANT PROJECT

In 2021, Decathlon launched a **new industrial transformation project aiming for product excellence**. This project meets the following goal: "to manufacture exceptional products, we co-create industrial processes, raw materials, components and technologies in an innovative and sustainable manner, while guaranteeing maximum flexibility for our customers".

The project is structured around **four major strategies**:

- 1 - Speeding up product design and supply;
- 2 - Improving product style and using the technologies of the future by seeking new partners and creating new alliances;
- 3 - Controlling raw materials and decarbonising production;
- 4 - Continuing Decathlon's digital metamorphosis by becoming an industry 4.0.



Ghita BENKIRANE-SOUFLET

Chief of staff, New Industrial Giant

How did Decathlon's New Industrial Giant project come about?

Since its inception, the company has made every effort to control the value chain from A to Z and to invest primarily in activities downstream of the company. Because it is able to offer more than a billion units using 16 industrial processes in 44 production countries, Decathlon is already considered an "Industrial Giant". However, the world is changing very rapidly and we must adapt. The company therefore needs to project a stronger industrial ambition and draw on the expertise of new partners in order to make Decathlon a New Industrial Giant, the engine of product excellence.

What will this industrial shift mean for the company's suppliers?

Our suppliers are at the heart of our new project and are affected by our four New Industrial Giant strategies. To implement our transformation, we want to add the most innovative partners to our supplier panel while maintaining the strong ties we already have with our longest-running industrial partners.

Our panel will also help develop local production and reduce the company's environmental impact in line with our production decarbonisation goals. Also, we want all the suppliers representing 90% of our purchase volumes to be able to share with us their most critical data related to our business, so we will support them in their digitisation.

How does the New Industrial Giant project align with Decathlon's sustainability goals?

Sustainable development is an integral pillar of our project that is aligned with the objectives of our Transition Plan. To reduce our impact and deliver more sustainable products, we have identified three key issues that we will work on within the New Industrial Giant framework: raw material selection, ecodesign and decarbonisation of our supplier panel. We also want to create new alliances with sorting and recycling suppliers to progress more quickly on these issues. At Decathlon, we are convinced that we can achieve the product excellence we are aiming for only through sustainable development.

24. TTM: Time to market.

PURSUING DECATHLON'S PURCHASING STRATEGIES

PARTNER SUPPLIERS

Decathlon is building an industrial project with all the **partner suppliers that share its vision and values**. These collaborative and transparent projects create mutual trust. The mutually demanding partnership relationships are integrated in the company's internal processes, pushing the company and its partners to achieve operational excellence, while developing the responsibility and autonomy of everyone involved.

In 2021, Decathlon reaffirmed its partnership strategy by adding five new suppliers that had reached sufficient maturity to become partners, bringing the company's total number of partners to 50.

This acceleration in establishing partnerships marks the arrival of a new generation of more innovative and more technical suppliers with a more aesthetic and sustainable offer, thereby meeting the challenges of the New Industrial Giant project.

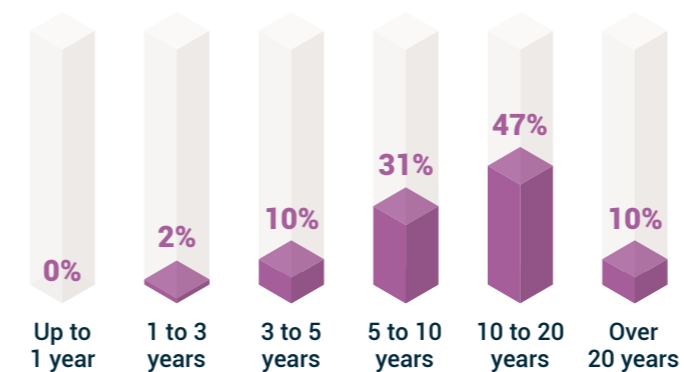
34.7%
of Decathlon's total purchases are made with its industrial partners (32.3% in 2020)

STRATEGIC SUPPLIERS

Decathlon maintains lasting relationships with all its suppliers based on performance management as well as human and environmental responsibility in the production process. However, the company distinguishes between partner suppliers and strategic suppliers; the latter do not enjoy a partnership relationship because they do not meet all the criteria, but they are essential because they provide **exclusive technology or a significant volume of production**.

AVERAGE LENGTH OF SERVICE OF SUPPLIERS IN DECATHLON'S PANEL²⁵

AS OF 31/12/2021



25. For Decathlon's top 100 suppliers in terms of purchase volumes.

26. Computer downtime for purchases made by Africa for Africa, and by Brazil for Brazil.

27. Cost of ocean shipping.

COMPANY-OWNED PRODUCTION SITES

Decathlon has **nine production sites** in which some of its products are manufactured. At these production sites, the company is developing the "Decathlon Manufacturing Way" network aimed at promoting operational excellence. This network enables the teams and partner suppliers to exchange ideas and draw inspiration from the best practices known to date.

DEVELOPING LOCAL PRODUCTION

Decathlon is pursuing its local production development strategy in order to be **more responsive to the demands and uncertainties of its markets, while reducing its impact on the environment**. The panel of suppliers and choice of volume allocations are always decided on the basis of total cost (referred to as TCO: Total Environmental Cost of Ownership). The combination of these two strategies (local production and the TCO approach) enables Decathlon to form a panel of suppliers that meets the global and local challenges facing the company.

- Made in China for Retail China: **94.8%** (93.2% in 2020)
- Made in Europe for Retail Europe: **25.6%** (24.9% in 2020)
- Made in India for Retail India: **54.7%** (46.4% in 2020)
- Made in Africa for Retail Africa: **N/A²⁶**
- Made in Brazil for Retail Brazil: **N/A**

FOCUS

The challenges of international transport during the pandemic

The international transport market experienced significant disruptions in 2021, with ocean freight rates²⁷ double those of 2020, longer transport times (three extra weeks on average between Asia and Europe) and a shortage of containers, which limited capacity on the market.

These disruptions were caused by the COVID-19 pandemic that began in 2020, as well as other events that affected the entire logistics chain (obstruction of the Suez Canal in March 2021, partial closure of the Yantian port in China in June 2021).

Decathlon developed resilience in this particularly complex context so that its export activities were impacted less than many other exporting companies.

This positive performance is the result of a strategy structured around three areas:

- Partnerships with shipowners to guarantee availability of containers and space on ships for exportation;
- Indexed long-term contracts to enjoy the most competitive rates on the market;
- Negotiated flexibility for the seasonal nature and performance of Decathlon products.

CONTROLLING OUR SUPPLY CHAIN

In order to manufacture Decathlon branded products that satisfy the requirements of customers and users, the most thorough possible control of the value chain is essential. The company therefore develops supplier relationships on several levels:

RANK 1 SUPPLIERS

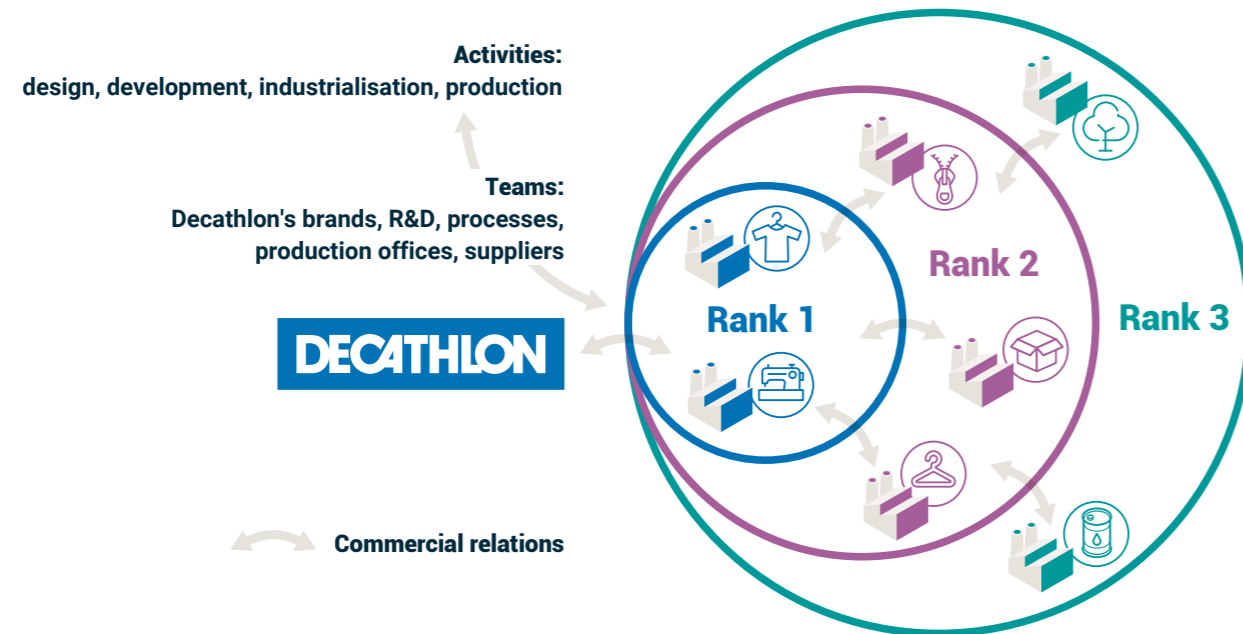
Rank 1 suppliers are bound contractually to a company within the Decathlon group for the production or assembly of finished and semi-finished products (via a manufacturing agreement), or for the supply of raw materials or components (via a purchasing agreement); they receive purchase orders from the aforesaid company, which they invoice directly.

930 Rank 1 suppliers
(4.8% fewer than in 2020)

RANK 2 SUPPLIERS

Rank 2 suppliers contribute to the value chain of Decathlon products. They have a direct commercial relationship with Rank 1 suppliers, with whom they organise and manage the purchase orders and invoicing. The Decathlon group reserves the right to intervene in the selection or approval of these Rank 2 suppliers, though without interfering in the commercial and legal relationship between Rank 1 and Rank 2 suppliers.

355 Rank 2 suppliers
(1.9% fewer than in 2020)



FIGHTING UNDECLARED SUBCONTRACTING

It is difficult to detect subcontracting when it is not declared by suppliers. In spite of Decathlon's formal opposition to this practice, which is set out in a contractual clause signed by the suppliers and reinforced with regular on-site visits by Decathlon teams, some suppliers may outsource the manufacture of Decathlon products without its prior consent.

To combat this, **the company trains its teams in precise quantity planning during the product development phases and later during mass production.** The available information regarding actual production capacities is regularly cross-checked against the number of products delivered so as to mitigate the risks.

CULTIVATING SKILLS AT ALL LEVELS OF PRODUCTION TO PROMOTE INDIVIDUAL AUTONOMY

TEAMMATE SKILLS

Production teams

The production teams coordinate supplier relations on a daily basis with regard to sustainable development, quality, supply, continuous improvement, product industrialisation and advanced manufacturing²⁸. With the conviction that competency is an essential component of sustainable performance, Decathlon

therefore pursued its aim in 2021 to **make each teammate responsible for their own personal development** in relation to their projects, main challenges and associated responsibilities.

Through a personalised development plan for each position now available on Decathlon Academy and through regular assessment, every teammate is now responsible for their own professional development.

²⁸. More information on production skills on p. 30.

Strategic buyers

In addition to buying skills, Decathlon has introduced some **new core skills in the strategic buyer's job description.** Since 2018, strategic buyers must be able to detect an E score on human and environmental issues (which implies the immediate suspension of production with the relevant supplier, until the critical issue is resolved). The job description was extended in 2019 to include measuring and monitoring the CO₂ emission performance of buying activities, and raising awareness of forced labour issues. New methods have to be learnt in the acquisition of these new skills and are provided by regular training programmes. The aim is to adapt the purchasing policies so as to be able to meet Decathlon 2026 commitments to reduce CO₂ emissions. In 2021, buyers attended 12 webinars presenting actions that suppliers can take to reduce their CO₂ emissions and other topics, such as protecting biodiversity.

Also in 2021, testing was done on a new digital tool that breaks down both purchase volumes based on financial value creation and environmental impact (E-TCO). An improved version of the tool will be deployed within the purchasing teams in January 2022.

By the end of 2021, 78% of buyers had been trained in sustainable development (up from 68% in 2020).

AUTONOMY OF OUR PRODUCTION PARTNERS

In 2020, the purchasing teams launched a 5-year programme to develop Decathlon partner suppliers' abilities for self-assessment. By strengthening its teams' skills and deploying digital monitoring and self-assessment tools, **Decathlon has increased its demand for industrial excellence from its partners** in terms of environmental and human issues, as well as in relation to quality, procurement and industrialisation.

The ambition is for 100% of Decathlon's partner suppliers to be autonomous in all of their assessments (with a level B audit result) by 2025, in order to ensure constant improvement.

This programme is improving constantly and saw progress in 2021 despite difficulties caused by the COVID-19 pandemic. In December 2021, four supplier sites had already met over 80% of the technical requirements and were preparing to earn their Human Responsibility in Production (HRP) autonomy certificates by early 2022.

➔ **More information on the HRP Autonomy programme on p 31.**

COORDINATING NETWORKS TO SHARE AND DEPLOY STRATEGIES AND ACTION PLANS

In 2021, **Decathlon held the sixth edition of its World Partner Forum** over two days in hybrid format because of continuing COVID-19 pandemic restrictions. This event brought together 60 partners from 14 countries, Decathlon teams and future partners.

Over 1,000 people were present for testimonials from Decathlon executives and for a presentation of the company's new industrial ambitions. The event also included reports from a number of partner sites.

This year, attendees of the World Partner Forum were able to connect directly to the Reveal Innovation²⁹ event for partners to familiarise themselves with Decathlon's culture of innovation.

Several local events were held around the world (in China, India, Vietnam, Bangladesh, Sri Lanka, etc.) alongside this major annual event. These meetings provide an opportunity for local actors to discuss their difficulties in similar contexts and share their best practices.

TESTIMONIAL



Wilfried CORNET
Purchasing processes leader

"In 2021, it was important for Decathlon to present its industrial transformation project to its partners at the World Partner Forum because it is together with them that it will become a New Industrial Giant. Our partners are fully fledged members of our team, and they share our ambitions and strong values. Many of them are already engaged in a transformation process, and we celebrated them at our event through videos illustrating best practices. Our partners are exceptional examples for our entire panel of suppliers. We saw real enthusiasm at the World Partner Forum 2021, which raised awareness of innovation and sustainability issues even further. Our partners are ready to engage with us to reach our new industrial goal."

²⁹. Annual event showcasing Decathlon's new innovations.

TERRITORIAL DYNAMICS

Supporting our local stakeholders



Convinced of the need to rethink the method of creating value, Decathlon is opening up to its external ecosystem more and more.

By forging partnerships with professionals to develop a local range of services, by supporting initiatives of teammates wanting to become involved and by identifying ways to have a greater societal impact locally, Decathlon teams are becoming

increasingly involved in their local areas, where they are having a positive influence through sport.

This decentralisation strategy supports the transformation of an economic model that aims to be more focused on the creation of value for all, in accordance with three of the five targets of the Decathlon 2021 Vision³⁰, which are health, local life and inclusiveness.

KEY FIGURE AS OF 31/12/2021

5 online services to support sports practice all over the world

DECATHLON ACTIVITIES

Conseil sport
DECATHLON

DECATHLON | E CLUB

DECATHLON Outdoor

DECATHLON
COACH

2021 HIGHLIGHTS

- Decathlon created a range of services, which are available on the digital platforms to further facilitate access to sport.
- The company is building strong ties with independent professionals to develop local action using local agents.
- Decathlon is carrying out local societal initiatives which aim to make sport accessible to all and to increase the employability of young people.

30. More information on Decathlon's vision on p. 14-15.

SUSTAINABLY MAKE SPORT ACCESSIBLE TO THE MANY VIA DECATHLON PRO

Decathlon Pro distributes sporting goods to communities, clubs and businesses with the goal of allowing as many people as possible to enjoy the pleasure and benefits of sports.

The nature of this activity leads Decathlon to work directly with local partners³¹ and to address common issues. This B-to-B proposal complements Decathlon's in-store product offering with delivery, maintenance and repair services related to the contracts.

In 2021, the mobility offer was expanded to offer fleets of bicycles (including electric bikes) to businesses and communities, in order to develop active mobility.



TESTIMONIAL



Benoit LASNIER
USEP National Director³²

"Every day, we help over 700,000 children across France to discover the benefits of sports and community life. For example, kids get to try cycling with complete sports kits to help them learn how to ride and avoid obstacles. Decathlon offers innovative equipment that is suitable for children, and above all affordable, which was the motivation for organising our partnership to reach as many children in state schools as possible. It is within this framework that our various teams meet regularly each year to create a specific catalogue that meets the needs of children, teachers and school groups."

FACILITATING THE SOCIETAL COMMITMENT OF EACH TEAMMATE

At Decathlon, freedom to be oneself is a value that is evaluated and promoted every year³³. The company supports teammates in their **personal commitments to associations**, including through employment agreements regarding working conditions, when the commitments require this. This is the case for the agreement signed with the French Ministry of the Interior, which facilitates provisions linked to firefighter commitments.

The national agreement signed in July 2021 includes the following conditions:

- Coverage of 10 days of the mandatory 30 days of training;
- One day of paid leave per month for duty at the fire station;
- Flexible scheduling/availability in the event of a fire call;
- Availability of teammates in the event of a major call requiring an immediate response.

TESTIMONIAL



Guillaume WEBRE
Decathlon Alliances Integration and synergies leader, and volunteer firefighter

"I have been a volunteer firefighter for several years. It was important for me to be able to continue being a firefighter, which requires a personal investment, while also working at Decathlon. Volunteer firefighting requires flexibility, including during working hours for emergencies, night shifts and demanding continuous training. Through this agreement, Decathlon makes it easier for teammates to live out their personal convictions, and expresses its support for this indispensable societal dimension."

31. For more information on Decathlon Pro: <https://www.decathlonpro.fr/nos-partenaires>

32. Union Sportive de l'Enseignement du Premier Degré - USEP (Sporting Union for Primary Education).

33. See DTB internal survey, p. 23.

CREATING FERTILE ALLIANCES

ALLIANCES WITH OTHERS IN NEW AREAS

Decathlon is gradually extending its service offering with various partners that are **true allies in opening up prospects for new business models**.

In 2020, Decathlon expanded its service offering through several new alliances with Cyclofix³⁴, Alltricks³⁵ and TrainMe³⁶. In 2021, the company added the Kinomap app³⁷ to Domyos products in order to provide an indoor training service that is already used by over a million people worldwide. At the same time, the Decathlon brand increased the number of its technical partnerships, starting with Tarmak³⁸ and the NBA in January. Kipsta³⁹ became the official supplier of *Ligue 1* and *Ligue 2* footballs in France, and Cofidis *Tour de France* teams now use Van Rysel gear⁴⁰. Lastly, the final success in 2021 was the arrival of Yannick Bestaven⁴¹ to provide his technical expertise for Tribord⁴² products through co-creation.

The purpose of strategic alliances is to accelerate opportunities already identified by Decathlon teams. Having partners from outside the company opens our eyes, feeds our convictions and encourages discussions about market elements that are still relatively unknown in house. The goal is to pair teammates' business projects with needs and ambitions in order to work together towards a shared project that goes beyond financial growth.

This long-term commitment allows to imagine transformations for both parties. Decathlon Alliances teams support the implementation of their partners' projects and help seek solutions to any problems encountered.

Alongside these alliances, other growth channels are also being developed, such as sales to others and the franchise network in seven countries.

ENCOURAGING SOCIETAL DYNAMICS AROUND THE WORLD

Thanks to its deeply rooted principle of subsidiarity—that is, taking a decision where it is most beneficial—Decathlon is increasing the number of societal initiatives it supports in all countries, sometimes at the regional or store level where they make the most sense. For this reason, it would be impossible to list all of these initiatives at the international level in this progress report.

Still, it is worthwhile to mention some representative actions that reveal the focus of these initiatives with local associations.

PHILIPPINES

To help address existing major societal challenges in the Philippines, a strategy was devised to respond to Decathlon's **primary objective to "Increase People Dignity"** in two ways

- Promote inclusion, through Decathlon's values;
- Share the benefits of sport as a means of integration for people facing the greatest exclusion.

Although the Decathlon Foundation⁴³ provides longer-term support for projects in this area, Decathlon also works with local partners.

Integration through sport focuses on developing stores as playing fields and events with sports partners, such as free yoga classes open to everyone or any type of class or sporting event in stores or nearby locations.

Actions are also being taken to address environmental and other societal issues, such as waste sorting and the impact of plastics. For example, Decathlon Philippines serves as a collection point for used water-sports boards that are then used by The Plaf⁴⁴, a social enterprise that transforms them into construction materials (and emergency shelters for weather disasters).

Sport for All

In line with the Foundation's principles, the goal is to help Decathlon stores share their passion for sport with NGO beneficiaries and school children in local communities, to use sport as a vehicle for discovery and cooperation. Today, the Sport for All project reaches out to over 100 Filipino youths directly, and several thousand indirectly, through its impact in communities, in particular through the LP4Y association⁴⁵.

Employability

To strengthen Decathlon's commitment to its responsibility for greater inclusivity in employment, actions are being taken to create job openings, prepare young people for decent employment, and invite them to the company. Even during lockdowns, Decathlon continued working toward this ambition in the Philippines by conducting training courses, online job interview simulations and virtual store tours to keep young people motivated to work.

TESTIMONIAL



Nadège IFF

Sustainable development leader,
Decathlon Philippines

"We have to consider the characteristics of the local culture. We have to remain humble in how we communicate our beliefs, in how we transform our ideas on the ground, through "eco-events", for example. The idea is first to share our messages with teammates in a very educational and concrete way, to help them clearly understand the direct links between the consequences of climate change that are affecting them with full force and the concrete actions that they can take on their playing fields."

34. For more information on Cyclofix: <https://www.cyclofix.com/>

35. For more information on Alltricks: <https://www.alltricks.com/>

36. For more information on TrainMe: <https://trainme.co/>

37. For more information on Kinomap: <https://www.kinomap.com/v2/home>

38. Tarmak: Decathlon brand dedicated to basketball.

39. Kipsta: Decathlon brand dedicated to football.

40. Van Rysel: Decathlon brand dedicated to road racing bicycles.

41. Yannick Bestaven is a professional French sailor and skipper, winner of the Vendée Globe in 2020-2021.

42. Tribord: Decathlon brand dedicated to sailing.

43. More information on the Decathlon Foundation on p. 132.

44. For more information on The Plaf: www.theplaf.com

45. For more information on LP4Y: <https://www.lp4y.org/lpcs-philippines>

INDIA

Sport for All

As part of the Sport Really for All project, Decathlon India encourages each of its stores to **develop the social integration and life skills of children in the stores' local communities** through sport, which is out of reach for certain groups. Thus, for an hour every week, 43 sites in India (stores, warehouses and production sites) live out their commitment by sharing sports activities with 1,200 children from state schools and local NGOs. The purpose of this initiative is to share a variety of sporting activities with vulnerable children who are otherwise unable to practice sports for a number of reasons. This initiative also provides an opportunity for these children to learn to open up to others, overcome prejudices and create lasting relationships. This initiative's strength also lies in the fact that it is led not by a single person but by a collective across the whole of India.

Employability

In order to develop a business model that includes local societal concerns for Indian youths seeking employment, Decathlon India offers internship programmes allowing vulnerable young sports fans to develop their professional skills.



Today, 100 young people are part of a career programme for ten hours per week at stores in Kolkata, Bangalore, Chennai and Delhi.

FRANCE

Driven by the desire to be a humanistic and engaged company, four years ago, Decathlon France began work aimed at **establishing ties with associations to create local long-term projects through sport** around two themes: protecting our playing fields and encouraging inclusivity and diversity. Convinced that sport can be a vehicle for integration and social cohesion, Decathlon has chosen to work with several national associations, including "Écoles de la Deuxième Chance"⁴⁶ (E2C), the "Apprentis d'Auteuil"⁴⁷ foundation, "60 000 rebonds"⁴⁸, "APELS"⁴⁹, "Sport dans la ville"⁵⁰, "Proximité"⁵¹, the "Agir contre l'exclusion" foundation (FACE)⁵² and the "Émergence d'Aréli"⁵³ programme.

The project's goal is to develop each site's commitment and the societal impact, as well as mobilising teammates around these partnerships.



FOCUS

The Skola project, in partnership with the "Apprentis d'Auteuil"

The aim of this partnership is to open the company's doors so that young people can discover the world of employment, and to share Decathlon's values and passion for sport. Through such actions as its Skola project, the Apprentis d'Auteuil association supports young adults who have not completed their education and who face difficulties finding employment. In partnership with Decathlon France, the innovative integration and training format includes skills training provided at Decathlon premises with a specialised organisation, work experience at a warehouse and individual support in finding long-term employment. The Decathlon Foundation also supports the project by providing the young participants with sports equipment so they can become involved in sport through a sporting challenge. Three Skola programmes were set up in 2021.

46. For more information on "Écoles de la Deuxième Chance": <https://reseau-e2c.fr/>

47. For more information on the "Apprentis d'Auteuil" foundation: <https://www.apprentis-auteuil.org/>

48. For more information on "60,000 Rebonds": <https://60000rebonds.com/>

49. For more information on "APELS": <https://www.apels.org/>

50. For more information on "Sport dans la Ville": <https://www.sportdanslaville.com/>

51. For more information on "Proximité": <https://www.proxite.com/>

52. For more information on "FACE": <https://www.fondationface.org/>

53. For more information on "Émergence d'Aréli": <https://www.areli.fr/le-programme-emergence/le-programme-emergence/>

THE DECATHLON FOUNDATION

Using sport as a vehicle for social inclusion

Since 2005, the Decathlon Foundation⁵⁴ has supported teammates in developing projects that have a positive social and societal impact by using sport as a vehicle for social inclusion and health. The Decathlon Foundation is a true reflection of the company's values and mission by sustainably making sport accessible to vulnerable people, and by allowing teammates to create lasting ties with local stakeholders.

The Decathlon Foundation was created for all teammates and offers support for countries wanting to develop a local Foundation team. In addition to France, where the company was founded, Brazil, Spain, India and Italy now also run their societal projects independently.

KEY FIGURES

AS OF 31/12/2021

71,864 beneficiaries⁵⁵ in a vulnerable situation were able to practice sport regularly in 17 countries thanks to the Decathlon Foundation's support (42,297 in 2020)

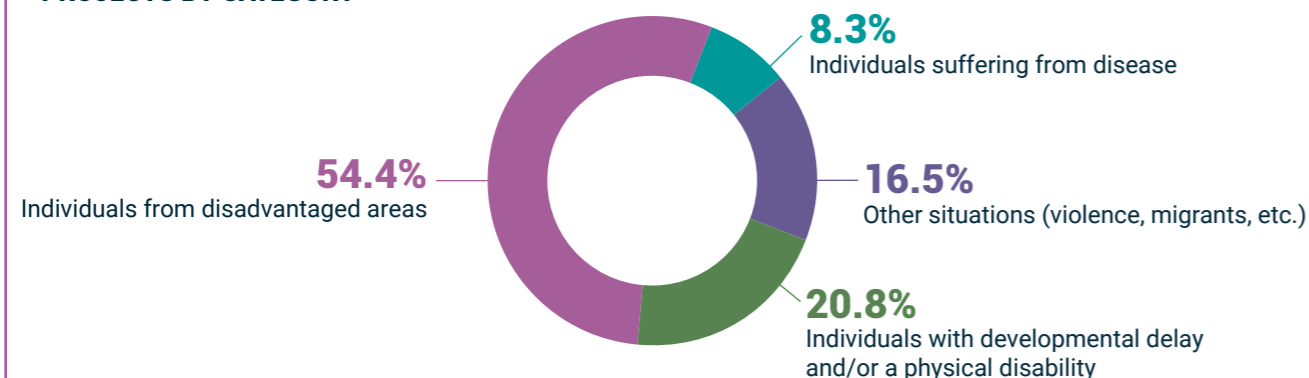
61 projects⁵⁶ organised by Decathlon teammates (47 in 2020)

€1.2 million paid to associations⁵⁷ (€948,735 in 2020)

2021 HIGHLIGHTS

- During the pandemic, the Decathlon Foundation continued its emergency action to assist the most disadvantaged people.
- 61 projects were created in 2021 even though health restrictions were in place for an extended period in some countries.

