

DECATHLON

#TomorrowStartsToday

2022 NON-FINANCIAL REPORTING DECLARATION

Vitality | Responsibility | Generosity | Authenticity



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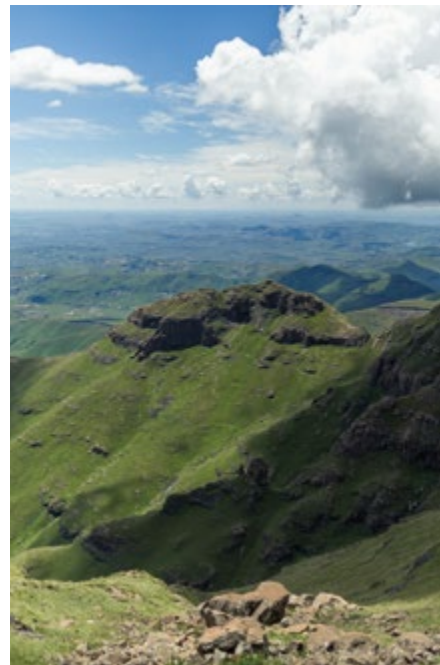
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In the event of discrepancies between the French and English versions of this Non-Financial Reporting Declaration, the French version shall prevail.

CHALLENGES & STRATEGIES

COLLECTIVELY COMMITTED TO SUSTAINABLE PROGRESS



DECATHLON IS COMMITTED TO THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS



CHALLENGES & STRATEGIES

EDITORIAL

Barbara MARTIN COPPOLA

CEO of Decathlon

How do you feel about your first year as the CEO of Decathlon?

This first year has been exciting, stimulating and full of optimism for the future. Every day at Decathlon, more than 104,000 committed and talented people put their passion to work for others and for a more sustainable sports practice. They are our greatest strength!

Since my arrival, I have met hundreds of teammates in many countries and have taken the time to explore our different professions and products. I have also witnessed our employees' commitment and the progress Decathlon has made in recent years regarding sustainable development. Being a part of this company really energises me!

We have achieved a lot in the past few months: we have set up a new Executive Committee and aligned its responsibilities with our strategic priorities. We have also put in a real team effort to write the new business project with dozens of teammates from all walks of life. This project will guide everything we do until 2026 and will help us to build a new era for Decathlon together, while overcoming the many challenges that lie ahead.

What challenges await Decathlon today?

Even though the economy is picking up after two years deeply affected by the COVID-19 pandemic, we are operating in an increasingly uncertain world with strains on the energy market, a sharp increase in the price of raw materials, supply chain instability and major geopolitical tensions. In addition, there are also extreme weather events and a scarcity of natural resources worldwide.

At the same time, the pace of change is accelerating in our market, with increasing digitalisation alongside new technologies and innovations that are emerging at a growing rate. Society's expectations are also evolving rapidly. Brands have to demonstrate a high level of responsibility and adapt to the expectations of both customers and employees, who are looking for meaning and new experiences.

At Decathlon, this calls for innovative new products, developing responsible ranges, implementing new business models and creating a new user experience that is both physical and digital.



History is being written today and in this shifting context, I'm convinced that Decathlon has a lot to offer the world through its new purpose: "Move people through the wonders of sport!"

What are Decathlon's main assets in this context and how does its business strategy address these challenges?

To meet these challenges, we can count on the strengths firmly rooted in Decathlon's DNA. The company's purpose is strongly aligned with people's aspirations, and we have built a very special relationship with our customers. Decathlon's reliable track record of growth and value creation also means we can look to the future with confidence. Our teams have a unique knowledge of sport and share sound values and a corporate culture; that is the magic of Decathlon! So, our company has a major role to play in this new global context. Through our values, our passion and the commitment of our 104,116 teammates, we can have a very positive impact on society and on our planet.

To go even further, we will strengthen and expand our playing field by focusing on operational excellence and optimising inventory, winning new territories around the world and investing even more in digital technologies. We will also rebalance our physical and digital distribution channels so they can support each other better. One of the biggest challenges in our new strategy will be to reduce our environmental impact and build alternative business models. This will create value for business, society and the planet.

So, where does sustainable development fit into this new project?

People and the environment are at the company's heart; they represent two of the five pillars in our new strategy² and are now just as important as our financial performance criteria.

We remain true to our heritage, putting people at the heart of the project. Today, it is thanks to each and every teammate that we can work to achieve all our ambitions and fulfil our purpose. Our new project positions Decathlon as a people-centred, modern company focused on executional excellence, where everyone contributes to the fulfillment and development of all. In particular, we want to continue to work towards more diverse and international teams.

We want the company to be a driving force for the planet and a beacon of light for a sustainable future. By identifying areas where we can create value in line with the requirements of the Paris Agreement and the planetary boundaries, we can validate the strategies and actions that our teams have already commenced. With this project, we are accelerating our actions to go further in our commitment to the environment, and by 2026, we aim to reduce our absolute CO₂ emissions by 20% compared with 2021.

“ People and the environment are at the company's heart; they represent two of the five pillars in our new strategy and are now just as important as our financial performance criteria.”

How can this ambitious goal to reduce carbon emissions be achieved?

As I've already pointed out, the company has made a lot of progress in this area in recent years. In 2022, Decathlon managed to reduce its year-on-year absolute CO₂ emissions for the first time ever, all while increasing sales revenue and quantities. But, to reach our new climate goal, we have to strengthen the scope of our efforts even more and act on the three levers we have identified: decarbonise the company's activities; optimise our offer and design products that last; and thirdly, scale up our circularity business models. All these levers will be solidified by the digital transformation and our integrated environmental performance management.

At the same time, we need to use our influence to promote systemic change, both inside and outside the company. Teammate awareness and involvement are crucial to this, and we will meet the challenge by putting the environment at the heart of our corporate culture.

What do you think Decathlon's future will look like?

Our economic model has to evolve if we hope to address the issues facing our society, especially the climate emergency. Through the widespread use of more sustainable materials and circularity solutions, our products will have a reduced impact and can be handed down from person to person, from generation to generation. We will also have to go beyond just selling products, to better support our customers in their activities and experiences, so that Decathlon becomes a true sports partner on a daily basis.

This will be our legacy: enabling everyone to practice sport on their terms, while working to reduce our footprint on the planet, the one-of-a-kind playing field that unites us all. All this can be made possible through the generosity, ingenuity and passion of our teammates. We have a long way to go, and a lot to achieve to make our activities compatible with planetary boundaries. But we are ready and determined to move in this direction as a team.

So, I'm optimistic about Decathlon's future because we have all the tools we need to succeed collectively in our mission to take action for people, sport and the planet.

“ This will be our legacy: enabling everyone to practice sport on their terms, while working to reduce our footprint on the planet, the one-of-a-kind playing field that unites us all.”

1. More information on Decathlon's new purpose on p. 16-17.

2. More information on Decathlon's new strategy on p. 18-19.

CHALLENGES & STRATEGIES

DECATHLON IN FIGURES

As of 31/12/2022

€15.4 bn
in sales excluding taxes
+11.7% more than in 2021

59
countries of distribution
-1 country in 2022: Sri Lanka

104,116
teammates
0.93% more than in 2021

91%
of teammates
are happy to come to work
91% in 2021

1.75%
of circularity sales
1.43% in 2021

441 million
sportspeople reached
by our products
in stores and on the Internet

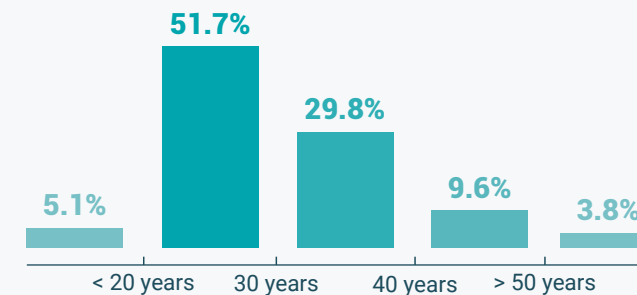
46.3%
women
53.7%
men

"Yes, absolutely" **55%**
"Yes, somewhat" **36%**

16.8%
of digital sales
20.8% in 2021

52
partner suppliers
out of a total of 1,267 suppliers

Breakdown of teammates by age



Breakdown of teammates by activity



36
Decathlon
brands

1,751
stores worldwide
(company-owned, excluding franchises)
68 more points of sale than in 2021

74 warehouses
and logistics
platforms

71.7%
of delighted
sports customers
69% in 2021

86.7%
of relevant sites
for Rank 1 suppliers
were rated A, B or C
for human responsibility
in production
11% more than in 2021

1.7%
less carbon emissions
in absolute value vs 2021

83.4%

11 million
sports sessions were held using Decathlon's services

60.3%
of textile and footwear
products display
their carbon footprint

of relevant sites for our Rank 1 and Rank 2 suppliers were rated A, B or C for environmental management
8.3% more than in 2021

46,860 beneficiaries
in a vulnerable situation
were able to practise a sport
regularly in 23 countries, thanks
to the Decathlon Foundation's support

66 projects validated by
the Decathlon Foundation

2022 HIGHLIGHTS



CHALLENGES AND STRATEGIES

Building and sharing of Decathlon's new purpose along with the company's five strategic pillars (2023-2026), p. 16 à 19

Updated materiality matrix and the introduction of the concept of double materiality, p. 20 à 23

PRESERVING NATURE

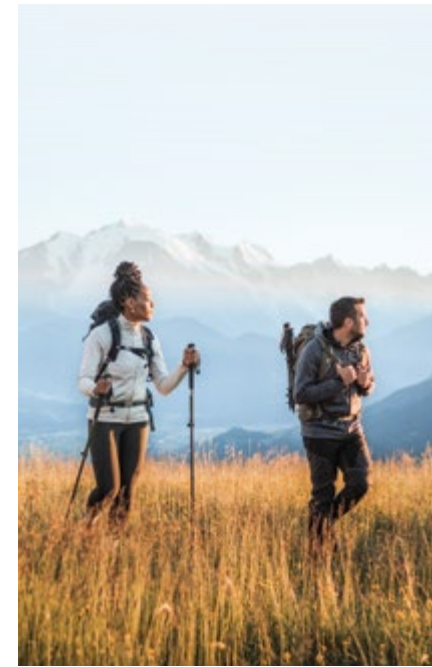
Definition of a new climate target to **reduce absolute CO₂ emissions by 20%** across Decathlon's entire value chain by 2026 based on emissions measured in 2021, p. 58



Addition of **two new questions related to environmental issues** in the Decathlon Teammates Barometer internal survey p. 66

Execution of the company's **second biodiversity assessment**, p. 80

Promising growth in circularity sales and progressive deployment of activities related to the economy of use, p. 102



DEVELOPING PEOPLE

Improved results of the Decathlon Teammates Barometer internal survey, p. 29

11 certified autonomous partner sites for human responsibility in production, p. 38

Employee shareholding scheme offered in six new countries: Greece, Austria, Serbia, the Ivory Coast, Latvia and Sweden, p. 47

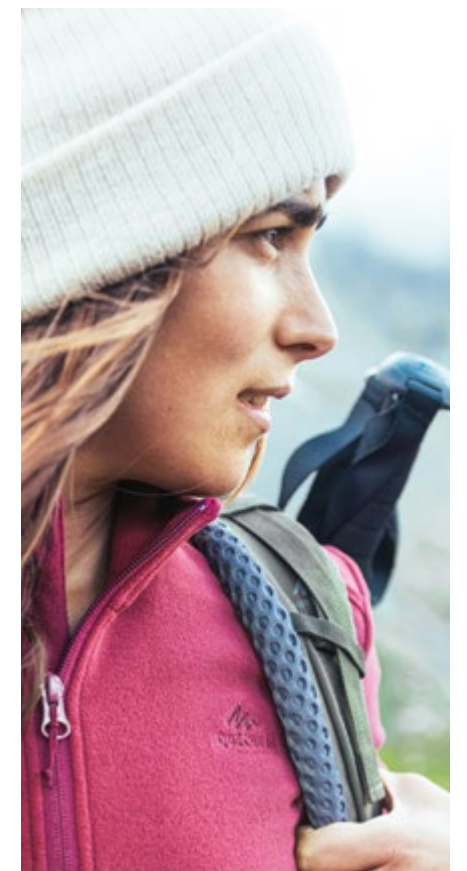
CREATING SUSTAINABLE VALUE

Evolution of the company's governance with the appointment of Barbara Martin Coppola as CEO and the creation of an Executive Committee, p. 128

Decathlon leaders trained in environmental issues, p. 132

Inclusion of sales realised with Ecodesign products and circularity sales in the company's financial management tool, p. 148-149

Decathlon x Paris 2024 partnership to promote the practice of sport, p. 158



CHALLENGES & STRATEGIES

VALUE CREATION MODEL



OUR PURPOSE: **MOVE PEOPLE THROUGH THE WONDERS OF SPORT**

OUR RESOURCES

Strong teammate engagement through autonomy and responsibility

- 104,116 teammates, of which 46.3% are women and 53.7% are men
- At least 100 nationalities
- Complementary and varied careers, from design to distribution

A value chain dedicated to the practice of sport accessible to all

- 1,751 stores, 74 warehouses and logistics platforms
- 1,267 suppliers: 956 Rank 1, 311 Rank 2
- 52 partners with which we have a close relationship
- A responsible audit culture: 1,067 industrial audits for human responsibility in production and 142 environmental audits

A strong culture of product innovation

- 36 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

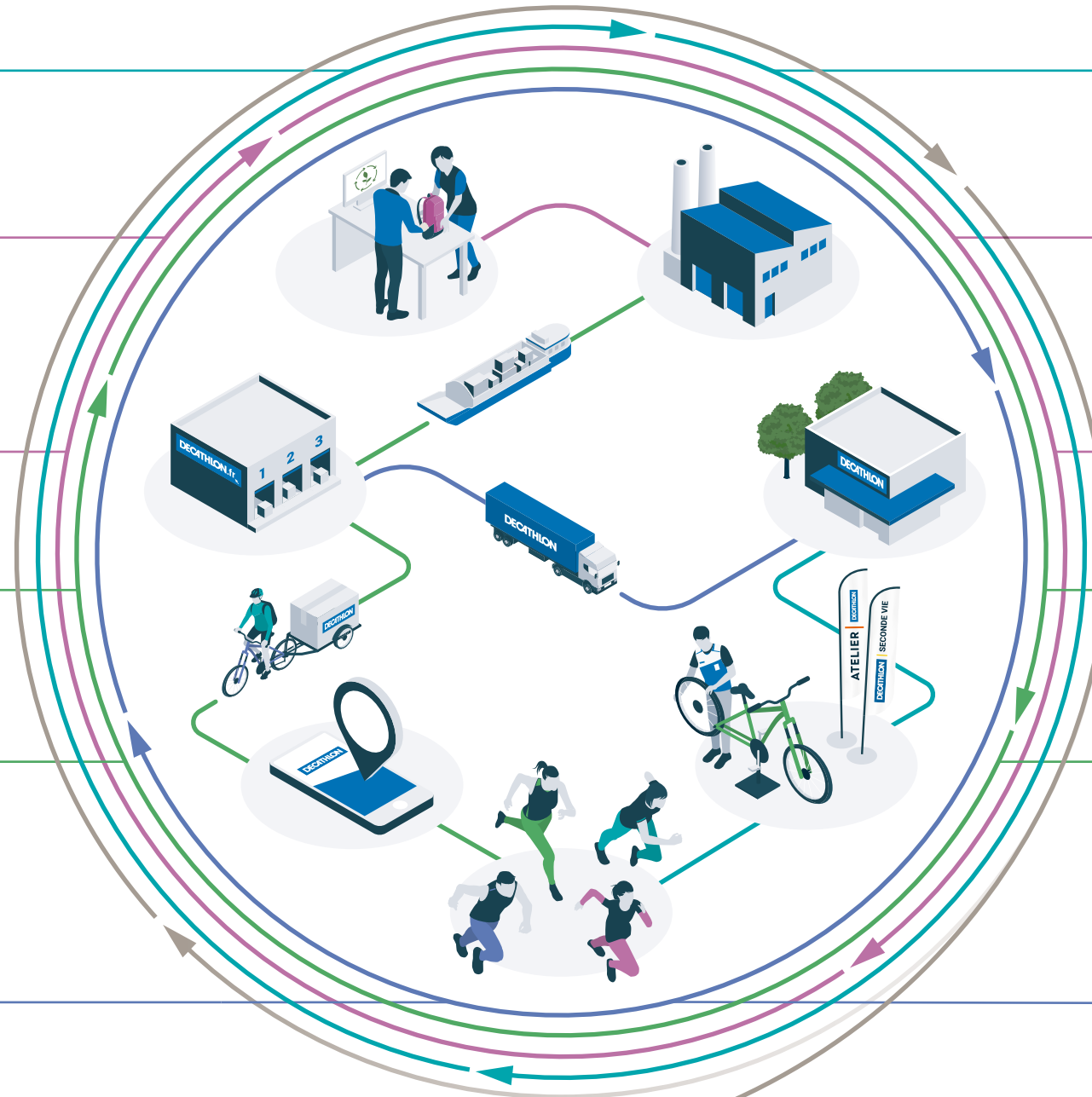
- 441 million sportspeople reached by our products
- Presence in 59 countries/regions of distribution
- Production activities in 43 countries/regions

Designing and distributing products while limiting environmental impact

- 775,292,918 kWh of energy consumed (gas and electricity, of which 84.8% is electricity from renewable sources)
- 8,331 million tonne-kilometres transported internationally
- 8.68 kg CO₂e/product sold, 0.75 kg CO₂e/euro
- 16 industrial processes using raw materials

Solid financial foundations

- Stable family shareholding
- €5.5 billion in equity



VALUE CREATION

- 91% of teammates are happy to come to work
- 52.3% of employees are shareholders
- Support in personal and skills development
- €3.08 billion spent on salaries

- 11.1 years of partnership with suppliers, on average
- Relationships of trust with our industrial partners: 86.7% of relevant sites for Rank 1 suppliers were rated A, B or C for human responsibility in production
- 83.4% of relevant sites for Rank 1 and Rank 2 suppliers were rated A, B or C for environmental management

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

- 71.7% of delighted sports customers
- €3.7 billion in direct and indirect contributions, including €1.5 billion in taxes and social welfare contributions paid
- 46,860 Foundation beneficiaries, through 66 projects supported by teammates

- 1.75% of circularity sales
- 23% of sales realised with Ecodesign products
- 60.3% of textile and footwear products display their carbon footprint with an environmental labelling
- 475 production sites have set a reduction trajectory that was validated by Decathlon in line with science
- Score of B in the CDP climate questionnaire
- 100% cotton and 49.7% polyester are derived from more responsible sources

- €15.4 billion in sales excluding taxes
- €451.3 million distributed in dividends
- 27.7% Group effective tax rate
- €923.3 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

CHALLENGES & STRATEGIES

CONTEXT AND TRENDS

The global sports goods market

Decathlon manages its activities on the global market, with a commercial presence in 59 countries/regions and production activities in 43 countries/regions. The area of activity is specialised distribution with the following three sub-sectors: manufacturing sports goods, retailing sports and leisure goods, and sports-related activities.

The distribution is fulfilled by pure-players and non-specialised distributors (sports sections in department stores, distributor chains and independent distributors).

In terms of consumption, sports goods are used both for sports practice and for extended uses (casual wear, streetwear and outdoor wear). The distribution is across multiple channels: physical stores (big box stores to convenience stores) and e-commerce.

After a decline in activity in 2020 at the peak of the COVID-19 crisis, the sports sector is now returning to growth, reaching an estimated €500 billion³ at the end of 2021. Driven by inflation, a total growth of 20% can be expected over the 2023-2026 period.

DECATHLON **3rd** global player in the market⁴





Decathlon's competitive advantages:

- Human values of vitality, generosity and authenticity
- A value of responsibility that allows it to be daring
 - Committed teams
- A strong culture for product innovation
 - An integrated value chain
- Unique knowledge of sport and users
 - Products accessible to everyone

Five big shifts for Decathlon to evolve

- 1 Empower sport users** | From equipping them with sport gear to empowering them to start and excel in sport
- 2 Create innovative solutions** | From creating ingenious products to bringing innovation into connected solutions
- 3 Excel at all levels** | From giving beginners value and choice to providing solutions to all sport levels
- 4 Be a leader in the environmental transition** | Move from multiple sustainable development initiatives to large-scale implementation of activities compatible with planetary boundaries
- 5 Stand as one Decathlon** | From siloed pockets of excellence to delivering excellence as one unified Decathlon globally

Structuring global trends

 <p>INCREASINGLY FAST ADOPTION OF NEW TECHNOLOGIES AND INNOVATION</p>	<p>4.11 billion people worldwide bought consumer goods on line in 2022⁵</p>	<p>TRENDS</p> <ul style="list-style-type: none"> Expectations of a complete digital experience – Strong growth of online shopping – Increased demand for innovation, personalised offers and brand interaction 	<p>→ OPPORTUNITIES AND RESPONSES</p> <ul style="list-style-type: none"> ▪ Restore the balance between physical and digital distribution channels ▪ Create innovation ecosystems ▪ Invest in R&D (human, technical and financial resources) ▪ Capitalise on the innovation culture and skills ▪ Invest in start-ups
 <p>URBANISATION</p>	<p>56% of the world's population lives in urban areas⁶</p>	<p>TRENDS</p> <ul style="list-style-type: none"> Need for new sports activities in the urban environment – Growing desire for nature – Rise in sedentariness and obesity 	<p>→ OPPORTUNITIES AND RESPONSES</p> <ul style="list-style-type: none"> ▪ Develop a strategy focused on urban hubs ▪ Offer products better suited to practice in cities (compact, lightweight, etc.) ▪ Fight sedentary behaviour by developing sports coaching ▪ Create ties by offering sports experiences that bring people together
 <p>CLIMATE CHANGE AND CROSSED PLANETARY BOUNDARIES</p>	<p>2.3 billion people live in countries experiencing water stress, with 733 million of them in countries with high and critical water stress⁷</p>	<p>TRENDS</p> <ul style="list-style-type: none"> Scarcity of the world's natural resources – Increasing frequency of extreme weather events – Water scarcity in the supply chain – Need to adapt sporting activities to climatic conditions 	<p>→ OPPORTUNITIES AND RESPONSES</p> <ul style="list-style-type: none"> ▪ Protect playing fields by reducing the environmental impacts of the company's activities ▪ Speed up the transformation towards an economy of use by developing second life products, rentals and repairs ▪ Educate users and teammates ▪ Develop new industrial practices ▪ Design an adapted product offer (extreme cold, extreme heat)
 <p>CHANGING USER EXPECTATIONS</p>	<p>94% of Gen Z youth believe brands have a responsibility to make the world a better place⁸</p>	<p>TRENDS</p> <ul style="list-style-type: none"> Increasing importance given to the reputation of the brand and its products – Increased demand for environmentally responsible products – Need for comfort and a growing demand in the sportswear segment – Search for physical and mental well-being accentuated by the pandemic 	<p>→ OPPORTUNITIES AND RESPONSES</p> <ul style="list-style-type: none"> ▪ Make strong commitments to the company's long-term development and adapt its business model ▪ Develop environmental labelling on product data files ▪ Offer products that respond to current stylistic trends ▪ Evolve the sports narrative

5. We are social, Meltwater, Digital Report 2023, p. 362

6. ONU-Habitat, World Cities Report, 2022.

7. UN-Water, Summary Progress Update 2021 – SDG 6 – water and sanitation for all, 2021.

8. Nielsen IQ, Influential sustainable consumer, 2018.

4. Source: Capital IQ - Scope: market for the manufacture and sale of sports or sports-inspired articles (textiles, shoes and equipment).

3. VAT included. Source: GSE NPD Report.

MANIFESTO

Decathlon was born out of a friendship between sports lovers who wanted everyone, no matter their level or ambition, to enjoy the wonders of being active.

Fundamental to Decathlon is the desire to make sports accessible to everyone.

But today, humanity's relationship with sport is being challenged. All around the world, billions of people live inactive lives far from playgrounds, forgotten by global brands, and intimidated by the dominating narrative of sport.

We believe that sport belongs to the people.

We hear stories of joy everywhere we go, whether people are playing for the thrill, or training to win. They are talking about a feeling of adventure, the freedom to pick up their gear and go; the delight of riding a bike, running a trail or slicing a ball over the net; seeing the happiness on a child's face; experiencing the fun in something shared. That's what sport is all about.

At Decathlon, we love sport; for the young and the old, for a podium position or just playground tradition. This is why we are building a world of sport that's more ingenious and more responsive to people's lifestyles, with sport solutions that drive health and well-being. Solutions that are inclusive, fair and affordable for all, so everyone—experts and beginners alike—can be moved through the wonders of sport on their own terms, in their own way. Moving them to feel strong and confident, moving them to connect with one another, moving them to live healthier, happier lives.

But for sport to improve lives, we must protect the living and future generations. We want to promote a more responsible practice of sport and make our business compatible with planetary boundaries.

Using more sustainable materials, renewable energy sources and circularity solutions, we will design products that stand the test of time and can be passed down from generation to generation.

This will be our legacy: opening the wonders of sport to everyone through the generosity, ingenuity and passion of our teammates.

Because at Decathlon we move people through the wonders of sport.

OUR PURPOSE

MOVE PEOPLE THROUGH THE WONDERS OF SPORT

MOVE



1. Physically: help people to live active lifestyles



2. Emotionally: give joy, foster connections

PEOPLE

1. Make sport accessible to all

2. So everyone can live a better life

3. So we can protect the planet and all of its inhabitants

WONDERS OF SPORT

The wonders of sport lie in the joy and pleasure of participating on your own terms.

THIS IS WHAT DRIVES ALL DECATHLON TEAMMATES TODAY AND WHAT CHANGES THE WAY WE ADDRESS SPORTSPEOPLE AND THE WORLD

OUR POSITIONING

"At Decathlon, we contribute to individual fulfilment by removing physical and emotional barriers so that everyone can experience sport on their own terms."

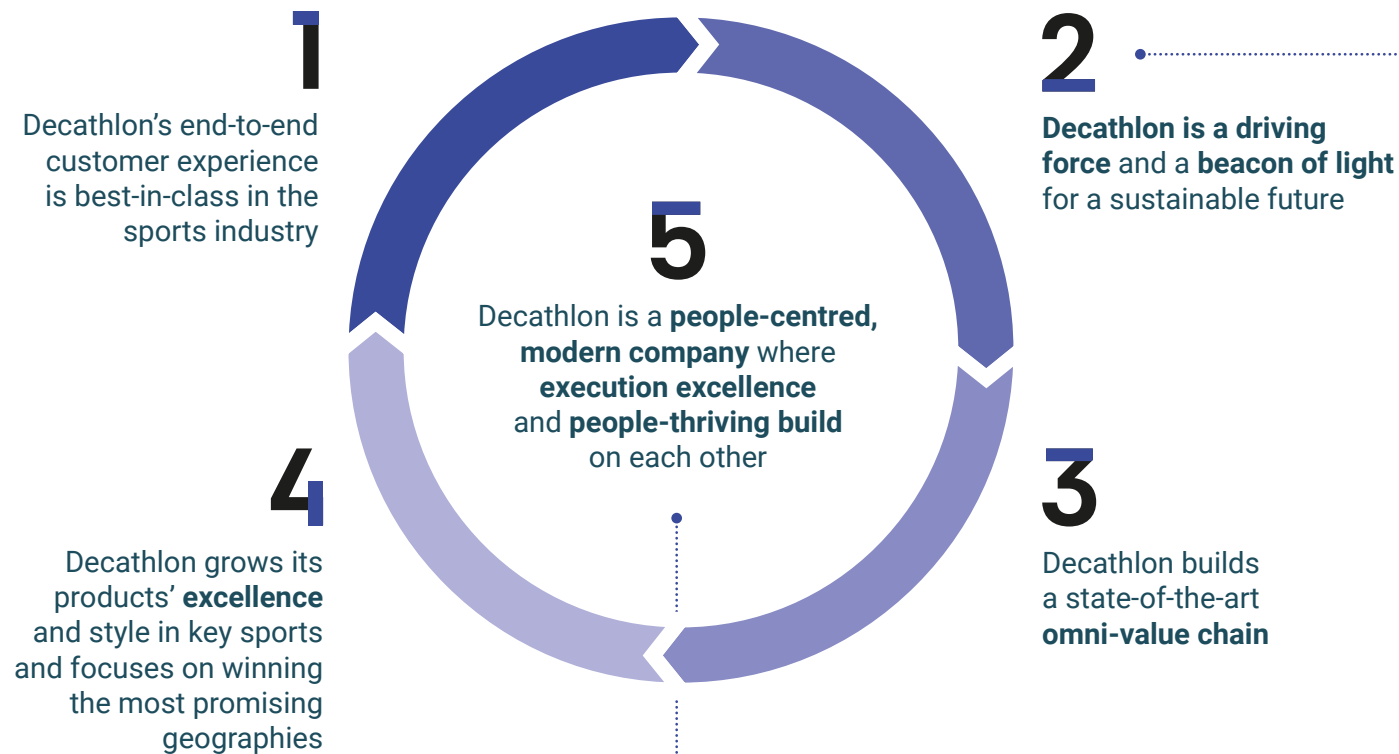
MAKE SPORT YOURS

OUR VALUES

VITALITY | GENEROSITY | RESPONSIBILITY | AUTHENTICITY

CHALLENGES & STRATEGIES

STRATEGY



TARGETS

50% of female leaders by 2026

90% of teammates contributing to Decathlon's strategy in 2026

LEVERS

1. Be people-centric

Decathlon is recognised for its strong culture of sharing: shared purpose, passion, knowledge, responsibility, economic value and respect for integrity are central to the ties it has built with its stakeholders. Its employer brand is known, recognised and desired by all who are passionate about sport and servicing customers.

2. Excel at what we do

Decathlon is renowned for its development programmes, its digital know-how, behaviours and solutions, the quality of human relationships and the effectiveness of its working environment. Teammates feel responsible and empowered to consistently serve our customers better.

3. Attract and grow talent

Decathlon is open to the outside world. It is recognised as one of the most admired employers for young graduates on the road to a professional career path.

4. Drive change as one

Decathlon creates an environment and culture conducive to continuous learning to ensure sustainable performances.

OBJECTIVE

20% lower absolute CO₂ emissions by 2026 compared to emissions measured in 2021

LEVERS

1. Decarbonise the company's activities

Reduce product carbon intensity; invest in sustainable raw materials; support suppliers in using renewable energy sources; decarbonise transport; help transform customer and employee mobility, etc.

2. Optimise the offer and design products that last

Maximise the creation of economic value while reducing CO₂ emissions (work on the construction of the offer by considering the margin/CO₂ ratio per product); develop a product offer serving the circular economy (products that are durable, repairable, recyclable and traceable).

3. Scale up circular business models

Develop business models (second life products, rentals and repairs) to guarantee sport accessibility and value creation.

4. Impact Decathlon's ecosystem through advocacy and mobilisation

ENABLERS

- Integrated management of environmental performance
- Digital transformation



Testimonial
Isabelle GUYADER

Director of the Environmental Transition

“ The Group's sustainable development trajectory has been guided by the Transition Plan since 2020. Decathlon's new corporate strategy, launched in 2022, confirms and strengthens all our commitments for 2026. Energised by this new dynamic, teammates are ready, more than ever, to take concrete and decisive actions to respond to the climate emergency and to make our business compatible with planetary boundaries. To ensure we transform our business model, these actions will now be monitored directly by the company's Executive Committee.”



i For more information on Decathlon's Transition Plan: <https://sustainability.decathlon.com/transition-plan-2020-2026>.

9. More information on Decathlon's governance on p. 128.

CHALLENGES & STRATEGIES

MATERIALITY ASSESSMENT

Every year, Decathlon analyses its sustainable development priorities, which are identified and hierarchised through the materiality matrix exercise. This approach verifies the correct correlation between the issues, non-financial risks, the business model and the company's policy.

This representation makes it possible to reinforce strategic sustainable development decisions, reveal emerging issues to reassess their importance on a regular basis and allocate necessary resources in the short, medium and long term. Materiality is also an initial component to construct risk mapping, a tool used by the company's risk Referents.

Decathlon's methodology is based on several tools dedicated to listening broadly to the company's stakeholders, ensuring a diversity of data sources that are then used to dynamically and regularly update this data. The interview and collective workshop methodology, which reveals nuanced opinions, was used again this year. It is paired with the Datamaran tool¹⁰, whose technology has enabled Decathlon to conduct a digital audience survey of the identified issues since 2021. This method ensures that the subjects are representative and the occurrences are objective. As the company uses it and gets used to using it over time, it will be able to check in with its audiences and their concerns on a regular basis.

→ NEW IN 2022

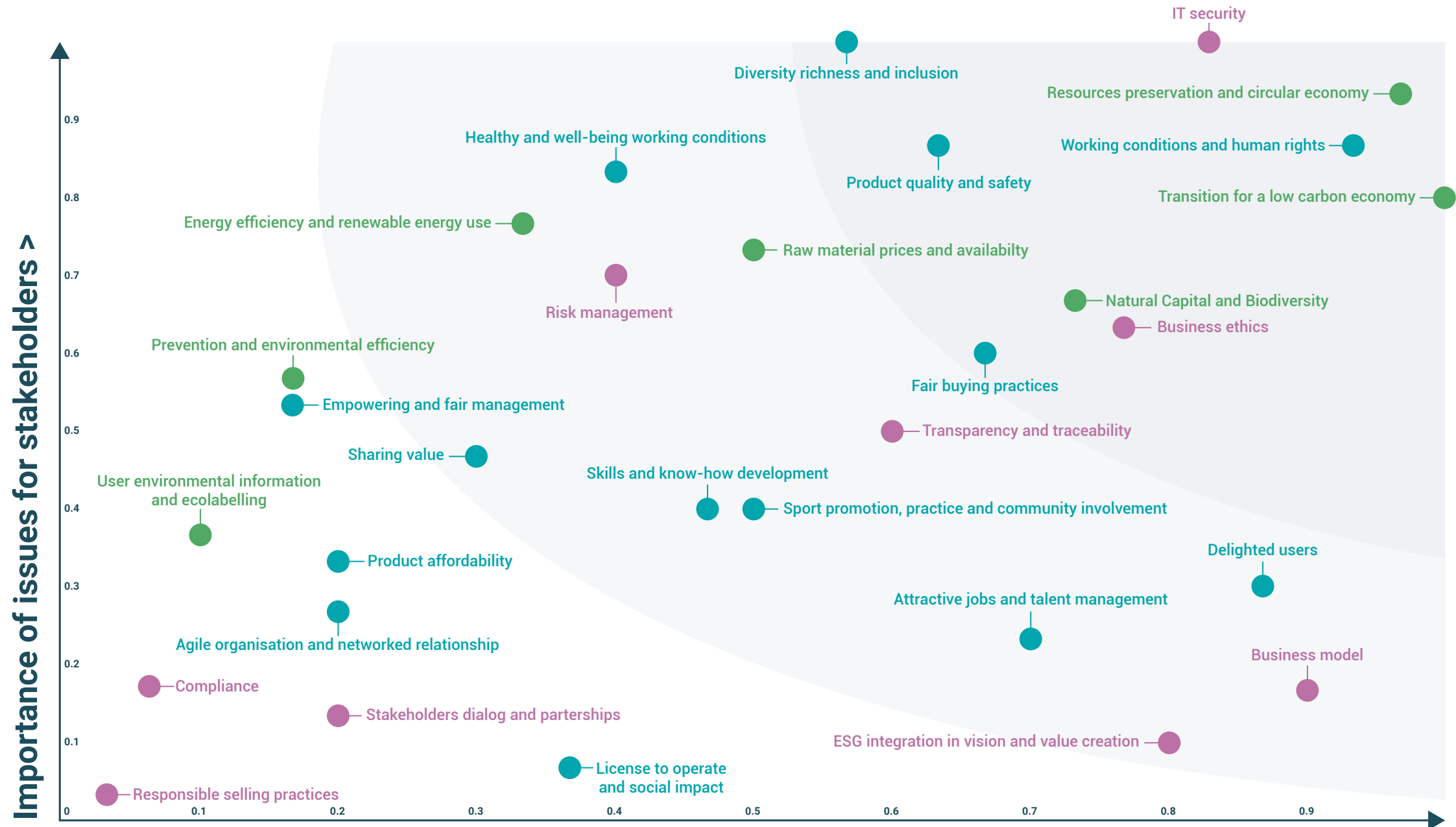
The data collection methodology

The Datamaran tool is used initially to establish a benchmark set of sustainability documents from companies with similar characteristics in the same sector. Then, trends and current regulations are added to this initial analysis to provide an international vision.