BREAKDOWN FOR BENEFICIARIES OF DECATHLON FOUNDATION PROJECTS BY CATEGORY



SUPPORTING PEOPLE DURING THE PANDEMIC

The Decathlon Foundation continued its emergency actions in 2021 as the COVID-19 crisis dragged on. In France and around the world, the Foundation provided financial support to institutions in need (hospitals, residential nursing and care homes, associations supporting the homeless and for disadvantaged youths and battered women) to enable them to buy basic equipment.

€119,710 paid to associations around the world to facilitate access to sport for vulnerable people who were impacted significantly by the pandemic



In India, which was hit particularly hard by the COVID-19 pandemic in 2021, the Decathlon Foundation donated 200 cot beds and 200 foam mattresses to a charity hospital in Delhi, and about 20 cot beds and mattresses to another hospital in Jharkhand.

The Foundation also donated a total of €17,000 to six NGOs as a sign of solidarity, with actions undertaken by teammates to support the needs of local communities in eight different cities.

TAKING ACTION TO ASSIST VULNERABLE PEOPLE AROUND THE WORLD

In spite of the COVID-19 crisis, the Decathlon Foundation was able to launch 61⁵⁸ new projects in 2021 (vs 47 in 2020) with 71,864 beneficiaries in 17 different countries.

FRANCE

"Terre et Mer": helping unaccompanied minors adapt to their new territory

Given the precarity and psychological distress experienced by many children who migrate across the Spanish border to France alone, the Decathlon Foundation in France launched the "Terre et Mer" (which means land and sea) project in partnership with Institut Don Bosco⁵⁹ towards the end of 2021.

To make sport accessible to these young people and to help them integrate, the Nabaiji teams at Decathlon Hendaye shared the region's flagship activities with them: surfing, Basque pelote, hiking and beach volleyball. Three introductory sessions have already been held since October 2021, and two-thirds of the participants (i.e. 42 youths) have registered with a club to practice a physical activity or sport weekly.



Learning to swim is also a focus of this initiative to ensure these young people can enjoy water sports safely.

At the same time, the Decathlon store in Anglet developed a dedicated employability programme with monthly individual and group sessions. These sessions include people skills workshops, career plan assistance, discovering new jobs, etc.

TESTIMONIAL



Vincent ALLOY, Clémence LIBEAU, Catherine LUCAS-BOUILLON

Terre et Mer project managers, Decathlon Hendaye

"Many of our teammates got involved with the Terre et Mer project. We were surprised and pleased with this and with everyone's concern for these vulnerable kids. We offer new initiatives for these youth every week: clothing exchange, regular individual support, school support, moments for discussion, etc. It is great to see so many synergies around the project!"

54. For more information on the Decathlon Foundation: <https://www.fondationdecathlon.com/>

55. This figure does not include the beneficiaries of projects run during the COVID-19 crisis.

56. This figure does not include projects related to combating the pandemic.

49 projects were conducted in 2021 during the COVID-19 crisis, bringing the total number of projects run in 2021 to 110.

57. This figure does not include projects related to combating the pandemic.

58. Traditional Decathlon Foundation projects, not including emergency actions set up to combat the pandemic.

59. For more information on Institut Don Bosco: <http://www.institut-don-bosco.fr/>



IN LEBANON

Snoubar skatepark: bringing joy back to Lebanese youth

Beirut's first public skatepark was opened on 4 August 2021, a year to the day after the two explosions at the Beirut port.

To build this skate park, the Decathlon Skateboarding teams at Decathlon Lebanon, the Make Life Skate Life association⁶⁰ and volunteers from around the world worked together for nearly two months, backed by the Decathlon Foundation.

The Snoubar Skatepark project's goals are to **give young people a safe space to practice their sport, encourage meetings between people from diverse backgrounds** (including Palestinian and Syrian children from the neighbouring refugee camp) **and bring joy to Lebanese youth.**

This Decathlon Foundation project goes even further to **support the vocational integration of young people** during a time of economic and social crisis in Lebanon. Decathlon Lebanon has committed to provide employment opportunities to young local skateboarders (internships, seasonal contracts and permanent contracts).

MEXICO

Color of esperanza: sharing the benefits of sport with children suffering from cancer

Validated in December 2020, the *Color of esperanza* project⁶¹ promotes the benefits of sport for children and youths with cancer. In 2021, in partnership with the *Nariz Roja*⁶² association, teammates from Decathlon Guadalajara created a programme of activities during which children discover a different sport each month⁶³ (table tennis, yoga, basketball, etc.). They held practical and theoretical activities (learning about equipment) for each sport. **The goals of this initiative are to encourage physical activity and psychomotor development in children and above all, to give them a chance to have some fun.** Forty children participated in the *Color of Esperanza* project this year.



TESTIMONIAL

Alicia

whose daughter participated in the *Color of Esperanza* project

"Because of the side effects of chemotherapy, my daughter sometimes complains that her bones hurt, that she is cold and that she feels sick. By approaching children with cancer, the Decathlon Foundation really helps them a lot; my daughter has been able to overcome her suffering through fun and sport. She forgets all the pain and discomfort that chemotherapy causes. After her last session of chemo, my daughter decided to participate in an activity organised by the Color of Esperanza project because it would make her happy. The volunteers are very important for the children: they help them forget their pain and offer them a moment of joy and fun."

60. For more information on Make Life Skate Life: <https://www.makelifeskatelife.org/>

61. The colour of hope.

62. For more information on Nariz Roja: <https://narizroja.org/>

63. 2021 schedule: January: table tennis; February: archery; March: badminton; April: basketball; May: yoga; June: dance; July: volleyball; August: football; October: Finnish skittles and *pétanque*; November: handball; December: golf.

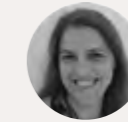
PORTUGAL

Desporto +: making sport accessible to people with developmental delay

With the support of the Decathlon Foundation, the store in Matosinhos is ensuring that people with developmental delay also have a chance to enjoy the benefits of sports. Teammates partnered with the Portuguese charity *Santa Casa da Misericórdia do Porto*⁶⁴ to create a **schedule of activities for people at the Centro Integrado de Apoio to Deficiencia** - CIAD (centre of integrated support for people with disabilities). The programme includes a visit to the Matosinhos store, monthly sports sessions (basketball, football and handball) at the CIAD and professional training workshops. 157 people at the CIAD were able to practice sports activities through this project in 2021, although the activities organised by Decathlon teammates were suspended at various times throughout the year due to the health crisis. Still, ties were maintained despite the pandemic, notably through online dance classes.

In 2022, the *Desporto +* project aims to involve other institutions in order to make sport accessible to as many people with developmental delay as possible.

TESTIMONIAL



Fátima PINTO

Director of the CIAD

"For people with disabilities, sports are essential for good physical health, but even more so to develop motor skills, social inclusion and self-esteem. Thanks to the support of the Decathlon Foundation, we will be able to promote access to sport for our beneficiaries, their families and the community we are working with. Together, we are making sport accessible to all."

FOCUS

Decathlon Foundation: what has happened since 2005?

In 2021, the Decathlon Foundation launched a vast impact assessment to obtain an overall vision of the actions carried out since its creation. A teammate was tasked with contacting all the associations supported by the Foundation, as well as the country Relays, to take stock of all the projects launched since 2005. Two indicators were monitored:

- The number of beneficiaries having had access to sport with regular physical activity through the Foundation's projects;
- The number of beneficiaries having had access to a work experience through the Foundation's actions.

The survey identified 713 projects conducted between 2005 and 2021, benefiting 468,310 people in 48 countries.

→ For more projects supported by the Decathlon Foundation: <https://www.fondationdecathlon.com/our-great-stories/?lang=en>

64. For more information on Santa Casa da Misericórdia do Porto and CIAD: <https://www.scmp.pt/ensino-especial/ciad>

EXTERNAL STAKEHOLDERS

INSTITUTIONAL RELATIONS



Involvement in the Environment and Quality committees of the Federation of Commerce and Distribution, which works to promote Sustainable Development (whose main work is to support donations and apply the Circular Economy Law).

➔ For further information: <http://www.fcd.fr/qui-sommes-nous/actualites-de-la-fcd/detail/decouvrez-la-video-de-presenta-tion-de-la-fcd/>



Involvement in the Environment Committee since 2014 (including work on updating the Code of conduct, an event linking CSR and sport, and the functional organisation of Extended Producer Responsibility for Sports and Leisure goods).

➔ For further information: <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.).

➔ For further information: <http://www.wfsqi.org/>



Member of the EuroCommerce committees for monitoring and anticipating future strategic and legislative developments of the European Union regarding the environment and trade.

➔ For further information: <http://www.eurocommerce.eu/>



Decathlon is a member of the Observatoire sur la Responsabilité Sociétale des Entreprises (Observatory on Corporate Social Responsibility), a multi-stakeholder organisation that carries out permanent monitoring in France, Europe and internationally and supports companies in their CSR strategy. Decathlon joined its board of directors in June 2019.

➔ For further information: <http://www.orse.org/>

ECODESIGN



Involvement in the eco-labelling pre-deployment project together with the ADEME and the French Ministry of Ecological Transition. Leader of the project committee (COPROJ) for textile eco-labelling.

➔ For further information: <https://www.ademe.fr/en/frontpage/>



Member of the board of directors of Refashion (formerly ECO-TLC), which is the eco-organization for the EPR sector of clothing, household linen and footwear.

➔ For further information: <https://refashion.fr/en>



Member of the Ecologic board of directors and strategic committee (for the Sport and Leisure Goods EPR sector). Ecologic is an environmental organisation for the Sport and Leisure goods EPR system and the Waste Electrical and Electronic Equipment (WEEE) EPR system. We have also been involved in the preliminary work for developing the Extended Producer Responsibility for Sports and Leisure goods system and have worked with Ecologic to set up reuse and recycling collection experiments in ten of our stores, in anticipation of this system.

➔ For further information: <https://www.ecologic-france.com/>



Since September 2021, Decathlon has joined the Rehubs Council, an initiative that brings together 20 companies from the textile sector to co-finance a technical and economic study on the textile circular economy in Europe, co-ordinated by Euratex (The European Apparel and Textile Confederation).

This study, which is carried out by an independent consulting agency, will determine the opportunities, barriers, economic/environmental values and investments needed to establish recycling hubs throughout Europe.

➔ For further information: <https://euratex.eu/news/rehubs/>



Product Environmental Footprint (PEF): Involvement in a European experiment to define a common multi-criteria method for calculating the environmental footprint of products (T-shirts). Member of the Technical Secretariat along with a number of stakeholders, including the ADEME, the French Ministry of Ecological Transition, the Swiss Federal Office for the Environment (FOEN), brands such as Promod, Pimkie, Okaidi, etc., and producers such as Les Tissages de Charlieu and TAD.

➔ For further information: <http://ec.europa.eu/environment/eussd/smgp/>



Decathlon joined the Better Cotton Initiative (BCI) in January 2012. This non-profit organisation promotes the global development of better cotton as a sustainable commodity to make it better for the people who produce it, for the environment in which it is grown and for the future of the industry.

➔ For further information: <http://bettercotton.org/>



Decathlon is involved in the Global Fashion Agenda initiative, which brings together companies that are committed to working towards circular economy.

➔ For further information: <https://www.globalfashionagenda.com/>



Decathlon sits on the board of directors of "Pôle Eco-conception", the French national centre for eco-design and life cycle performance. Founded in 2008, it aims to support the development of sustainable consumption habits and production methods. "Pôle Eco-conception" assists Decathlon in the eco-design of its products and in the implementation of its strategies.

➔ For further information: <https://www.eco-conception.fr/>



The Plastic Leak Project (PLP) launched by the sustainability consultancy company "Quantis" and the environmental management & CSR centre "Environmental Action EA", aims to contribute to global efforts to tackle plastic pollution. The multi-stakeholder initiative focuses on developing methodological guidelines and metrics for locating, measuring and mapping plastic and micro plastic pollution in the value chain and identifying effective actions to address the problem of plastic pollution in the environment.

➔ For further information: <https://quantis.com/who-we-guide/our-impact/collaborative-initiatives/plastic-leak-project/>



The Microfiber Consortium (TMC) is a multi-stakeholder, non-profit organisation. This consortium facilitates the development of practical solutions for the textile industry so as to minimise the fragmentation of fibres and their release into the environment during textile manufacturing and the life cycle of the products.

➔ For further information: <https://www.microfibreconsortium.com/about>

ENVIRONMENTAL IMPACT 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 engage, support and promote companies that have committed to using 100% renewable energy (including biomass, geothermal, solar, wind and tidal energy).

➔ For further information: <http://there100.org/companies>



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), the UN Global Compact, the World Resources Institute (WRI), the World Wide Fund for Nature (WWF) and the We Mean Coalition are all involved in this initiative. The SBT initiative identifies and highlights good practices for setting out steps to reduce CO₂, provides the means to achieve this goal, and scientifically and independently approves trajectories put forward by companies.

➔ For further information: <https://sciencebasedtargets.org/>

➔ Press release: <https://bit.ly/DecathlonSBTi2021>



The Assessing low Carbon Transition® (ACT) initiative was developed by the ADEME and the CDP to assess companies' climate strategies. The initiative is part of the UNFCCC's solutions agenda and provides methods for assessing whether a company's strategy is consistent with a decarbonisation trajectory for its business and sector. Based on verifiable company data, some 20 indicators provide a holistic assessment of the company's strategy. These assessments are conducted in full transparency by independent third parties, ensuring complete neutrality.

➔ For further information: <https://actinitiative.org/>



The Carbon Disclosure Project (CDP) is an organisation that has set up a public reporting system for monitoring the environmental impacts of investors, companies, cities and regions. An assessment questionnaire is sent out each year on the following issues: climate change, water and forests. Decathlon has been asked to participate on the issues of "climate change" and "forests" since 2019.

➔ For further information: <https://www.cdp.net/en>



The Net Zero Initiative project, launched in June 2018 and led by the consultancy firm Carbone 4, in collaboration with a dozen pioneering companies and supported by a scientific council, has published its reference standards for contributions by organisations to carbon neutrality. This document proposes a common language for all companies wishing to steer their climate action in a sincere, ambitious and transparent direction towards achieving global net zero emissions, and in coherence with existing instruments and methodologies. Decathlon has been a partner of the initiative since 2020, with the aim of adopting a method that will enable it to define and achieve Net Zero in view of the climate emergency.

➔ For further information: <https://www.net-zero-initiative.com/en>



Initiated by the United Nations Framework Convention on Climate Change in 2018, the Fashion Industry Charter for Climate Action brings together a growing number of the biggest players in the fashion and textile industry. There are currently 110 signatories who are committed to setting a target for reducing their CO₂ emissions and working together to move the entire industry towards the goals set by the Paris Agreement.

➔ For further information: unfccc.int/sectoral-engagement/global-climate-action-in-fashion/about-the-fashion-industry-charter-for-climate-action



The Fashion Pact is a global coalition of companies in the fashion and textile industry (ready-to-wear, sport, lifestyle and luxury) as well as suppliers and distributors, committed to a common set of environmental goals focused on three themes: ending global warming, restoring biodiversity and protecting the oceans. The Fashion Pact was created as part of a mission entrusted to François-Henri Pinault, the CEO of Kering, by the French President Emmanuel Macron and was presented to heads of state at the G7 summit in Biarritz on 26 August 2019.

➔ For further information: <https://www.thefashionpact.org/?lang=en>



"Companies committed to nature - act4nature France" is an initiative led by the Office Français de la Biodiversité [French Office for Biodiversity (OFB)] that aims to encourage companies to take action on biodiversity using a continuous improvement approach. Decathlon signed its commitment in February 2020 and has joined this network that aims to exchange good practices, push companies forward and improve ambitions on this matter.

➔ For further information: <https://engagespourlanature.ofb.fr/entreprises>



Decathlon has become a member of ORÉE, an association created in 1992 which has been federating and animating a network of players for over 20 years. It has a mandate to represent France at the CBD (Convention on Biological Diversity) and promotes peer-to-peer exchange groups to form a common voice in dealing with institutions and economic players.

➔ For further information: <http://www.oree.org/>




Decathlon has joined the B4B+ club run by CDC Biodiversité, a subsidiary of Caisse des Dépôts et Consignations (French Loans and Consignments Fund). The aim of this subsidiary is to develop tools to assess financial portfolios to identify their impact on biodiversity. Decathlon has been trained by CDC Biodiversité and uses their GBS (Global Biodiversity Score) tool to identify which of the company's activities are under the most pressure and thus prioritise its actions. CDC Biodiversité also supports Decathlon in the critical review of its biodiversity study.


➔ For further information: <https://www.cdc-biodiversite.fr/>

EXTERNAL STAKEHOLDERS


RESPONSIBILITY IN PRODUCTION

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Technical support for Decathlon's human responsibility in production and supplier environmental management assessments (conducting audits, wastewater samples and analyses).

➔ For further information: <http://www.sgs.com/>
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Technical support to assess the human responsibility in production and the environmental management of Decathlon's suppliers: carrying out assessments, tests and wastewater sampling.

➔ For further information: <https://group.bureauveritas.com/>
- 


Member of an advisory committee (with representatives from national contact points, businesses, the European Commission, multi-stakeholder initiatives, NGOs and trade unions) to draft a guide on Duty of Care in the textile and footwear industries.

➔ For further information: <https://mneguidelines.oecd.org/responsible-supply-chains-textile-garment-sector.htm>
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The Mekong Club is an NGO catalyst for change, inspiring and engaging the private sector to lead in the fight against modern slavery.

➔ For further information: <https://themekongclub.org/>
- 


Apprise is a tool for detecting vulnerable populations and is able to identify situations of forced labour. It has been tested by Decathlon in five Asian countries during HRP audits, to identify potential signs of forced or bonded labour among migrant workers.

➔ For further information: <https://www.apprise.solutions/home>
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Impactt is an NGO specialising in improving working conditions and increasing productivity in global supply chains. Its approach benefits brands, production sites and employees alike.

➔ For further information: <https://impacttlimited.com/>
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Decathlon began collaborating with the private organisation AII (Apparel Impact Institute) in 2020, to launch the "Clean by Design" project. This international initiative encourages clothing retailers and fashion chains to take responsibility for the environmental impact of their overseas factories by focusing on the dyeing and finishing processes.

➔ For further information: <https://apparelimpact.org/>
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The World Resources Institute (WRI) is a global research organisation with over 1,000 experts who turn innovative ideas into action at the interface between the environment, the economy and human well-being. Decathlon and WRI share the same goal and vision for both people and the planet. With Decathlon's strong position in the sports industry and the WRI's expertise, this partnership will not only benefit Decathlon, but will also support the transformation of the sports equipment industry.

➔ For further information: <https://www.wri.org/>
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Labor Solutions, a social enterprise founded in 2013, uses technology to facilitate the involvement of low-income workers by providing tools to contribute to their well-being.

➔ For further information: <https://www.laborsolutions.tech/wovo>
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Kno Global, a social enterprise, provides a seamless, real-time data platform. The KNO approach starts by building a community of factory employees in the field. The approach relies on technology and mobile data to measure employee involvement and well-being. The KNO app enables anonymous two-way communication between management and the people working on the production floor. KNO then co-creates solutions with factories to address the issues raised by employees.


➔ For further information: <https://www.knoglobal.com/>
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Sustainable Textile Solutions, a member of BluWin, provides tailor-made consultancy, auditing and training programmes on the chemical safety of textiles. The aim is to help brands, retailers and industry partners understand, communicate, monitor and improve the effectiveness of their strategies in order to produce textiles that are more environmentally friendly and better for health and safety.


➔ For further information: <https://bluwinnet/>
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The Zero Discharge of Hazardous Chemicals (ZDHC) is a foundation that aims to support the textile and footwear industry in using safer chemicals for a cleaner planet and a better future. Decathlon is inspired by all the work done by ZDHC, for everything concerning the risk management of chemicals in factories and in wastewater treatment, mainly in the textile process. In 2021, our teams actively worked on our application for membership in the ZDHC foundation, which we will obtain in 2022.

➔ For further information: <https://www.roadmaptozero.com/>

➔ Press release: <https://www.roadmaptozero.com/post/contributor-announcement-jan-2022>
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SCIVERA is a company that aims to ensure but also to increase the use of safer chemicals by suppliers. Decathlon's platform provides access to thousands of chemical risk assessments that identify hazardous chemicals, predict future regulated substances, and evaluate the safest alternatives for both people and the environment.

➔ For further information: <https://www.scivera.com/>
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In order to promote the use of more sustainable products in the chemical industry, GoBlu International Ltd (accelerator for sustainable development solutions) has developed "BHive®", an innovative tool to digitalise the chemical management process and create greater transparency in the supply chain.

➔ For further information: <https://www.thebhive.net/>


DUTY OF CARE

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Verisk Maplecroft is a UK-based consultancy firm that specialises in analysing international political, economic, social and environmental risks. By providing data and analysis on these topics, it enables companies to better anticipate, identify and manage the risks they face in their business.

➔ For further information: <https://www.maplecroft.com/>
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The *Entreprises pour les Droits de l'Homme* (Business for Human Rights) association aims to promote the understanding and integration of human rights within companies by implementing awareness-raising strategies. This voluntary and multi-sector initiative serves as a forum for exchanging and sharing best practices and for collaborative thinking. The association also designs operational tools for its members, including training and awareness-raising tools to assist them in implementing their procedures, in accordance with French law and international CSR standards. By joining EDH, Decathlon wishes to continue structuring and improving its human rights awareness programme while exchanging and working with other companies to address the challenges surrounding this issue.

➔ For further information: <https://www.e-dh.org/home.php>
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Whispli is a safe, secure and anonymous alert platform where members, partners or customers of an organisation can report ethical issues in the broadest sense of the term. Decathlon has introduced this platform to meet the obligations of the French Duty of Care and Sapin 2 laws.

➔ For further information: <https://www.whispli.com/>


PRODUCT QUALITY AND SAFETY

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Sharing scientific knowledge about chemicals used in production processes and emerging risks in order to define Decathlon's future areas of work.

➔ For further information: <https://www.anses.fr/en>
- 


The French National Institute for the Industrial Environment and Risks (Ineris - *Institut national de l'environnement industriel et des risques*) is an industrial and commercial public institution supervised by the French Ministry for Ecological Transition. It conducts research to better understand the phenomena likely to lead to hazardous situations or damage to the environment and public health, and to develop its expertise in the field of risk prevention. It develops its scientific and technical skills in the fields of accidental risks, chronic risks and above-ground and below-ground risks. This information is made available to public authorities, companies and local communities in order to help them take the most appropriate measures to improve environmental safety.

➔ For further information: <https://www.ineris.fr/en>
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The Apparel and Footwear International RSL Management (AFIRM) group is an international working group of leading brands in the textile, footwear and sporting goods industry that works to standardise the chemical requirements of products. Decathlon is participating in the development of a common list of prohibited substances that can be used by all the brands involved.

➔ For further information: <https://www.afirm-group.com/>
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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 for users of Decathlon products.

➔ For further information: <https://www.gerda2021.com/>
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The European LIFE AskREACH project is focused on improving the substitution of Substances of Very High Concern (SVHC) in products as well as raising consumer awareness on their right to be informed about these substances. One of the project's main priorities is to facilitate communication on SVHCs between the different supply chain operators and the final consumer. Decathlon is in regular contact with those involved in this project as a supplier of products, in order to make this information available and to contribute to the European database of the Scan4Chem mobile application. This application enables the user to scan products and find out if they contain SVHCs (substances of very high concern). The aim is to provide better information to the public and to provide companies with tools to fulfil their obligations in terms of communication on SVHCs.

➔ For further information: <https://www.askreach.eu/>

DIGITAL RESPONSIBILITY

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Decathlon joined the French Digital Responsibility Institute (INR - *Institut Numérique Responsable*) association when it was founded in 2019. The INR is a think tank that follows on from the Green IT Club, and provides a forum to reflect on digital issues, such as calculating our economic, social and environmental footprint, reducing our impact and creating social value in order to achieve e-inclusion for all.

➔ For further information: <https://institutnr.org/>
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Decathlon took part in the #FrenchTransfo project to initiate a responsible digital transformation among large groups. For more than a year now, the FrenchTransfo mission, chaired by Cédric O (Secretary of State for Digital Transition and Electronic Communications), has brought together major French groups in order to accelerate and combine their skills. All major groups have a duty to be responsible regarding the impact of digital technology on the environment (CO₂, water, etc.). Decathlon has been involved in creating tools to measure the environmental impact of digital technology.

➔ For further information: <https://www.economie.gouv.fr/environnement-numerique-feuille-de-route-gouvernement>





APPENDICES



APPENDICES

PERFORMANCE INDICATORS

COMPANY PROFILE

COMPANY FACTS AND FIGURES	2020	2021
ECONOMIC INFORMATION SALES		
Decathlon sales (excl. tax)	€11.4 billion	€13.8 billion (note 1)
Growth in sales Y/Y-1	-5.8%	+21.3% (note 2)
% of sales from non-store sales	15.7%	17.2%
ECODESIGN SALES		
% of sales realised with Ecodesign products - World 	5.9%	10.4% (note 3)
% of sales realised with Ecodesign products - France 	5%	9% (note 3)
SUSTAINABLE SALES		
% of sustainable sales (second life, workshops, rental) - World: 	1.36%	1.47% (note 4)
↳ % of sales realised with second life products - World	0.09%	0.2%
↳ % of sales realised with product maintenance and repair in workshops - World	1.24%	1.23%
↳ % of sales from product rental - World	0.03%	0.04%
% of sustainable sales (second life, workshops, rental) - France: 	2.25%	2.57% (note 4)
↳ % of sales realised with second life products - France	0.24%	0.45%
↳ % of sales realised with product maintenance and repair in workshops - France	2%	2.09%
↳ % of sales realised with product rental - France	0.01%	0.03%
Quantity of Decathlon & OIB second life products sold in France	67,498	185,548 (note 5)
Quantity of Decathlon & OIB second life products sold worldwide	98,616	503,157

2021 NFRD methodological notes

Note 1: In 2021, the health situation was difficult in the first half of the year: impossibility of practising winter sports, lockdowns in Europe, in particular, impacts of the zero Covid-19 policies in Asia and Oceania.

Other difficulties included massive disruptions in supply chains and a spike in commodity and international transport costs. Despite these difficulties, we managed to achieve a significant increase in sales, thanks to the performance of mountain sports and fitness. This was done without compromising the health and safety of our employees and customers.