A questionnaire is constructed using priority items and sub-categories that make the most sense for the company. The scope and the countries concerned remain the same to ensure comparability.

To introduce the concept of double materiality, both in discussions with stakeholders and in the materialisation of issues, Decathlon has chosen to include economic and impact concepts in the listening process by questioning the company's financial and operational teams. The results reveal that it is still difficult for these people to clearly identify the consequences of the various non-financial issues. Despite that, all those questioned were able to prioritise the importance of the items in this double movement: the impact of sustainable development issues on the company and the company's impact on social and environmental scopes, thus preparing for new obligations under the future Corporate Sustainability Reporting Directive (CSRD).

Financial concepts are gradually being added to the analysis and this year, the methodology also included data from the Datamaran tool taken from the companies' integrated reports, voluntary initiatives by financial markets, regulations with financial sanctions as well as reporting obligations meeting SASB standards¹¹. For the interviews, the questionnaires were reworked to include some of the teammates from the financial teams.



Importance of issues for Decathlon >

PRIORITY: Rank 1 priority Rank 2 priority Rank 3 priority

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

10. For more information: <https://www.datamaran.com/>

11. For more information on the SASB standard: <https://www.sasb.org/>

CHALLENGES & STRATEGIES

Analysis of the results

- The priority issues continue to be resource preservation, respect for human rights, diversity and inclusion, and the transition to a low-carbon economy. The issue of product quality and safety emerges as one of the priority topics.
- The subject of energy efficiency is growing strongly in external stakeholders' expectations, as is the theme of sport promotion and the concept of risk management.

Presentation of the matrix

In order to clearly present the double materiality (impact and financial), one version of the matrix currently shows both series of questions asked of stakeholders, for the same issue.

In this representation, the subject of renewable energy is now considered significantly more important than in 2021.



Interview

Luca GUANELLA

Financial Analyst, and hiking enthusiast

1/ Why is it important to include finance teammates in the interview process?

The company is connected to the collective challenges and the roles of each teammate, and the issues that are raised evolve. Today, finance teammates are responsible for the financial compatibility of economic issues and the environmental transition, together. The person who collects, analyses and provides the data to make the most consistent decisions possible must be aware of all the issues linked to this transition. It is also important that everyone's opinion be analysed for a fair representation of the company's attitudes.

2/ What did you think of the materiality analysis process?

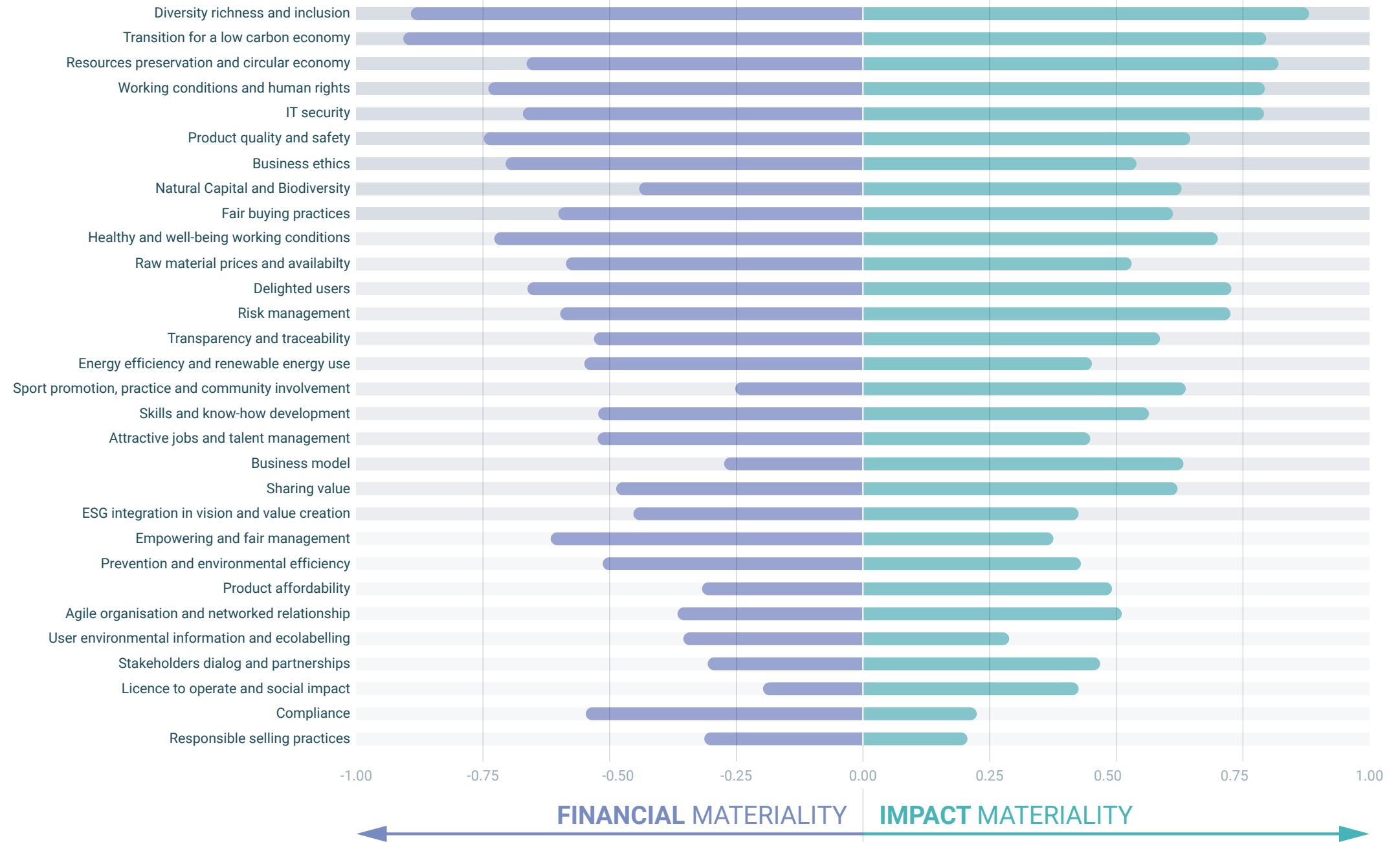
It is not immediately obvious to prioritise these topics. I liked that I was forced to make choices. Some subjects are not currently considered in my work, we are not confronted with them. This exercise allows us to take a step back, to consider the subject as a whole and in all its complexity, at the company level. I also liked that the result was a combination of both internal and external responses, for self-assessment and to respect a balance of issues. Finally, I think that it also makes sense to conduct this exercise regularly, so that no subject is taken for granted.

3/ How well are sustainable development issues integrated in finance?

The topics are sometimes complex and we have to work to increase the awareness of the people involved to more fully understand the issues. Training is essential. Nevertheless, integrating non-financial indicators in progress reports¹² allows for progressive familiarisation. This is a major step forward in getting people involved and assigning the right resources to action plans."



i For more information on Decathlon's materiality assessment: sustainability.decathlon.com



- FINANCE AND OPERATION TOP 5**
- 1 Transition to a low-carbon economy
 - 2 Diversity richness and inclusion
 - 3 Product quality and safety
 - 4 Working conditions and human rights
 - 5 Healthy and well-being working conditions

- IMPACT TOP 5**
- 1 Diversity richness and inclusion
 - 2 Resources preservation and circular economy
 - 3 Transition to a low-carbon economy
 - 4 Working conditions and human rights
 - 5 IT security

12. Information available in monthly performance reports. More information on p. 149.

CHALLENGES & STRATEGIES

MAIN NON-FINANCIAL RISKS

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

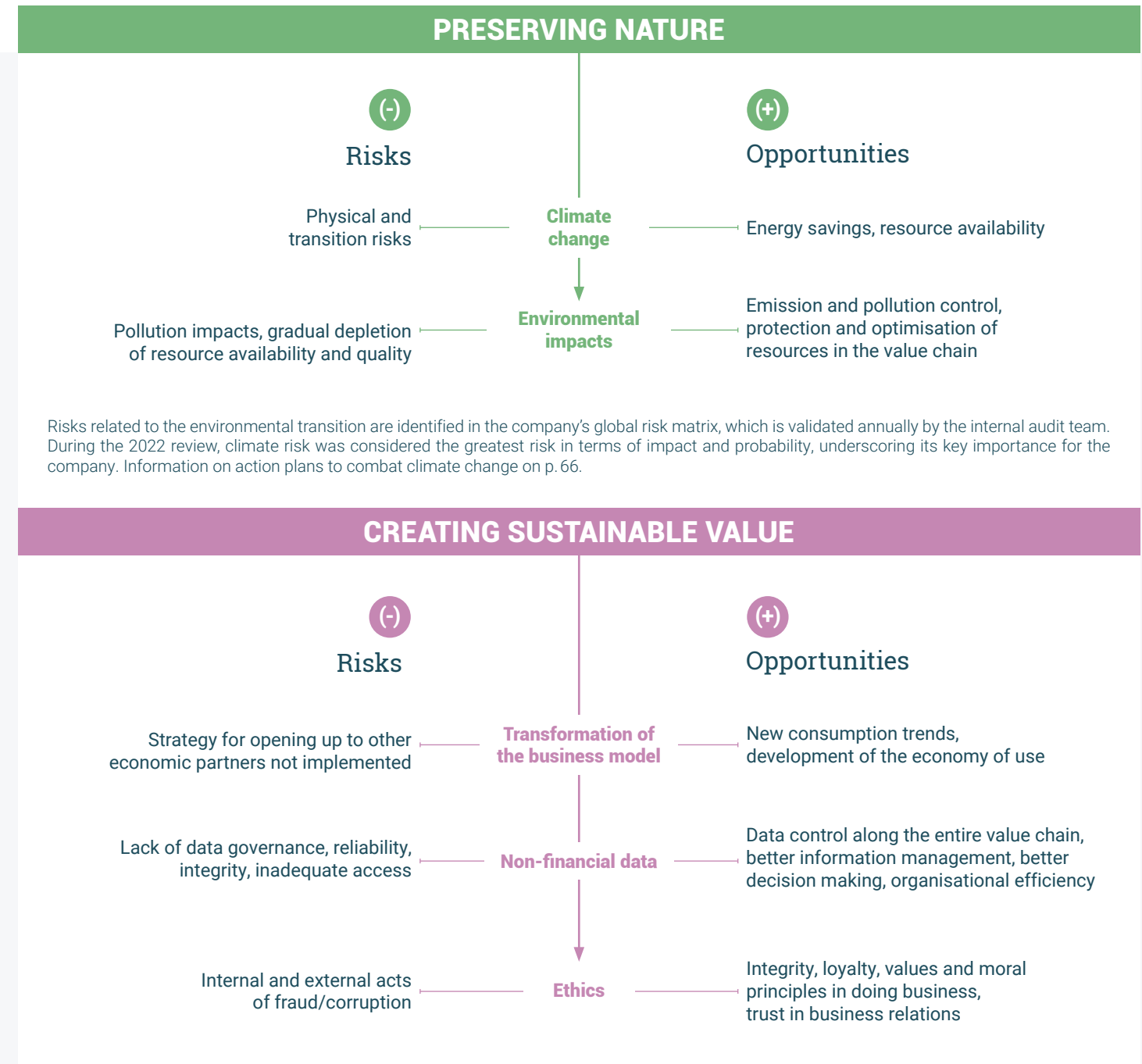
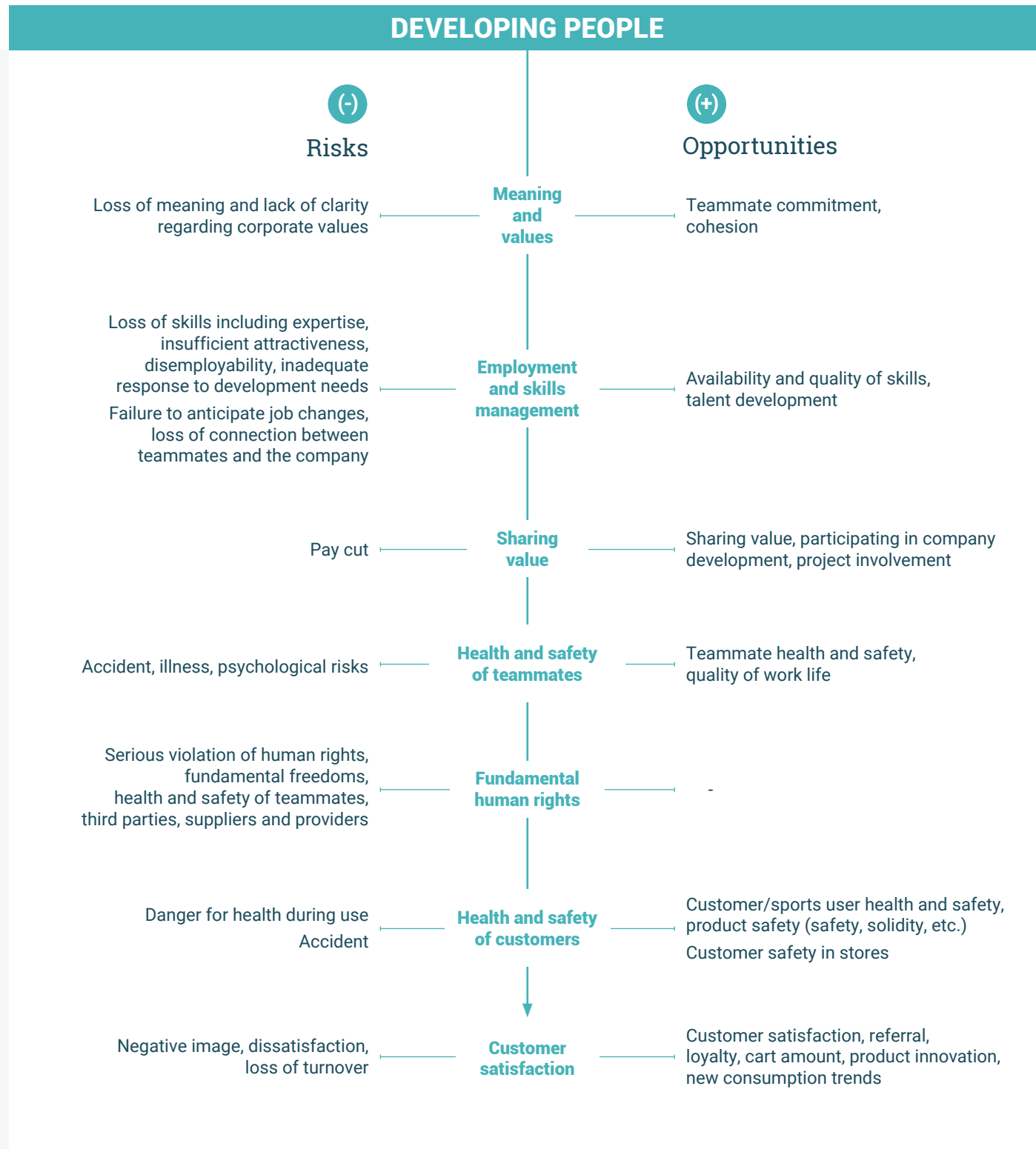
Decathlon implements measures to identify, prevent, manage and control its risks in order to achieve its objectives: creating and preserving value, and managing deviations in performance. The non-financial risks are managed using internal management and control systems that play a key role in running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

METHODOLOGY

This table presents and describes the main non-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 non-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.



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.

DEVELOPING PEOPLE

WELL-BEING THROUGH ENJOYMENT AND BENEFITS OF SPORT



DECATHLON IS COMMITTED TO THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS



OUR COMMITMENTS FOR 2026 2021 2022 RESULTS 2026

WELL-BEING

60% of teammates* say they are happy to come to work every morning, and to work for their team project, their project, and for the purpose of their company 53% 55% 60%
 *Who replied "Yes, completely"

DIVERSITY AND INCLUSION

50% women and 50% men 46.7%/53.3% 46.3% 53.7% 50/50

50% of team leaders* are women 38.8% 38.7% 50%
 *Female teammates with a hierarchical role in charge of at least one person

HUMAN RIGHTS

90% of relevant sites for Rank 1¹ suppliers are ranked A, B or C in line with our audit grid 78% 86.7% 90%

100% of our teammates concerned are trained in human rights

→ Number of teammates trained on human rights² n/a 245 teammates

HEALTH AND SAFETY

100% of teammates* feel physically safe in their work environment 94% 94% 100%
 *Who replied "Yes, completely" or "Yes"

100% of teammates* can express themselves and are listened to 92% 92% 100%
 *Who replied "Yes, completely" or "Yes"

SKILLS AND DEVELOPMENT

100% of teammates* say they take responsibility for their own progress 90% 91% 100%
 *Who replied "Yes, completely" or "Yes"

SHARING VALUE

100% of eligible teammates are co-owners of Decathlon (if they so wish), thanks to the employee shareholder scheme 50.9% 52.3% 100%

AGILE, NETWORKED ORGANISATION

100% of countries are driven by a digital maturity index n/a n/a 100%

DELIGHT FOR OUR PRODUCTS

76% of our users are delighted* 71.5% 71.7% 76%
 *Users who gave a score of 5/5 in our customer ratings

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 2023.

1. Rank 1 production site: production site linked contractually with a Decathlon company for manufacturing or assembling finished/semi finished products (via manufacturing contract) or for the supply of raw materials or components (via purchase agreement), receiving purchase orders and invoicing said company directly.
 2. For more information, see methodological note 31 on p184.

DEVELOPING PEOPLE

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.). This is the case particularly in France, where Decathlon addresses quality of work life through six separate themes: well-being, psychosocial risks, disability, ageism, integration and gender equity.

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 its teammates each year using an internal barometer called the Decathlon Teammates Barometer (DTB).

In 2022, the results show a two-point rise in the area of pleasure at work³, compared with 2021.



KEY FIGURES
as of 31/12/2022

91%

of teammates are happy to come to work

(55% of "Yes, completely" and 36% of "Yes" in total in 2022 vs 53% of "Yes, completely" and 38% of "Yes" in total in 2021)⁴

81%

of teammates out of the total workforce have permanent contracts

(76.1% in 2021)

314

Quality of Work Life and Working Conditions referents in France

(196 in 2021)

2022 HIGHLIGHTS

The overall results of the Decathlon Teammates Barometer survey improved, validating the solidity of the company's human fundamentals.

The company continued examining measures with regard to **working time** in order to achieve a better work-life balance.

Decathlon Teammates Barometer

The Decathlon Teammates Barometer is an in-house survey that is sent to all teammates every year. It uses 42 questions to assess the application of human fundamentals in the 67 countries in which Decathlon is established. Countries wanting to can add their own questions in order to survey their teams on local issues. This recurring form of expression allows the company to reliably compare human data (between countries and periods) and to quickly address problems that are identified. In 2022, 83% of teammates responded⁵.

This year, 91% of teammates say they are happy to come to work. The results reveal that the human fundamentals employees experience within the company are solid and motivating.

The overall improvement in the indicators can be attributed to the fact that employees have been working more in synergy since the COVID-19 pandemic, which is leading to renewed energy and confidence in strategic commitments. France and China saw the greatest improvement in their performance.

In 2022, **two new environmental questions** were added to the survey, to measure teammates' knowledge and commitment on these issues. The survey questions are now being reviewed every year to ensure that they continue to reflect the company's strategies.

i [More information on the questions related to the environment on p. 66.](#)

Creating new working practices to improve the work-life balance in France

PART-TIME WORK

In France, 24.6% of employees work part time. Decathlon's greatest wish is that its teammates find fulfilment in their work, particularly based on working hours that are adapted to suit each teammate. During job interviews, applicants are asked about the part-time aspect for the position, to ensure it is truly what they want.

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, there is a series of checks throughout the hiring period, at the time of application, before the job interview and at contract signature, to ensure that the employment conditions are a good fit for everyone. These checks are then put into perspective through a careful examination of 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 was to clearly define the working hours. Now that this is established, the work-life balance is organised as best possible in line with the store's needs.

In 2022, the survey showed that 91% of teammates surveyed⁶ were satisfied with their working hours (90% in 2021).

RIGHT TO DISCONNECT

In 2017, a company agreement formally established the employees' right to digital disconnection in order to clearly separate work and private life. More and more attention is being paid to this issue since the COVID-19 pandemic.

The right to disconnect is now written into an internal charter that includes the major principles of work organisation to respect everyone's downtime. In a logic of responsibility, it states that communication outside working time is never mandatory, that the leader must serve as an example, and that each person is entitled to adapt the frequency of communication to their personal work priorities.

REMOTE WORK

In 2021, labour partners in France wanted to re-examine remote work, which had been widely adopted by Decathlon teams to ensure business continuity during the Covid crisis.

This form of work organisation, whether occasional or regular, raises questions regarding opportunities to establish a better work-life balance. The agreement signed in 2021 was guided by the following principles in order to create a secure and fair system as regards management practices and the company's operational realities:

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

Now that the principle of remote work has been established, it is clear that everyone has to find their own organisation, which requires autonomy, trust and respect of the rules by and towards each person. These operational experiments are continuing in the teams and they must be evaluated regularly for this organisation to be successful.

The agreement concerns teammates working in services, i.e. 5,000 eligible people in France at the end of 2022 that represent nearly 90% of employees. Store managers also work remotely on occasion, up to twelve days per year.

3. Percentage of "yes, absolutely" responses to the question "I enjoy coming to work" in the DTB internal survey.
4. More information on all the indicators for workplace well-being on p. 173.

5. In 2022, 72,361 out of 104,116 teammates responded to the DTB internal survey, representing close to 83% of employees.
6. 2,725 teammates working part-time out of 4,650 - 59% of the teammates involved participated in the survey, conducted in February 2022.

DEVELOPING PEOPLE

DIVERSITY AND INCLUSION

Promoting equal opportunities and preventing discrimination

Decathlon is an international company with employees from a wide variety of backgrounds. It values all contributions and believes that everyone should have equal chances of success.

As a global company, Decathlon sees diversity as a source of innovation, collaboration and performance. It helps the company understand its customers better and support business growth.

The company strives to create a level playing field and equal opportunities for all its teammates. It promotes their talent irrespective of their beliefs, age, disability, parental status, ethnic origin, nationality, sexual or gender identity, sexual orientation, political or religious affiliation, trade union or minority organisation membership, or any other characteristic that could be subject to discrimination.

Decathlon's purpose, "move people through the wonders of sport", aims at democratising sport and its practice for everyone all over the world. Through this purpose, the company aspires to provide an opportunity of equality for good health, well-being and societal harmony.

Decathlon's conviction is to be a company where its teammates should feel comfortable to be who they are, reflecting the diversity of the customers and users it serves and the society in which it operates. Its ability to catalyse differences, and to promote mutual communication and challenge, drives creativity, performance, responsibility and attractiveness.

 **KEY FIGURES**
as of 31/12/2022

38.7% of team leaders are women
and **61.3%** are men⁷
(38.8% women and 61.2% men in 2021)

56.8%
of teammates are under 29 years old
(59.1% in 2021)

1.5%
of teammates are over 55 years old
(1% in 2021)

3.2%
of teammates in France have a disability
(3.1% in 2021; 3.8% in Italy; 3.5% in Romania;
2.2% in Brazil; 1.6% in Turkey)

2022 HIGHLIGHTS

Decathlon continued to develop **initiatives worldwide to encourage inclusion and diversity** in its teams.

Decathlon Italy continued to raise **teammate awareness of harassment**, and gender-based discrimination and violence: 76% of its workforce has already been trained.

Decathlon France inaugurated its **apprentice training centre** where young people will learn how to repair and sell sports goods.

Gender equity and female leadership

INTERNATIONAL PROJECT

Decathlon believes that it is by combining people's strengths and different ways to deliver results, as well as leadership abilities, that the company will achieve its transformation. In this, **gender balance within the teams is a real asset in creating value and building a long-term social model at company level.**

To achieve the goal of "50% of women + 50% men team leaders" by 2026 (38.7% women and 61.3% men as of 31 December 2022), Decathlon launched an international project in 2021 dedicated to gender equity. **This project focuses on the development of female talent in order to reinforce the company's leadership and create an equity ecosystem where every individual can express their potential as a way to drive performance.** The main pillars of the project are:

- reinforcing the company's human ecosystem through gender-balanced leadership;
- individually and collectively engaging Decathlon's top management (leaders in the countries, HR, Sports, etc.) and defining annual objectives for the number of women leaders (globally and locally per business unit);

- identifying future women leaders (International Talent Pool);
- providing gender balance training for leaders and sharing inspiring examples within a "Circle of Women in Top Management".

After conducting an initial diagnostic in 2021, a new quantitative analysis was undertaken in 2022. The objective was to focus on: gender balance in the business units, gender balance in Decathlon's talent pool and nominations in the company. The Group is now carrying out another qualitative diagnostic focusing on recruitment processes, career management and remuneration. After analysing the results of all the diagnostics, Decathlon will be able to set a new action plan and construct policies on recruitment, career development and pay equity.

Decathlon's current objective is to have 43% of women leaders by the end of 2023.

LOCAL ACTIONS

In France

In France, Decathlon aims to guarantee implementation of the **2021-2023 agreement on professional gender equality signed with labour partners.** This agreement sets targets including: 25% women leaders in Sports & Processes and services (25.4% at the end of 2022), 40% female store department managers (31.3% at the end of 2022) and 45% female logistics department managers (35.2% at the end of 2022). To meet these goals, the company is following a roadmap for each of the five themes comprising the agreement: sexism prevention, recruitment, professional advancement, remuneration and work-life balance.

2022 HIGHLIGHTS WERE:

- a **communication campaign** highlighting teammates' career paths and the positions for which Decathlon is currently having difficulty recruiting women from outside the company;
- **Boost'Elles and Women in Leadership** training courses returned to in-person meetings and were available in all major cities. In 2022, 405 female teammates received training, up 65% over 2021 (satisfaction rate 3.9/4);
- a **satisfaction survey was conducted** to monitor and better support employees on maternity and paternity leave;
- **2,344⁸ teammates attended the Preventing Sexism workshop (+57%)**;
- a **professional equality week was held**, with a speech by Decathlon's CEO (conferences, videos, podcasts, Preventing Sexism workshops and testimonials);
- an **in-house perception survey was conducted with IFOP⁹** to get a snapshot of workplace gender equity at Decathlon France (participation rate: 28%) and launch new actions in 2023 following analysis of the results.



7. Women leaders: teammates who manage at least one person.

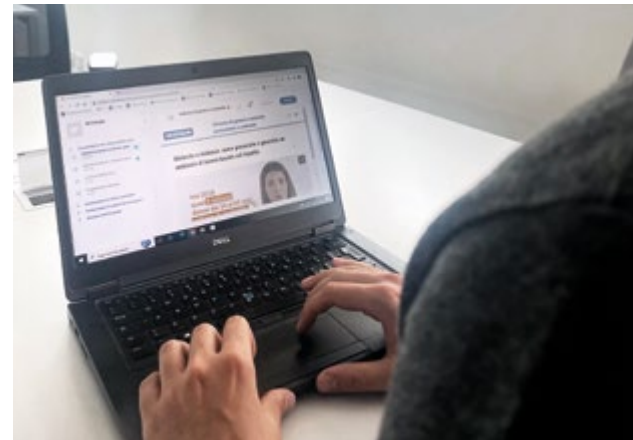
8. Data is underestimated because awareness was also raised with teammates during various team meetings without a specific session being created in the training tool.

9. For more information on IFOP: <https://www.ifop.com/en/>.

DEVELOPING PEOPLE

In Italy

In Italy, an online awareness programme on harassment, and gender-based discrimination and violence was launched in late 2021 to mark the International Day for the Elimination of Violence against Women. The programme is now mandatory for all employees during the onboarding process and since its creation, it has been followed by more than 8,040 teammates (representing 76% of total staff and 86% of permanent contracts). This year, an additional in-person training module was created to study these subjects in depth and promote dialogue when a need is identified (300 participants). Both training courses were awarded the Libellula Inspiring Company 2022 award by the Libellula Foundation¹⁰, which combats violence against women.



In Romania



Testimonial

Petru NEMTOI

HR Director, Decathlon Romania, and basketball enthusiast

“ In 2011, Decathlon Romania appointed a woman leader for the first time. Eleven years later, 42.8% of team leaders and 37.5% of store leaders are women. We believe that this achievement is due to the strong application of the principle of meritocracy combined with good practices that helped to create a new mindset. For instance, we have created a nomination committee consisting of exactly the same number of men and women. The committee members evaluate applicants according to clearly-defined criteria and they all have an equal say in the final decision. Thanks to this process, we can be sure that the decision is fair and enable women to have the same chance of being nominated to positions of responsibility.”

Internationalisation of Decathlon

With a presence in 59 retail countries/regions and 104,116 teammates with almost 100 nationalities, Decathlon is a global company with a great cultural diversity.

Decathlon aims to be recognised as a company where diversity, inclusion and equal opportunities are core values. In this spirit, Decathlon has to leverage on the talents from all its countries and provide the right conditions for its teammates, nominated internally or hired externally, to develop.

The growing internationalisation of the company will give all teammates fresh opportunities to acquire new skills, learn new languages (English for instance) and discover new cultures. It will foster their capacity to participate in the co-development of the company and benefit from it.

Decathlon strongly believes that the rich and diverse background of its teammates, communities, partners and alliances has a direct impact on its performance, innovation and ability to solve complex challenges.

With this in mind, Decathlon has set itself a high goal to reach 50% of international leaders¹¹ by 2026. Such an ambition has a strong cascading impact on processes, tools and management systems.

To achieve it, Decathlon is working on policies, training and career management programmes, as well as building a strong meritocratic system to increase the representation of international leaders in its key strategic and international managerial roles.

Decathlon is therefore focusing its efforts on four pillars:

- **progressively adopting a common language in the company:** integrating English language learning in development programmes, and training leaders and teammates that have international positions;
- **improving Decathlon's nomination process:** making the process more inclusive and internationalised by building a global talent pool;
- **opening up to external talents:** hiring leaders outside Decathlon;
- **providing world-class inclusive onboarding** to talents hired both internally and externally.

In 2022, 23% of Decathlon's leaders were of a nationality other than French.

LGBTQI+

LOCAL INITIATIVES

In line with the desire to offer equal opportunities to all, concrete initiatives are being taken locally to promote the inclusion of LGBTQI+¹² individuals in compliance with each country's legislation and culture.

In Canada, for example, several actions can be highlighted for 2022:

- 70 teammates attended training that presented the history of Pride and the evolution of legislation, while raising awareness on the diversity of sexual orientations and gender identities. Initially organised in the context of Pride Week 2022, this awareness-training session is now available every month on Decathlon Academy in Canada;
- signage was changed in four stores with the (complete or partial) removal of gender-specific signs, instead highlighting product characteristics to allow customers to choose the one that best suits their body shape.

Since 2021, Decathlon Hungary has adopted a LGBTQI+ policy (focused in particular on recruitment without discrimination, etc.). It also carried out various actions in 2022, such as:

- participation in two working groups organised by Amnesty International¹³ (one with members of human resources and leaders, the other with teammates who are members of the LGBTQI+ community), which made it possible to create a fully dedicated training module;
- awareness-raising for 13 leaders through the LGBTQI+ workshop module (the objective is to make this module available throughout the country in 2023);
- the nomination of an LGBTQI+ community coordinator in order to organise awareness-raising events as well as to communicate in internal social media groups during Pride week.

Disability

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

IN FRANCE

Decathlon France's seventh disability agreement ended on 31 December 2022.

This agreement was 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 in 2022, the company relied on a network of Referents (140 Disability Referents and 15 Disability Network Leaders) who strove to improve their teammates' working conditions.

RESULTS OF THE SEVENTH DISABILITY AGREEMENT FOR 2020-2022:

- **Hiring plan:**
 - 36 work-study trainees with disabilities (18 in 2022)
 - 374 people with disabilities were hired, all contracts combined¹⁴ (149 in 2022)
- **Awareness:** 933 teammates attended training on the subject of disability (242 in 2022)
- **Protecting employment:** 186 teammates were assisted in obtaining recognition of their disability in-house to ensure they received work station accommodations (86 in 2022)
- **Relations with the sheltered employment environment:** over 200 sites work with sheltered employment organisations (for services, cleaning premises, bicycle assembly, etc.)

In December 2022, an eighth agreement was signed for 2023-2025 between Mission Handicap and labour partners.

On 17 November 2022, Decathlon France also held its **fourth Duo Day** to mark the European Week for the Employment of People with Disabilities. This year, 289 employees across France volunteered to share their job with a partner for a day, with 170 pairs created at 80 stores and warehouses.

OTHER LOCAL ACTIONS

In Italy, the teams help teammates with Down Syndrome adapt to their new jobs. Following tests carried out in 2021, a new application called "My personal training" was set up in 2022 to help employees with Down Syndrome become more autonomous and learn their jobs. The app helps them memorise gestures, words and actions through definitions, photos, videos and tutorials. The app received two prizes at the Innova Retail Award & Ki-Best 2022 event¹⁵.

Various countries are also developing tools and services to improve the shopping experience for customers with disabilities¹⁶, such as:

- **sign language interpreting** in Italy (accessible online and provided by trained teammates in several stores); and the testing of an app in Brazil;
- **assistance for blind or visually impaired users** in Hungary;
- **weekly "quiet hours"** (at all stores in Hungary and Ireland and at some stores in Belgium and Italy);
- **use of the universal accessibility symbol** to represent the practice of various sports activities by people with disabilities, thereby raising awareness and changing attitudes towards disabilities (icons created at the initiative of Decathlon Canada and used at the Vaughan store, and at several stores in France and Belgium).