The share of sales generated outside our stores (*digital, B2B, Marketplace, etc.*) has remained high and the company has invested to support this new reality.

The share of digital sales reached 20.8% for the year 2021 and represents sales generated by our website, as well as digital in-store and Decathlon Pro (*servicing clubs, local authorities and businesses*).

Note 2: At constant exchange rates.

Note 3: The 2021 targets for this indicator “% of sales realised with Ecodesign products” were 12.5% for France and 12% for the world indicator.

The performance of the world indicator did not meet the target (12%), as we only reached 10.4% in 2021. We experienced delays in the implementation of products due to the large stocks generated by the closure of our activities at the end of 2020, linked to the COVID-19 crisis.

However, in 2021, we saw a real acceleration in our % of Ecodesign sales as we increased by +4.5 points compared to 2020 (*from 5.9% to 10.4%*). The good momentum of the 4th quarter of 2021 at 12.1%, above our target of 12%, should be highlighted. We are on a strong growth trend.

2021 confirmed the rapid and strong rise of products using Ecodesign textile yarns or fibres (*textiles, tents, bags*), which since 2019 have been designed with more sustainable materials, now widely available on the market.

Conversely, cycle and footwear products have more complex, multi-material designs and are more difficult to ecodesign. This is reflected in their performance in % of Ecodesign sales, which is much lower than that of textile products (*3% compared to around 25% for our textile products*).

2022 should mark a significant acceleration, with a target of 30% of Group sales.

Note 4: The closure of stores in 2021 had a strong impact on workshop repair and second life activities, the contact points being physical. We saw a clear upturn in these activities since the reopening and with the shortage of new bikes. 2021 remained a stable year in terms of share of sustainable sales (1.4%), out of step with our commitments. The strategic changes given at the end of 2021 and 2022 should allow us to return to our desired trajectory as of 2022. The focus is on the repair of our products, *buy-back* and the initiation of rental models.

The sustainable sales indicator is an internal definition, intended to accelerate the company's circular economy models. A working group was set up in 2021 and work is being carried out on the basis of the texts progressively published on the Green Taxonomy to study the eligibility and alignment of the activities retained in the sustainable sales by Decathlon.

Note 5: Indicator included for the first time in the 2021 NFRD.

COMPANY FACTS AND FIGURES	2020	2021
VALUE CHAIN RETAIL & PRODUCTS		
Number of sports users	400 million	424 million
Number of distribution countries	60	60 (note 6)
Number of Decathlon stores worldwide	1,697	1,747 (note 7)
Number of new stores Y/Y-1 (directly operated, excluding franchises)	+84	+114 (note 8)
Number of warehouses and logistics platforms	69	74 (note 9)
Number of Decathlon product brands	85	65 (note 10)
Quantities of products sold (bn)	1.07	1.24
SUPPLY CHAIN		
Number of production countries/regions:		
↳ With physical presence of Decathlon teams	24	25
↳ Without physical presence of Decathlon teams	23	19
Number of Decathlon production offices	42	43
Number of suppliers for Decathlon products:		
↳ Rank 1 suppliers (components & finished products)	977	930
↳ Rank 2 suppliers	362	355
Number of teammates responsible for managing and coordinating relations with suppliers	2,178	2,245
Number of Decathlon-owned production facilities	9	9

2021 NFRD methodological notes

Note 6: Owned, excluding franchises.

Note 7: Owned, excluding franchises.

Including Decathlon Alltricks & Own Brands (Signed Sports) stores.

Note 8: This is the number of gross openings without taking into account closures.

Note 9: Opening of 4 new sites (Mauritius, Ivory Coast, India and the Netherlands) and separation of a site into 2 buildings (Colombia).

Note 10: The teams dedicated to building the offer have reorganised in order to pool their resources and accelerate their growth strategies.


In 2021, the necessary criteria for a sport to bear a trademark registered by Decathlon were defined.

Thus, as at 31/12/2021, the number of Decathlon brands is 65.

APPENDICES

PERFORMANCE INDICATORS

DEVELOPING PEOPLE

EMPLOYMENT	2020	2021
Total workforce (as of 31/12) 	93,710	103,161 (note 11)
Workforce by gender (as of 31/12):		
↳ % women	46.5%	46.7%
↳ % men	53.5%	53.3%
Workforce by age group (as of 31/12):		
↳ % under 20	3.8%	4.7%
↳ % 20 to 29	55.5%	54.4%
↳ % 30 to 39	29.1%	28.8%
↳ % 40 to 49	8.6%	8.8%
↳ % 50 and over	3.1%	3.3%
Workforce by geographical area (as of 31/12):		
↳ % Europe & Russia	70.6%	69.4%
↳ % Asia	20.4%	20.3%
↳ % Africa & Middle-East	4.3%	4.7%
↳ % Americas	4.4%	5.3%
↳ % Oceania	0.4%	0.3%
Workforce by activity (as of 31/12):		
↳ % retail and services	75.9%	77%
↳ % logistics	13.1%	12.1%
↳ % design/production	5.3%	5.2%
↳ % support activities	5.7%	5.7%


2021 NFRD methodological notes

Note 11: This indicator takes into account teammates on permanent and non-permanent contracts and trainees in the company as of 31/12/2021.

We note a 10% change in the total workforce compared to 2020.

We have returned to the workforce level of 2019 with a slight increase (by nearly 800 people).

This development is notably linked to the resumption of recruitments after periods of lockdown or sanitary restrictions linked to COVID-19 for some countries and/or due to the development of the activity (e.g. Morocco, etc.).

ORGANISATION OF WORK	2020	2021
% of employees on permanent contracts (as of 31/12) 	79.4%	76.1% (note 12)
% of employees on non-permanent contracts (as of 31/12)	14.8%	18.2%
% of employees on other types of contracts (as of 31/12)	5.8%	5.8% (note 13)

2021 NFRD methodological notes

Note 12: On 78,451 teammates on permanent contracts and 18,740 on non-permanent contracts as of 31/12/2021 worldwide.

These figures or % have to be put into perspective as the temporal effect of a contract can vary (*permanent, non-permanent*) depending on the legislation of each country.

Note 13: For "other types of contracts", trainees/students are taken into account, with the exclusion of service providers in the calculation of the indicator.

Note that some countries do not distinguish between student/trainee contracts which are categorised as permanent or non-permanent contracts. e.g.: Italy, Czech Republic, Morocco.

DIVERSITY & INCLUSION	2020	2021
DIVERSITY & GENDER		
Breakdown of teammates by gender (as of 31/12):		
Worldwide:		
↳ % women	46.5%	46.7% (note 14)
↳ % men	53.5%	53.3%
Europe & Russia:		
↳ % women	47.8%	47.9%
↳ % men	52.2%	52.1%
Asia:		
↳ % women	44.4%	44.9%
↳ % men	55.6%	55.1%
Africa & Middle-East:		
↳ % women	40.5%	42.4%
↳ % men	59.5%	57.6%
Americas:		
↳ % women	42%	42.1%
↳ % men	58%	57.9%
Oceania:		
↳ % women	43.7%	41.4%
↳ % men	56.3%	58.6%

2021 NFRD methodological notes
Note 14: Target of "50% women and 50% men" by 2026.

DIVERSITY & SENIORITY		
% of seniors in the company by geographical area (people aged 55 or over) (as of 31/12):		
↳ Worldwide	1.14%	1% (note 15)
↳ Europe & Russia	1.49%	1.29% (note 16)
↳ Asia	0.2%	0.26% (note 16)
↳ Africa & Middle-East	0.35%	0.51% (note 16)
↳ Americas	0.49%	0.48% (note 16)
↳ Oceania	1.2%	0.93% (note 16)

2021 NFRD methodological notes
Note 15: i.e. 1,028 senior teammates in 2021 (1,065 in 2020).
Note 16: i.e. 920 seniors in Europe & Russia, 54 seniors in Asia, 26 seniors in the Americas, 25 seniors in Africa & Middle East and 3 in Oceania.

DECATHLON TEAMMATES BAROMETER SURVEY RESULTS (DTB)	2020	2021
% of employees who participated in the Decathlon Teammates Barometer survey	84%	81% (note 17)
Number of employees who participated in the DTB survey	65,873	70,405

2021 NFRD methodological notes
Note 17: Results of the Decathlon Teammates Barometer survey carried out in 2021 among Decathlon teammates. 70,405 respondents in 71 participating countries/regions. (Addition of Luxembourg).

% WHO ANSWERED "YES, ABSOLUTELY" OR "YES, SOMEWHAT" TO THE QUESTION: 		
BEING YOURSELF		
↳ I can express my thoughts AND people listen	93%	92%
↳ I can be myself in my everyday actions	94%	94%
↳ I am considered with respect	94%	94% (note 18)

2021 NFRD methodological notes
Note 18: Constant figures over the last 4 years (94%).

I LIVE THE PURPOSE AND VALUES		
↳ I am proud and happy to work at Decathlon	94%	93%
↳ Our values Vitality, Responsibility, Generosity and Authenticity live around me	95%	88% (note 19)
↳ "To sustainability make the pleasure and benefits of sport accessible to the many" motivates me and guides my daily actions	95%	93%
↳ I have a measurable mission with clear KPIs	82%	84% (note 20)
↳ I take decisions about the topics that I am concerned with and I measure the consequences	94%	94%
↳ Before I take a decision, I get advice from my colleagues who may be impacted by my decision	97%	97%
↳ At Decathlon, I am allowed to make mistakes: I dare, I test, I learn and I correct	95%	95%

2021 NFRD methodological notes
Note 19: This question was rephrased in 2021 (with a more collective orientation): "I live our 4 values: Vitality, Responsibility, Generosity and Authenticity" → "Our values of Vitality, Responsibility, Generosity and Authenticity live around me".
Note 20: Progressive evolution over the last 4 years. The mission is one of the criteria driven at the level of corporate human strategies. This criterion has a strong correlation with the level of pleasure at work and, above all, it is a strong axis of responsibility. The rate increased by 4 points for "yes, absolutely" answers (50%) and by 2 points for total "yes" answers (84%).

I DEVELOP MYSELF GROW THROUGH RESPONSIBILITY		
↳ I receive guidance on my skills	85%	85%
↳ I receive guidance on my personal development	82%	83% (note 21)
↳ I receive guidance on my performance	87%	86%
↳ I have an annual review to assess my performance, measure the progress made in terms of development and discuss my future project	93%	92%

2021 NFRD methodological notes
Note 21: Best result over the last 4 years with a one point change compared to 2020.

DECATHLON TEAMMATES BAROMETER SURVEY RESULTS (DTB) 2020 2021

% WHO ANSWERED "YES, ABSOLUTELY" OR "YES, SOMEWHAT" TO THE QUESTION: VERIFIED INFORMATION
mazars Audit

I AM A TEAM PLAYER

↳ We play sport and celebrate our victories together	75%	80%
↳ I feel safe in my work environment	93%	94% (note 22)
↳ Communication within my team is efficient and transparent	86%	86%
↳ In my team, we are united and we help each other	99%	94% (note 23)

2021 NFRD methodological notes

Note 22: Given the context, this question had a +1 for "yes, absolutely" (65%) and on "total yes" replies (94%).

Note 23: Question rephrased for the 2021 DTB:

"I contribute to mutual aid within my team" → "In my team, we are united and we help each other".

I CREATE VALUE

↳ I create human, environmental and economic value for the business project	94%	94%
↳ I am part of a group or team to which I regularly report on my progress in relation to the commitments I have made to them	90%	91% (note 24)
↳ My pay is fair in relation to my responsibilities and performance	62%	60%
↳ I am involved in Decathlon's performance. We share the value created together	88%	85%
↳ I feel I am a co-owner of Decathlon via my shareholding	70%	70%
↳ I am happy to come to work every morning to advance our project, my project and our company values	92%	91% (note 25)

2021 NFRD methodological notes

Note 24: An annual growth that continues (+ 1 point in 1 year, + 9 points over 4 years).

Note 25: The DTB question on pleasure at work fell by 1 point on the "total yes" answers compared to 2020 and by 2 points on the % of people who answered "yes, absolutely" (from 55% in 2020 to 53% in 2021).

However, the rates obtained are high given the context (COVID-19, transformation projects launched at Decathlon, etc.). It has been a challenging year for many teammates, with permanent agility and the need to adapt quickly due to the COVID-19 context (opening/closing of countries, number of sick teammates, remote working for some, customer relations when faced with stock shortages, guaranteeing figures under pressure, cancellation of most of our collective events, etc.)

SKILLS & DEVELOPMENT 2020 2021

% of teammates declaring that they have made progress in the use of digital technology in their responsibilities (DTB survey)	n/a	90% (note 26)
% of teammates declaring that they take responsibility for their progress (DTB survey)	88%	90% (note 27)
% of teammates who have had at least 3 hours of training in the last 2 years <small>VERIFIED INFORMATION</small> mazars Audit	n/a	n/a (note 28)

2021 NFRD methodological notes

Note 26: Indicator from the Decathlon Teammates Barometer survey, taking into account the result at the level of the theme and the total of "yes" answers ("absolutely" and "yes, somewhat" answers).

Note 27: New integrated question for the 2021 DTB exercise (Yes, absolutely = 50% and Yes, somewhat = 40%).

Note 28: To date, these measurement indicators do not reflect Decathlon's efforts to increase skills and the reality of the training courses taken. The causes have been identified, and work has been undertaken by Decathlon teams and is still underway, particularly on information systems, to postpone all training. The aim is to make this information more reliable for the years 2021 and 2022 for publication in the 2022 NFRD.

SHARING VALUE 2020 2021

PAY AND PAY TRENDS

World payroll (from 01/01 to 31/12)	€2,178,212,024	€2,655,095,138
% of payroll/turnover (from 01/01 to 31/12)	19.1%	19.3%

EMPLOYEE SHAREHOLDING SCHEME

% of capital held by employee shareholders (as of 31/12)	12.05%	12.3%
% of employee shareholders (as of 31/12) <small>VERIFIED INFORMATION</small> mazars Audit	55.86%	50.93% (note 29)
Number of employee shareholders (as of 31/12)	52,301	52,545 (note 30)
Number of countries/regions involved in the employee shareholding scheme (as of 31/12)	42	44 (note 31)

2021 NFRD methodological notes

Note 29: The objective of this indicator is "100% of eligible teammates are co-owners of Decathlon (if they so wish), thanks to the employee shareholder scheme" by 2026.

Note 30: The number of employee shareholders continues to grow (+0.47% compared to 2020).

Note 31: Two countries were added to the scheme in 2021: Tunisia and Lithuania.

The list of countries/regions concerned by the 2021 employee shareholder scheme is now: France, Italy, India, Belgium, China, Germany, Hungary, Poland, Portugal, Russia, Spain, Australia, Brazil, Bulgaria, Cambodia, Canada, Chile, 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, Israel, Tunisia and Lithuania.

At present, employee shareholding is not open in Vietnam and Indonesia. As compensation, local teammates receive a bonus, although this is not shareholding in the strict sense of the term, thus respecting Decathlon's desire to share value.

REMUNERATION BASED ON NON-FINANCIAL PERFORMANCE CRITERIA

Number of teammates with a share of remuneration based on non-financial performance criteria (as of 31/12)	n/a	n/a (note 32)
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2021 NFRD methodological notes

Note 32: Harmonisation work for this indicator is underway and needs to continue in order to be able to publish figures in the next 2022 NFRD exercise.

Continuing the implementation of the action plan put in place, this year we are integrating three additional countries/regions in the collection of data from payroll software in order to increase the representativeness and reliability of the scope.

The Netherlands, Mexico and Taiwan were therefore included in addition to the previous 17 (France, Spain, Italy, Belgium, China, Germany, Portugal, Poland, Russia, India, Hungary, Turkey, Brazil, Czech Republic, Romania, United Kingdom and Morocco), bringing the total scope to 87.77% of the worldwide workforce.

The following indicators relate only to these 20 countries/regions:

NUMBER OF TEAMMATE NATIONALITIES (20 COUNTRIES/REGIONS) DIVERSITY & INCLUSION	2020	2021
Number of nationalities in France (as of 31/12)	82	74
Number of nationalities in Spain (as of 31/12)	54	52
Number of nationalities in Belgium (as of 31/12)	28	28
Number of nationalities in Italy (as of 31/12)	72	72
Number of nationalities in China (as of 31/12)	14	14
Number of nationalities in Portugal (as of 31/12)	8	10
Number of nationalities in Poland (as of 31/12)	11	10
Number of nationalities in Germany (as of 31/12)	94	97
Number of nationalities in Russia (as of 31/12)	13	16
Number of nationalities in Hungary (as of 31/12)	3	3
Number of nationalities in India (as of 31/12)	8	7
Number of nationalities in Brazil (as of 31/12)	9	8
Number of nationalities in Czech Republic (as of 31/12)	5	5
Number of nationalities in Turkey (as of 31/12)	3	4
Number of nationalities in Romania (as of 31/12)	7	9
Number of nationalities in United Kingdom (as of 31/12)	75	74
Number of nationalities in Morocco (as of 31/12)	3	3
Number of nationalities in the Netherlands (as of 31/12)	n/a	36
Number of nationalities in Mexico (as of 31/12)	n/a	9
Number of nationalities in Taiwan (as of 31/12)	n/a	11

TEAMMATE RECRUITMENT & DEPARTURES (20 COUNTRIES/REGIONS) EMPLOYMENT	2020	2021
PERMANENT & NON-PERMANENT CONTRACTS		
Number of hires on permanent contracts (from 01/01 to 31/12)	13,135	18,854 (note 33)
Number of hires on non-permanent contracts (from 01/01 to 31/12)	37,574	47,788 (note 33)
Total hires on permanent and non-permanent contracts (from 01/01 to 31/12)	50,709	66,642
Number of resignations on permanent contracts (from 01/01 to 31/12)	11,593	15,040
Number of dismissals on permanent contracts (from 01/01 to 31/12)	1,528	1,607
Number of retirements on permanent contracts (from 01/01 to 31/12)	36	59
Other departures on permanent contracts (from 01/01 to 31/12)	3,112	2,399 (note 34)
Total departures on permanent contracts (from 01/01 to 31/12)	16,269	19,105

2021 NFRD methodological notes

Note 33: The COVID-19 health crisis has again impacted a very large majority of countries, to varying degrees, and overall to a lesser degree than in 2020.

This has had a beneficial impact with an upward recovery in the number of hires on permanent contracts (*higher than in 2019, before the crisis*) and non-permanent contracts (*higher than in 2020, but not back to the 2019 level*).

We are seeing an increase in the number of departures on permanent contracts related to resignations (*strong dynamism of the labour market for some countries - e.g. Poland, Hungary etc., new life choices etc.*).

The number of dismissals on permanent contracts is slightly up (*compared to 2019, before the crisis*) and represents 9% of the reasons for leaving.

Note the change in the number of retirements, which represents a very small part of the total number of departures.

80% of departures are concentrated in France and Spain, which are two of Decathlon's historical countries (*France opened in 1976, Spain in 1992*) and whose share of the workforce represented 34.5% of the global workforce as of 31/12/2021.

Note 34: It should be noted that the "Other departures" category takes into account, in particular, mutually agreed terminations, end of trial periods, etc.

TEAMMATE RECRUITMENT & DEPARTURES (20 COUNTRIES/REGIONS) EMPLOYMENT	2020	2021
TURNOVER		
Turnover rate for permanent staff (from 01/01 to 31/12):		
France	18.5%	19.3% (note 35)
Spain	13.8%	19.1%
Belgium	12.3%	13.8%
Italy	7.2%	9.2%
China	30.6%	36.7%
Portugal	43.5%	18.4%
Poland	18.9%	22.6%
Germany	36.9%	25.7%
Russia	28.1%	38.9%
Hungary	28.2%	31.7%
India	34.7%	40.2%
Brazil	34.7%	47.5%
Czech Republic	17.7%	25.3%
Turkey	53.8%	66.4%
Romania	43.2%	40.2%
United Kingdom	48.5%	45%
Morocco	52.7%	77.8%
Netherlands	n/a	30%
Mexico	n/a	35.8%
Taiwan	n/a	44.8%

2021 NFRD methodological notes

Note 35: The turnover indicator is calculated on an average annual workforce on permanent contracts.

ORGANISATION OF WORKING TIME (20 COUNTRIES/REGIONS)	2020	2021
% of employees on permanent full-time contracts (as of 31/12)	63%	62.8% (note 36)
% of employees on permanent part-time contracts (as of 31/12)	37%	37.2%
% of employees on non-permanent full-time contracts (as of 31/12)	27.8%	25.1%
% of employees on non-permanent part-time contracts (as of 31/12)	72.2%	74.9%

2021 NFRD methodological notes

Note 36: Representing 68,138 employees on permanent contracts and 16,495 on non-permanent contracts in the 20 countries/regions considered for these indicators.

ABSENTEEISM (20 COUNTRIES/REGIONS)	2020	2021
Absenteeism rate for employees on permanent contracts (from 01/01 to 31/12):		
France	3.5%	3.1% (note 37)
Spain	3.8%	3.7%
Belgium	n/a	n/a
Italy	3.5%	6.8%
China	n/a	n/a
Portugal	2.2%	2.6%
Poland	9.1%	8.2%
Germany	n/a	n/a
Russia	1.3%	n/a
Hungary	4.6%	5.5%
India	n/a	n/a
Brazil	6.2%	3.4%
Czech Republic	n/a	4.2%
Turkey	2.5%	2.8%
Romania	1.6%	1.4%
United Kingdom	2.2%	2.4%
Morocco	8.3%	1.8%
Netherlands	n/a	4.6%
Mexico	n/a	10.9%
Taiwan	n/a	0.2%

2021 NFRD methodological notes

Note 37: Corresponds to the number of hours not worked due to absenteeism/number of theoretical hours worked. The reasons for absenteeism considered in the calculation of the indicator are: ordinary illnesses, occupational illnesses resulting from work skill restrictions, accidents at work, unjustified absences.

It should be noted that not all countries monitor the absenteeism indicator within their scopes, hence the absence of data.

OCCUPATIONAL ACCIDENTS (20 COUNTRIES/REGIONS)	2020	2021
NUMBER OF OCCUPATIONAL ACCIDENTS		
Number of occupational accidents resulting in sick leave (from 01/01 to 31/12):		
→ France	295	656
→ Spain	214	255
→ Belgium	51 (note 38)	64
→ Italy	91	134
→ China	32	26
→ Portugal	56	57
→ Poland	39	39
→ Germany	94	103
→ Russia	n/a	5
→ Hungary	13	46
→ India	n/a	n/a
→ Brazil	15	15
→ Czech Republic	12	11
→ Turkey	45	80
→ Romania	2	14
→ United Kingdom	18	8
→ Morocco	18	34
→ Netherlands	n/a	13
→ Mexico	n/a	21
→ Taiwan	n/a	12

2021 NFRD methodological notes

Note 38: The accidents counted are only accidents with work interruption. We include accidents at the workplace or accidents while travelling between two workplaces. The historical 2020 data for Belgium has been corrected due to calculation errors/anomalies detected.

OCCUPATIONAL ACCIDENTS (20 COUNTRIES/REGIONS)	2020	2021
Frequency rate of occupational accidents resulting in sick leave (from 01/01 to 31/12): <small>VERIFIED INFORMATION</small> mazars Audit (Note 39)		
→ France	n/a	21
→ Spain	n/a	19
→ Belgium	n/a	19
→ Italy	n/a	14
→ China	n/a	2
→ Portugal	n/a	22
→ Poland	n/a	7
→ Germany	n/a	24
→ Russia	n/a	1
→ Hungary	n/a	22
→ India	n/a	n/a
→ Brazil	n/a	4
→ Czech Republic	n/a	7
→ Turkey	n/a	23
→ Romania	n/a	5.7
→ United Kingdom	n/a	4
→ Morocco	n/a	20
→ Netherlands	n/a	8
→ Mexico	n/a	33
→ Taiwan	n/a	9

2021 NFRD methodological notes

Note 39: New indicator added for the 2021 NFRD hence no historical data.

LEADERSHIP DIVERSITY & INCLUSION (20 COUNTRIES/REGIONS)	2020	2021
% of women leaders (as of 31/12):		(Note 40)
↳ % of women leaders in France	27.1%	28.6%
↳ % of women leaders in Spain	42.7%	42.6%
↳ % of women leaders in Belgium	25.9%	27%
↳ % of women leaders in Italy	34.6%	35.7%
↳ % of women leaders in China	52.2%	51.7%
↳ % of women leaders in Portugal	32.8%	32.9%
↳ % of women leaders in Poland	51.4%	53.8%
↳ % of women leaders in Germany	42.3%	42.8%
↳ % of women leaders in Russia	51.6%	54%
↳ % of women leaders in Hungary	50.8%	53.5%
↳ % of women leaders in India	14.9%	17.7%
↳ % of women leaders in Brazil	32.2%	35.7%
↳ % of women leaders in Czech Republic	37%	39.2%
↳ % of women leaders in Turkey	32%	31%
↳ % of women leaders in Romania	44.3%	42.8%
↳ % of women leaders in United Kingdom	40.4%	44.2%
↳ % of women leaders in Morocco	38.8%	36.9%
↳ % of women leaders in the Netherlands	n/a	30.1%
↳ % of women leaders in Mexico	n/a	39.5%
↳ % of women leaders in Taiwan	n/a	51.6%

2021 NFRD methodological notes

Note 40: Female teammates with at least 1 person in line management.

EMPLOYMENT AND INCLUSION OF PEOPLE WITH DISABILITIES (20 COUNTRIES/REGIONS) DIVERSITY & INCLUSION	2020	2021
Percentage of teammates with recognised disabilities (as of 31/12):		
↳ France	3.2%	3.1 % (note 41)
↳ Spain	2.1%	2.1%
↳ Belgium	n/a	n/a
↳ Italy	4%	3.6%
↳ China	0.1%	0.1%
↳ Portugal	0.7%	0.8%
↳ Poland	0.7%	0.7%
↳ Germany	1%	0.7%
↳ Russia	0.2%	0.4%
↳ Hungary	0.9%	0.9%
↳ India	0.4%	0.5%
↳ Brazil	0.1%	1%
↳ Czech Republic	0.5%	0.3%
↳ Turkey	1.5%	1.1%
↳ Romania	2.4%	2.8%
↳ United Kingdom	0.1%	0.1%
↳ Morocco	0.2%	0.4%
↳ Netherlands	n/a	n/a
↳ Mexico	n/a	0.2%
↳ Taiwan	n/a	1.2%

2021 NFRD methodological notes

Note 41: Some disability data could not be collected in 2021 from countries/regions due to lack of national legislation, right to collect this information, etc.

HUMAN RIGHTS IN THE VALUE CHAIN	2020	2021
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SKILLS HUMAN RIGHTS		
% of sustainable development skills acquisition for production teams (as of 31/12)	83%	77% (note 42)
% of sustainable development skills acquisition for purchasing teams (as of 31/12)	68%	78% (note 42)

2021 NFRD methodological notes

Note 42: In terms of training, in 2021 we started a transition period between 2 tools. We first assessed sustainability skills using the Skill Matrix tool until the end of June 2021, and then switched to the Decathlon Academy platform. The result on the level of autonomy was 77% in 2021. Only 1,064 employees used the Decathlon Academy training tool and defined their development plan there. Our catalogue of sustainable development learning offers was also updated based on the new risk map. We have also strengthened this offer by purchasing three additional different training courses from external companies. Purchasers' sustainability skills were monitored using the Skill Matrix tool until the end of June 2021, prior to the switch to the Decathlon Academy platform. In 2021, 32 purchasers defined their development plan in Decathlon Academy and the 2021 rate reached 78% autonomy on core competencies.