10. For more information on the Libellula Foundation: <https://www.fondazioneilbellula.com/it/>.
11. Leaders occupying strategic roles internationally (approximately 200 teammates).

12. LGBTQI+: Lesbian, Gay, Bisexual, Transgender, Queer, Intersex; the + sign refers to the whole gender and sexuality spectrum.
13. For more information on Amnesty International: <https://www.amnesty.org/en/>.
14. 17% with a permanent contract. | 15. For more information on Innova Retail Award & Ki-Best 2022: <https://innovaretailaward.it/>.
16. For more information on these initiatives, see NFRD 2021, p. 27.

DEVELOPING PEOPLE

Professional integration of young people in France

Decathlon has been working for many years to create opportunities for young people to obtain their first work experience. In 2022, the company multiplied its efforts in recruiting 3,170 work placement trainees (1,845 in 2021) and 1,382 work-study trainees (1,070 in 2021), with 40% of the latter ultimately being offered a permanent contract.

SIGNATURE OF A NATIONAL PARTNERSHIP WITH APELS

In 2022, Decathlon signed a national partnership with *Agence pour l'éducation par le sport*¹⁷ (APELS), an inclusion association for young people having few or no qualifications. Through its "Déclé Sportif" programme, APELS identifies talented young people at sports clubs to help them find employment in companies that are committed to this issue. Following selection, these young people receive assistance from certified coaches for several weeks to help them regain confidence and acquire the skills and know-how they need to work in a company.

Through its participation in the Déclé Sportif programme, Decathlon offers young people aged 18 to 30 the opportunity to join its teams under a one-year work-study contract. Three groups were created in 2022 (two in the Hauts-de-France region and one in Auvergne-Rhône-Alpes) to work as bicycle workshop technicians and omni-merchant logisticians, with 18 young people hired under the work-study programme. Decathlon now aims to develop this partnership in other French regions in 2023.



THE DECATHLON APPRENTICE TRAINING CENTRE

In partnership with *Agence nationale pour la formation professionnelle des adultes*¹⁸ (AFPA), Decathlon opened its apprentice training centre in September 2022 to teach apprentices how to repair and sell sports goods. Through this training programme, Decathlon hopes to share its expertise and know-how, while meeting its growing needs for labour (500 technicians required by 2026) due to the changes in urban mobility (bicycles, electric bikes and scooters).

The first learning group at Decathlon's apprentice training centre includes 134 apprentices aged 16 to 59 (with 85% between the ages of 16 and 30) at 15 AFPA training centres across France. These trainees were recruited through partnerships with local stakeholders (schools, APELS¹⁹, associations, employment centres, etc.) to encourage open and inclusive recruitment. All apprentices are hired under a twelve-month contract (75% of the time working in the company, 25% at school) and receive appropriate training. 80% of the training is provided by the partner AFPA training centre and 20% by repair experts at Decathlon. At the end of the programme, participants receive a recognised state diploma as well as the opportunity to join the company.

i Information on Decathlon's repair activities on p. 105.



Testimonial

Héléne LACROIX

Apprentice Training Centre Development and Operations Manager, and swimming enthusiast

“Decathlon has been seeking ways to offer young people a chance to get their first work experience for many years. This apprentice training centre is a way to give expression to this desire. We want to share our expertise and know-how with young people to help them find employment through this first training programme on sports equipment repairs. Opening our apprentice training centre in partnership with AFPA, a recognised organisation in adult vocational training leading to qualification, is the concrete expression of our inclusive policy and our ambition to train the talents of tomorrow.”

17. For more information on APELS: <https://www.apels.org/>.

18. For more information on AFPA: <https://www.afpa.fr/>.

19. 13 work-study trainees came from the APELS "Déclé Sportif" programme mentioned above.

Measures for seniors in France



By December 2023, Decathlon France aims to implement its fourth seniors²⁰ agreement signed with labour partners for 2021-2023. This agreement is structured around four main areas: hiring seniors (objective: 96 new hires over the duration of the agreement, with 50% as permanent contracts), protecting employment, transferring skills and planning retirement. A network of 27 senior Referents actively contributed to this agreement being finalised.

As of 31 December 2022, 949 teammates aged 55 and over had a permanent contract with Decathlon France, representing 4.7% of total employees with a permanent contract (compared with 812 teammates and 4.2% of staff with a permanent contract in 2021). Considering the constantly growing numbers of seniors in Decathlon's workforce and with the possible rise in the retirement age in France, it is becoming an increasingly important issue for the company to keep seniors in employment. To meet this need, several measures under the seniors agreement have already been put in place: annual medical check-up on request, night work for moving in stores limited to one per week (between 9:00pm and midnight), accommodations to working hours, facilitated transition to part-time with the maintenance of pension contributions and wage compensation, etc.

SEVERAL OTHER INITIATIVES IN 2022 CAN ALSO BE HIGHLIGHTED:

- 96 sessions to prepare for retirement were held: 965 participants took the "understanding and preparing for retirement" course (for people from age 40) and 225 participants took the "retirement formalities" course (for people from age 55);
- training in the use of computer tools was provided by IT Relays in store;
- training on "good management of senior employees" was launched to support leaders in managing employees over 55 years old (12 sessions attracted 178 leaders);
- specific annual performance review materials titled "Cap Sénior" were created;
- an anonymous opinion survey collected seniors' opinions of measures already in place;
- the launch of skills mentoring allowed teammates over the age of 57 with at least ten years of experience in the company to devote half a day each month to social inclusion missions during working hours.



Testimonial

David MAILLARD

Seniors Policy Manager in France, and hiking enthusiast

“Decathlon has been developing its seniors policy in France for ten years now. Implementing the latest specific mechanisms for seniors defined under the 2021-2023 agreement further reinforces our desire to care for our older employees. Possible pension reform, the ageing population, strong growth in our senior workforce and the importance of intergenerational transmission are major challenges both now and in the future. Our seniors policy aims primarily to address these societal challenges.”

DEVELOPING PEOPLE

HUMAN RIGHTS IN PRODUCTION

Sharing challenging human ambitions with suppliers

In line with its values of responsibility, vitality, authenticity and generosity, Decathlon promotes sustainable development in all its activities as it carries out its purpose to “move people through the wonders of sport”. Wherever the company is present, it commits to respecting the Universal Declaration of Human Rights, the Declaration on Fundamental Principles and Rights at Work of the International Labour Organization (ILO), the United Nations Guiding Principles on Business and Human Rights, and the Organisation for Economic Co-operation and Development (OECD) principles of responsible business conduct and local legislation. To ensure all of these are applied, Decathlon incorporates, shares and verifies these requirements through its Code of Conduct²¹.

To ensure all human issues are addressed in Decathlon’s 43 production countries, 2,429 teammates assist the company’s 1,263 supplier production sites locally. An internal and external audit system also checks that suppliers properly apply the twelve chapters of fundamental human rights for workers developed in the Code of Conduct, as well as health and safety conditions.



KEY FIGURES
as of 31/12/2022

1,263
relevant production sites for Rank 1 (928) and Rank 2 (335) suppliers underwent HRP audits
(1,280 in 2021)

86.7%
of relevant sites for Rank 1 suppliers were rated A, B or C for human responsibility in production (HRP)
(78% in 2021)

2,429
production teammates support suppliers on a daily basis
(2,245 in 2021)

11
partner sites were certified as autonomous for human responsibility in production
(0 in 2021)

2022 HIGHLIGHTS

After two years of disruption due to the COVID-19 pandemic, human performance in production is once again aligned with the Transition Plan trajectory: At the end of 2022, 86.7% of relevant sites for Rank 1 suppliers were rated A, B or C, up 11% from 2021.

The Human Responsibility in Production (HRP) Autonomy programme for partners in production saw its first successes, with 11 supplier sites being certified.

Human audits in production

THE CODE OF CONDUCT AND THE HRP AUDIT GRID

The company’s Code of Conduct responds to the social issues highlighted by international organisations (ILO, OECD, etc.) and in particular: human rights, health and safety, management of chemical substances, corruption, management and communication with employees. **This document has been signed by all Rank 1 component and product manufacturers²².**

The application of this Code of Conduct is verified by means of an **internal and external audit system based on a regularly updated audit grid²³**, 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.

i More information on the purchasing strategy, audit system, compliance framework and production skills on p. 140.

Using its audit grid, the company is currently focusing on verifying twelve main topics:

1. Child labour
2. Forced labour
3. Freedom of association
4. Legal authorisations and periodical checks (health and safety)
5. Risk and safety management (health and safety)
6. Chemicals management (health and safety)
7. Fire safety and evacuation (health and safety)
8. Living environment
9. Working hours
10. Compensation
11. Human resources management
12. Management of social accountability

These themes are evaluated in audits to reflect a situation at a given time, which makes it possible to identify short, medium and long-term improvements at the production site. **Decathlon requires its suppliers to obtain a minimum score of C (on a scale from A to E).** If they are assigned a D, the supplier has a period of six months to a year to take corrective action and make improvements. If a supplier earns a score of E due to the presence of a risk of death or non-respect of fundamental human rights, production and shipments of orders are suspended until the problem has been resolved.

→ SUPPLIER PANEL PERFORMANCE IN 2022

In 2022, 86.7% of relevant production sites for Rank 1 suppliers were rated of A, B or C on Decathlon’s audit grid (vs 78% in 2021).

The mechanism for assessing human responsibility in production has been significantly impacted since the start of the COVID-19 pandemic²⁴. After seeing a decline in performance in 2021, Decathlon is now back in line with its commitment to ensure that 90% of relevant sites for Rank 1 suppliers are rated A, B or C by 2026. These positive results can be explained by:

- **production teammates’ motivation to maintain ties with suppliers and make up for lost time on a significant number of audits:** Of the 1,067 HRP audits conducted in 2022, 58% were performed by Decathlon;
- **support from two external auditors** providing additional resources to conduct more audits;
- **the relevance of the company’s actions to grow supplier autonomy** and ensure as many of them as possible are able to work independently towards reaching sustainable performance.

According to the rule introduced in 2021 after the pandemic and in a concern for transparency, all sites whose audit was more than one year overdue were once again removed from the number of suppliers rated A, B or C. Decathlon’s priority is to conduct new audits as quickly as possible within the 43 Rank 1 sites affected by this delay in 2022 (compared with 79 in 2021).

DECATHLON JOINS THE SEDEX PLATFORM

In 2022, Decathlon became a member of Supplier Ethical Data Exchange²⁵ (Sedex), the largest collaborative platform sharing ethical supply chain data (74,000 members in 170 countries). This platform’s objective is to enable sustainable sourcing and improve working conditions in value chains.

For its first year as a member, Decathlon tried out Sedex’s external audit solution (SMETA²⁶), more specifically for certain Rank 2 suppliers²⁷, at 25 production sites in Mainland China, Bangladesh, India, Italy and Turkey.

22. 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.
 23. For more information on the audit grid updated in 2021, see NFRD 2021, p. 30.
 24. For more information, see NFRD 2021, p. 30.
 25. For more information on Sedex: <https://www.sedex.com/>.
 26. For more information on SMETA: <https://www.sedex.com/solutions/smeta-audit/>.
 27. Decathlon selected these sites for the test because other clients had already evaluated them using SMETA, and they also became subject to Decathlon’s HRP audit. This means that the evaluations can be compared. These sites also receive guidance from a Decathlon production team.

21. Decathlon’s Code of Conduct is available at: <https://sustainability.decathlon.com/legal-documents>.

DEVELOPING PEOPLE

Helping partners work towards HRP autonomy

THE PROGRAMME

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

This ambitious programme aims to:

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

The programme was followed by 45 partner sites in 2022.

To earn their autonomy certificate, 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.

This year, 11 partner sites in Mainland China, Vietnam and India were certified as autonomous for the first time. After certification, local Decathlon production teams conduct an annual review to monitor the criteria are being applied. This review is mandatory and re-examines the results of the partner's self-assessment and of the Engagement and Well-being survey. It also provides an opportunity to discuss the supplier's needs and any problems it has encountered. In this way, Decathlon remains committed to its autonomous partners in order to provide them with support and assistance when necessary. Note that the certificate of autonomy can be suspended if a non-compliance²⁸ is identified.

Autonomous supplier sites are required to renew their certificates half as often as their initial audit frequency (ex: initial audit frequency every 2 years, recertification frequency every 4 years).



MEASURING WORKER SATISFACTION

From 2021, Decathlon has rolled out a survey tool that measures worker satisfaction based on the Engagement and Well-being survey that was originally developed by Nike²⁹ and is used by several companies in the textile sector. The survey is conducted by external providers, the main ones being Labor Solutions³⁰ and KNO³¹, to guarantee confidentiality and easy access for respondents.

In addition to HRP audits, the survey addresses six themes to provide a second perspective and a 360° view of human issues at production sites: skills development, communication, stress at work, remuneration, health and safety, and labour relations.

In 2022, 40 sites from nine countries³² conducted an Engagement and Well-being survey (compared with ten sites in four countries in 2021). 38,000 employees responded this time (compared to 15,000 in 2021) for an average response rate of 66.4% across all relevant sites (compared with 58% in 2021).

Fighting forced labour

The economic and social impacts of the COVID-19 pandemic have made the populations most at risk of forced labour even more vulnerable. According to the latest report³³ by the International Labour Organisation (ILO), 27.6 million people worldwide were suffering under forced labour in 2021.

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 Act³⁴, 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:** suppliers' employees offer their work or services of their own free will and without the threat of any form of penalty;
- **responsible recruitment by its suppliers:** the recruitment, transport, transfer, accommodation and reception of a migrant worker for the purpose of paid employment must take place without threat, without the use of force and without constraint;
- **debt bondage:** a person shall not work or provide a service in order to cancel a debt.

These principles were restated in Decathlon's latest Modern Slavery Statement³⁵.

The company's requirements related to human rights and the fight against forced labour are specified in the Code of Conduct as well as in the HRP audit grid. Since 2021, both of these also integrate dormitory and ethical recruitment guidelines. These guides are particularly deployed in all countries considered at greatest risk³⁶ according to Decathlon's mapping, i.e. 237 production sites.

In 2022, Decathlon made further advances in its fight against forced labour:

- **the use of external tools to better evaluate risks, interpret alerts and build remediation plans with:**
 - **the automatic deployment of the DiginexAPPRISE³⁷ app in at-risk countries, in support of the existing HRP process:** This tool helps auditors identify situations of forced labour on the ground and suggests additional questions for individual interviews with workers while guaranteeing confidentiality. 100 production sites used DiginexApprise in 2022 (58 in 2021);
 - **the testing of DiginexLUMEN³⁸ in Taiwan:** This multilingual platform maps companies and all actors in the labour supply chain in order to assess their recruitment practices.
- **the piloting of a dormitory assessment grid** evaluating living conditions and supporting the existing HRP process was tested in 25 dormitory audits across India, Taiwan, Pakistan, Thailand and Vietnam;
- **improving teammate and supplier skills:** For the first time, webinars in the local language were organised in Vietnam, Turkey, and Taiwan, for a better understanding on indicators of forced labour by teammates and certain supplier managers and workers. A total of 2,000 workers were trained on forced labour indicators. A poster illustrating the 11 indicators of forced labour identified by the ILO is also being deployed at priority suppliers in high-risk countries (this has already happened at 104 sites).

i The Code of Conduct, Modern Slavery Statement, Vigilance Plan, guidelines for dormitories and ethical recruitment guidelines for suppliers and partners are available at: <https://sustainability.decathlon.com/legal-documents>

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

30. For more information on Labor solutions: <https://www.laborsolutions.tech/>.

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

32. Bangladesh, Bosnia and Herzegovina, Mainland China, India, Italy, Romania, Sri Lanka, Turkey and Vietnam.

33. ILO, IOM, Walk Free Foundation, *Global estimates of modern slavery: forced labour and forced marriage*, Geneva, September 2022.

34. Global Slavery Index: <https://www.legislation.gov.uk>

35. Decathlon's Modern Slavery Statement is available at <https://sustainability.decathlon.com/legal-documents>.

36. The risk mapping is available in Decathlon's 2021 Modern Slavery Statement: <https://sustainability.decathlon.com/decathlon-annual-sustainable-development-reports>.

37. For more information about DiginexAPPRISE: <https://www.diginex.com/apprise>.

38. For more information about DiginexLUMEN: <https://www.diginex.com/lumen>.

28. Non-compliance: failure to comply with one of the autonomy criteria, unresolved risks identified in annual reviews, external alerts, etc.

DEVELOPING PEOPLE

HEALTH AND SAFETY

Protecting our employees and stakeholders

Since its creation, 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.

As a company, Decathlon is involved in, and is impacted by, the major social influences of recent years: successive health crises as well as the rapid and necessary transformations to the company (digital development and acceleration of the circular economy) all impact teammates' relationship with work.

So, Decathlon constantly adapts its efforts to maintain its physical and mental safety constraints. These elements and this constant work highlight the validity of our strategy of managing health and safety issues in the field, particularly through a permanent connection between local actions and support from international departments.



KEY FIGURES
as of 31/12/2022

2022 HIGHLIGHTS

At the heart of the strategy of the safety team deployed around the world lies the relationship between the Decathlon safety Referent (who shares skills) and the safety leader (who decides and applies the strategy) in the countries. This process was deployed in 2022 and enables Decathlon to analyse results and define each person's role as accurately as possible.

In a logic of local responsibility, skills are backed by a procedures control and validation process, in order to promote increasingly tailored autonomy.

Along with the development of the international Better-Being network³⁹ dedicated to preventing psychosocial risks, Decathlon has defined a local leader's duties sheet in order to establish the main principles of vigilance on teammate mental health and to provide local means to deploy the action plans associated with the identified risks.

94%
of teammates feel safe at their workplace
(94% in 2021)

30
safety Referents in the international network, 60 safety leaders and 2 network meetings held annually

The international safety network

DEVELOPING AUTONOMY TO DEVISE THE MOST APPROPRIATE LOCAL RESPONSE

At Decathlon, every country is responsible for the health and safety of its own team members, customers, suppliers and sports users, in accordance with local regulations and the level of risk.

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 defence⁴⁰:** 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 safety leader pair is strengthened; the Referent evaluates local safety management once a year. The international safety team guides and maintains the skills in the network of country safety leaders and their safety Referent. It guarantees the right level of support for each country, provides assistance when needed (in case of a crisis, for example) and assesses the level of local proficiency annually. Lastly, it provides a temporary local replacement in the event of an abnormal situation, if necessary.
- 3. Third line of defence:** an internal audit provides oversight and evaluation of the two previous levels.

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 autonomy framework locally and shares its results, progress and areas for improvement with the Country Board⁴¹ 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 potential areas for improvement. Lastly, this assessment feeds the risk mapping internationally.

IMPLEMENTING THE INTERNATIONAL NETWORK'S RECOMMENDATIONS

The country safety Referent serves as adviser and evaluator within a **framework of autonomy**. Referents 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.

In 2022 for the first time, Referents assessed local safety management in 51 countries, representing 90.2% of the company's total workforce.

This work was cross-checked with the findings reported by the internal audit, and confirmed the types of **risk to be addressed as a priority**:

- structural risks (evacuation, etc.);
- cyclical economic risks (logistics subcontracting, etc.);
- the company's ability to respond to geopolitical events, both preventively and in the event of a crisis.

DEVELOPING THE NETWORK TO IMPROVE RESPONSIVENESS AND DEDICATED SKILLS

The safety network continues to develop under this strategy. Country leaders are responsible for their local safety scope and depend on a network of over 60 safety leaders around the world, who are assisted by 30 Referents. Depending on the size of the country, these safety leaders are either operations managers who oversee their area of intervention, or safety leaders who are dedicated to this role full time.

This network was formed rapidly over the past few years and has evolved with Decathlon's strong international development. However, the need for a more immediate local response, sometimes involving complex, riskier and more volatile situations, required a larger international team in 2022, which will continue to grow in 2023.

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. To do this, Decathlon is expanding its global support for all countries by developing new skills in 2023, with new positions dedicated to mechanised logistics and psychosocial risk prevention, as well as the support for international travel and safety at product design sites, which already exists.

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

39. Better-Being: name of the network dedicated to preventing teammate psychosocial risks.

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

41. The Country Board is composed of leaders from outside the country (leaders from other countries, sports departments, Sports & Processes, administrative and financial leaders, etc.).

DEVELOPING PEOPLE

New control practices paired with the development of new business models

LOGISTICS

The challenges related to the supply of components and spare parts as a consequence of the global pandemic, led to an unusual logistical situation in 2022. These difficulties meant that more products than usual had to be stored, requiring the rental of additional spaces, to allow the different sales channels to gradually absorb overstocks. These organisational structuring elements require new safety management measures to be set up in these spaces, for the subcontracting teams that manage these stocks. To meet its responsibility to its suppliers, Decathlon created new procedures in 2022 to be implemented as early as 2023, with the relevant associated controls. An international logistics manager will also be appointed to support this new development.



i More information on quality procedures for product resale on p. 50.

A SECOND LIFE FOR PRODUCTS

To support the new services that the company is developing, such as repairs, rentals and second life products, new safety areas are being organised in shops and warehouses. Product storage and repairs result in new operations that teammates need to perform on types of products for which the risk is both considered and evaluated, such as the correct storage of lithium batteries for bicycles and scooters to prevent a risk of fire. Teams are being trained in resale procedures of second life products to customers.

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.

Changes in the company, related to societal developments, require all teammates to be adaptable. 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. This includes a training kit, tools to share best practices, and measurement tools, such as a self-assessment questionnaire.

Following the strategic plan established in 2020⁴² by the Better-Being international collective, Decathlon's countries continue to work to prevent psychosocial risks. In 2022, a task sheet was created to make psychosocial risk prevention a fully-fledged position and no longer just part of an existing human resources position. This roadmap includes identifying psychosocial risks in a country (through various questionnaires), providing support through training tailored to the teammates' responsibilities, and steering the network nationally and internationally.

A variety of objectives are defined and reflect the Better-Being leader's action plan, based on the local level of risk revealed by the tools. Their role is to establish a clear prevention and action framework and ensure that all local players in the safety network have access to awareness and training tools.

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.



Testimonial

Marlies KNEMEYER

PSR Leader Germany, and beachvolley enthusiast

“ These last two years of the health crisis situation have been highly challenging for our teammates, not only professionally but also personally. Thanks to the various indicators in place, such as the amount of sick leave, the reasons for employee departures and responses in surveys on well-being at work, we decided to implement some key actions in 2022. We launched online psychological counselling with the OpenUp platform; this platform is completely anonymous and provides various resources to help teammates work on their own mental well-being if they so wish. We also implemented other new measures, like the right to disconnect, remote working, the possibility for mobile working and three additional days of paid annual leave (taking the total to 30 days).”

CONCRETE ASSISTANCE ADAPTED TO EACH SITUATION IN FRANCE

Decathlon France provides several internal resources to teammates to help prevent the risks linked to stress, understand the signs of burn-out and define violence both inside and outside the company. Psychosocial risk prevention is provided by training modules that are accessible to everyone on line, and by workshops that are held regularly for human resources teams. Training focuses on identifying psychosocial risks to raise awareness of the need for reciprocal assistance, attentive listening and the triggering of alert systems. Other more general courses address topics such as “working in uncertain times” and “preventing aggression”.

Lastly, when occupational distress is detected, several resources provided by external service providers are made available to employees and guarantee their anonymity.

In 2022, this process was brought together under a single support phone number called Entraid', which directs callers to the appropriate service: social assistance for personal problems, attentive listening and psychological support (provided by an external provider) and one-off support for post-traumatic situations with the establishment of a psychological crisis team in 24 to 48 hours for cases of bereavement, robbery, etc.



DEVELOPING PEOPLE

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 fulfilment and performance. To help them do so, the company has put in place all the necessary tools to maintain and develop know-how and people skills.

The company's 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, each employee is responsible for developing their own skills, with assistance from their leader.

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.

The tools to enable this human transformation are available on the **Decathlon Academy** platform, which brings together both digital and in-person 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 the company values, purpose and human fundamentals.



52 countries have adopted the **Decathlon Academy digital platform**⁴³
(52 in 2021)⁴⁴

71.1% of teammates **have had at least 3 hours of training in the last 2 years**
(n/a in 2021)

86% of teammates **say they receive assistance in developing their know-how**
(85% in 2021)

91% of teammates **say they are taking initiative for their own growth**
(90% in 2021)

2022 HIGHLIGHTS

Decathlon Academy added new features to its platform to facilitate teammate learning, while increasing content requirements.

New training courses on the subject of rentals and second life products are now available to train employees in Decathlon's new business models.

After digitising all its content, Decathlon Exchange is adapting to new needs by offering innovative formats and exclusive content to assist Decathlonians.

Decathlon Academy

With the easing of health restrictions, the number of in-person training hours has grown significantly (40% more hours taught in 2022), after two difficult years. At the same time, digital training continued to increase in 2022, with a 250% rise in e-learning sessions compared with 2021.

Launched in 2019, **the Decathlon Academy platform continues its roll out and has seen a significant increase in the number of visits this year** (90% more than in 2021). For 2022, it received an average score of 7/10 in response to the question: "Would you recommend this platform to your colleagues?" (7/10 in 2021). The target score of 8/10 was therefore not met this year. For 2023, Decathlon Academy aims to propose a new platform to increase information reliability, diversify content further and improve ease of use. This platform will also be able to connect to an external ecosystem to provide access to more training content. With this new tool, the company hopes to meet the training needs of all its professions and encourage information sharing between teammates.

Several improvements were also made to improve the user experience in 2022, with:

- **leader skills guidance:** Leaders can now access skill levels and consult all teammates' training progression. Leaders can also extract a report to access all the information about their team members. Training reporting will be automated in 2023;
- **assessment assistance:** Decathlon added the possibility to receive assistance in assessing training programmes. The goal is to help employees improve their self-assessment and be objective in their individual scoring;
- **growing use of video:** To offer content that facilitates understanding in training, Decathlon is testing new solutions such as interactive videos, where the employee answers questions while watching the video. The objective of this first test is to use data that is recorded and then stored, to allow leaders and Referents to ensure their teammates have the correct level of understanding and to assist them as best as possible.

A highlight of 2022: **two new training courses were set up for product rentals and second life** to train employees in the company's new business models. These courses were initially proposed in France and have now also been developed in five countries for second life (Portugal, Germany, Italy, Romania and France), and four countries for rentals (England, Italy, Portugal and France).



Testimonial
Bouabdella MEKREFI
Decathlon Academy Leader,
and football enthusiast

“ We want everyone to be able to play to their fullest potential. Decathlon's role is to enable everyone to develop continuously, to take pleasure, meet their responsibilities and guarantee employability. The new training platform will help it do this, while guaranteeing skills development to serve teammates, customers and shareholders.”

Platform use worldwide in 2022:

- 59,292 sessions completed (45,006 in 2021)
- 866,000 visits (757,108 in 2021)
- 4.3 million page views (4.1 in 2021)

Top five in-person courses in 2022:

- Testing products and offering the right sports equipment to customers;
- Safety onboarding;
- Being an effective omni-channel seller;
- Shelving: good retail facing⁴⁵ (level 1) and setting up products on store shelves (level 2);
- Increasing retail dynamics.

Top five digital courses in 2022:

- Safety onboarding;
- Incorporating gestures and postures;
- Understanding omni-commerce and digital transformations;
- Knowing your products;
- Protecting personal data.

Decathlon Exchange

Since 2005, the objective of the Decathlon Exchange teams 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. In order to share the company's values, purpose and human fundamentals, Decathlon Exchange offers a variety of content: in-person and digital training and workshops, videos/podcasts, etc. This facilitates teammate personal development in a context of global transformation of the company, in order to empower leadership.

In 2022, the priorities were to:

- **share the corporate culture** (purpose, values and human fundamentals) through six fundamental training courses accessible to everyone, which were created around the pillars of empowering leadership: "Recruiting different personalities", "My responsibilities as a Decathlonian", "The fundamentals of a leader", "Co-building and leading my project", "Leading an effective and constructive meeting" and "Values and Intentions". The Decathlon Exchange teams also set up a programme to help teammates (re)discover the corporate culture, consisting of a 30-minute e-learning course, a "Living values through sport" workshop and two "Value and Purpose" and "Values and Intentions" seminars;
- **support leadership** with new content including the "Management Leaders" seminar, inspiring conferences, and workshops/trainings such as: "Learning to trust others and learning to let go" or "Revealing the intrapreneur in me";
- **continue digitisation** begun in 2020, to facilitate access to content for as many people as possible;
- **experiment with new teaching methods** through short videos and podcasts posted on Decathlon's YouTube channel, to share the company's values and help teammates become autonomous in subjects of responsibility;
- **open up to the outside world** so that associations, partners and other company stakeholders can benefit from what makes Decathlon unique and develop their own sense of responsibility, with training already provided to people from other companies and associations.

14 Decathlon Exchanges worldwide (14 in 2021)

116 ambassadors (114 in 2021)

35,314 employees impacted by Decathlon Exchange content (22,700 in 2021)

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

44. Following a counting error on the figure reported last year in NFRD 2021, this data has been changed from 59 to 52 countries for 2021.

45. Shelf layout.

DEVELOPING PEOPLE

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 competitive company that is committed and empowering when it comes to sharing value. So, the company has put in place strategies focused on employee compensation and shareholding.

The main goal is to pay teammates appropriately according to their responsibilities and their contribution to the company's performance through the value they create. This is possible thanks to a compensation package and employee savings scheme⁴⁶, which allows teammates to benefit from, and contribute to, the company's development.

This package includes:

- direct remuneration elements (a base salary with individual and/or collective pay increase periods each year as well as one or more variables remunerating individual and/or collective performance);
- social benefits that can differ based on local country laws.

The desire to share some of the value that is created together with each teammate is part of Decathlon's values, so that everyone, through the employee savings scheme, can act as a co-owner and build assets from a professional source.

€ **KEY FIGURES**
as of 31/12/2022

52.3%
of employees are shareholders

(54,489 shareholders in 2022, i.e. +3.7% compared to 2021)

€3.08 bn
payroll worldwide

(€2.65 bn in 2021)

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

(60% in 2021)

2022 HIGHLIGHTS

Several countries offered exceptional pay rises to protect employees' purchasing power in a context of global inflation.

50 countries now have access to employee shareholding as the scheme was extended to Greece, Austria, Serbia, Ivory Coast, Latvia and Sweden in 2022.

Strengthening a sense of belonging through shareholding



Shareholders' launch party in Serbia, August 2022.

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 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 receives the same information through a detailed explanation of how the shareholding scheme works.

Six new countries offered employee shareholding in 2022: Greece, Austria, Serbia, Ivory Coast, Latvia and Sweden. This means that shareholding is now available to employees in 50 countries.



Testimonial
Ivana NIKOLIĆ
Hiking Department Manager,
Decathlon Serbia, and basketball enthusiast

"I think that owning shares in the company I work for is a significant advantage, in offering shareholders a unique opportunity to strengthen the work ethic across the organisation and increase productivity. Shareholding has helped align the company's success with its employees' success."

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



Responding to requests to release funds
€30 is used by Decathlon to respond to requests by employees to release funds.

Implementation of the decathlon strategy
€70 is used exclusively to implement the strategy in which all teammates participate.

DEVELOPING PEOPLE

DELIGHT FOR OUR PRODUCTS

Customer and user safety and satisfaction

Decathlon designs, manufactures and orders the manufacture of its own products. The requirements regarding customer and user safety and satisfaction are at the heart of the Quality teams' concerns, throughout the value chain: from the design phase, during manufacture and up to the point of sale, being used by sportspeople and returned to stores for a second life, repair or rental. The team's mission is to highlight the risks of non-quality and plan remediation solutions so that the right solutions can be found quickly for local teams and sports users.

This management system is based on an integrated network of teammates led by quality Referents who are located all around the world. They oversee the application of the procedures and the maintenance of related skills.

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 being gradually incorporated for second life products, sales to others, the Marketplace⁴⁷ and products of other international brands.

2022 HIGHLIGHTS

Quality teams strengthened their skills throughout the value chain: control procedures were structured worldwide thanks to the digitisation of products and the integration of new software.

Internal control and remediation processes were strengthened. This action plan was deployed based on the results of quality audits.

New business models were incorporated in the product quality process to guarantee customer safety: new control procedures were gradually implemented for the sale of second life products, repairs and rentals.

Decathlon joined the ZDHC (Zero Discharge of Hazardous Chemicals) Foundation and constructed the Roadmap to Zero⁴⁸ programme with its teams and suppliers to reach its goal of "zero hazardous chemicals used to manufacture products".



KEY FIGURES
as of 31/12/2022

71.7% of customers are delighted in the use of our Decathlon products
(71.5% in 2021)

1,059 products were returned, per million products, due to failure or dissatisfaction
(988 in 2021)

81.6% of suppliers are involved in chemicals management⁴⁹, having signed the Decathlon Restricted Substances List
(93.9% in 2021)

85.8% of the Decathlon brand product samples tested complied with toxicological requirements
(86% in 2021)

Facilitating quality at every level of 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, as well as on compliance with local regulations. The quality network sheds light on the risks for all its stakeholders and co-constructs solutions with the corporate stakeholders, while maintaining control of the activity's environmental impact and costs of non-quality for the company. It requires a constant focus and continuous improvement, through a **network** with a large number of contact people.

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, and ensuring that the supplier quality system is at the expected level to guarantee product quality;
- **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 require a whole group 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.

→ 2022 HIGHLIGHTS

▪ **Tri-party functional leadership, strengthening the alignment with the standards:** To maintain and continuously improve the skills level of each actor in the network, the quality Referent is now assisted by a third party (another quality Referent) in order to verify skills and the alignment with Decathlon's international strategies, and to maintain a constant level of rigour. This has improved the reliability of the quality management process and impacted the number of quality corrective actions, which has been increasing for the past several years.

▪ **Efforts focused on the traceability of raw materials:** The quality team quickened the pace of protocols to protect the reliability of data related to material transformation throughout the manufacturing process. The design teams worked together to define the characteristics of the data to be collected and tracked in Decathlon's supply chain. This data is also collected from suppliers. One new person joined the quality team this year to support the international traceability team, so that it can deliver reliable data in compliance with current and future regulations.

i More information on raw materials on p. 95.

▪ **The precision of product-related data was improved:** Thanks to the simultaneous development of digital tools, a control process and data integrated in the product (RFID technology), Decathlon is gradually improving its overall knowledge of the life of its products, from the raw materials used for their manufacture to customer returns, to enable it to analyse non-quality. The software used for these controls is deployed along the value chain, for both product compliance and to prevent chemical risk.

47. Marketplace: Decathlon's digital sales site offering products from third-party vendors.

48. More information on the Roadmap to Zero programme: <https://www.roadmaptozero.com/>.

49. When observing the drop in performance, it is important to consider the 2022 context: a new version of the RSL document was proposed to suppliers and a transition to a new management and monitoring tool impacted performance. For more information see performance indicators 49, p. 186.