SCOPE & NUMBER OF ASSESSMENTS HUMAN RIGHTS
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Number of production sites concerned by HRP assessments (as of 31/12):		
↪ Number of Rank 1 production sites concerned	995	902 (note 43)
↪ Number of Rank 2 production sites concerned	387	378
Number of HRP assessments conducted (from 01/01 to 31/12)		
	818	989 (note 44)
% of HRP assessments conducted internally (from 01/01 to 31/12)		
	62%	60% (note 45)


2021 NFRD methodological notes

Note 43: Checks consisting of a periodic cross-check of the list provided by the Purchasing Department of suppliers with an achieved sales were carried out with the list of suppliers coordinated on the HRP. This cross-referencing is carried out several times a year and this control makes it possible to highlight suppliers who do not appear in the SDB extractions, which can be explained by various technical reasons. In February 2022, there are still 173 suppliers for which the reasons have not yet been explained or corrections made. The analysis and monitoring work is continuing.

Note 44: In 2021, we carried out a total of 989 HRP audits and 590 were carried out internally by our local HRP auditors (2021 internalisation rate of 60%). During the COVID-19 period, 204 sites in production could not be audited. Of these 204 sites, 74 are more than one year behind schedule according to the country's frequency level, known as "critical sites". 130 sites are also less than one year behind schedule according to the country's frequency level, known as "out of track".

Note 45: In 2021, we had 590 internal and 399 external HRP audits conducted by SGS & Bureau Veritas. Due to COVID-19, we were not able to carry out all the necessary assessments in the field. Nevertheless, we have an improved assessment performance compared to last year, which increased by 21% in 2021.

FOCUS ON HRP RESULTS HUMAN RIGHTS

% of production sites rated A, B or C in HRP assessments (as of 31/12): 		
↪ % of Rank 1 production sites rated A, B or C	84%	78% (note 46)
↪ % of Rank 2 production sites rated A, B or C	75%	57% (note 46)

2021 NFRD methodological notes

Note 46: In particular, we check that our suppliers comply with our Code of conduct on human rights, human safety, ethics and working conditions worldwide. The COVID-19 crisis has led to a delay in the proper implementation of our HRP assessment mechanism. Sanitary regulations and procedures put in place by local governments have restricted access to factories and even temporarily halted their operations in some countries. In addition, at the beginning of 2021, we also launched our new HRP V12 grid and our new Code of conduct, and have tightened our requirements on certain issues (e.g. forced labour, chemical risks). This new grid also allows us to accompany our suppliers towards greater autonomy. We ended 2021 with a weaker than expected performance, without having lost visibility on our HRP requirements around the world. In addition, in 2021 we continued self-assessments (Gemba questionnaire). Thus, 917 Gemba self-assessments were carried out, which enabled us to meet requirements E and D of the HRP grid. With regard to our new HRP V12 grid, we have strongly involved the various players (OPM SD by process, networks of assessors, relay SD by process, process managers, country managers) and regularly organised various webinars to connect us to our Sustainable Development network.

Note that the target % ABC 2021 was 87% for 2021 and is set at 88% ABC Rank 1 for 2022. We have 902 active Rank 1 production sites and 700 are in the ABC ranking for HRP audits, with the 2021 result being 78% for this ABC Rank 1 ranking (6% decrease from 2020). For reasons of methodological rigour, we have removed the impact of 74 Rank 1 production sites that have not been assessed for more than one year according to the country frequency level. Of the 387 Rank 2 production sites, 215 sites are in the ABC ranking, i.e. a rate of 57%. 77 Rank 2 production sites were ranked ABC but have not been assessed for more than a year according to the country frequency level. We have therefore removed the impact of these late assessed sites from our % ABC calculation. For this reason, the rate has fallen slightly since last year and, in this pandemic context, we have made every effort to manage the assessments of the Rank 1 sites in a timely manner.

HUMAN RIGHTS IN THE VALUE CHAIN	2020	2021
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FOCUS ON HRP RESULTS HUMAN RIGHTS		
Results of HRP assessments of partners and company-owned production sites:		
↪ % of company-owned production sites rated A, B or C	100%	78% (note 47)
	97%	91%
	—	—
	A: 1% - B: 50% - C: 46%	A: 1% - B: 40% - C: 50%
↪ % of partner supplier production sites rated A, B or C	—	—
	107 partner supplier production sites rated A, B or C	104 partner supplier production sites rated A, B or C (note 48)

2021 NFRD methodological notes

Note 47: In 2021, Decathlon had 9 factories worldwide. 2 sites are more than a year behind schedule according to the country's frequency level. We have therefore removed the impact of these sites from our % ABC calculation. **Note 48:** The scope of the indicator concerns 114 partner production sites (50 partners in total) and 104 sites are in the ABC HRP ranking. At the beginning of 2021, we increased the requirements of our HRP assessment grid to strengthen certain themes (e.g. forced labour, chemical management). As a result, the % ABC performance of our partners decreased by 6.2%.

DELIGHT FOR OUR PRODUCTS	2020	2021
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CUSTOMER & USER SATISFACTION		
% of sports users delighted with Decathlon products (from 01/01 to 31/12) 	69%	71.5% (note 49)
Coefficient of influence on the quality of Decathlon product recommendations by Decathlon employees (from 01/01 to 31/12)	3.6	3.9 (note 50)
NPS score on the quality of Decathlon product recommendations by Decathlon teammates (from 01/01 to 31/12)	37 (scope 15 countries/regions)	40 (scope 24 countries/regions) (note 50)


2021 NFRD methodological notes

Note 49: This indicator relates to the percentage of delighted sports users who gave a score of 5/5 on their product review. The indicator covers 1,069,209 product reviews collected in 2021 (1,520,791 reviews collected in 2020). These are the "solicited" reviews of our customers on Decathlon products excluding Other Internal Brand products (solicited review = review submitted following a request to a customer). The overall process of collection-moderation-publication of reviews aims to strengthen customer confidence as well as the reliability of the indicator. The target set for 2021 was 72% with a target of 74% by 2022.

After a very difficult year in 2020 due to the COVID-19 pandemic, which was reflected in our performance indicators (including a drop in overall customer satisfaction due to several factors), 2021 marked a clear rebound. We are returning to and even exceeding our performance levels in terms of average score (from 4.45 to 4.50 between 2020 and 2021) of customer delight. The RPM continues to fall. The reinforced animation around excellence contributes to this good performance.

Note 50: This indicator was integrated into the NFRD as of the 2018 financial year and then only concerned the France scope (10,427 Decathlon teammates responding) and was then expanded each year to involve 24 countries/regions which participated (Algeria, Belgium, Brazil, Bulgaria, Chile, China, Colombia, Czech Republic, England, France, Germany, Hong Kong, India, Italy, Mexico, Netherlands, Poland, Romania, Russia, Singapore, Spain, Switzerland, Taiwan, Turkey) with 61,648 responses. Teammates are invited to share their opinions on all the sports they play, but also on the sports of the children around them, if they have any. The Net Promoter Score (N.P.S) measures the level of recommendation of own-brand products by the company's teammates (all professions combined).

The NPS 2021 result for all signed sports is 40 (54% promoters - 14% detractors). The NPS score alone is not enough, a 2nd indicator of importance has been added as a complement: the influence coefficient (it is calculated by the rate of promoters divided by the rate of detractors). Considering that a promoter influences 3 people and a detractor influences 10, we measure the power of influence of teammates in their environment. With 4 times as many promoters than detractors, we begin by having more positively influenced people than negatively influenced people. The target for the influence coefficient was 4 in 2021, it is 5 in 2022. Our international NPS target is 45 in 2022 and 70 within 5 years.

DELIGHT FOR OUR PRODUCTS	2020	2021
PRODUCT QUALITY		
Number of returns for quality issues per million Decathlon products sold (from 01/01 to 31/12) 	1,072	988 (note 51)
Number of cases for which there were Quality Corrective Actions for Decathlon products and other international brands (OIB) (from 01/01 to 31/12)	251	243 (note 52)
Number of Decathlon and OIB products concerned by these Quality Corrective Actions (from 01/01 to 31/12)	0.97 million products	0.46 million products
% de produits Decathlon & AMI réparés, donnés et recyclés suite à des Actions Correctives Qualité ACQ (au 31/12)		(Note 53)
↳ % recycled	0.01%	1.6% (note 54)
↳ % donated	17.2%	1% (note 55)
↳ % repaired	23.4%	91.7% (note 56)
↳ % supplier returns	59.4%	0.2% (note 57)

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Note 51: The result for the year 2021 is difficult to compare with previous years, as we have optimised and made our process for collecting and calculating store returns more reliable (*Internet returns have also been taken into account since 2021*).

This work is materialised through the deployment of a new company-wide tool for monitoring our quality indicators (*DQPlay, replacing AFO*).

Nevertheless, for comparison purposes and by taking a historical perspective on 2019 and 2020, we obtain the following results:

RPM 2021: 972, RPM 2020: 1,088, RPM 2019: 1,312

This perspective confirms the significant improvement in this indicator over the last few years.

Note 52: Volume of cases stable compared to 2020 (*cases provisioned, not yet estimated, or closed in 2021. Concerns all quality files, without exception*).

We continue to give strong impetus to the recovery of non-conforming products processed via Quality Corrective Actions.

Note 53: The remaining 5.49% correspond to products that had to be destroyed because it was not possible to repair, donate or recycle them. This can happen with products that present a significant toxicological risk, for example. In these cases, they are incinerated. Also, for products with complex compositions that cannot be used, recycling is difficult to implement.

Note 54: Recycling products is not easy, especially because:

- The vast majority of the products concerned are composed of several materials that are difficult to separate. However, to recycle effectively, the components must be isolated;

- The panel of current recycling service providers responds well to the needs for products made of metals (*easily reusable components*) but it is not sufficiently equipped for other materials.

Despite the low figure, this indicator is significantly up on last year.

A partnership with Umains makes it possible to find new recycling channels that we did not have before. This figure is set to grow in the coming years.

Note 55: Products can be donated when the following two factors are met:

- Agreement signed by the leader of the Decathlon (sport) Brand concerned to donate the products affected by the quality problem;

- Contract signed between Decathlon and the association to which the products are donated. A CERFA form is provided by the association as proof that the donation has been made.

The % of products donated in 2021 is down sharply compared to last year. The main reason is that in 2020, 115,000 items of warm underwear could be donated. This represents significant quantities when we consider that there were 455,000 non-conforming products in 2021.

Note 56: If a non-conformity is detected on a product and a Quality file is opened, repair is the priority.

There are three possibilities for repairing non-compliant products:

- Either in stores or warehouses, when the repair is easy to carry out;

- Or by a service provider when the repair is complex or represents large quantities;

- Or the products are sent to the supplier for repair.

Thus, 91.73% of the products affected by non-conformities were repaired in 2021; this is 4 times more than the previous year. This is obviously the priority as it allows the products to be put back on sale as opposed to being donated or recycled.

In 2020, when products were sent back to the supplier for repair before returning to the warehouse/store network, they were not included in this section. This did not allow for the separation of the various potential fates with the supplier. This year, when we knew we were going to send products to suppliers for repair before sending them back to us, we included these quantities in the "% repaired" section.

Note 57: Data is not comparable between 2020 and 2021 due to a change in methodology.

This part now only includes non-conforming products that have been returned to the supplier without knowledge of their fate. A return to the supplier, if not to repair a product, is a rare practice, which explains this low percentage.

DELIGHT FOR OUR PRODUCTS	2020	2021
PRODUCT SAFETY CHEMICAL MANAGEMENT		
% of suppliers who have signed the latest version of Decathlon's RSL requirements on chemical substances (from 01/01 to 31/12)	84.6%	93.9% (note 58)
% of test reports that comply with Decathlon's toxicological standards (from 01/01 to 31/12)	86.9 %	86% (note 59)
Number of suppliers having received onsite training on chemical substances in production (from 01/01 to 31/12)	23	43 (note 60)
Average time to make first contact with customers after customer feedback (from 01/01 to 31/12)	2.4 days	1.9 days (note 61)
Response time to customers for queries regarding chemical substances or adverse skin reactions (from 01/01 to 31/12)	58 days	40 days (note 62)

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Note 58: The Restricted Substances List (RSL) signature indicator is taken from the Supplier Database (SDB) tool.

The target was to exceed 90% by January 2022 in order to ensure the signature of new suppliers.

The SDB tool is used for information only because it is not suitable for the precise measurement of referencing for this indicator.

We observe a satisfactory result obtained at the end of 2021. This brings to a positive conclusion the two-year commitment of our suppliers to this version of the RSL.

The understanding of RSL by our supplier panel and production teams increases every year. In addition, the increasing alignment with external standards makes it easier for our suppliers to implement the textile and footwear processes, although there is still some work to be done on the other process areas.

A new version of the Decathlon RSL, which will be more aligned with external RSLs, will be released in 2022.

Note 59: The indicator "% of test reports that comply with Decathlon's toxicological standards" is extracted from the OOS (out of spec) results of the Starlims tool.

(Note: Starlims is the international laboratory information management tool used by Decathlon to manage a test request to internal or external laboratories, as well as the recording of associated data and reports).

The result is constant year after year: our test packages have changed little, so it remains stable without deterioration. Few new substances are routinely researched by our design and production teams.

The rate of non-conforming tests remains constant, depending on developments of our test packages (*which increase it*), and our efficiency in testing the most risky areas with increasing precision (*which increases it*), and on our supplier training and upstream product testing policy (*which decrease it*).

The number of products tested to Decathlon's toxicological requirements (*5,739 in 2020 and 6,894 in 2021*) is up slightly this year for several reasons. We are increasing our coverage of tested products to reduce the risk to employees working on production sites and to reduce the environmental risk in addition to customer risk (*skin contact*).

This is offset by some of the tests that are performed and monitored outside our Corporate tool and also because many tests are increasingly done autonomously by suppliers and at component level.

The targets for these indicators (*% of test reports that comply with Decathlon's toxicological standards and number of products tested*) were > 87% in January 2022 and > 6,000 samples tested in January 2022 respectively.

Note 60: Supplier training is one of the priority strategies of the Decathlon chemical risk team.

Despite the absence of travel due to the pandemic, supplier training is accelerating. Thanks to digital training materials, alignment with the requirements of the different supplier audits (*which are covered in the training*) and an extension of the network of local trainers, we are advancing more and more quickly on the subject.

The target for this indicator was > 225 suppliers trained by the end of 2021 (cumulative).

The next step will be to evaluate the impact of these training courses on the level of our suppliers rather than the number of training courses in itself.

Note 61: Average time to make the first contact after a user review.

The call centre is responsible for contacting each and every customer who has alerted us, whether it be from a customer review, a store or directly by contacting the teammates of the CRC (Decathlon Customer Relations Centre).

The objective for this indicator was to continue to remain below 2 days at the end of 2021.

Note 62: Response time to user queries about chemicals or adverse skin reactions.

This means that, on average, each customer request is closed within 40 days, from the customer's first alert until the file is closed after the final response letter with the laboratory's conclusions has been sent.

The objective on this indicator was to return to below < 40 days in January 2022.

We are seeing good results in managing customer feedback and questions related to chemical safety. A short first contact time allows critical cases to be defused, and the relevant teams to be alerted all the more quickly if necessary. A processing time of 40 days is our target and allows us to gather all the necessary information (*product usage information, test report, origin, etc.*) for a final response to the customer.

PERFORMANCE INDICATORS

PRESERVING NATURE

FIGHT AGAINST CLIMATE CHANGE (IN OUR STORES AND WAREHOUSES, AT OUR SUPPLIERS)		
	2020	2021
CO₂ EMISSIONS SCOPE 1, 2 AND 3		
Greenhouse gas emissions by scope (from 01/01 to 31/12) in tonnes of CO₂ equivalent:	10,036,862 tCO ₂ e (note 63) (note 64)	10,501,320 tCO₂e (note 65)
↳ Scope 1 	26,391 tCO ₂ e	31,520 tCO₂e
↳ Scope 2 (Location based methodology) 	223,972 tCO ₂ e	224,318 tCO₂e
↳ Scope 2 (Market based methodology) 	135,792 tCO ₂ e	41,644 tCO₂e
↳ Scope 3	9,874,679 tCO ₂ e	10,428,156 tCO₂e
CO₂ emission intensity in kg CO₂e per product sold	9.43 kg CO ₂ e /product sold	8.46 kg CO₂e /product sold
Change in CO₂ emission intensity per product sold compared to the value for the reference year 2016	2.2%	-8.3%
CO₂ emission intensity in kg CO₂e by sales (sales excl. tax)	0.88 kg CO ₂ e/€	0.76 kg CO₂e/€
Change in CO₂ emission intensity by sales compared to the value for the reference year 2016	-9.9%	-22.1%
Breakdown in % of greenhouse gas emissions by lifecycle stage:		
↳ Raw material extraction	20%	21%
↳ Product manufacturing	49%	52%
↳ Product transportation	3%	3%
↳ Product use	8%	4%
↳ Site construction and operation	3%	2%
↳ Team and customer travel	11%	12%
↳ Product end of life	6%	6%

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Note 63: Regarding the methodological changes adopted for our assessments:

- **PRODUCT IMPACT (EXCLUDING TRANSPORT):** The method of calculating the CO₂e emissions related to the Life Cycle Analysis of our products (*extraction of raw materials + transformation process + use + end of life*) multiplied by their sales quantities has been changed following the update of our consolidation tool in 2021 (*tool used in the previous NFRD: AFO, tool used for this NFRD: SAC 1*).

The new tool no longer counts products returned by customers and then resold (*rightly so, as they are only manufactured once*). In addition, it gives a fairer value to the environmental footprint of products that do not have an LCA (3% of products) by applying the average of the sub-family or product family to which they belong.

This change required the recovery of data from the scope 1, 2 and 3 carbon footprints from previous years, so that their calculation can be established on a comparable basis. The history (2016-2020) has therefore been updated to reflect these changes from the data originally published in the previous NFRDs.

In 2022, we are already working on the deployment of a new version of this product impact consolidation tool (SAC 2). SAC 2 will assign environmental impacts to our products based on more comprehensive and up-to-date material/transformation process databases to further improve accuracy. This upcoming methodological change will require us to restate our historical data and therefore update the performance reported in this NFRD.

- **PRODUCTION ENERGY IMPACT:** kWh consumed by our Rank 1 suppliers (*those with whom we have a direct contractual relationship*) and some of our Rank 2 suppliers (*the suppliers of our suppliers*) are compiled through the Resource Advisor tool.

Several remarks:

- This tool is not currently connected with the SAC 1 tool, which compiles the LCAs of our products (*including the production life cycle stage*) on the basis of generic emission factors (*without renewable energies*);

- Some Rank 1 suppliers whose kWh consumption we track operate component assembly steps that we do not currently measure in product LCAs.

>> In order to make our carbon footprint more representative, we add the CO₂e emissions generated by the production of the kWh not measured in our LCAs (*with a share from renewable energy*). These unmeasured kWh represent 10% of the energy required to manufacture our finished products.

We also restate the impact of the production of kWh accounted for in our LCAs as non-renewable energy with a specific emission factor for renewable energy when they come from it. This bonus-malus has been passed on to previous years directly where data allows it (2019 and 2020) and proportionally where data does not allow it (2016, 2017, 2018).

- **IMPACT OF SITE CONSTRUCTION AND OPERATION:** emission factors for the waste generated by our sites have been updated based on the European Circular Footprint Formula methodology to better account for their recycling and to harmonise the data with that used to calculate the impact of the end of life of our products in LCAs.

- No change in the method of calculation of the other indicators (*product transportation, team and customer travel*).

Note 64: Regarding the changes in scope for our assessments:

- **SITE CONSTRUCTION AND OPERATION SCOPE:** Scope 1 and 2 emissions related to outsourced warehouses have been reclassified and included in scope 3 as these are emissions from our partners and not from Decathlon's own sites.

The impact of these outsourced warehouses has been accounted for since 2020, the only year in which we carried out the restatement induced by this change in scope.

Compared to the data previously reported, the impact of the restatement is -1.7% in 2020 and -3.8% in 2021 for scope 1 and 2 to scope 3. However, this has no impact on the total assessment, as this data has been moved from scope 1 and 2 to scope 3.

- No change in scope for the other indicators (*raw material extraction, product manufacturing, product transportation, product use, team and customer travel, product end of life*).

Note 65: Regarding Decathlon's CO₂ emissions reduction targets:

- Company-wide commitments on climate impact mitigation have been updated, following their submission and formal endorsement by the Science Based Targets initiative (SBTi) in September 2021.

These more ambitious commitments are as follows:

- To reduce by 90% its absolute emissions (tCO₂e) in scope 1 and 2 by 2026 from a 2016 base year;

- To reduce by 53% its carbon intensity (tCO₂e/Eur value added) in scope 1, 2 and 3 over the same time frame;

- To engage suppliers accounting for 90% of emissions associated with purchased goods and services to define their own reduction trajectory in line with science.

It should be noted that performance management for the first part of 2021 was organised around the targets in force at the start of the year:

- 40% reduction in our carbon intensity (kg CO₂/product) on scope 1, 2 and 3 between 2016 and 2026;

- Reduction of our emissions in absolute terms (tCO₂e) by 75% on scope 1 and 2 between 2016 and 2026;

- 100% of the electricity consumption of our main suppliers' industrial sites (representing 90% of our purchasing volumes) from renewable energy by 2026;

- the commitment of our main suppliers (representing 90% of our purchasing volumes) to define their own science based reduction target by 2024.

Regarding the analysis of Decathlon's carbon footprint in 2021:

1) Regarding our SBTi objective of reducing our absolute emissions by -90% on scope 1 and 2: we note a decrease of 64.7% (*between 2016 and 2021*).

Here is an analysis of the performance around this indicator:

We note scope 1 impacts (+24% vs. 2016) whose evolution is linked to the growth of our surface areas in m² after a year 2020 disrupted by closures due to the various lockdowns (COVID-19). The improved reliability of gas consumption data has the effect of reducing its relative impact (*which continues to increase in absolute terms*). On the other hand, there has been a very sharp increase in air conditioning (*refrigerant leaks*) for two reasons:

- This data is mainly based on estimates and therefore follows the growth of surface areas in m² of our sites (+37% since 2016);

- Improvement of the automatic estimation process, which did not exist in 2016, now allowing us to cover all of our sites.

Purchases of renewable electricity covering 82.6% of our consumption allowed us to significantly reduce our scope 2 *market-based* impact despite an increase in electricity consumption.

As a result, we have reduced our scope 2 impact by 77.1% since 2016, whereas it would have increased by 17.4% without this action (*see location-based figure*).

As an indication: the increase in scope 2 *location-based* emissions is explained by our electricity consumption which has increased by 18% since 2016. We interpret the faster increase in CO₂e than consumption by the fact that, despite the updated emission factors, we are opening our new sites in countries with a more carbon-intensive energy mix, such as Australia, Canada, Chile, Hong Kong and Israel.

Overall: the impact in absolute terms of our scope 1 & 2 (*market-based method*) is down by 64.7% compared to 2016, with a target reduction of 90% by 2026.

Purchases of renewable electricity covering 82.6% of our consumption allowed us to significantly reduce our scope 2 (*market-based*) impact despite an increase in electricity consumption.

Since 2016, we have therefore reduced the impact of scope 2 by 77.1%. As scope 2 accounted for a much larger share than scope 1 in 2016 (87%), it explains this significant decrease in the sum despite an increase in scope 1.

2) Regarding our SBTi target of reducing by 53% our carbon intensity (tCO₂e/Eur value added) in scope 1, 2 and 3 between 2016 and 2026:

Regarding the CO₂e/Eur VALUE ADDED indicator: for the first time, we communicate on the evolution of the intensity in € of value added (= € of net margin in Decathlon financial language) in our NFRD. It is officially on this indicator that we made a commitment to SBTi. In 2021, based on the methods described in this document, Decathlon achieved a performance of -27.5% compared to the reference year 2016.

Regarding the CO₂e/Eur of SALES EXCLUDING TAX indicator: The analysis of this performance is carried out on the basis of an intensity in € of sales excluding tax. From a practical point of view, this is the indicator on which we coordinate the internal teams.

We observe a decrease of 22.1% of CO₂e/€ of sales excluding tax.

Voici quelques éléments d'analyse autour de cette performance.

Elle repose à la fois sur le résultat d'actions concrètes, sur des changements méthodologiques de consolidation, sur des effets induits par l'évolution du prix de nos produits ainsi que sur les caractéristiques du mix produits achetés par nos clients :

- PRODUCT ANALYSIS (EXCLUDING TRANSPORT): we saw a significant rebound in our business in 2021, compared to 2020: our sales increased by 21% and our quantities sold by 17%. This also had an impact on our absolute CO₂e emissions, limited to an increase of +8% between 2016 and 2021 on scope 1, 2 and 3.

The manufacturing process (*extraction of raw materials + production stages*) of the products sold represents the largest part of our CO₂ emissions. We have seen strong efforts by design teams to develop products that have less impact on the climate (Ecodesign).

The share (in €) of these Ecodesign products was multiplied by 1.8 between 2020 and 2021 (from 5.9% to 10.4%).

This strong ecodesign strategy, combined with an increase in the value brought to our products, has allowed our textile and equipment product categories (*60% of our total sales and 75% of our product-related emissions*) to decrease their CO₂ emissions per € of sales by 10%, which is a significant performance.

On the other hand, we still have efforts to make on our footwear and accessories products, which, when adjusted for the price effect, will have a higher CO₂e intensity per € of sales in 2021. These two types of products did not follow a sufficient ecodesign approach to reduce their average unit impact.

If we compare our performance with 2016 (*our reference year*), we see a decrease in CO₂e per € of sales of 15.4% on the product side (*-22.1% emissions for Decathlon as a whole, with a 2021 target of -15%*), marked by the significant efforts to decarbonise our products in 2021.

The change in the consolidation tool for the environmental impact of our products described in note 63 led to a restatement of our historical data, including that of the reference year 2016, in order to make it comparable with that of 2021. The performance resulting from the comparison of the indicators for these two years was impacted by this purely methodological change. Decorrelated from the actions taken in 2021, the new method shows an improved performance compared to the performance expected with the old method of calculating the impact of products and the carbon footprint. Further variations in this indicator are to be expected in 2022 as the tool used to calculate the LCAs of our products evolves towards greater precision.

- PRODUCTION ANALYSIS: the action taken with our suppliers' industrial sites to encourage them to use electrical energy from renewable sources to manufacture products is a significant contributor to this performance. The methodological change in accounting for the impact of production has also had an effect on this performance in terms of intensity, uncorrelated with our actions.

- SITE CONSTRUCTION AND OPERATION ANALYSIS: a significant decrease in scope 3 emissions related to the construction of our sites observed compared to 2016 is explained by the reduction in the construction of new buildings for our new store openings.

- CUSTOMER TRANSPORT ANALYSIS: between 2020 and 2021, customer travel increased in correlation with an increase in the number of shoppers coming to the store. Compared to 2016, emissions from this activity continue to decrease due to higher ecomobility and lower emission factors since 2020 (*the CO₂ emitted/km travelled by car decreases every year*).

- EMPLOYEE TRANSPORT ANALYSIS: despite a significant increase in business travel between 2020 and 2021 due to the easing of COVID-19 restrictions and the recovery of business activity, there is a reduction in business travel emissions compared to the reference year, 2016.

- PRODUCT TRANSPORT ANALYSIS (components & finished products): the CO₂ impact of the transport of finished products increased by 8% between 2020 and 2021. This increase is explained by an increase in products sold of around 8% between 2020 and 2021. The intensity of kg CO₂/article sold was stable between 2020 and 2021. Despite an increase in low-carbon transport (*any transport that emits less CO₂ than diesel road transport of the same tonnage*) in different transport segments, there has been a sharp increase in the CO₂ impact related to air transport, international transport and intra-country transport which has not been optimised in terms of number of items per lorry.

3) Regarding our SBTi objective of supplier management: with a view to engaging suppliers representing 90% of our purchasing volumes on decarbonisation issues, as defined by our targets in force at the beginning of 2021, we relied on a panel of production sites chosen by Decathlon buyers and achieved the following results:

- Autonomy of our suppliers in measuring their CO₂e emissions: 764 production sites were autonomous at the end of 2021;

- Setting a reduction target for their scope 1 and 2 that is aligned with science: 289 production sites had a Decathlon validated Science Based target at the end of 2021;

- Use of renewable electricity sources: 33% of the electricity consumed by the production sites defined as priorities by Decathlon's buyers comes from renewable sources;

- Phasing out the use of coal: 31 Rank 1 industrial sites used coal as an on-site energy source at the end of 2021, i.e. 6 sites less than in 2020;

- Implementation of energy efficiency programmes: 62 industrial sites had implemented an energy efficiency programme at the end of 2021, 42 more than in 2020;

Efforts to use renewable energy resulted in a reduction of more than 500,000 tonnes of CO₂e in 2021, based on the emissions factors used to build our carbon footprint for the year.

FIGHT AGAINST CLIMATE CHANGE (IN OUR STORES AND WAREHOUSES, AT OUR SUPPLIERS)		
	2020	2021
FOCUS ON CO ₂ MANAGEMENT IN THE SUPPLY CHAIN		
Number of production sites autonomous in measuring their CO₂e emissions (from 01/01 to 31/12)	662 (note 66)	764 (note 66)
Number of production sites with a reduction trajectory validated by Decathlon in line with science (from 01/01 to 31/12)	69	289 (note 67)

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Note 66: This indicator concerns all production sites that measure their carbon emissions in the Resource Advisor tool.

Note 67: Decathlon's suppliers use the SBTi methodology to define their annual reduction targets. These action plans are validated by Decathlon, with each supplier sending a signed letter of commitment.

FIGHT AGAINST CLIMATE CHANGE (IN OUR STORES AND WAREHOUSES, AT OUR SUPPLIERS)		
	2020	2021
ENERGY MANAGEMENT		
Overall energy consumption by energy type at our sites (Decathlon stores, Brand sites, company-owned warehouses) (from 01/01 to 31/12):		
➔ Electricity consumption	605,410,341 kWh	657,750,156 kWh (note 68)
➔ Gas consumption	52,282,770 kWh	70,875,540 kWh (note 69)
➔ Total energy consumption	657,693,111 kWh	728,625,696 kWh (note 70)
Energy consumption in kWh/m² in stores (from 01/01 to 31/12)	98.6 kWh/m ²	108.1 kWh/m ² (note 71)
Energy consumption in kWh/m² in warehouses (from 01/01 to 31/12)	51.9 kWh/m ²	52.4 kWh/m ² (note 71)
Consumption of electricity from renewable sources by stores and warehouses (from 01/01 to 31/12)	355,425,107 kWh	543,234,780 kWh
% of electricity from renewable sources consumed by stores and warehouses (from 01/01 to 31/12)	58.7%	82.6% (note 72)

2021 NFRD methodological notes

Note 68: The year 2021 is a mixed bag for energy management.

It is indeed marked by a strong increase in the consumption of electricity and gas.

This is mainly explained by the fact that in 2020, long periods of closure related to the lockdown had taken place which had led to a sharp decrease in kWh/m².

This assumption is confirmed by the 2021 kWh/m² figures, which rose sharply to a performance close to that of 2019. We therefore need to challenge our energy management policy to improve this indicator.

Note 69: Data is estimated when not available. The estimate is based on a kWh/m² ratio from the previous year.

In 2021, 6% of natural gas kWh came from estimated data, while 94% was actual data. For electricity, 13% of electricity kWh came from estimated data while 87% was actual data.

Note 70: Overall, the year 2021 is a mixed bag for energy management.

It is indeed marked by a strong increase in the consumption of electricity and gas.

This is mainly explained by the fact that in 2020, there were long periods of closure due to the COVID-19 context which led to a sharp decrease in kWh/m².

This assumption is confirmed by the 2021 kWh/m² figures, which rose sharply to a performance close to that of 2019. We therefore need to challenge our energy management policy to improve this result.

However, 2021 was a very good year for renewable electricity as we exceeded our targets and reached 82.6%. Electricity purchases in 9 countries, some of which with local constraints, demonstrate a strong commitment to reach this target.

Note 71: Our goal is to reduce kWh/m² by 2% per year. This target was not met in 2021.

Last year we saw a sharp drop in consumption per m². We had attributed this decline to several factors including the long periods of closure of our stores (COVID-2019 lockdown). The 2021 results show that the decline was largely due to these closures as we return to a level close to that of 2019. The decrease compared to 2019 is attributed to the installation of LEDs for site lighting and, to a very small extent, to the opening of new sites that meet good energy management requirements.

Note 72: The indicator takes into account Decathlon sites (stores, warehouses) that produce renewable energy for self-consumption and also those that purchase electricity from renewable sources for their consumption (e.g. solar panels, wind turbines).

Our goal is to achieve 100% renewable electricity by 2026.

The target was to reach 67% by 2021, so we have far exceeded the 2021 target thanks to renewable energy purchases in 9 countries including China and Russia, which account for a significant share of electricity consumption.

As the increase in renewable electricity is overwhelmingly due to the purchase of certificates (97.8%), the relative share of self-consumption has decreased (2.3%).

FIGHT AGAINST CLIMATE CHANGE (IN OUR STORES AND WAREHOUSES, AT OUR SUPPLIERS)	2020	2021
FOCUS ON ENERGY MANAGEMENT IN THE SUPPLY CHAIN		
% of electricity from renewable sources consumed by our production sites (from 01/01 to 31/12)	12% (note 73)	33% (note 73)
Number of production sites with an energy efficiency programme (from 01/01 to 31/12)	20 (note 74)	62 (note 74)
Number of Rank 1 production sites using coal (at 31/12)	37	31 (note 75)

2021 NFRD methodological notes

Note 73: The scope of the indicator covers a panel of production sites chosen by Decathlon buyers to be managed on decarbonisation topics and for which data is available, i.e. at 31/12/2021 519 sites (514 sites at 31/12/2020 for the previous year).

A monthly review shared by top management made the subject a priority in 2021. It is also the simplest way to reduce the carbon impact of suppliers, particularly via certificates, which are currently favoured for renewable electricity.

Note 74: To support the reduction in supplier impact, Decathlon began in 2021 to push for the implementation of energy efficiency programmes. The objective is to identify the main sources of improvement on site in order to reduce and/or optimise suppliers' energy expenditure. Decathlon worked with several external organisations, both international and local, and recorded the number of energy efficiency projects on site.

The scope of the indicator covers a panel of production sites chosen by Decathlon buyers to be managed on decarbonisation topics and for which data is available, i.e. at 31/12/2021 519 sites. (514 sites at 31/12/2020 for the previous year's data).

Note 75: Coal is a very carbon-intensive energy source.

In 2021, 17% of the measured emissions from Decathlon's Rank 1 supplier sites were related to the use of coal compared to 23% in 2020.

In order to reduce the impact of production, it is very important to work with our suppliers on this issue.

Decathlon's commitment to the UNFCCC is to commit its Rank 1 suppliers to stop using coal on site by 2025 and its Rank 2 suppliers by 2030. At the end of 2020, 37 Rank 1 production sites used coal as a power source. At the end of 2021, 31 Rank 1 production sites still used coal on site and a total of 45 Rank 1 and Rank 2 sites (there were 54 at the end of 2020). A more exhaustive inventory of Rank 2 suppliers using coal is underway.

Decathlon's production teams support these suppliers in carrying out feasibility and cost studies, in addition to validating trajectories of reducing the use of coal. This includes the use of gas or biomass as alternatives to coal, through the construction of a local supply network for these energy sources working with external stakeholders (e.g. GIZ, which is very active in industrial projects, especially in South East Asia).

TRANSPORT & LOGISTICS	2020	2021
LAND USE		
Number of items shipped in logistics per m ² worldwide (from 01/01 to 31/12)	1,075 items/m ²	1,168 items/m ² (note 76)

TRANSPORT & LOGISTICS

Breakdown of volumes of finished products transported by means of transport worldwide (from 01/01 to 31/12):

↪ % air	4%	1.1% (note 77)
↪ % rail	2.6%	3.3% (note 78)
↪ % sea	85.2%	86% (note 79)
↪ % road	8.1%	9.6% (note 80)

2021 NFRD methodological notes

Note 76: While we had planned to expand the scope of countries included in this calculation to 3 additional countries compared to 2020, we have, thanks to a strong network of sustainable development leaders, expanded the scope to 100% of countries (including new sites opened in 2021). The results for 2021 are therefore not comparable with those for 2020 and we cannot recalculate the history.

Note 77: In order to limit the use of air transport to the 2020 post-lockdown recovery, the air transport strategy reserved only for 20/80 items made it possible to improve this result compared to last year.

The 2021 target was 0.72%.

Access to international transport data is necessary in order to steer this monthly indicator. It is measured and available through a calculation process on the external server of EcoTransIT (international transport CO₂ calculator).

However, in the last quarter of 2021, an update of this server was carried out and did not allow us to obtain this indicator from September to November. We were therefore unable to manage this indicator over these three months.

We were therefore unable to stop international air freight in the period September-November 2021 for shipments that did not comply with the "20/80 items" strategy.

Note that the target for 2022 is 0.57%.

Note 78: Rail transport was intensified on international transport to ensure supply from Asia (China and Vietnam) to Russia, Belgium and France.

Note 79: In 2021, we experienced stability in the use of the maritime transport mode on major imports.

Note 80: This mode of transport was mainly used for supplies from Tunisia and Turkey to the Saint-Martin-de-Crau site (South of France).

TRANSPORT & LOGISTICS	2020	2021
TRANSPORT & LOGISTICS		
CO₂ emissions by means of international transport worldwide (from 01/01 to 31/12):	<small>VERIFIED INFORMATION</small> mazars Audit	
↪ CO ₂ emissions by air	10,727,188 kg CO ₂ e	12,792,235 kg CO ₂ e (note 81)
↪ CO ₂ emissions by rail	3,133,569 kg CO ₂ e	4,224,552 kg CO ₂ e
↪ CO ₂ emissions by sea	42,846,136 kg CO ₂ e	49,725,655 kg CO ₂ e
↪ CO ₂ emissions by road	2,010,179 kg CO ₂ e	3,828,688 kg CO ₂ e
CO₂ emissions from the transport of Decathlon products delivered worldwide (from 01/01 to 31/12):	242 g CO ₂ e/item (Europe)	198 g CO ₂ e/item (World) (note 82)
↪ From production countries to key import warehouses	79	84.5 (note 83)
↪ From key import warehouses to distribution platforms	82.7	33.6 (note 84)
↪ From distribution platforms to stores	80.6	79.8 (note 85)

2021 NFRD methodological notes

Note 81: In 2021, we sent fewer items by air than in 2020.

However, these items were heavier in terms of weight. In fact, in 2020, Decathlon sent significant quantities of COVID masks by air, which are very light in weight compared to our average product mix.

Note 82: This year we validated a Science Based Targets (SBTi) objective.

Thus, on the transport side, we committed to reducing our CO₂e/item transported impact by 53% compared to 2016 by 2026.

Note 83: The results are not comparable to those of 2020 because we now have the results on a worldwide geographic scope, instead of the European scope.

The methodology has not changed compared to 2020.

The 2021 result is explained by the fact that the products transported by air and rail are heavier than in 2020 (as a reminder, many COVID-19 masks were transported by air in 2020 due to the pandemic. For rail, after a sharp slowdown in 2020 on the supply of fitness equipment, shipments picked up strongly in 2021, particularly by rail).

Note 84: The results are not comparable with those of 2020 because we now have the results on a worldwide geographic scope, instead of the European scope.

We measure the CO₂e impact of 88% of the transport of products between the key import warehouses and the distribution platforms.

The 2021 results are explained by the diversity and multiplication of carbon transport lines used: sea, rail, compressed gas trucks and biofuel trucks.

Note 85: The results are not comparable with the 2020 results because we now have the results on a worldwide geographic scope, instead of the European scope.

We have the possibility of using different modes of transport on this section in order to act in favour of a decarbonisation of transport between warehouses and stores: sea, rail, compressed gas trucks, biogas, biofuel, electric, green hydrogen (hydrogen from wind or solar energy sources) and hybrid trucks.

Locally, countries adapt according to what the transport market offers them in terms of low-carbon transport solutions.

It should be noted that 87.04% of the CO₂ impact comes from actual data reported by each country.

TRANSPORT & LOGISTICS	2020	2021
TRANSPORT & LOGISTICS		
% of post-shipping multimodal transport in Europe (from 01/01 to 31/12)	10.3%	18.3% (note 86)
CO ₂ emissions from post-shipping multimodal transport in Europe (from 01/01 to 31/12)	3,992,538 kg CO ₂ e	4,675,043 kg CO ₂ e (note 87)
Average load volume per truck between key import warehouses and distribution platforms (from 01/01 to 31/12)	52.1 m ³ (13,000 items per truck)	51.4 m ³ (12,539 items per truck) (note 88)
% of km travelled in Europe from import warehouses to distribution platforms using low-carbon transport (from 01/01 to 31/12)	20%	39% (note 89)
% of km travelled for road transport in Europe from key import warehouses to distribution platforms using low-carbon energy (from 01/01 to 31/12)	n/a	19.7% (note 90)

2021 NFRD methodological notes

Note 86: 100% of this data is declared by the *transport managers* in the Europe zone.

Note that the 2021 targets were 20% for Northern Europe and 42% for Southern Europe.

- North Europe: the 1st quarter of 2021 got off to a slow start due to port congestion. Barges were often cancelled. March 2021 saw the start of new low-carbon transport contracts with carriers offering multimodal and low-carbon transport, but some carriers were late on their commitments. We were therefore unable to have all the low-carbon transport lines negotiated. During the summer period, there were 4 consecutive weeks (in June & July) when the locks were out of operation. It was therefore not possible to have barges. In September 2021, there was the implementation of the transport lines using B100 (rapeseed) which were planned during the contract negotiations (*delay in implementation by carriers*).

Since November 2021, we can no longer use barge transport to the Rouvignies CAC.

- Southern Europe: the train is a mode of transport increasingly in demand by other companies, which allows Decathlon to take advantage of an increase in supply.

Note 87: Between 2020 and 2021, the amount of kg CO₂e per container increased from 84 kg CO₂e/ctn to 113 kg CO₂e/ctn.

This result is mainly explained by the fact that the average distance per container has been extended.

We have an increasing number of containers destined for the Regional Continental Centres (CAC) Rouvignies (France) and CAC Dourges (France), increasingly fewer the CACs of Saint-Martin-de-Crau (France) and Antwerp (Belgium), even though they are closer to the arrival ports.

Note 88: -The geographical scope of the "average load volume per truck" indicator is Europe (*including the UK*) just like it was in 2020. The target for 2021 was set at 53.7 m³/truck.

In order to ensure the pace of store deliveries during the pandemic period, we had to send partially filled trucks.

In 2022, we are working on transforming our supply plan in Europe. This first year of transformation is the year of reorganisation of the regions: the CACs (*Continental Supply Centres*) in Northern Europe will supply the CARs (*Regional Supply Centres*) in Northern Europe and the CACs in the South will supply the CARs in the South.

This change will allow us to reduce the number of kilometres covered in Europe between key import warehouses and distribution platforms. This change will also lead to the end of the needs of certain transport lines over the year (*2 regions by the end of 2022*). For these reasons, while remaining cautious, we want to be more efficient than 2021 and we have set our target for 2022 at 52 m³/truck.

- Note that a 1 m³ transported in 2021 contained fewer items than in 2020.

The target for 2022 is 11,700 items/truck. This target is directly linked to the project to transform our supply plan in Europe: separation of Europe into two supply regions. We should have fewer kilometres travelled, but with partially filled trucks because 2022 will be the first year of separation of the supply regions.

Note 89: Any mode of transport that is not road diesel (*gas truck, rapeseed truck, river, sea, rail, etc.*) is considered as low-carbon transport by Decathlon

The target for the year 2021 was 35% for this indicator. The work carried out during the negotiation of transport contracts has resulted in a base of low-carbon transport lines that meet the target. Partnerships with our carriers have enabled us to obtain low-carbon transport routes for our additional transport requirements for transport not included in the initial contracts.

The target for 2022 for this indicator is 50% following negotiations with carriers.

Note 90: Considering only road transport, 19.7% of the kilometres travelled in Europe in 2021 were with trucks using an energy other than diesel (*compressed gas and biofuel trucks*).

With a 2021 breakdown as follows: 16.5% gas, 3.2% rapeseed, 80.3% diesel.

BUILDING CERTIFICATION PROCEDURES	2020	2021
Number of Decathlon stores with environmental certification (as of 31/12)	94	107 (note 91)
Number of Decathlon stores opened during the year with environmental certification (from 01/01 to 31/12)	2	6
% of sales areas in company-owned stores with environmental certification (at 31/12)	21.6%	26.9%
Number of Decathlon warehouses with environmental certification (as of 31/12)	3	6 (note 91)

2021 NFRD methodological notes

Note 91: In terms of environmental certification, the objective is to accelerate the certification of our stores and warehouses on the principle of subsidiarity and local decision in line with local legislation.

The list of international certifications considered includes LEED, BREEAM, HQE and DGNB and now also the Edge certification (*created by the World Bank, focusing on the operational efficiency pillars and with software to decide in advance on the most effective sustainable actions by country and project type*).

Tests with one store in India and three stores in Malaysia were launched in 2021 with Edge certification.

The ultimate goal is to certify the fleet of company-owned stores and warehouses by 2026.

There was an increase in the number of certified stores and warehouses in 2021 compared to 2020.

In addition to the COVID-19 context, there was the recruitment of a dedicated sustainable development project manager for the Real Estate business and to draw up the certification strategy at United level.

- In parallel, we are making progress on the installation of photovoltaic panels on site, in our company-owned stores, through the signing of Power Purchase Agreements (PPAs).

Proof of Concept (POC) tests in China (6 stores) and India (5 stores) have been launched with the partner Amarengo.

This solution is currently being replicated/negotiated with major global players (*such as Helexia, Enel, Engie, EDP, EDF and Iberdrola*).

The sites based in Europe have also started the initial tests.

Between 2022 and 2023 we are accelerating on the basis of the findings of the tests carried out to cover most of our company-owned sites by exploring and supplementing our systems with RE solutions off site. The same approach will be proposed to our real estate and industrial partners.

BIODIVERSITY	2020	2021
BIODIVERSITY BUILDINGS		
Number of Decathlon sites (stores, warehouses) that have undergone a Biodiversity Diagnosis (as of 31/12)	2	5 (note 92)
% of new owned stores in France are "Signature Biodiversité" certified (as of 31/12)	n/a	0% (note 93)
% of our French real estate portfolio having undergone continuous improvement in biodiversity (<i>Nature First approach</i>) (as of 31/12)	n/a	1.06% (note 94)

2021 NFRD methodological notes

Note 92: The certification used is the "Signature Biodiversité" label.

The 5 sites concerned are: Saint-Malo, Haguenau, Lorient, Vannes and Hénin-Beaumont.

Note 93: Only 2 owned projects for which permits were submitted before the commitment was put in place.

Note 94: The 5 sites (Saint-Malo, Haguenau, Lorient, Vannes and Hénin-Beaumont) represent 149,000 m² out of a total in France of 14,000,000 m² of surface area, i.e. approximately 1.06%.

With regard to the biodiversity strategy for Decathlon France's real estate, the objectives are:

>> 100% of new owned stores in France are "Signature Biodiversité" certified.

The indicator relates to the number of projects that include a non-built-up land area (*for permits submitted from 01/01/2020*).

The result was zero in 2021, as there are no permits yet (*there were only 2 owned projects for which permits were filed before the commitment was put in place; but the teams do not have them yet*).

>> 10% of our French real estate will integrate the "Signature Biodiversité" approach by 2024.

100% of our property refurbishments include the "Signature Biodiversité" label with a double target: improvement of existing property and a score above 50.

At the international level, there are no harmonised regulations for the protection of biodiversity. France has a specific law - the law for the recovery of biodiversity, nature and landscapes enacted in 2016. It enables Decathlon to undertake programmes and actions in this area in France.

The Real Estate teams have launched an anticipatory approach in China (monitoring) and other countries (*India, Belgium and Malaysia*) with actions planned at the United level for 2022:

- Monitor the evolution of legal constraints in terms of biodiversity in real estate;

- Define targets and trajectories to reduce the biodiversity impact in countries subject to legal constraints.

BIODIVERSITY	2020	2021
BIODIVERSITY ASSESSMENT		
Impacts on terrestrial biodiversity caused by Decathlon's activities since its creation (as of 31/12)	n/a	6,830 artificialised km ² eq. (note 95)
Pressures on terrestrial biodiversity from Decathlon's activities (from 01/01 to 31/12)	n/a	65 artificialised km ² eq.
Breakdown in % of pressures on terrestrial biodiversity by activity (from 01/01 to 31/12):		
↳ Construction	n/a	0.2%
↳ Services	n/a	0.4%
↳ Production	n/a	80%
↳ Decathlon-owned production sites	n/a	0%
↳ Logistics	n/a	3%
↳ Stores, retail	n/a	1.6%
↳ E-commerce	n/a	0.2%
↳ Other	n/a	14.6%
Breakdown in % of pressures on terrestrial biodiversity by type of pressure (from 01/01 to 31/12):		
↳ Climate change	n/a	75%
↳ Land use	n/a	24.4%
↳ Pollution	n/a	0.6%
↳ Other	n/a	0%

2021 NFRD methodological notes

Note 95: At present, there is no regulatory framework on biodiversity reporting for companies, other than financial organisations. This is a voluntary commitment made by Decathlon as part of the "Entreprises engagées pour la Nature" (Companies Committed to Nature) initiative in February 2021. This year, international negotiations are underway and are due to conclude in Kunming (China) at COP15 with a view to reaching an agreement by the parties.

Today, IPBES, the UN-mandated expert group on biodiversity, is calling for a commitment of zero net biodiversity loss by 2030 and a net gain by 2050 to return to the global limit.

Decathlon, to date, has had to translate the international objectives into operational objectives globally and for each of its activities.

The objective of this assessment is to define targets for 2023-2024 in line with the current and future scientific and international framework. It is also an opportunity for Decathlon to identify the main sources of biodiversity erosion and thus prioritise its fields of action.

Regarding the analysis of the results obtained, the erosion of biodiversity generated by Decathlon is mainly due to pressures linked to climate change and land use change.

Like climate change, production activities generate the majority of Decathlon's pressures on biodiversity.

The impacts on biodiversity caused by Decathlon's activities since its creation are mainly due to the degradation of natural areas and their pollution.

The calculation of this biodiversity footprint is a first exercise for Decathlon.

It aims to raise awareness among our employees and stakeholders and to help us make the right strategic choices. Next year we plan to do it on a country-wide scale.

BIODIVERSITY	2020	2021
BIODIVERSITY ASSESSMENT		
Impacts on aquatic biodiversity exerted by Decathlon's activities since its creation (as at 31/12)	n/a	421 artificialised km ² eq.
Pressures on aquatic biodiversity exerted by Decathlon's activities (from 01/01 to 31/12)	n/a	2 artificialised km ² eq.
Breakdown in % of pressures on aquatic biodiversity by activity (from 01/01 to 31/12):		
↳ Construction	n/a	0.1%
↳ Services	n/a	0.5%
↳ Production	n/a	88%
↳ Decathlon-owned production sites	n/a	0.02%
↳ Logistics	n/a	4.6%
↳ Stores, retail	n/a	0.7%
↳ E-commerce	n/a	0.2%
↳ Other	n/a	5.9%
Breakdown in % of pressures on aquatic biodiversity by type of pressure (from 01/01 to 31/12):		
↳ Climate change	n/a	29.7%
↳ Land use	n/a	62.9%
↳ Pollution	n/a	3.4%
↳ Water use	n/a	4%
↳ Other	n/a	0%

CIRCULAR ECONOMY RESPONSIBLE OFFERING & PRODUCTS	2020	2021
RESPONSIBLE MATERIALS & INDUSTRIAL PROCESSES		
TEXTILE COTTON		

% of cotton used for Decathlon products derived from more sustainable resources (from 01/01 to 31/12):	100%	100%
↳ % of BCI cotton	78%	70.8% (note 96)
↳ % of organic cotton	16%	16%
↳ % of recycled cotton	6%	13.2%
Tonnage of cotton used for Decathlon products derived from more sustainable resources (from 01/01 to 31/12):	21,001 tonnes	31,973 tonnes
↳ Tonnage of BCI cotton	16,297 tonnes	22,647 tonnes
↳ Tonnage of organic cotton	3,408 tonnes	5,108 tonnes
↳ Tonnage of recycled cotton	1,296 tonnes	4,218 tonnes

2021 NFRD methodological notes

Note 96: The calculation of this indicator is based on the tonnage of organically grown cotton, BCI (Better Cotton Initiative) cotton and recycled cotton. In 2021, we reached the target of 100% cotton derived from more sustainable sources.

Compared to the 2020 COVID-19 situation, we have seen a significant rebound in growth and this is also highlighted in the 2021 performance of the indicators on the use of cotton derived from more sustainable sources.

Our acceleration towards recycled yarn (30% recycled fibre + 70% BCI cotton) and organically grown cotton was well reflected in this year's performance and will continue in the near future to have a more positive impact on our environment.

We will continue at this level in 2022, with the following distribution target: 60% BCI cotton, 18% organically grown cotton and 22% recycled cotton (30% recycled fibre + 70% BCI cotton). In addition, the teams are continually working to improve the reliability of this data.

TEXTILE POLYESTER		
% of polyester used for Decathlon products derived from more sustainable resources (from 01/01 to 31/12)	20%	40.4% (note 97)
Tonnage of polyester used for Decathlon products derived from more sustainable resources (from 01/01 to 31/12)	16,151 tonnes	32,527 tonnes

2021 NFRD methodological notes

Note 97: The calculation of this indicator is based on the tonnage of polyester yarn from the following sources: "traditional" solution-dyed virgin polyester, recycled polyester, solution-dyed recycled polyester.

We are seeing a clear increase in yarns from more sustainable sources, particularly polyester yarns. This includes recycled PET yarn and dope dyed PET yarn (recycled or virgin).