DEVELOPING PEOPLE

Guaranteeing the same level of safety for second life products

In 2022, in a concern to anticipate risks, the Quality team developed procedures for the **buy-back and return of standardised products with stricter safety requirements**. It prioritised the products presenting the most risks, such as personal protective equipment (helmets, life jackets, etc.). The Quality team then wrote a reference framework based on European regulations, defining the management rules right from the design stage to optimise the quality of safety components or flammable products (human or animal hygiene, flares, etc.). Check lists were created for store teams to use when examining the conformity of returned products, so each point can be checked.

This aims to better route products **when they are returned by customers**. Teammates can decide whether the safety equipment can be put back on the market using the check list for each product.

The check list was tested at the Lompref warehouse in France. Following testing, the procedure was validated and deployed across France.



Testimonial
Émilie LOCHERON
Very Risky Products Quality Project Manager,
and triathlon enthusiast

“Decathlon has the same safety and quality demands for both regular products and second life products. As we work to develop the circular economy, we have established management rules, from the design phase to inspection when products are returned to stores, to ensure we maintain the same level of safety for people's health and well-being. The purpose of all this work is to streamline the return process for both teammates and customers, and make product second life a solution that is fully integrated into our business model.”

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. In 2022, the **compliance network** joined the Quality network to increase the Quality department's level of knowledge of product compliance in each country.

In doing this, Decathlon is thus positioning itself to work proactively with the various stakeholders to create safer and more environmentally friendly products. For this reason, a teammate from Decathlon's Quality team began a term as Chair of the EuroCommerce Non-Food Committee⁵⁰ in 2022, in order to actively contribute to revising the many European regulations to come. This committee handles all non-food regulations related to Decathlon products, and works in collaboration with the EuroCommerce environment committee, since the two topics are increasingly correlated.

The network comprises more than 600 players, who are involved to different degrees. Referents provide the necessary processes, tools and skills to ensure that the Quality system is upheld, including through functional analysis of products, validation plans, approvals, control plans, etc.

In order to maintain this level of quality, the production teams in particular, 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 regarding products.

QUALITY AUDITS IN PRODUCTION

Audits are performed every two years to assess the maturity of Decathlon suppliers' quality management systems, identify production risks and deploy corrective action plans.

Decathlon requires its suppliers to obtain a minimum score of C (on a scale from A to E). If they are assigned a D, the supplier has a period of six months to a year to take corrective action and make improvements. If a supplier earns a score of E for safety equipment, then production and shipments of orders are suspended until the problem has been resolved. For non-safety products, the supplier is required to set up a specific procedure and has three months to implement corrective actions and make improvements.

→ SUPPLIER PANEL PERFORMANCE IN 2022

In 2022, 73.1% of relevant sites for Rank 1 and Rank 2 suppliers⁵¹ were rated A, B or C for their quality management based on Decathlon's audit grid (compared with 66% in 2021).

The mechanism for assessing production has been severely impacted since the start of the COVID-19 pandemic. After seeing a decline in performance in 2021, Decathlon is now back in line with its commitment to ensure that 90% of Rank 1 supplier sites earn a score of A, B or C by 2026. These good results can be explained by:

- **more internal auditors** (113 vs 86 in 2021) and more teammates trained in auditor validation, resulting in greater autonomy (23 Referents compared with 18 in 2021);
- **production teammates' motivation** to maintain ties with suppliers and make up the significant number of late audits;
- **support from two external auditors** providing additional resources to conduct more audits;
- **efforts to increase supplier autonomy** so that as many of them as possible are able to independently align themselves with the appropriate level of requirements, through training on how to objectively self-assess their quality management system.

A 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 for products; they also offer opportunities for continuous improvement. Reviews are all examined on a regular basis.

Since 2021, the design teams have aimed to **propose an action plan for all products⁵² receiving a customer rating of less than 4.2/5**. Any product receiving a rating below this cut-off point must be analysed and a clear decision must be taken on whether to discontinue the product, redesign it or establish concrete action plans.

On Decathlon's Marketplace, any product receiving a customer review rating of less than 3.5 is removed from sale. Corrective action must be taken if the rating is between 3.5 and 4 out of 5.

In 2022, the company changed the way customer review ratings were examined. It was decided to distinguish between:

- **the average product rating, which was established as a priority indicator** for the product design departments. This average rating is used for actions regarding products with a customer rating of less than 4.2. This decision contributes directly to user delight (rating of 5/5). The indicator is monitored at the highest level;
- **and the overall customer review**, i.e. the rating given to the product and the shopping experience (in store or on line). This requires that each Decathlon country include the shopping experience in the customer review rating. This strategy will continue to be rolled out gradually around the world.

Initial results show that this distinction helps increase customer satisfaction with the product in the long term, so that the design teams can focus on improving sports goods.

Note that various digital tools have also been added to collect data related to the shopping experience in all countries, such as WeChat in Mainland China (data added in 2023).

More than **1.5 million** customer reviews collected

(> 1 million in 2021)

Average product rating for Decathlon products: **4.54 / 5**

(4.51/5 in 2021)

DEVELOPING PEOPLE

Helping suppliers manage chemical risk

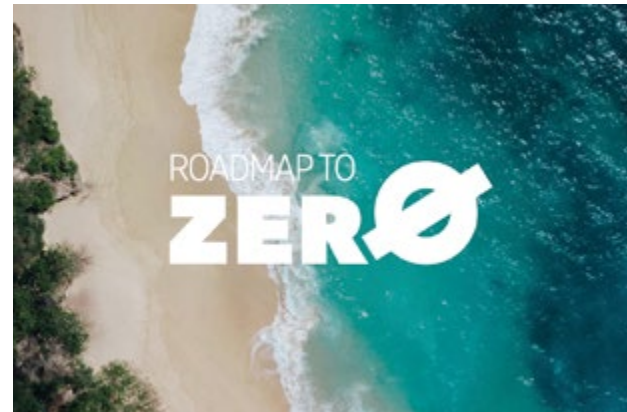
MANAGING CHEMICAL RISK AT DECATHLON

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 the value chain, paired with a control plan to ensure compliance;
- development of a **network of testing laboratories**;
- **product and component testing**;
- supplier and team **training**;
- **management of questions/feedback** from customers and authorities on the subject.

Supplier training is led by the country production and industrial process 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 factories, at the product, employee and environmental levels.



MEMBERSHIP IN THE ZDHC FOUNDATION

In order to strengthen its processes and guarantee best practices in chemical risk management throughout the value chain, **Decathlon signed the ZDHC (Zero Discharge of Hazardous Chemicals) Foundation initiative in 2022⁵³**. This organisation supports the collective commitment of partner brands and their suppliers, through the application of a verification standard, in order to reach a goal of **zero chemical risk** (Roadmap to Zero programme⁵⁴).

This year, Decathlon began integrating the ZDHC approach, communicating the new provisions to the purchasing departments and suppliers. The entire process also requires a transition to new tools and reporting procedures for manufacturers.

All these protocols will gradually lead the working ecosystem dedicated to managing chemical substances towards adopting more stringent controls and skills. The platform incorporated in the programme enables data shared by industrial partners to be monitored in real time.

Today, 373 textile and footwear suppliers participate in the Roadmap to Zero programme at Decathlon, with 58% of them connected to the ZDHC platform to share their data in 2022.

RESULTS OF THE ROADMAP TO ZERO AS OF 31 DECEMBER 2022

- **34% of component suppliers** reported their inventory of chemical use on the platform
- **18.6% of Decathlon suppliers** participated in the **chemical training programme**
- **26% of suppliers** reported their results on water quality leaving their production sites

Ensuring qualitative customer relations

Decathlon teams also protect the quality of the relationship with sports users on product safety issues and ensure that any questions are answered as quickly as possible. **In 2022, the average time to initiate was 2 days (1.9 days in 2021), with a answer sent in 37 days (40 days in 2021).**

Focusing on the priorities of customer satisfaction and safety, the Quality team improved the average customer file closing time despite a more complex context, which included other international brands (OIB) present at its points of sale.

The goal is to continue to improve the results of this indicator, and to strengthen the management and effectiveness of responses during the summer period when there is a sharp increase in the number of cases.

A network of Referents responsible for handling customer feedback around the world was created to allow files to be processed both in France and internationally.

2 days to initiate action, and a response sent in 37 days in the case of an allergic reaction
(1.9 and 40 days in 2021)

Replacing priority hazardous substances

Decathlon's product design teams are 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 2022, the teams continued the work already begun on chemicals to gradually replace them. They have obtained conclusive results:

- work intensified to **avoid PFCs** (perfluorocarbons, present especially in water-repellent materials), with the goal of completely dispensing with these substances for all products in 2023. Tents and backpacks are already designed without PFCs and work continues on jackets and trousers;
- the manufacture of kayaks and paddles is now **100% free of toluene**, a glue used to assemble inflatable products. This good practice of totally excluding CMR (carcinogenic, mutagenic and reprotoxic) products inspires suppliers who then offer the identified alternatives to their other customers;
- **bisphenols** (identified as endocrine disruptors), which are commonly used for dyeing polyamide, are gradually being replaced;
- as with toluene, **dimethylformamide** (a solvent sometimes used in polyurethane induction and which requires numerous protective measures in the factory), is gradually being removed from the value chain, while preserving comparable product quality and durability.



53. More information on Decathlon's membership in the ZDHC Foundation: <https://www.roadmaptozero.com/post/contributor-announcement-jan-2022>.

54. More information on the Roadmap to Zero: <https://www.roadmaptozero.com/>.

PRESERVING NATURE

THE PLEASURES OF SPORT
IN A PRESERVED ENVIRONMENT

'PRESERVING NATURE' REPRESENTS A MAJOR
PILLAR OF DECATHLON'S COMMITMENTS AND
COVERS THREE WIDE SCOPES OF ACTION:

**1_HELPING TO COMBAT
CLIMATE CHANGE AND
PROTECT BIODIVERSITY**

**2.1_DEVELOPING MORE
RESPONSIBLE PRODUCTS**

**2.2_COMMITTING TO MORE
SUSTAINABLE CONSUMPTION**

**3_REDUCING WASTE
AND RECYCLING**

1

HELPING TO COMBAT CLIMATE CHANGE AND PROTECT BIODIVERSITY

DECATHLON IS COMMITTED TO THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS



OUR COMMITMENTS FOR 2026 2021 2022 RESULTS 2026

CLIMATE CHANGE

To reduce our carbon intensity by **53%** (tCO₂e/Eur value added*) in scopes 1, 2 and 3 by 2026 from a 2016 base year

→ CO₂ emission intensity in kg CO₂e per pre-tax sales **0.85 kg CO₂e/euro** **0.75 kg CO₂e/euro**

*Decathlon's commitment to reduce business intensity, validated by SBTi, is explained in "tCO₂e/euro 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/euro sales", and ensures a consolidated level aligned with the target validated by SBTi.

IN OUR STORES AND WAREHOUSES

To reduce our absolute emissions by **90%** (tCO₂e) in scopes 1 and 2 by 2026 from a 2016 base year **-64.7%** **-66.6%** **-90%**

100% renewable electricity by 2026 **82.6%** **84.8%** **100%**

AT OUR SUPPLIERS

The supplier sites accounting for **90%** of emissions associated with purchased goods and services are autonomous as regards measurement of their CO₂e emissions

→ Number of autonomous production sites as regards measurement of their CO₂e emissions **764 sites** **846 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 **289 sites** **475 sites**

90% of our purchase volumes are produced at production sites who only use renewable electricity

→ Percentage of renewable electricity consumed by the sites **33%** **44%** **90%**

90% of our purchase volumes are produced at production sites who have an energy efficiency strategy

→ Number of production sites with an energy efficiency programme **62 sites** **68 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 **31 sites** **32 sites**

→ Number of Rank 2 production sites that use coal **n/a** **11 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 **77%** **83.4%** **90%**

TRANSPORT

<**1%** of our products are transported by air **1%** **0.4%** **<1%**

BIODIVERSITY

Drawing up of methodological guidelines and assessment indicators **In progress**

100% of new owned stores in France are "Signature Biodiversité" certified **0%** **0%** **100%**

10% of our French real-estate portfolio involved in the "Signature biodiversité" renaturing approach **1%** **1.6%** **10%**

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 2023.

HELPING TO COMBAT CLIMATE CHANGE AND PROTECT BIODIVERSITY

CLIMATE STRATEGY AND STAKEHOLDERS

Committing to global objectives

2022 HIGHLIGHTS

Decathlon set a new target for its entire value chain: to reduce its absolute CO₂ emissions by 20% by 2026 based on emissions measured in 2021¹.

For the first time, the company succeeded in reducing its absolute carbon emissions while increasing sales in both quantity and turnover.

Decathlon began measuring the emissions it avoided. Reducing the impact of the business ecosystem is one of the pillars enabling the private sector to contribute to achieving carbon neutrality.

The company automated data compilation for its carbon footprint and incorporated this information in its financial analysis tool. Decathlon also worked to bring its methodologies in line with the international GHG Protocol.

The Group maintained its commitment to international initiatives (RE100, UNFCCC² Fashion Industry Charter for Climate Action, Net Zero Initiative, etc.) to combat climate change collectively.

The company added two new questions to the Decathlon Teammates Barometer survey to include the environmental aspect in its teammates' experience. It aims to teach all of its employees about the causes and consequences of climate change by 2026.

In March 2023, the UN's Intergovernmental Panel on Climate Change (IPCC) published a document summarising eight years of work to outline the most complete state of climate science to date.

This report underlined the unequivocal role played by human activities in global warming, which are causing rapid changes in the atmosphere, oceans, soil, cryosphere and biosphere in every region of the world. While scientists believe that it is still possible to limit the rise in temperatures, there is no time to waste and we must take all necessary actions. 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 2022, the company set itself a new objective to reduce its absolute CO₂ emissions by 20% by 2026, based on the emissions measured in 2021.



KEY FIGURES as of 31/12/2022

5.6% fewer CO₂e emissions per quantity sold compared with 2016
(8.68 kg CO₂e/product in 2022, 3.3% less than 2021³)

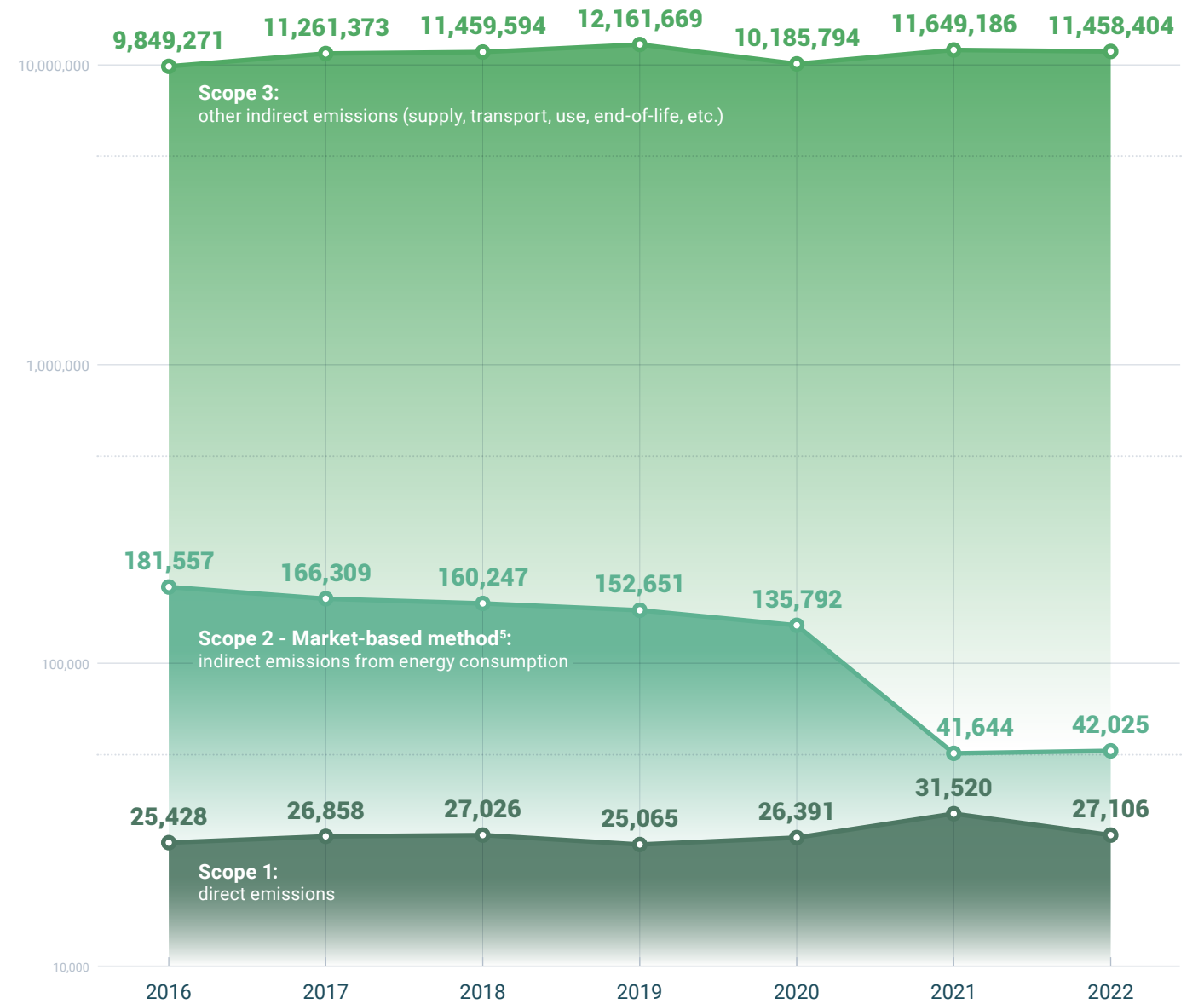
26% fewer CO₂e emissions per euro of sales excluding taxes compared with 2016
(0.75 kg CO₂e/euro sales excluding taxes in 2022, 12% less than 2021)

14.6% more absolute emissions compared with 2016
(11,527,535 tCO₂e in 2022, 1.7% less than 2021)

Breakdown of Decathlon's greenhouse gas (GHG) emissions by scope⁴

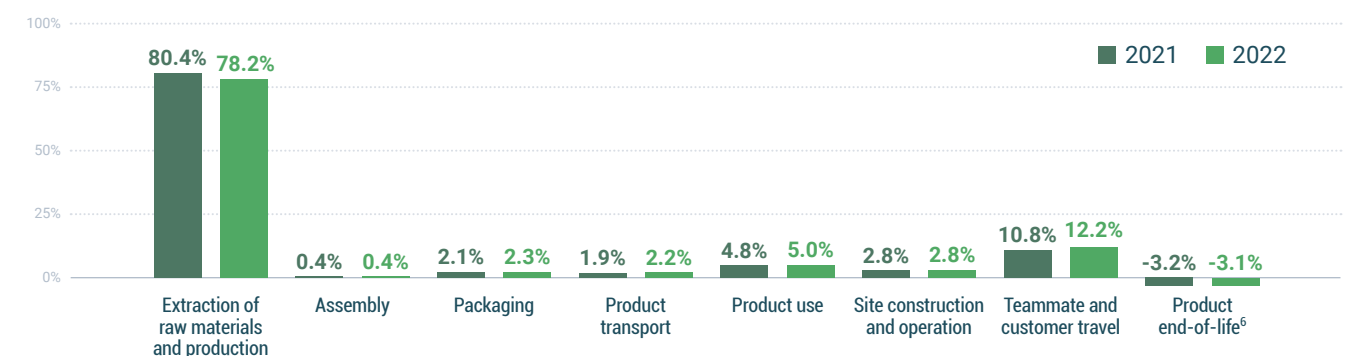
In tCO₂e - as of 31/12/22

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



Breakdown of greenhouse gas emissions by stage in the product life cycle

as of 31/12/22



1. Decathlon wants to submit this target soon to the Science Based Targets initiative, so that 2021 becomes the new reference year for its reduction trajectory.