This confirms the accelerating demand for more environmentally friendly yarns. The Synthetic Yarn process has seen a twofold growth in sustainability linked to:

1/ An increase in quantities (increase in the integration rate);

2/ An acceleration of the change from virgin components to more sustainable components.

PACKAGING & ACCESSORIES		
% of materials used for packaging derived from more sustainable resources (from 01/01 to 31/12)	98.8%	80.3% (note 98)
% of paper pulp used in packaging that is FSC or PEFC certified (from 01/01 to 31/12)	58%	73.4% (note 98)
Quantity of hangers collected (from 01/01 to 31/12)	109,000,000	155,000,000 (note 99)
Quantity of hangers reused (from 01/01 to 31/12)	25,000,000	50,000,000
% of recycled material in the manufacture of new hangers (from 01/01 to 31/12)	38.6%	44%
CO₂ impact of "Garment On Hanger" by textile product (from 01/01 to 31/12)	21.8 g CO ₂ e/item	21.6 g CO ₂ e/item (note 99)

2021 NFRD methodological notes

Note 98: - The scope for the indicator "% of materials used for packaging derived from more sustainable resources" includes: sales packaging intended for customers*, linearizable packaging for in-store display, hangers, transport cardboard boxes, plastic transport bags, e-commerce packaging (plastic bags and cardboard boxes).

*Excluding food, cosmetics and cleaning products.

Excluding store bags (shopping bags, paper bags), gift wrap and packaging from other international brands (non-Decathlon).

- As the measurement methodology for these various indicators (% of materials used for packaging derived from more sustainable resources, % of paper pulp used in FSC or PEFC certified packaging, hanger indicators) is based on numerous extrapolations and assumptions, the figures reported must be analysed with relativity. Every year, the Packaging teams take action to refine the quality of their data and build the most rigorous reporting framework.

- The more sustainable resource currently included in the indicator "% of paper pulp used in FSC or PEFC certified packaging" is paper pulp. The 2021 tonnage of materials used for packaging derived from these more sustainable resources is 67,657 tonnes.

The targets that have been set for these two indicators are:

> 95% of packaging materials derived from more sustainable resources by 2025;

> 100% of paper pulp used in packaging to be FSC or PEFC certified by 2025.

- The calculation of the % of "more sustainable material" used in packaging currently includes in its scope hangers, made of so-called "non-sustainable" materials (polypropylene). However, these are reused or even recycled through collection. Today, our strategy is not to change the material used for these hangers, but to increase their sustainability by increasing the number of reuses/recycling. This sustainable material rate would be significantly higher if we took the hangers out of the scope of the calculation.

- Since the creation of a production team within the Packaging process in June 2021, the collection of data in production has been strongly encouraged and reinforced with our suppliers.

In addition, in connection with the 0 Single Use Plastic project, we are paying close attention to our plastic purchasing volumes in order to know the actual quantities purchased. This explains this drop in the rate of "more sustainable" material compared to last year. This reinforcement has made it possible to obtain more reliable and significant figures of our actual purchases.

The COVID-19 context at the beginning of the year again had a major impact on the collection rate for hangers. However, strong actions have been implemented to redress the situation and return to a higher level of collection than the pre-pandemic period.

These actions included:

- A gradual generalisation of the collection of hangers from e-commerce orders;

- The deployment of standard procedures to organise the flow of centralisation of hangers collected in stores to the sorting centres;

- The deployment of various local communications.

At the same time, we are working with Decathlon Brands (Sports Signés) to develop our "How to sell" in order to limit the number of products on hangers in stores and thus reduce our consumption.

Note 99: This indicator concerns the total CO₂ impact of products on hangers, out of the number of textile products sold.

CIRCULAR ECONOMY | RESPONSIBLE OFFERING & PRODUCTS **2020** **2021**

SCOPE & NUMBER OF ASSESSMENTS | INDUSTRIAL & TERRITORIAL ECOLOGY AT OUR SUPPLIERS

Number of production sites concerned by environmental assessments (as of 31/12):

↪ Number of Rank 1 production sites concerned	163	160 (note 100)
↪ Number of Rank 2 production sites concerned	92	88 (note 100)
Number of environmental assessments conducted (from 01/01 to 31/12)	85	129 (note 101)
Number of environmental assessments conducted internally (from 01/01 to 31/12)	48	72 (note 101)

2021 NFRD methodological notes

Note 100: A supplier is subject to an environmental audit, including industrial wastewater control, hazardous waste management, control of CO₂ emissions and energy consumption as well as air pollution reduction, if and only if its volume of industrial water to be treated is more than 50m³ per day.

There are 160 Rank 1 suppliers subject to environmental audit (as of 10/01/2022).

There are 88 Rank 2 suppliers subject to environmental audit (as of 10/01/2022).

Note: no Decathlon site is concerned by the environmental assessment according to the definition "More than 50m³ per day of industrial water to be treated".

Note 101: The number of internal auditors authorised to conduct environmental audits at our industrial suppliers is 12, spread over 8 countries: France, Turkey, China, Bangladesh, Thailand, Vietnam, Sri Lanka, India.

In 2021, the increase in the vaccination rate contributed to the fact that several countries re-authorized access to factories, which allowed our auditors to make up for some of the backlog of audits from the previous year.

FOCUS ON THE RESULTS OF ASSESSMENTS | INDUSTRIAL & TERRITORIAL ECOLOGY AT OUR SUPPLIERS

% of Rank 1 and Rank 2 production sites rated A, B or C in the environmental assessments (as at 31/12)		80.4%	77% (note 102)
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Results of environmental assessments of partners and company-owned production sites (as of 31/12):

	100%	81%
↪ % of Partner supplier production sites rated A, B or C	A: 12.9% - B: 61.2% - C: 29%	A: 6% - B: 25% - C: 50%
	31 partner supplier production sites rated A, B or C	26 partner supplier production sites rated A, B or C

2021 NFRD methodological notes

Note 102: The % ABC target for 2021 was 86% and we achieved 77% ABC (Rank 1 & Rank 2 suppliers).

The COVID-19 crisis has led to a delay in the proper implementation of our environmental audit mechanism. Local health regulations and government constraints have limited access to the factories and even temporarily halted their operations. Some suppliers could not be assessed in 2020 and 2021.

In a spirit of transparency and reliability, it was decided to subtract from the number of suppliers rated A, B, C, all sites that have been late in their assessment frequency for more than 1 year. This formula update has drastically impacted the outcome of this performance while being closer to the loss of visibility that we have been facing since 2020.

In addition, at the beginning of 2021, we increased the requirements of our assessment grid, in order to reinforce certain themes (e.g. energy management, chemical risks, air pollution), but also to help our suppliers become autonomous.

As a result, we ended 2021 with a weaker performance than expected, without having lost visibility on our environmental requirements around the world.

For 2022, the target is 82% ABC (Rank 1 & Rank 2 suppliers).

CIRCULAR ECONOMY | COMMITTING TO MORE SUSTAINABLE CONSUMPTION **2020** **2021**

REUSE OF OUR PRODUCTS | REPAIR

Number of workshops worldwide	1,114	1,133
Number of workshops in France	346	344
Number of technicians in Decathlon workshops	4,377 (world)	4,095 (world)
Satisfaction rating of the quality of service in our workshops	4.49	4.6
% of products qualified as repairable in the Decathlon product catalogue	4%	4.7% (note 103)
% of products repaired (considered repairable) in Decathlon workshops	78.9%	77.1% (note 104)
Total number of products repaired in Decathlon workshops	1,813,724	2,064,295 (note 105)

2021 NFRD methodological notes

Note 103: Note that there was a methodological change on this indicator in 2021. The 2020 and 2021 data is therefore not comparable.

The previous methodology took into account products that were labelled as repairable/all products on offer.

The new methodology takes into account the number of Decathlon products labelled as repairable/(all Decathlon products on offer - spare parts that are used to repair finished products).

From now on, spare parts used to repair products are removed from the denominator.

If this nuance were not added, the rate would deteriorate each time a new bike was referenced because for a finished product, between 20 and 60 spare parts must be added. The 2021 rate is slightly higher than 2020 explained by a significant clean-up of the data to remove products listed as repairable when they were not (cereal bars, petanque balls, etc.).

Note 104: These are repairable Decathlon products, repaired during their warranty period.

The target for this indicator is to reach 85% of our repairable products repaired by 2022 and an additional 1% for each subsequent year.

The cycle workshop stepped up the pace in 2021 with, in particular, the extension of the Coup de Pouce scheme (a French government aid scheme to promote the use of bicycles and, in particular, repair) until March 2021 in France.

The lockdown periods, sanitary arrangements, etc., have impacted on the activity, as the repair requires physical contact.

COVID-19 also had an impact on the business, staff sick leave and the regional stores and workshops having to make some challenging adjustments.

The cycle workshop increased its sales by 22%, which is in line with the overall performance of the workshop (+21%). The ski workshop suffered from the closure of resorts at the beginning of the year but an encouraging recovery was noted at the end of 2021..

The countries that had the most significant impact on their workshop activity, particularly due to long lockdowns, are the United Kingdom, Germany, Russia and India, which are all down around -7% in sales.

On the other hand, the overall margin (in rates) of the workshop has decreased because the share of spare parts has increased (less customisation, no skiing, lockdowns). Do It Yourself (DIY) is becoming increasingly popular, boosted by the lockdowns but also by repair times that push people to be more "autonomous"..

Note 105: The Internet share of the Workshops business increased from 15.8% to 19.14% in 2021.

REUSE OF OUR PRODUCTS | SECOND LIFE

Number of countries or regions with a second life product offer (as of 31/12):	14	30
↪ with the Second Life application	7	12 (note 106)
↪ without the Second Life application	7	18

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Note 106: There has been a sharp acceleration in the recovery and resale of second life products from returns and breakage (breakage is due to products being damaged in store processes or in the warehouse, breakage in transport for example. Products are scratched or otherwise damaged).

In particular, France has seen a significant acceleration in terms of buy-back.

The Trocathlon underwent a decline in performance due to the health context, which made it difficult to hold events in stores.

The list of countries/regions offering second-hand products using the Second Life application in 2021 (12 countries) is: France, Spain, Italy, Germany, Belgium, Portugal, Romania, Hungary, United Kingdom, Canada, Poland, Netherlands.

The list of countries/regions offering second-hand products without the Second Life application in 2021 (18 countries) is: Chile, China, Colombia, Croatia, Czech Republic, India, Israel, Kazakhstan, Morocco, Ukraine, Philippines, Lithuania, Switzerland, Sweden, Taiwan, Thailand, Tunisia, Vietnam.

CIRCULAR ECONOMY COMMITTING TO MORE SUSTAINABLE CONSUMPTION	2020	2021
REUSE OF OUR PRODUCTS RENTALS (SHORT TERM, SUBSCRIPTIONS, LONG TERM)		
Number of Decathlon Brands offering product rental (short term, subscription, long term) (as of 31/12)	23	23 (note 107)
Number of countries offering Decathlon products for rent (short-term, subscription, long-term) (as of 31/12)	7	9 (note 107)
Number of Decathlon product rentals (short term, subscriptions, long term) (from 01/01 to 31/12)	63,090	97,474 (note 108)
Number of days of rental of Decathlon products (short term, subscriptions, long term) (from 01/01 to 31/12)	2,288,234	6,519,180 (note 109)
Number of Decathlon Brands offering subscription and long term rental of Decathlon products (as of 31/12)	5	6 (note 110)
Number of countries offering subscription and long term rental of Decathlon products (as of 31/12)	3	4 (note 111)
Number of subscriptions and long term rentals of Decathlon products (from 01/01 to 31/12)	913	1,688 (note 112)

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Note 107: No significant change from 2020, the Decathlon Brands currently involved in rental are: bikes (RR, Triban, VRSL, B'TWIN, Riverside, Elops); winter sports: Wedze (piste, freeride, rando), Lugik, Inovik, Dreamscape; racket sports: Artengo, Kuikma; water sports: Olaian (surfing), Itiwit (stand up paddle, kayak, paddle sports); nature: Forclaz, Quechua (nature hiking, mountain hiking), Simond (climbing).
(as a reminder, Decathlon had 65 own brands at the end of 2021).

The countries concerned by rental in 2021 are: Italy, Poland, Portugal, France, Switzerland, Belgium, Holland, Russia and Spain.

Note 108: Overall, the types of products concerned are: investment products, bulky products, seasonal products, technical products, products subject to a cycle of innovation/important change (vintage, technology) and therefore, more particularly in 2021, mountain sports equipment (sliding/hiking), water sports equipment (salt, fresh), mobility equipment (bicycles, scooters), racket sports and other sports.

Note 109: In terms of the number of contracts, the number of days per contract has risen from 36 to 67, which shows that subscription and long term rental took off in France in 2021.

Note 110: Arrival of weight training in 2021 with a bench + dumbbell kit for 9 Euros/month being tested and which will be deployed in all French stores in 2022.

Note 111: France and Belgium in 2021 through the long term rental of bicycles and the *WePlayCircular* test in Belgium.

Possibly in 2022, Spain, Poland and Italy could start subscription and/or long term rental.

It should be noted that Switzerland and Italy offer a form of rental known as "seasonal", i.e. a commitment over several months but with a single initial payment for the entire duration of the contract.

For this reason and after clarification, we count 4 countries for this form of rental in 2021 under the heading "subscription and long term".

Note 112: With the deployment of the subscription on more products and more countries, this figure should increase in 2022.

The types of Decathlon products concerned by subscription and long term rental are: bicycles and fitness equipment.

For the overall rental activity:

There was a sharp increase, but the volume for 2021 is not yet significant.

2022 is a year of inflection (volume, means, deployment) for an ambitious trajectory and targets (*x 100 in volume by 2026 versus 2021*).

Thus, sales targets and a more precise quantified trajectory will be defined in 2022.

The expected sales in 2022 is €14m compared to €6.1m in 2021.

In addition, the major challenges for 2022 are to roll out rental by monthly subscription for more products (*fitness, etc.*) and more countries (*Spain, Belgium, Poland, etc.*), to industrialise the re-rental of second life products, and to allow rental from the web (*currently from our stores*)

Finally, to clarify our strategy (*what, roadmap*) to build a Decathlon United solution (*so far, each country has developed a local approach*) for short term rental and leasing.

COMMUNICATION ABOUT OUR PRODUCTS

% of Decathlon clothing/shoe products with an ABCDE environmental label (French rating system) (from 01/01 to 31/12):		63.8%	63.4%
		(i.e. 3,837 products out of 6,013 designed)	(i.e. 5,388 products out of 8,499 designed) (note 113)

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Note 113: This indicator did not increase in 2021 because we are focusing our efforts on its development: our strategy on the ABCDE rating, which we have been testing for several years, is being developed.

We have worked on this development with 3 other companies and submitted in November 2021 a file to the French Ministry of Ecological and Solidarity Transition on this subject, as part of the work carried out on the Climate Law, which we will begin tests on in 2022.

In addition, we also want to accelerate the work on the carbon footprint initiated in November 2021 by making this information available on all our product types.

Our target for 2022 is that 100% of the products assessed qualitatively will have their carbon footprint on the product sheet.

This environmental label indicator covers Decathlon products involved in the industrial processes responsible for the production of clothing, footwear and other textiles (e.g. *sleeping bags*).

The following are currently excluded from the scope: products sold in quantities of less than 1,500 articles per year and other industrial processes (*metal, cycles, welded products, balloons, electronics, nutrition, chemicals*)

CIRCULAR ECONOMY COMMITTING TO MORE SUSTAINABLE CONSUMPTION	2020	2021
SUSTAINABLE DEVELOPMENT AWARENESS ACTIONS		
Total number of sports activities organised in France for our customer-users (from 01/01 to 31/12)	2,686	3,200 (note 114)
Number of stores involved in these sports activities in France (from 01/01 to 31/12)	224	206
Number of events related to sustainable development organised by French stores (from 01/01 to 31/12)	92	117
Number of awareness-raising actions related to sustainable development worldwide (from 01/01 to 31/12):	388	1,098
➔ organised by Decathlon stores	367	1,091
➔ organised by the Decathlon warehouses	21	7 (note 115)
Number of people involved in sustainable development events worldwide (from 01/01 to 31/12)	16,191	27,717 (note 116)

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Note 114: To understand the 2021 performance, it is necessary to contextualise the 2021 situation.

Indeed, the 1st half of the year was marked by a return to a period of lockdown and numerous restrictions on the practice of sport, with the impossibility of practising certain disciplines, with the introduction of attendance limits etc.

In addition, the second half of the year saw the introduction of the Health Pass for sports in France. This required the teams to integrate this new framework into the organisation of their events and to be adaptable.

The figures for the past year are as follows: 206 stores organised one or more events in 2021 (-8%).

While this figure is down, the number of events organised throughout the year increased to 3,200 (+19.1%).

It should be noted, however, that this figure takes into account new elements that were absent in the past, namely 696 birthdays and 153 sports courses, which together represent 849 events.

Events related to sustainable development have increased significantly, with 117 events (+27.2%) organised by 77 stores (+26.2%). These various actions mobilised 3,079 participants (+48.4%) and resulted in the collection of 13.4 tonnes of waste, an increase of 13.5%.

Finally, with regard to Vitalsport, our experience in 2020 reassured our French stores, which mobilised more strongly in 2021. A total of 98 stores organised this exclusive event (+ 84.9%) in partnership with 1,673 clubs (+ 139%). The last great transformation to be credited to Vitalsport concerns the flow of the event, which welcomed 260,000 visitors this year (+154.9%).

In conclusion, the pandemic disrupted the ambitions of our teams but did not diminish their motivation, which remained intact. They once again demonstrated their commitment to one of Decathlon's missions, which is to get the French into sport.

Note 115: As some countries report data for their entire territory and without specifying the type of activity, the number of warehouse actions is under-reported.

In 2022, we will set up a system allowing better monitoring by type of site.

Note 116: 22,861 people were involved in the World Clean Up Day and 4,256 in other actions organised during the year, including 2,740 in the European Mobility Week in Spain. The year 2021 saw a significant resumption of awareness-raising activities around the world. Thus, 1,098 actions were organised in 2021, compared to 388 the previous year.

Several factors explain such an increase in the number of awareness-raising actions organised:

- The adaptation of the health measures made it possible to organise a larger number of events with, in addition, a larger number of authorised participants. Our main international action, *World Clean Up Day*, brought together 22,861 participants in 38 countries, compared to 16,191 in 31 countries last year;

- The launch of a new large-scale awareness-raising campaign, on the occasion of European Mobility Week. In Spain, 325 actions took place during this mobility week;

- The coordination of this indicator by the international sustainable development team and the local sustainable development leaders, moreover, explains the increase in the number of actions and better monitoring of performance in countries.

With the pandemic having been present throughout 2021, the conduct of so many actions demonstrates the real involvement and motivation of the teams to raise awareness of sustainable development issues among a maximum number of customers and employees.

CIRCULAR ECONOMY WASTE REDUCTION & RECYCLING	2020	2021
ZERO SINGLE-USE PLASTIC		
Weight of single-use plastic packaging eliminated for Decathlon products (from 01/01 to 31/12)	300 tonnes	1,416 tonnes (note 117)
Weight of single-use plastic e-commerce packaging (from 01/01 to 31/12)	250 tonnes	2,024 tonnes (note 118)
Weight of single-use plastic logistic packaging (stretch film) (from 01/01 to 31/12)	n/a	1,224 tonnes (note 119)
Quantities of single-use plastic checkout bags in stores (from 01/01 to 31/12)	n/a	7,357,891 units (note 120)

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Note 117: In 2021, Packaging teams removed 1,416 tonnes of plastic from an estimated 7,000 tonnes of plastic packaging (sales packaging, transport packaging of finished products from our production plants excluding logistics and e-commerce)

On the packaging side, we had a strong commitment from Decathlon brands (Signed Sports), which enabled us to double our plastic elimination commitment in 2021. We prioritised the elimination of plastics from our sales packaging in 2021 and will pay greater attention to transport packaging in 2022.

Note 118: In 2021, e-commerce became a significant purchasing channel. We saw an increase in the number of e-commerce orders of 14% in 2021, compared to 2020. The 2021 results are not comparable to those of 2020 as the scope is now global whereas in 2020 it only took elements from China, France and Germany.

38% of the data is actual data, collected by the warehouses.

In the absence of actual data, we have an estimate based on the number of e-commerce orders for each country. Based on a sample of countries that collect actual data, we estimated a global estimation factor in kg/e-commerce order.

All European countries, as well as the following countries/regions, India, Turkey, Brazil, Colombia, China and Taiwan, have committed to no longer use e-commerce plastic bags by the end of 2022.

Note 119: This indicator has no history because it is the first year that we have consolidated this data and it represents the weight of stretch film purchased by warehouses. 14% of the data is actual data, collected by the warehouses.

In the absence of actual data, we have an estimate based on the number of items shipped from each of the warehouses. We collected actual 2020 data from a sample of different warehouses to estimate an estimation factor in g/quantity of items shipped.

The target is to eliminate this plastic film by 2026. Work is underway to validate alternative technical solutions. And we are also driving an increase in the rate of actual data.

Note 120: This indicator has no history as this is the first year we have consolidated this data.

Checkout bags are purchases made by stores, so we are working to collect the annual quantities purchased by these stores.

There are many different types of checkout bags and as part of our commitment to zero single-use plastic by 2026, we are specifically monitoring single-use plastic checkout bags. For these bags, if no information is provided by the country, estimates are used based on a ratio applied to the physical quantities sold.

Thus, in 2021, we collected 89% actual data and 11% estimated data. Compared to last year, we reduced the quantities placed on the market by 77%.

If we consider the average weight of a single-use plastic carrier bag to be 5g, then we have an equivalence of 37 tonnes of single-use plastic carrier bags in 2021.

In order to encourage the elimination of these purchases, alternatives such as paper, cloth, reusable plastic or recycled plastic bags are being deployed in countries depending on what is available in their geographical locations.

PRODUCT RECYCLING

% of Decathlon products sold in France with a recycling channel (from 01/01 to 31/12)	56%	56% (note 121)
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Note 121: The percentage of products covered by an Extended Producer Responsibility (EPR) in France did not change in 2021 compared to 2020 (textiles, shoes and bags, electronics and furniture), there was no new channel.

However, by 2022, with the arrival of EPR for Sports and Leisure Goods (SLG) and EPR Toys, we will have increased to approximately 90% of our products with EPR, thus reaching the 2026 target.

We will therefore work for 2023 on the implementation of KPIs that are more representative of the products that are actually recycled.

CIRCULAR ECONOMY WASTE REDUCTION & RECYCLING	2020	2021
WASTE MANAGEMENT		
Weight of waste generated by the sites (Decathlon stores, Brand sites, company-owned and subcontracted warehouses) (from 01/01 to 31/12)	96,252 tonnes	103,495 tonnes (note 122)
↳ Weight of recycled paper and cardboard	38,258 tonnes (40%)	42,236 tonnes (41%)
↳ Weight of recycled packaging	3,209 tonnes (3%)	3,780 tonnes (4%)
↳ Weight of recycled plastic	3,257 tonnes (3%)	2,504 tonnes (2%)
↳ Other (wood, scrap metal, textiles, etc.)	4,525 tonnes (5%)	5,350 tonnes (5%)
↳ Weight of mixed waste	47,003 tonnes (49%)	49,625 tonnes (48%)

Recycling rate by activity (from 01/01 to 31/12): 

↳ Recycling rate in stores	39%	42% (note 123)
↳ Recycling rate in warehouses	68.9%	66.4% (note 123)

Recovery rate by activity (from 01/01 to 31/12):

↳ Recovery rate in stores	n/a	54% (note 124)
↳ Recovery rate in warehouses	n/a	68.6% (note 124)

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Note 122: We note a slight increase in the overall waste tonnage of +7.5 between 2020 and 2021. This is due to an expanded collection of more reliable data.

Note 123: We have changed the name from sorting rate to recycling rate. The calculation methodologies have not changed but we are more demanding on the conformity of the data entered.

As a result, the 2020 sorting rate is comparable to the 2021 recycling rate (same calculation but different name).

However, as the recovery rate is a new indicator, there is no comparison with the 2020 data.

The targets for the recycling rate are:

- overall 70% in 2022 and 100% in 2026 / for retail 60% in 2022 and 100% in 2026 / for logistics 75% in 2022 and 100% in 2026.

The overall recycling rate of 52% (retail + logistics) increased by 15% between 2020 and 2021.

This is due to the increase in the number of countries reporting actual data, which is then often combined with data on quantities recycled. Indeed, repeated awareness raising and coordination allows more and more countries to engage in monitoring their waste management and compliance requirements.

Note 124: We decided for the year 2021 to include a recovery rate indicator for all countries in order to align with the commitments of the Transition Plan. This indicator is intended to be close to the recycling rate, except that it includes the quantities of "hazardous waste" and "incineration with energy recovery".

PERFORMANCE INDICATORS

CREATING SUSTAINABLE VALUE

INTEGRATING HUMAN, ENVIRONMENTAL AND FINANCIAL PERFORMANCE INTO OUR VALUE MEASUREMENT	2020	2021
MEASURING VALUE		

Weight in % of significant climate actions included in Decathlon's monthly performance report (as of 31/12)	n/a	71% (note 125)
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Note 125: This measure was implemented for the 1st time in 2021 and takes into account the most significant indicators for compliance with the SBTi commitments (with their respective weighting for achieving the target):

- Share of sales realised with Ecodesign products (30%);
- Share of renewable energy in production (21%);
- Share of sustainable sales (15%);
- Share of digital sales (7%).

At this stage, they represent 73% of the target performance by 2026.

Historically, Decathlon's internal monthly reporting has been used to communicate the Group's economic performance to operational and financial leaders.

It is now enriched with non-financial data for a more complete reading of the company's performance.

At the end of 2021, the indicators included in this reporting are as follows: Ecodesign sales / Sustainable sales / Digital sales.

LONG TERM RELATIONSHIPS WITH SUPPLIERS	2020	2021
SUPPLIER PANEL		

Number of production countries/regions (as of 31/12):

↪ With physical presence of Decathlon teams	24	25 (note 126)
↪ Without physical presence of Decathlon teams	23	19 (note 127)

Number of production offices (as of 31/12)

Number of teammates responsible for managing and coordinating relations with suppliers (as of 31/12)	2,178	2,245
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Number of suppliers for Decathlon products (as of 31/12):

↪ Number of Rank 1 suppliers (finished products & components)	977	930 (note 129)
↪ Number of Rank 2 suppliers	362	355 (note 129)

Number of Decathlon-owned production facilities (as of 31/12)

	9	9 (note 130)
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LONG TERM RELATIONSHIPS WITH SUPPLIERS	2020	2021
TYPE & DURATION OF THE RELATIONSHIP		
Number of "partner suppliers" (as of 31/12)	45	50 (note 131)
Average seniority of suppliers (top 100 suppliers in terms of purchase volumes made by Decathlon) (as of 31/12):		
↪ < 1 year	0%	0%
↪ from 1 to 3 years	3%	2%
↪ from 3 to 5 years	5%	10%
↪ from 5 to 10 years	33%	31%
↪ from 10 to 20 years	49%	47%
↪ > 20 years	10%	10%
↪ Average	11.2 years	11.8 years

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Note 126: Production countries/regions with a team: a Decathlon production office is present in the country/region.

Albania, Bangladesh, Brazil, China, Egypt, Ethiopia, France, India, Indonesia, Italy, Malaysia, Mexico, Morocco, Pakistan, Poland, Portugal, Romania, Russia, Sri Lanka, Taiwan, Thailand, Tunisia, Turkey, Ukraine, Vietnam.
New production office in Malaysia since April 2021.

Note 127: Production countries/regions production without a team: production countries/regions with suppliers run by Decathlon teams from another country/region, no Decathlon office in that country: Belgium, Bosnia, Bulgaria, Cambodia, Czech Republic, Estonia, Finland, Germany, Hungary, Japan, Lithuania, Madagascar, Slovakia, Slovenia, South Korea, Spain, Switzerland, Netherlands, United Kingdom.

Note 128: List of Decathlon production offices:

DP Albania, DP Bangladesh (x2: DP Dhaka, DP Chittagong), DP Brazil, 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 Malaysia, 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 129: In 2021, we continue our strategies of consolidation in the number of suppliers: 930 suppliers versus 977 in 2020.

We have launched a new supplier segmentation at the end of 2021 in order to integrate new manufacturers to boost product design and innovation (*New Supplier Taxonomy*).

- Rank 1 suppliers are: suppliers contractually bound to a Decathlon company for the production or assembly of finished/semi-finished products (*via manufacturing contract*) or for the supply of raw materials or components (*via purchase contract*), receiving purchase orders and invoicing said company directly.

- Rank 2 suppliers are: suppliers contributing to the value chain of Decathlon products, in direct commercial relationship with a Rank 1 supplier, with which it organises the management of purchase orders and invoicing. Decathlon reserves the right to intervene in the choice or validation of this Rank 2 supplier, without however intervening in the commercial and legal relationship between these Rank 1 and Rank 2 suppliers.

Note 130: 9 Decathlon-owned production sites: 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, Xinwei).

Note 131: Concerning the evolution of the number of partnerships, we continue to reinforce our Industrial Partnership strategy by validating 5 new partners bringing the number to 50 by the end of 2021. In 2021, our partners assumed more than 34% of our global purchasing volumes.

LONG TERM RELATIONSHIPS WITH SUPPLIERS	2020	2021
DISTRIBUTION OF PURCHASE VOLUMES		
Breakdown of Decathlon's purchasing volumes by production area (from 01/01 to 31/12):		
↳ North Asia	46.39%	47.17%
↳ Europe	19.91%	20.7%
↳ South East Asia	15.16%	13.02%
↳ South West Asia	15.94%	16.34%
↳ Africa	2.26%	2.4%
↳ Americas	0.01%	0.01%
↳ CIS (Commonwealth of Independent States)	0.34%	0.32%
% of the amount of purchases made from Decathlon's partner suppliers (from 01/01 to 31/12)	32.3%	34.7% (note 131)

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Note 131: Concerning the evolution of the number of partnerships, we continue to reinforce our Industrial Partnership strategy by validating 5 new partners bringing the number to 50 by the end of 2021. In 2021, our partners assumed more than 34% of our global purchasing volumes.

LONG TERM RELATIONSHIPS WITH SUPPLIERS	2020	2021
DISTRIBUTION OF PURCHASE VOLUMES		
Breakdown of Decathlon's purchasing volumes by production process (from 01/01 to 31/12):		
↳ Nutrition products (food & sports nutrition)	1.1%	1% (note 132)
↳ Chemical & cosmetic products	0.5%	0.47%
↳ Electronic products	1.5%	1.5%
↳ Footwear products	13.2%	12.4%
↳ Glove products	1.2%	1.2%
↳ Heavy stitching products (tent, backpack, sleeping bag, balloons, etc.)	11%	11%
↳ Pyrotechnic products (Solognac hunting equipment)	0.2%	0.2%

DISTRIBUTION OF PURCHASE VOLUMES		
↳ Welded/inflatable products (mattresses, rings, armbands, etc.)	2.1%	2.6%
↳ Helmet products	1.1%	1%
↳ Optical products (sunglasses, swimming goggles, ski masks, diving masks)	1.3%	1.1%
↳ Bikes/cycle products	13.4%	14.8%
↳ Plastic and composite products	7.4%	7.96%
↳ Wedge Composite Products (ski equipment)	0.3%	0.17%
↳ Metal/metallic products (scooters, fitness products, basketball hoops, football goals, etc.)	9.2%	10.2%
↳ Simond products (climbing equipment)	0.1%	0.1%
↳ Textile products (natural fibres, synthetic fibres, woven fabrics, yarn)	36.4%	34.3%


% of sales made with locally manufactured Decathlon products (from 01/01 to 31/12):

↳ China	93.2%	94.8%
↳ Europe	24.9%	25.6%
↳ Russia	11.8%	10.8%
↳ India	46.4%	54.7%
↳ Brazil	n/a	n/a (note 133)
↳ Africa	n/a	n/a (note 133)

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Note 132: Our purchases rebounded in 2021 by more than 20% compared to the year 2020, with a purchase volume in 2021 of +10% compared to 2019. We now have 36 industrial process teams (including Simond). For this reporting, we have grouped the data by major industrial sectors (textiles, footwear, heavy stitching products, etc.).

Note 133: It should be noted that purchases made by Brazil in Brazil and by Africa in Africa do not show up in the IT systems of our purchasing teams.

BUSINESS ETHICS	2020	2021
% of teammates with access to the alert platform which allows them to report questions or reports (as of 31/12)	57%	100% (note 134)
Number of reports received in the platform (from 01/01 to 31/12) 	40	82 (note 135)
Types of reports received in the platform (%) (as of 31/12)	Reports processed: 67.5% Reports being processed: 32.5%	Reports processed: 54% Reports being processed: 46% (note 135)
Topics of reports received in the platform (%) (from 01/01 to 31/12):		(note 135)
→ Psychological harassment	n/a	22%
→ Sexual harassment	n/a	11%
→ Employment contract	n/a	0%
→ Safety	n/a	9%
→ Personal data	n/a	1%
→ Discrimination	n/a	0%
→ Conflicts of interest	n/a	12%
→ Gifts & Invitations	n/a	0%
→ Corruption and Fraud	n/a	7%
→ Other	n/a	38%

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Note 134: The alert platform has been implemented in all countries where Decathlon operates. Today, all countries have an Ethics & Compliance officer. By default, if there is no designated officer, the country leader handles compliance directly. It should be noted that there was an error in the 2020 data reported in the NFRD 2020 (89%) which was corrected in the 2021 NFRD edition (57%).

Note 135: The reports indicator is purely indicative. Their status (*being processed or processed, as of 1 January 2022*) depends on many variables, such as the subject reported, the date of submission of the report and, of course, the complexity of the investigations to be conducted.

As each report is different, it is not possible to estimate the effectiveness of the handling of reports by comparing the number of reports processed with the number of reports received.

The aim is therefore to ensure that all reports are properly processed, within a timeframe that varies according to their complexity, so that no report is ignored by the case managers. As of 1 January 2022, 46% of reports were being processed. This figure includes reports filed at the end of 2021, as well as those requiring complex investigations and further processing.

It should be noted that details of reports received by category are provided for the first time this year.

Note that the "Other" category allows a user who wants to discuss a subject other than those listed above to send in a report and discuss it with a case manager.

DECATHLON FOUNDATION	2020	2021
Number of projects validated by the Decathlon Foundation (from 01/01 to 31/12)	47	61 (note 136)
Number of beneficiaries of Decathlon Foundation projects (from 01/01 to 31/12)	42,297	71,864 (note 137)
Number of countries concerned by Decathlon Foundation projects (from 01/01 to 31/12)	15	17 (note 138)
% by category of beneficiaries of Decathlon Foundation projects:		
→ % people with developmental delays and/or physical disabilities	29.8%	20.8%
→ % people from disadvantaged areas	38.3%	54.4%
→ % people with diseases	19.1%	8.3%
→ % other situations (violence, migrants, etc.)	12.8%	16.5%

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Note 136: A year 2021 marked by numerous projects, 61 in 2021, compared to 47 in 2020.

This is the first year that the Foundation has supported so many projects. We focused on France with 23 of the 61 projects supported that were led by Decathlon France teams. In addition to the 61 projects, in order to adapt to the health and social context, an exceptional budget set up in 2020 to support structures particularly weakened by the COVID-19 situation (hospitals, associations) was renewed in 2021. The teams were thus able to show flexibility and support projects not directly supported by our teams and not always related to sport.

In 2021, 49 exceptional "COVID project" financial grants were awarded to structures. The average support for COVID projects is €2,000.

In total, the Foundation supported 110 projects and structures over the year 2021.

In 2021, we also supported more "sport-health" projects alongside university hospitals and hospitals in France.

The year 2021 also saw the birth of the first Talent Games Foundation. The aim is to mobilise students to build a local solidarity and sports project.

Finally, still in connection with young people, a partnership has been set up with the *École de la 2^{ème} Chance* to enable 7,500 young people to have access to sport and to practise it regularly for one year. This is the project reaching the most beneficiaries that was financially supported in 2021.

Note 137: The number of validated projects is not in itself a KPI for the Decathlon Foundation. Indeed, the key element for the Foundation is the monitoring of the number of beneficiaries who have been able to access sport on a regular basis thanks to the funded project.

The figure 71,864 corresponds to the number of beneficiaries of the Foundation's "traditional" projects. In addition, there are many beneficiaries of COVID-19 projects that we have not measured because they are not the same indicators and also our impact in the projects is less (*support of €2,000 on average*).

Note 138: In 2021, we had projects in 17 countries. Regarding the Foundation's usual projects, we had projects in 11 countries.

Regarding exceptional projects related to the COVID-19 context, this represents 9 countries (*including 3 in common with the usual projects: France, Spain, Cambodia*). Here are the different countries in which we supported a project in 2021: Cambodia, Singapore, Czech Republic, France, Italy, Lebanon, Netherlands, Philippines, Poland, Portugal, Spain, Kenya (COVID project), Ivory Coast (COVID project), Brazil (COVID project), India (COVID project), Sri Lanka (COVID project), Senegal (COVID project). In 2021, 4 countries had their first Foundation project: the Czech Republic, Singapore, the Netherlands and Senegal.

In 2021, several structural projects were carried out within the Foundation:

- An impact assessment of Foundation projects since 2005. Several key indicators were chosen, notably around sport (*number of beneficiaries with access to sport*) and employability (*number of people who were able to gain work experience*). We also developed new tools to improve project monitoring. Several key figures emerge from this impact assessment: 713 projects since 2005 (including COVID-19 projects) impacting 468,310 beneficiaries in 48 countries (*estimated number of beneficiaries resulting from the impact measurement*).

- The creation of a network of ambassadors of the Foundation bringing together Decathlon employees who work in part for the Foundation as part of their mission. The objective of this network is first and foremost to share best practices and to advance the Foundation and social impact within Decathlon. In particular through exchange meetings every two months with the 30 ambassadors of the Foundation.

- The deployment of communication around projects with the aim of inspiring and then getting our customers on board, so that they actively participate and commit themselves to solidarity and sports projects alongside Decathlon. The Foundation has created a LinkedIn page and is very active on Instagram. The project aimed at involving our customers in our actions will be in test launch in 2022.

METHODOLOGICAL NOTE

GENERAL ORGANISATION OF REPORTS

REGULATORY FRAMEWORK

Decathlon is subject to the regulatory non-financial reporting obligations relating to Ordinance No. 2017-1180 of 19 July 2018 and the decree issued pursuant to Ordinance No. 2017-1265 of 9 August 2017.

The Non-Financial Reporting Declaration (NFRD) meets these obligations, which have evolved in relation to the Grenelle II Act.

Decathlon Vigilance Plan

The publication of a Vigilance Plan following Law No. 2017-399 of 27 March 2017 on the duty of vigilance is the subject of a specific publication available on the Internet.

It should be noted that the content of the Decathlon Vigilance Plan should be read in conjunction with the content of the annual NFRD: the two teams in charge of these initiatives work 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 NFRD and the Vigilance Plan: <https://sustainability.decathlon.com/decathlon-annual-sustainable-development-reports>

Decathlon SE¹ is not listed on the stock exchange. However, the following criteria are taken into account with regard to their materiality: promotion of and compliance with the eight fundamental conventions of the International Labour Organisation (ILO)² as well as information on actions in favour of human rights.

With regard to the fundamental conventions of the ILO, Decathlon applies the same standards in its own nine production sites as those required of our suppliers.

In addition, Decathlon has met the new regulatory obligations relating to the Declaration of Extra-Financial Performance since fiscal year 2018, including:

- **Formalisation of Decathlon's value creation model.** The business model was developed by involving various representatives of the company's finance teams and based on internal documents, external megatrends and studies, but also drawing on the recommendations of the European Commission's guidelines on non-financial reporting (2017/C 215/01) and the international integrated reporting framework of the IIRC (International Integrated Reporting Council) of December 2013.

- **Presentation of Decathlon's main non-financial risks:** a collaborative approach was implemented with the Internal Audit and Risk Management teams so that the NFRD team could rely on their work in terms of identification and prioritisation, resulting in a list of the main non-financial risks.

- **A review of the most strategic issues for Decathlon** through the update of the materiality analysis. In order to ensure the reliability of the materiality process in a constantly changing world, this new exercise was carried out with Datamaran's innovative tool allowing a more dynamic approach. This tool uses artificial intelligence and big data to scan public information and provide real-time analysis of external stakeholders (*companies, regulations, public opinion*). Workshops were also held to identify the most important issues for Decathlon's business with around twenty internal experts and twenty company leaders. The materiality assessment is available in the 2021 NFRD on page 18 or at: https://bit.ly/Decathlon_Materiality2021

- **A sustainable development policy, called "2020-2026 Transition Plan"**, resulting from the materiality study on the one hand and the analysis of the main non-financial risks on the other, was finalised and shared by Decathlon's Director of Environmental Transition and the Director of Human Resources with the teammates in March 2020.

It will be possible to update this Transition Plan every year in January to publish the new commitments for the year.

1. Decathlon has been a European company since 26 September 2019.

2. ILO: International Labour Organisation: <https://www.ilo.org/global/lang-en/index.htm>

The eight fundamental conventions of the ILO are:

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 CONTINUOUS IMPROVEMENT

This Non-Financial Reporting Declaration presents Decathlon's commitments, achievements and plans in terms of corporate social and environmental responsibility (CSR) for the year 2021.

To draw up this Statement, we have set up the following organisation:

■ A dedicated NFRD reporting team:

- a CSR reporting manager in charge of the overall process and quantitative consolidation;
- a chief editor and a co-editor/co-project manager for the qualitative part;
- as well as a project manager for the reporting protocol, organisation of the audit stages and materiality analysis.

This team is responsible for the following aspects: technical and project management, drafting & communication, consolidation of non-financial data, internal reporting protocol - implementation, deployment and use of the reporting tool (PURE) - materiality (*in collaboration with Decathlon's Director of Environmental Transition*).

■ A network of contributors covering the company's various activities and concerns (design, production, distribution, logistics, real estate, legal, climate, biodiversity, etc.);

■ Strategic committees (*advice process*) with various participants (Decathlon's Chief Executive Officer, Director of Environmental Transition, representatives of the "industrial performance" teams, representatives of the HR teams, etc.) to advise the NFRD team on the orientations and decisions related to the non-financial reporting process.

The indicators and qualitative information are collected, verified and provided by contributors from the different operational activities.

The figures are thus checked for consistency and plausibility by the contributors, who are responsible for the reliability of the information they transmit as part of this reporting exercise.

All this information is then consolidated by the reporting project managers for inclusion in the annual NFRD.

Some non-financial indicators are derived from information regularly reported and managed by the company's teammates.

A reporting protocol including the definitions of the indicators as well as the different data collection and consolidation procedures is updated and shared annually with the contributors concerned.

The 2021 data was consolidated using a dedicated IT tool (*PURE reporting tool*), allowing for a more efficient collection and processing of information for Decathlon.

Work to organise and improve the collection, consolidation and reliability of data has been carried out every year since 2013 to bring it into line with changes in regulatory requirements, with the observations of the Independent Third Party Organisation and also to take into account changes in Decathlon's internal projects and strategies on sustainable development. This work over the past years has allowed us to observe the relative reliability of certain information. We are committed to a process of progress and continuous improvement over several years in order to strengthen the internal reporting process and make the data communicated in our non-financial reports more reliable.

The annual NFRD enables Decathlon to measure and report on its social, environmental and societal performance in order to make informed decisions.

The information from the NFRD and the conclusions of the audit carried out by the Independent Third Party Organisation are also used by the Decathlon Treasury teams in the context of the sustainability-linked project loans set up with banks and are communicated to the Independent Experts assessing the company's annual share value.

Verified information

In accordance with regulations, this Non-Financial Reporting Declaration has been verified by an independent third party. The work carried out and the conclusions can be found on page 194.

PRINCIPLES APPLICABLE TO THE DRAFTING OF THE NON-FINANCIAL REPORTING DECLARATION (NFRD):

Based on the GRI G4 (Global Reporting Initiative) Sustainability Reporting Guidelines, Decathlon applies the following principles in preparing its Non-Financial Reporting Declaration (NFRD):

- **Completeness:** to be as comprehensive as possible on the relevant topics to enable the reader of the report to assess the company's CSR performance;
- **Relevance:** the topics considered relevant are those that we consider to be the most significant for our activities and our corporate governance;
- **Clarity:** to be understood by all;
- **Punctuality:** to submit the report on the same dates year after year;
- **Balance:** to give an accurate picture of the company's overall performance by reflecting both positive and negative aspects;
- **Accuracy:** to provide accurate and detailed information for a better understanding by the reader.

REPORTING SCOPE

Decathlon was present in 60 distribution countries, with 103,161 teammates and sales amounted to €13.8bn before tax, in 2021.

The Decathlon Group's scope includes, as of 31/12/2021:

- 1,747 stores (all forms of sales combined)³;
- 74 warehouses and logistics platforms.

In order to establish the target CSR reporting scope for the 2021 financial year, it was agreed to use the scope of financial consolidation, which includes all Decathlon Group subsidiaries as of 31 December of the reporting year, and from which restatements have been made. The restatements made correspond to the exclusion of subsidiaries from the scope of financial consolidation.

Exclusions are made on the basis of:

- Corporate purpose (companies whose sole purpose is to acquire holdings, subsidiaries whose sole purpose is to hold real estate);
- Control (Art.L233-3 French Commercial Code);
- Ongoing operations;
- Sales (threshold of 0.01% of the sum of the sales of the Decathlon Group's subsidiaries) of the subsidiary in question.

For the latter, we consider that the cost of obtaining environmental, social and societal data is not commensurate with its value. The exclusion of these companies does not have a significant impact on the representativeness of the data.

However,

- Any subsidiary with more than 10 stores must be included in the CSR target reporting scope in terms of its impact on "Group" data. In other words, the rule for inclusion in the target CSR reporting scope in terms of the number of stores prevails over the rule for exclusion from the target CSR reporting scope in terms of sales.

- Any subsidiary recording RBU (Reporting Business Unit) which corresponds to sales linked solely to a production activity for Decathlon products, regardless of the amount, must imperatively be part of the CSR target reporting scope with regard to the Duty of Vigilance determined by the Human Responsibility in Production (HRP) indicator, even if, due to the sales threshold, it would be excluded from the CSR target reporting scope.

- For China, in view of the local legal structures, it was decided to establish a specific rule, which consists of the integration of all subsidiaries with distribution and logistics activities.

The coverage rate of the CSR target reporting scope target for 2021 is 99.9% of the sum of the sales of the Decathlon Group's subsidiaries. Any scope limitations are specified at the level of each indicator where appropriate.

METHODOLOGICAL CLARIFICATIONS

1 - "DECATHLON UNITED" REFERS TO THE ENTITY DECATHLON S.E. AND ALL ITS SUBSIDIARIES. THE EXPRESSION "DECATHLON GROUP" (OR THE GROUP) MAY ALSO BE USED TO REFER TO THE SAME SCOPE.

2 - Note that the term "Decathlon brands" refers to Decathlon's own brands (*examples of Signed Sports: Forclaz for trekking activities, Olaian for surfing, Tribord for sailing, etc.*). The term "OIB" refers to other international brands distributed by Decathlon.

3 - The suppliers we refer to are those with which we have direct or indirect commercial relations in the context of the production of our own brand products and their components. The product development approach (ecodesign, quality, human responsibility in production, etc.) presented concerns only products manufactured for our own brands.

4 - Non-financial information on Decathlon's activities relating to Facilities Classified for the Protection of the Environment (ICPE) in France is consolidated at Group level by the CSR lawyer.

5 - Decathlon's main activities include the design, manufacture, wholesale, semi-wholesale and retail of all articles and services useful to sportspeople and their families, and personal equipment in general. Decathlon markets, through its own brand Aptonia, sports nutrition products and food supplements, which do not fall into the category of foodstuffs. As such, Decathlon is not considered a distributor in the food sector.

The issues of food insecurity, sustainable food and food waste are not considered to be material in relation to the number of products and the sales achieved, but Decathlon may take action to reduce the impact of the products that could be concerned.

Furthermore, sports nutrition products and food supplements have a long shelf life and are not highly perishable.

6 - Impact of the pandemic on our activities

In 2021, the health situation was difficult in the first half of the year: the impossibility of practising winter sports, lockdowns in Europe, in particular, and impacts of the zero Covid-19 policies in Asia and Oceania.

Other challenges included massive disruptions in supply chains and a spike in commodity and international transport costs.

Despite these difficulties, we have managed to achieve a significant increase in sales, thanks in particular to the performance of mountain sports and fitness.

All this was done without compromising the health and safety of our teammates and customers.

The share of sales generated outside our stores (digital, B2B, Marketplace, etc.) has remained high and the company has invested to support this new reality.

The share of digital sales reached 20.8% for the year 2021 and represents sales generated by our website, as well as digital in-store and Decathlon Pro (serving clubs, communities and businesses).

In this particular context, it is necessary to analyse the figures and performance in relation to the impacts of Covid-19 on our activities. In the 2021 Non-Financial Reporting Declaration, we clarify our analyses from this perspective whenever possible.

7 - Indicators not included in the 2021 NFRD

In relation to the 2020-2026 Transition Plan, we are working with the teams to define new indicators that will enable us to drive performance:

- For the matter of an "Agile and networked organisation":

→The HR teams are working on the gradual implementation and coordination of a new Digital Maturity Index (DMI) across all countries by 2026. Data is not yet available for this financial year.

- For the matter of "human rights" and the "100% of teammates trained on human rights" commitment:

→The relevant new training is being finalised and rolled out; and indicator reporting will be possible as of the 2022 NFRD.

- For the matter of "overstock management" and the "0 components and finished products incinerated or buried by 2026" commitment: →Commitments have been made at the global corporate level, communicated to the country teams and validated. The teams in charge of "overstock management" are in the process of structuring the accounting tool so that they will gradually have reliable reporting data (*the data to date is declarative and not exhaustive*).

- For the matter of "human, environmental and financial integration in our value measurement" and the "100% of teammates paid on the basis of non-financial performance criteria" commitment:

→Harmonisation work for this indicator is underway and needs to continue in order to be able to publish figures in the next annual NFRD in 2022.

8 - For the business model financial information

This year and for the first time, new financial information has been integrated into the business model in collaboration with the finance teams.

Details are provided below to shed light on the figures shown. Some of this information is available in a simplified form in the consolidated financial statements: <https://www.decathlon-united.media/results2021>.

■ **400 million euro distributed as dividends:** the dividend paid out in 2021 is the dividend declared in 2020. The dividend paid out in 2022 will be the dividend declared in 2021 (as a percentage of 2021 profits).

■ **13.8 billion euro in sales excluding taxes,** or growth of 21.3% in constant currency.

■ **913 million euro in net profit:** this net profit was taken over the 2021 financial period at Decathlon group level. The net profit for France over the 2021 financial period amounts to 429 million euro.

■ **3.7 billion euro in economic contribution:** economic contribution encompasses direct taxes, namely taxes directly owed and paid by Decathlon (such as corporate tax) and indirect taxes collected by Decathlon on behalf of the different countries in which Decathlon conducts its business (such as VAT).

■ **22.4% for the Group's effective tax rate:** the Group's effective tax rate is 22.4%. This is a 7% decrease compared to 2020. This decrease is in part due to a pick-up in profits in countries which were initially sustaining losses, therefore accounting treatment of deferred tax brings the rate down, and is also due to a drop in tax rates in France.

9 - Information on the social component

In accordance with the action plan put in place at the time of the 2016 Sustainable Development Report, the HR Reporting Project Manager appointed in October 2018 integrated three additional countries/regions regarding the collection of social data from payroll software this year, in order to increase the representativeness and reliability of the scope.

The Netherlands, Mexico and Taiwan were therefore included in addition to the previous 17 regions and countries (*France, Spain, Italy, Belgium, China, Germany, Portugal, Poland, Russia, India, Hungary, Turkey, Brazil, Czech Republic, Romania, United Kingdom and Morocco*), bringing the total scope to 87.77% of the worldwide workforce.

Most of the quantitative information published on these countries and regions is therefore produced on the basis of country/region-specific payroll software.

The quantitative data published for the remaining 12.23% is calculated on the basis of data reported in the "Identity Access" tool, which is relatively reliable.

It should be noted that some indicators are also calculated solely on the basis of this "Identity Access" tool ("*breakdown by activity*" indicator).

A collection framework was established beforehand with a standard definition for each indicator collected.

At the same time, the remaining countries/regions will be contacted progressively to integrate the collection framework via their payroll extractions in order to make the data more reliable, to aim for 90% by the time of the 2022 NFRD.

2022: +3 countries (Switzerland, Singapore, Canada)

2023: +3 countries (Colombia, Thailand, Malaysia)

2024: +3 countries (Israel, Chile, Slovakia)

A network of contributors for social data is gradually being set up in our various countries/regions by the HR Reporting Project Manager, with the aim of broadening the scope of qualitative HR information communicated in the next NFRD (*currently mainly France*) and also with a view to improving the teams' management of the performance figures.

³ Franchised stores whose sales are not consolidated in the income statement have been excluded.

10 - Logistics figures

Methodological work was carried out in 2021 to broaden the scope of part of the transport indicators; they are now reported on a world scope rather than for Europe as previously.

In 2021, Europe accounted for 71% of the quantities of items shipped from the producing countries.

11 - Environmental information and the greenhouse gas (GHG) emissions inventory

CO₂ emissions were calculated according to the GHG Protocol, which divides emissions into three scopes (1, 2 and 3). The operational control method was used.

Scope 1 includes emissions from refrigerant leaks, natural gas consumption and leased vehicles.

Where actual data is not available, estimates are made. Most of the refrigerant data is estimated on the basis of a kg/m² ratio.

The ratio was calculated on the basis of the average cooling capacity and the surface area of stores and warehouses.

Only Spain, Italy, Turkey, Poland and the Netherlands have actual data to report.

For natural gas, when certain actual data is missing, an estimate is made based on the kWh/m² ratio of the previous year calculated from the actual Group (United) data.

Scope 2 includes emissions related to the purchase of electricity.

The emissions are calculated using the "market-based" and "location-based" methods. The "market-based" method is the one used as a priority to monitor our performance.

Scope 3 includes the indirect emissions from our activities.

- With regard to products sold: the extraction of raw materials, the processing of these materials, the use and end-of-life of the products sold;

- With regard to our sites: the construction of our sites, the purchase of equipment, the production of waste, indirect emissions from the purchase of electricity;

- The transport of our products, teammates and customers.

GHG emissions are calculated by multiplying an activity data and an emission factor. Activity data was collected within the defined scope.

Where data was unavailable or incorrect, it was assumed or extrapolated from actual data.

Excluding the calculation of the impacts of our products and energy emission factors, the other emission factors come mainly from the Base Carbone database administered by ADEME (<http://www.bilans-ges.ademe.fr/>). Only some factors come from specific sources for Taiwan.

Product impact modelling is carried out using simplified life cycle analyses. The calculation is performed using an ecodesign module integrated into our internal design tool. The product impact data comes from the ADEME Impact Database. In 2022, this design tool will evolve towards greater precision by using more complete and up-to-date environmental impact databases. This change of tool will have a significant impact on the measurement of our corporate carbon footprint and will result in the recalculation of Decathlon's performance, including that reported in this NFRD.

The scope taken into account for the GHG inventory is made up of Decathlon's own sites that were open for at least one month during the year 2021, i.e. 1,814 Decathlon stores and 51 warehouses. The number of warehouses reported in previous years was higher because subcontracted warehouses were included, but which are not actually sites owned by Decathlon. They have therefore been transferred to the scope 3 footprint assessment.

The number of sites is different from that consolidated by the financial tools because the sites closed during the year are taken into account in the CO₂ and waste consolidations.

In 2021, we deployed a new tool for consolidating the data impact of our products (SAC1). The main differences with the previous tool (AFO) are:

1) Management of products returned by customers and resold in stores: the impact of their manufacture was counted twice in AFO (at the 1st sale and at the 2nd).

2) The method of assigning an emission factor when the product shows an impact of 0 kg in our tools (this is the case for about 3% of our references).

In 2021, we included specific emission factors for the kWh from renewable energy that our monitored suppliers (mainly our Rank 1 suppliers) consumed. We also added kWh that are not taken into account in our LCAs as described in the paragraph on how the indicators are calculated.

The impacts of these methodological changes to improve the reliability of our carbon footprint have been carried over to the climate data reported in previous years for comparability purposes.

Where the details of available data from previous years allowed (2019, 2020), the history has been updated on the basis of this data.

Where the details of the data did not allow it (2016, 2017, 2018), the impact of the methodological changes has been carried forward proportionally to the historical data.

By updating the carbon footprint of the base year 2016, to make it methodologically comparable with that of 2021, variations are induced into our performance that are (partly) uncorrelated with the actions taken to mitigate our climate impact.

For a transparent approach, Decathlon presents the evolution of its knowledge, tools and methodological choices, and their impact on performance. Further changes are expected for the next NFRD as work continues to make the company's "climate change" data more robust. These methodological changes do not prevent Decathlon from highlighting its climate impact mitigation actions.

- For energy consumption and energy efficiency per m²:

As for last year, only stores and warehouses that have been open for more than one year are included in the energy efficiency calculation. We also exclude sites that closed during the year, production offices and central offices.

The scope includes 74 out of 74 warehouses (100%) and 1,611 out of 1,636 stores (98.5%).

Data is estimated when not available (see details above).

Where actual data is not available, consumption is estimated on the basis of the surface area of each site and a kWh/m² ratio calculated or constructed on the basis of historical data available either at site, country or Group (United) level.

In 2021, 6% of natural gas kWh came from estimated data, while 94% was actual data.

For electricity, 13% of electricity kWh came from estimated data while 87% was actual data.

- Water consumption in stores and warehouses:

Decathlon's water consumption is not considered as significant; it is limited to sanitary facilities, break rooms, watering green areas and testing sprinklers. This average consumption was calculated in 2016 on the basis of actual data obtained from a sample of 23 stores and 1 warehouse; it confirmed the fact that there was no exhaustive reporting given the low consumption.

- Regarding data on waste from stores and warehouses:

The scope of the sites included in the monitoring of waste production in the Metrio tool remains the same as last year: 100% of stores (1,777 stores including 5 Ghost stores* and 29 Closed stores**) and 100% of warehouses (78 warehouses including 3 Ghost warehouses* and 1 Closed warehouse**).

Note:

*Ghost stores & Ghost warehouses: fictitious sites created by computer to track non-physical data (e.g. online).

** Closed stores & closed warehouses: sites that closed during 2021 but that may have generated waste during the months they were open, hence their inclusion.

Where actual waste data is missing, this data is estimated based on a ratio of kg waste/physical quantities sold (for stores) or shipped (for warehouses).

This ratio was calculated using the actual historical data available.

The ratio was recalculated this year based on the analysis of said historical data (from 2016 to 2020), by type of site (logistics and stores). This year, the waste ratio for warehouses is 0.018 (vs. 0.011 in 2020) and the waste ratio for stores is 0.0548 (vs. 0.0567 in 2020).

The quantities estimated by these ratios are considered unsorted and induced in the "waste landfill" category of our Metrio tool. Therefore, countries and sites for which we have no actual data have a recycling rate of 0%.

In 2021, 59% of store waste quantities and 68% of warehouse waste quantities were derived from actual data; i.e. 63% actual data overall.

Therefore, 41% of the quantities of store waste and 32% of the quantities of warehouse waste corresponded to estimated data.

This year, the decision was made to include a recovery rate indicator for all countries in order to align with the commitments in the Transition Plan.

This indicator is intended to be close to the recycling rate, except that it includes the quantities of "hazardous waste" and "incineration with energy recovery".

We also decided to be more demanding with regard to the quantities declared in recycling flows by requesting a certification document from the waste service provider ensuring proper waste recovery. This requirement has deterred many sites from entering data, as such a document can be difficult to obtain from our service providers.

12 - Information on the biodiversity impact assessment

The biodiversity impact assessment:

The biodiversity footprint was calculated using the GBS (Global Biodiversity Score) method from the CDC Biodiversity (<https://www.cdc-biodiversite.fr/gbs/>) which divides emissions into two ecosystems (terrestrial and aquatic) and two time frames (past and annual). The GBS links data on economic activity to pressures on biodiversity and translates them into biodiversity impacts.

The unit favoured by Decathlon is the artificialised m² eq., whereas in scientific circles the MSA.m² is the reference unit. (1 MSA.m² = 1 artificialised m² eq.).

The unit preferred by CDC Biodiversity is the MSA.km², where MSA stands for "Mean Species Abundance", a metric that reflects the intactness of ecosystems.

MSA values range from 0% to 100%, where 100% represents a pristine, undisturbed ecosystem (source page 9 - Global biodiversity score: establishing an ecosystem of stakeholders to measure the biodiversity performance of human activities N°18 - December 2021).

Decathlon has preferred the artificialised km² eq directly linked to the reference unit (1 MSA.km² = 1 artificialised km² eq.), which is simpler and more pedagogical.

The artificialised km² eq. metric refers to the artificialised surface, characterising the modification of a natural area by the pressures of human activities.

The impacts on biodiversity are calculated by multiplying an activity data and commodity factors, pressure and/or erosion factors. Activity data was collected within the defined scope.

Where data was unavailable (e.g. financial data, cottonseed consumption) or had divergent sources (e.g. the land area of Decathlon stores), it was assumed or extrapolated from actual data.

Apart from the company's land areas (scope 1), its polyester and cotton consumption and its carbon pressures, the majority of the data used is internal financial data.

The CO₂ impacts are modelled using the GHG method (see section 11).

The scope taken into account for the annual biodiversity assessment is made up of all Decathlon activities from 1 January to 31 December 2021.

The past biodiversity assessment is extrapolated using Decathlon's activity data from 1 January to 31 December 2021.

13 - Restatement of historical data and correction of errors

Some data calculated in previous years may exceptionally be different from that communicated in our 2021 Non-Financial Reporting Declaration, in particular when data entry or calculation errors have been detected.

If changes in methods have been made between 2020 and 2021, this is mentioned in a footnote to the indicator concerned.

REPORTING PERIOD

The reporting period for non-financial data is based on the calendar year (1 January - 31 December 2021) to ensure consistency with the business year of Decathlon companies as well as with existing company reporting.

In the event that certain data relates to a reporting period other than the calendar year, this is stated in the body of the report.

METHODOLOGICAL LIMITATIONS OF THE INDICATORS

This is the ninth non-financial report for Decathlon, and it is part of a continuous improvement process over several years to structure and strengthen the process internally.

Environmental, social and societal indicators may have methodological limitations due to:

- The non-harmonisation of definitions, national/international legislation and local practices;
- The difficulty to collect information without a software solution for some data;
- Manual entry of information into the PURE reporting tool: its certainty depends on the quality of the data entered by the teams;
- The availability of certain data within a restricted scope;
- Extrapolation and estimation of some data where actual data is not available;
- The progressive implementation of our internal reporting protocol covering the collection, consolidation and control of indicators.

APPENDICES

METHODOLOGICAL NOTE

NFRD CROSS-REFERENCE TABLE

This table indicates where to find the information required by the regulatory obligations of the Declaration of Extra-Financial Performance within this publication:

CROSS-REFERENCE TABLE FOR REGULATORY OBLIGATIONS	Where to find this information?
CLIMATE CHANGE	Fighting against climate change on p. 48
SOCIETAL COMMITMENTS IN FAVOUR OF SUSTAINABLE DEVELOPMENT	Territorial dynamics on p. 128 The Decathlon Foundation on p. 132
CIRCULAR ECONOMY	Developing more responsible products on p. 72 Committing to more sustainable consumption on p. 82
THE FIGHT AGAINST FOOD WASTE AND FOOD INSECURITY	Fighting food waste through Too Good To Go, on p. 105
ANIMAL WELFARE	Choosing more sustainable materials on p. 79
RESPONSIBLE, SUSTAINABLE AND FAIR-TRADE FOOD CHOICES	Fighting food waste through Too Good To Go, on p. 105
COLLECTIVE AGREEMENTS	Teammate well-being on p. 22 Diversity and inclusion on p. 24 Sharing value and shareholding on p. 40
MEASURES IN FAVOUR OF PEOPLE WITH DISABILITIES	Disability on p. 27
THE FIGHT AGAINST DISCRIMINATION, PROMOTING DIVERSITY	Diversity and inclusion on p. 24
BUSINESS MODEL	Our value creation model on p. 10-11
MAIN NON-FINANCIAL RISKS	Our main extra-financial risks on p. 16-17
POLICIES	Transition Plan on p. 21, 49, 73, 83, 95 and 107
RESULTS AND KEY PERFORMANCE INDICATORS	Performance indicators on p. 141

METHODOLOGICAL NOTE

OUR MAIN NON-FINANCIAL RISKS

This table below also shows the correlations between the list of main non-financial risks and the key performance indicators:

DEVELOPING PEOPLE	Description of risks (-)	Description of opportunities (+)	Materiality matrix issues	Transition Plan	Indicators
Meaning and Values	Loss of meaning and lack of clarity regarding corporate values (-)	Teammate commitment, cohesion (+)	Empowering and fair management	60% of teammates* say they are happy to come to work every morning, to support our project, their project, and the overall company purpose. <i>*Who replied "yes, completely"</i>	Results of the Decathlon Teammates Barometer (DTB)
Employment and skills management	Loss of skills including expertise, insufficient attractiveness, disemployability, inadequate response to development needs, failure to anticipate job changes, loss of connection between teammates and the company (-)	Availability and quality of skills, talent development (+)	Skills and know-how development Attractive jobs and talent management	100% of teammates* say they take responsibility for their progress <i>*Who responded "yes, totally" or "yes, generally"</i>	Results of the DTB Percentage of people having received at least 3 hours of training in the past two years
Sharing value	Pay cut (-)	Sharing value, participating in company development, project involvement (+)	Sharing created value	100% of eligible teammates are co-owners of Decathlon (if they so wish), thanks to the employee shareholder scheme	Percentage of employee shareholders
Health and safety of teammates	Accident, illness, psychological risks (-)	Teammate health and safety, quality of work life (+)	Healthy and well-being working conditions	100% of teammates* feel safe in their work environment <i>*Who responded "yes, totally" or "yes, generally"</i> 100% of teammates can express themselves and are heard	Results of the DTB Frequency rate of workplace accidents
Fundamental human rights	Serious violation of human rights, fundamental freedoms, health and safety of teammates, third parties, suppliers and providers (-)		Working conditions and human rights Fair buying practices	90% of Rank 1 production sites of suppliers are ranked A, B or C in line with our audit grid	Percentage of Rank 1 production sites of suppliers rated A, B or C in human responsibility in production assessments (% of HRP ABC)
Health and safety of customers	Danger for health during use (-) Accident (-)	Customer/sports user health and safety, product safety (safety, solidity, etc.) (+) Customer safety in stores (+)	Product quality and safety n/a		Return rate per million (RPM)
Customer satisfaction	Negative image, dissatisfaction, loss of turnover (-)	Customer satisfaction, referral, loyalty, cart amount, product innovation, new consumption trends (+)	Delighted users Product affordability	76% of our users are delighted** <i>**Users who gave a score of 5/5 in our customer ratings</i>	Percentage of sports users delighted with Decathlon products
PRESERVING NATURE	Description of risks (-)	Description of opportunities (+)	Materiality matrix issues	Transition Plan	Indicators
Climate change	Physical and transition risks (-)	Energy savings, resource availability (+)	Transition for a low-carbon economy Natural capital and biodiversity	To reduce by 53% scope 1, 2 and 3 GHG emissions intensity (tCO ₂ e/Eur value added) by 2026 from a 2016 base year	CO ₂ emissions in scope 1 and 2 CO ₂ emissions in scope 3: product transportation Energy consumption per m ² Waste recycling rate on sites
Environmental impacts	Pollution impacts, gradual depletion of resource availability and quality (-)	Emission and pollution control, protection and optimisation of resources in the value chain (+)	Resources preservation and circular economy Raw material prices and availability User environmental information	100% of our sales are realised with Ecodesign products 90% of our concerned Rank 1 and Rank 2 suppliers' sites are ranked A, B or C in line with our audit grid 100% of Decathlon products will have environmental labelling by 2026	Sales realised with Ecodesign products Percentage of Rank 1 and Rank 2 production sites rated A, B or C in environmental assessments Percentage of products with an environmental labelling
CREATING SUSTAINABLE VALUE	Description of risks (-)	Description of opportunities (+)	Materiality matrix issues	Transition Plan	Indicators
Transformation of the business model	Strategy for opening up to other economic partners not implemented (-)	New consumption trends, development of the economy of use (+)	Business model	n/a	Sustainable sales
Extra-financial data	Lack of data governance, reliability, integrity, inadequate access (-)	Data control along the entire value chain, better information management, better decision making, organisational efficiency (+)	n/a	n/a	n/a
Ethics	Internal and external acts of fraud/corruption (-)	Integrity, loyalty, values and moral principles in doing business, trust in business relations (+)	Business ethics	100% of teammates have access to the internal alert platform that allows them to ask questions or alerts 100% of reports are handled and dealt with	Number of reports received on Whispli

CONFIRMATION OF PARTICIPATION AND REPORT ON THE FAIRNESS OF INFORMATION

DECATHLON
FINANCIAL YEAR ENDED
December 31, 2021

Report of the independent third-party on the verification of the consolidated non-financial performance statement included in the management report

To shareholders,

In our capacity as an Independent Third Party, member of Mazars Group, statutory auditors of DECATHLON Group and accredited by COFRAC Inspection under number 3-1058 (scope of accreditation available on www.cofrac.fr), we carried out work aimed at formulating a reasoned opinion that expresses a limited level of assurance on the historical information (observed and extrapolated) of the consolidated extra-financial performance statement, as well as at the request of the company and outside the scope of accreditation, a conclusion with a reasonable assurance on a selection of information, prepared in accordance with the entity's procedures (hereinafter the "Statement") for the financial year ended December 31, 2021 (hereinafter respectively the "Information" and the "Statement"), presented in the management report of the group in application of the provisions of Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the Commercial Code.

CONCLUSION

Concerning the *Employment and Skills Management* risk, the Group has identified a key performance indicator: *Percentage of teammates who have had at least 3 hours of training in the last two years*. Despite a new Group tool for monitoring training implemented in 2020, anomalies were identified that called into question the reliability of the data, preventing the publication of the indicator since the 2019 financial year. The work undertaken to make training hours more reliable must be continued and strengthened in 2022.

Based on the procedures we performed, as described in the "Nature and scope of our work" and the evidence we collected, nothing has come to our attention that causes us to believe that the consolidated non-financial statement is not presented in accordance with the applicable regulatory requirements and that the Information, taken as a whole, is not presented fairly in accordance with the Guidelines, in all material respects.

COMMENTS

Without modifying our conclusion and in accordance with article A. 225-3 of the French Commercial Code, we have the following comments:

- On the HR pillar, the scope of publication is not exhaustive or homogeneous for all indicators and covers between 71.4% and 87.8% of the Group's workforce as of 31 December 2021, due to the absence of reporting by certain countries. The countries affected by these exclusions are specified indicator by indicator in the Statement.

PREPARATION OF THE NON-FINANCIAL PERFORMANCE STATEMENT

The absence of a generally accepted and commonly used framework or established practices on which to base the evaluation and measurement of the Information permits the use of different, but acceptable, measurement techniques which may affect comparability between entities and within the time.

Consequently, the Information must be read and understood with reference to the entity's procedures (hereinafter the "Guidelines"), the significant elements of which are presented in the Statement and which are available on request from the entity's head office.

LIMITS INHERENT IN THE PREPARATION OF THE INFORMATION

The Information may be subject to uncertainty inherent in the state of scientific or economic knowledge and the quality of the external data used. Some information is sensitive to the methodological choices, assumptions and/or estimates used for their preparation and presented in the Statement.

THE ENTITY'S RESPONSIBILITY

The Board of Directors is responsible for:

- selecting or setting appropriate criteria for the provision of the Information;
- preparing the Statement with reference to legal and regulatory requirements, including a presentation of the business model, a description of the principal non-financial risks, a presentation of the policies implemented considering those risks and the outcomes of said policies, including key performance indicators;
- and implementing internal control procedures deemed necessary to preparation of information, free from material misstatement, whether due to fraud or error.

The Statement has been prepared by applying the entity's procedures as mentioned above.

RESPONSIBILITY OF THE INDEPENDENT THIRD PARTY

On the basis of our work, our responsibility is to provide a report expressing a limited assurance conclusion on:

- the compliance of the Statement with the requirements of article R. 225-105 of the French Commercial Code;
- the fairness of Information (observed or extrapolated) provided in accordance with article R. 225 105 I, 3° and II of the French Commercial Code, i.e., the outcomes, including key performance indicators, and the measures implemented considering the principal risks (hereinafter the "Information").

However, it is not our responsibility to comment on the entity's compliance with other applicable legal and regulatory requirements, in particular the French duty of care law and anti-corruption and tax avoidance legislation nor on the compliance of products and services with the applicable regulations.

This is not our responsibility to express an opinion on:

- the entity's compliance with other applicable legal and regulatory requirements (in particular regarding the due diligence plan and the fight against corruption and tax evasion);
- the compliance of products and services with applicable regulations.

REGULATORY PROVISIONS AND APPLICABLE PROFESSIONAL STANDARDS

The work described below was performed with reference to the provisions of articles A. 225-1 et seq. of the French Commercial Code, as well as with the professional guidance of the French Institute of Statutory Auditors ("CNCC") applicable to such engagements and with ISAE 3000.

INDEPENDENCE AND QUALITY CONTROL

Our independence is defined by the requirements 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 applicable legal and regulatory requirements, the ethical requirements and French professional.

MEANS AND RESOURCES

Our work was carried out by a team of 7 people between September 2021 and April 2022 and took a total of 7 weeks.

We called on our specialists in sustainable development and social responsibility to assist us in our work. We conducted around 10 interviews with the people responsible for preparing the Statement, representing in particular CSR, Internal Audit and Risk, Human Resources, Health and Safety, Environment and Compliance.

NATURE AND SCOPE OF OUR WORK

We planned and performed our work considering the risks of significant misstatement of the Information.

We are convinced that the procedures we have carried out in the exercise of our professional judgment enable us to provide a limited assurance conclusion:

- we obtained an understanding of all the consolidated entities' activities and the description of the principal risks associated;
- we assessed the suitability of the criteria of the Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, with due consideration of industry best practices, where appropriate;
- we verified that the Statement includes each category of social and environmental information set out in article L. 225 102 1 III;
- we verified that the Statement provides the Information required under article R. 225-105 II of the French Commercial Code, where relevant with respect to the principal risks, and includes, where applicable, an explanation for the absence of the Information required under article L. 225-102-1 III, paragraph 2 of the French Commercial Code;
- we verified that the Statement presents the business model and a description of principal risks associated with all the consolidated entities' activities, including where relevant and proportionate, the risks associated with their business relationships, their products or services, as well as their policies, measures and the outcomes thereof, including key performance indicators associated to the principal risks;
- we referred to documentary sources and conducted interviews to:
 - assess the process used to identify and confirm the principal risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the principal risks and the policies presented, and;
 - corroborate the qualitative information (measures and outcomes) that we considered to be the most important presented in Appendix 1; concerning the risk related to corruption, our work was carried out on the consolidating entity, for the others risks, our work was carried out on the consolidating entity and on a selection of entities';
- we verified that the Statement covers the scope of consolidation, i.e., all the consolidated entities in accordance with article L. 233-16 of the French Commercial Code within the limitations set out in the Statement;
- we obtained an understanding of internal control and risk management procedures the entity has put in place and assessed the data collection process to ensure the completeness and fairness of the Information;
- for the key performance indicators and other quantitative outcomes that we considered to be the most important presented in Appendix 1, we implemented:
 - analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data;
 - tests of details, using sampling techniques, in order to verify the proper application of the definitions and procedures and reconcile the data with the supporting documents. This work was carried out on a selection of contributing entities' and covers between 24% and 100% of the consolidated data relating to the key performance indicators and outcomes selected for these tests;
- we assessed the overall consistency of the Statement based on our knowledge of all the consolidated entities.

The procedures performed for a limited assurance engagement are less extensive than those required for a reasonable assurance engagement performed in accordance with the professional doctrine of the French Institute of Statutory Auditors ("CNCC"). Indeed, the procedures performed for reasonable assurance required more comprehensive verification work.

The Independent Third-Party body
mazars
Paris La Défense, 16 June 2022

Isabelle MASSA
Partner

Edwige REY
CSR & Sustainable Development Partner

1. France, Romania, Morocco, China, Italy, Poland, Russia, Taiwan, Turkey, Spain, India, Brazil.

APPENDIX 1: LIST OF QUALITATIVE AND QUANTITATIVE INFORMATION, INCLUDING KEY PERFORMANCE INDICATORS AND CONTRIBUTING ENTITIES

Qualitative information (actions and results) relating to the main risks:

- Client and employee data security;
- Integration of ESG criteria in wages;
- Plastic in oceans;
- Destruction of surplus stocks and "Save the Frogs" project;
- Biodiversity project;
- Fight against corruption and ethics;
- Duty of care.

Quantitative indicators including key performance indicators:

Quantitative social information	Entities audited
Workforce at 31/12/2021	France, Romania, Morocco
Percentage of teammates on permanent contracts	France, Romania, Morocco
Percentage of people who have had at least 3 hours of training in the last 2 years	France, Romania, Morocco
Results of the Decathlon Teammates Barometer	France, Romania, Morocco
Percentage of employee shareholders	France, Romania, Morocco
Frequency rate of accidents resulting in time off work	France, Romania, Morocco
Quantitative environmental information	Entities audited
Percentage of products with an environmental label	France
Energy consumption per m ²	France, Romania, Morocco
Waste sorting rate	France, Romania, Morocco
CO ₂ emissions scope 1 et 2	France, Romania, Morocco, China, Italy, Poland, Russia, Taiwan, Turkey, Spain
Share of sustainable sales and share of Ecodesign sales	France, Romania, Morocco
Percentage of purchasing volumes produced from suppliers who only use renewable electricity (<i>testing</i>)	France, Morocco, India
Percentage of purchasing volumes produced from suppliers who have set their CO ₂ trajectory according to SBTi guidelines (<i>testing</i>)	France, Morocco, India
CO ₂ emissions scope 3 (international transport + warehouse to warehouse) (<i>testing</i>)	France, Romania, Morocco
Quantitative societal information	Entities audited
Percentage of Rank 1 and Rank 2 suppliers rated A, B or C for Human Responsibility in Production	France, Morocco, India
Percentage of Rank 1 and Rank 2 production sites rated 1, B or C in environmental assessments	France, Morocco, India
Percentage of users delighted with Decathlon products	France, Romania, Morocco
Return rate per million	France, Romania, Morocco
Number of alerts received on the internal alert platform	Group

APPENDICES

GLOSSARY

ABBREVIATIONS

ADEME	Agence de la transition écologique (<i>The French Agency for Ecological Transition</i>)
AFIR	Association familiale d'investisseurs responsables (<i>Family Association of Responsible Investors</i>)
AFM	Association familiale Mulliez (<i>Mulliez family association</i>)
Bn	Billion
CDP	Carbon Disclosure Project
COP26	Conference of Parties 26
CSR	Corporate Social Responsibility
Ctn	Container
DTB	Decathlon Teammates Barometer
EPR SLG	Extended Producer Responsibility for Sports and Leisure Goods
ESG	Environmental, Social, and Governance
GDPR	General Data Protection Regulation
GHG	Greenhouse gas
HR	Human Resources
HRP	Human responsibility in production
ILO	International Labour Organisation
IOM	International Organisation for Migration
IPBES	Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services
IPCC	Intergovernmental Panel on Climate Change
LCA	Life cycle analysis
NFRD	Non-Financial Reporting Declaration
NGO	Non-Government Organisation
OECD	Organisation for Economic Co-operation and Development
OIB	Other international brands
OPM-SD	Operational Process Manager in Sustainable Development
PEF	Product Environmental Footprint
PPA	Power Purchase Agreement
R&D	Research and development
RPM	Returns per million
SBTi	Science Based Target Initiative
SDG	Sustainable Development Goals
TCFD	Task Force on Climate Related Financial Disclosures
UN	United Nations
UNFCCC	United Nations Framework Convention on Climate Change
WCUD	World Clean Up Day

DEFINITIONS

"Decathlon United": refers to the entity Decathlon S.E. and all its subsidiaries. The expression "Decathlon Group" (or the Group) may also be used to refer to the same scope.

Rank 1 suppliers: are bound contractually to a company within the Decathlon group for the production or assembly of finished and semi-finished products (via a manufacturing agreement), or for the supply of raw materials or components (via a purchasing agreement); they receive purchase orders from the aforesaid company, which they invoice directly.

Rank 2 suppliers: contribute to the value chain of Decathlon products. They have a direct commercial relationship with Rank 1 suppliers, with whom they organise and manage the purchase orders and invoicing. The Decathlon group reserves the right to intervene in the selection or approval of these Rank 2 suppliers, though without interfering in the commercial and legal relationship between Rank 1 and Rank 2 suppliers.

UNITS OF MEASUREMENT

€	euro
CO ₂	carbon dioxide
CO ₂ eq.	carbon dioxide equivalent
g	gramme
kg	kilogramme
km	kilometre
km ²	square kilometre
kWh	kilowatt hour
m ²	square metre
m ³	cubic metre
t	tonne



ACKNOWLEDGMENTS

Decathlon would like to thank everyone who has helped to produce this Non-Financial Reporting Declaration:

- **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.
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