2. United Nations Framework Convention on Climate Change.

3. It should be noted that the 2021 data has been reprocessed to take methodological changes into account; more information on p. 214-215.

4. The 2016-2021 data has been reprocessed due to the change in calculation methodology involved in transitioning to the SAC 2 tool and the use of Glimpact, a tool that is based on the Product Environmental Footprint method for product life cycle analysis. The 2016-2022 data will be reprocessed again in 2023, following Decathlon's actions to comply with the international GHG Protocol. These methodological developments aim to make Decathlon's carbon footprint more reliable and bring it in line with international standards. See note 11 on page 214 for more information.

5. Market-based method: a method of calculating CO₂ emissions related to energy consumption, using emission factors based on the specific energy mix that the suppliers subscribe to (including in particular, Guarantees of Origin certificates).

6. The impact of product end-of-life is calculated using the Product Environmental Footprint methodology. It includes avoided emissions through the use of the Circular Footprint Formula, a methodology that is not directly compatible with the international GHG Protocol. Decathlon is working towards compliance for 2023.

HELPING TO COMBAT CLIMATE CHANGE AND PROTECT BIODIVERSITY

Strengthening and deploying strategies

A GOAL IN LINE WITH THE 1.5 °C SCENARIO

In September 2021, the Science-Based Targets initiative officially validated Decathlon's new emissions reduction trajectory, to:

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

In constructing its business strategy for 2023-2026, the company took comprehensive action in the second half of the year to define a new target for the entire value chain, aligned with the global trajectory of limiting warming to 1.5 °C, the IPCC's most ambitious baseline scenario. By 2026, Decathlon aims to **reduce its absolute CO₂ emissions by 20% based on emissions measured in 2021** and it will soon propose this new target to the Science Based Targets initiative for validation.

In line with the Corporate Net-Zero Standard⁷ and the global goal of carbon neutrality, Decathlon will also submit new medium- and long-term trajectories for 2030 and 2050 for approval by the initiative. To meet this new goal, **the Group has identified four different levers for action:**

- 1. Decarbonise the company's footprint** (60% of reduction efforts);
- 2. Optimise the offer and design products for life** (40% of reduction efforts);
- 3. Scale up circular business models** (to create economic value with a very low carbon impact);
- 4. Impact its ecosystem** through influence and advocacy.

These four levers will be supported by integrated management of environmental performance and the company's digital transformation.

i More information on the new business strategy on p. 18-19.



A DESIRE TO CONTRIBUTE TO CARBON NEUTRALITY BY 2050

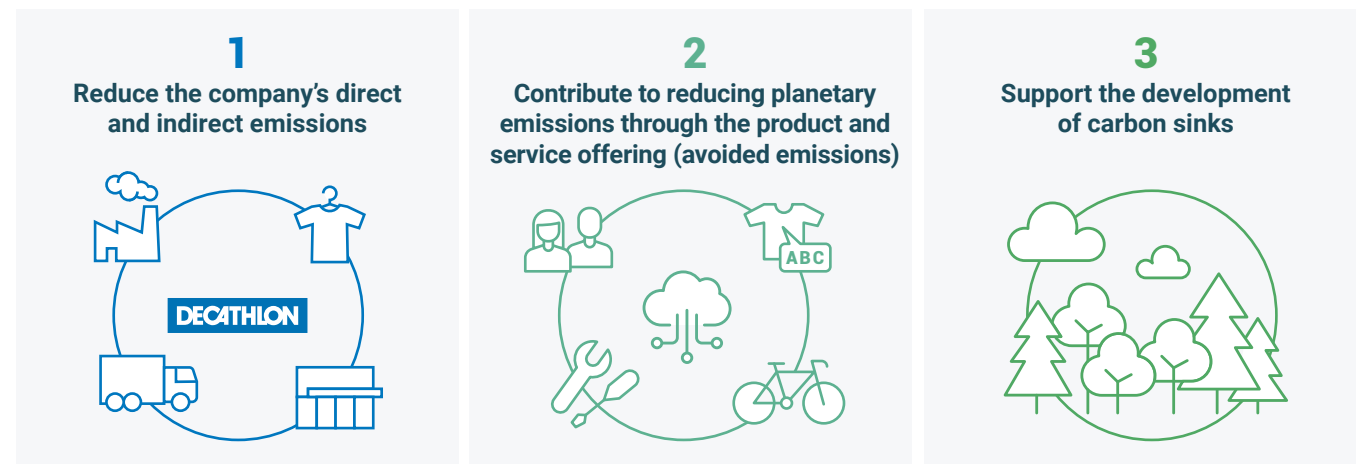
Decathlon aims to make its activities compatible with global climate issues as defined by science, and thus contribute to reaching carbon neutrality by 2050.

To do so, the Group is inspired by the Net Zero Initiative (NZI) framework⁸, which recommends that the private sector act on three complementary pillars:

- 1. Reduce direct and indirect emissions induced** by the company's activities;
- 2. Reduce emissions outside the Group's value chain** (or avoided emissions) through the product and service offering or by financing emission reduction projects;
- 3. Develop carbon sinks** (or sequestration).

Today, Decathlon's priority is to reduce its induced emissions in absolute value, and it is starting to measure avoided emissions for its ecosystem, beyond its value chain. The issue of sequestration will be explored beginning in 2023.

Contributing to global carbon neutrality by 2050



MEASURING AVOIDED EMISSIONS THANKS TO DECATHLON'S ACTIVITIES

According to ADEME, emissions that an organisation avoids are emission reductions achieved by its activities, products and/or services, when these reductions are achieved outside its scope of activity. They are assessed against a baseline scenario.⁹

Several of Decathlon's activities are covered by this definition: bicycle and scooter sales promoting eco-mobility, product rentals and repairs, the sale of second life items, durability actions, etc. The positive spillover effects of these solutions are not all taken into account in the Group's carbon footprint (actions outside its scope or difficult to quantify), but they are nevertheless **essential to help reduce carbon emissions worldwide**. According to the NZI methodology¹⁰, to measure Decathlon's avoided emissions, a reference scenario has to be compared to a new scenario that incorporates reduction solutions.

Regarding bicycles, for example, this involves analysing the reduction in emissions in the mobility sector through the replacement of certain carbon-based journeys by bike journeys, which have less of an impact. NZI has calculated avoidance factors¹¹ for a mechanical bike or an electric bike sold in France, based on a study by ADEME¹²:

- 2.5 tCO₂e per unit for a mechanical bicycle over its entire lifespan;
- 4.5 tCO₂e per unit for an electric bicycle¹³ over its entire lifespan.

Thus, Decathlon's bicycle sales in 2022 (460,120 mechanical bikes and 78,675 electric bikes) should avoid the emission of 1.5 million tonnes of CO₂e. To obtain an even more precise reflection of its activity, the Group carried out a user survey in 2022, questioning customers who had purchased a bike from Decathlon within the previous two years.



9. ADEME, "Les émissions évitées, de quoi parle-t-on?", January 2020: <https://librairie.ademe.fr/cadic/406/fiche-technique-emissions-evitees-2020-02.pdf?modal=false>.

10. NZI, Carbone 4 "The Pillar B Guide - Calculating and leveraging avoided emissions", 2022, p. 84: https://www.carbone4.com/files/Net_Zero_Initiative_The_pillar_B_guide.pdf?_ga=2.147949298.478958264.1685693254-1746672540.1680073397.

11. Avoidance factor: average amount of avoided emissions for the sale of one unit of the solution.

12. ADEME, "Actualisation de l'étude d'évaluation des services vélos", 2021: <https://librairie.ademe.fr/mobilite-et-transport/4934-diagnostic-d-evaluation-des-services-velos.html>.

13. Electric bikes have a higher avoidance factor due to a higher estimated number of kilometres travelled.

7. For more information on the Corporate Net-Zero Standard: <https://sciencebasedtargets.org/net-zero>.
8. For more information on the Net Zero Initiative: <https://www.carbone4.com/projet-nzi>.

HELPING TO COMBAT CLIMATE CHANGE AND PROTECT BIODIVERSITY



→ 2022 PERFORMANCE

i Full information on 2022 performance p. 189-190.

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

Between 2016 and 2022, there was a 66.6% decrease in absolute emissions (tCO₂e) on scopes 1 and 2.

- **On scope 1:** absolute emissions increased by 6.6% compared with 2016; this was due to the increase in Decathlon's surface area after 2021, which saw the temporary closure of many sites during the COVID-19 restrictions. Due to improved reliability of gas consumption data¹⁴, the impact of gas consumption increased again in 2022. Conversely, the more systematic measurement of refrigerant leaks and the increasing use of real data led to a significant decrease in the impact of air conditioning, as the estimated data were previously overestimated.
- **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 76.8% on scope 2 compared with 2016. In 2022, 84.8% of the electricity consumed by the company was generated using renewable sources.

i More information on the renewable energy used in stores and warehouses on p. 68.

Therefore, the 66.6% decrease in absolute emissions (tCO₂e) on scopes 1 and 2 is due to the results observed on scope 2, which accounted for 87% of the emissions on scopes 1 and 2 combined in 2016.

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

In 2022, Decathlon's economic carbon intensity on all its scopes decreased by 31.5% in tCO₂e/euro of added value and by 26% in tCO₂e/euro sales excluding taxes compared with 2016. For practical reasons, the teams are encouraged to fulfil the SBTi commitments on the basis of this second indicator.

The 2022 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:

- **Products¹⁵:** 23% of the company's sales were realised with Ecodesign products in 2022 (10.4% in 2021), which is four times more than in 2020 (5.9%). Also regarding products, representing Decathlon's greatest sphere of impact, the company saw a 12% reduction in CO₂ emissions per euro of tax-free sales compared with 2021, and 26% compared with 2016. All the actions in this direction have resulted in a 2.8% overall reduction in absolute CO₂ emissions relating to products compared to 2019¹⁶, despite sales increasing by 25.1% over the same period. Therefore this year, Decathlon succeeded in reducing its absolute carbon emissions while increasing sales in terms of both quantity and turnover. Guiding suppliers towards the target of 100% electricity from renewable sources by 2026 in manufacturing the products has contributed significantly to this performance.

i More information on performance related to eco-design on p. 93.

- **Site construction and operation:** despite the increase in sales surface area, a significant reduction in emissions was observed on scope 3 compared with 2016. This is due to a decrease in new constructions and increased use of pre-existing buildings for new stores (81% of square meters in 2022 vs 76% in 2021).
- **Customer and teammate travel:** the impact of customer travel increased significantly in 2022 in line with the increase in activity. Business travel is slowing slightly, resulting in a small reduction in impact. Finally, there was a slight decrease in the carbon footprint relating to teammate travel through the development of ecomobility.

i More information on customer and teammate ecomobility on p. 110.

Engagement of suppliers representing 90% of emissions

Work is still underway to map the scope of action that will make it possible to identify more precisely the suppliers representing 90% of the emissions related to the purchases of Decathlon products and services. Therefore, the following results can be mentioned:

- **846 production sites are autonomous** in measuring their CO₂e emissions (compared with 764 in 2021);
- **475 production sites have set a reduction trajectory** that was validated by Decathlon in line with science¹⁷ (289 in 2021);
- **44% of the electricity** used by the production sites of Decathlon suppliers managed on decarbonisation issues comes from renewable sources (33% in 2021)¹⁸;
- **Rank 1 and Rank 2 suppliers are phasing out the use of coal:** 43 Rank 1 (32) and Rank 2 (11) production sites still consumed this fossil fuel in 2022 compared with 49 sites in 2021 (31 Rank 1 sites and 18 Rank 2 sites). As of 31 December 2022, this number had fallen to 36, with five Rank 1 supplier sites having stopped using coal during the year;
- **68 production sites have an energy efficiency programme** (62 in 2021).

i More information on supplier engagement in decarbonising production on p. 72.

CDP score

In 2022, Decathlon again answered the Carbon Disclosure Project (CDP) questionnaire¹⁹ based on its 2021 performance.

The company achieved a B score (vs A- in 2021) in spite of increasing demands and the addition of new themes in the questionnaire. Several strengths and improvements were identified this year in connection with Decathlon's commitments, corporate strategy and the involvement of governance on sustainable development issues. Areas for improvement were also noted: publish more information on climate risks specific to Decathlon, harmonise/improve calculation methodologies and share the quantified results of emission reduction initiatives, once they are completed. The company is now working to provide operational responses and specific information on emerging topics (biodiversity, marine plastic pollution, etc.), and to improve the degree of precision in answering the CDP questions, in order to also prepare for future legislation.

1.7% less carbon emissions in absolute value compared with 2021, owing to the acceleration of product eco-design, the development of renewable energy in production, the reduction of emissions related to transport and the slowing down of production due to the high level of stocks at the end of the year.

14. Data availability and quality across the entire value chain are key. Decathlon strives to make real and estimated data as reliable as possible in order to have the tools, methods and effective measures it needs to carry out its actions.

15. Excluding transport.

16. Compared with 2019 before activities were disrupted by the COVID-19 health crisis in 2020.

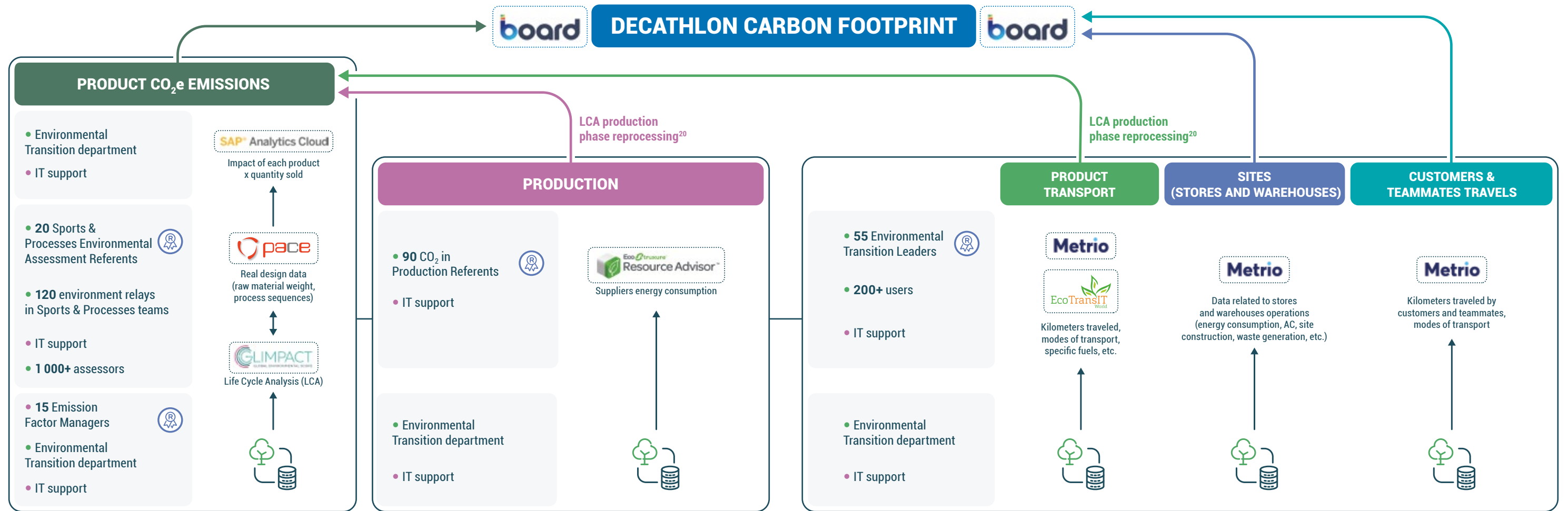
17. Decathlon suppliers use the SBTi methodology to define their annual reduction targets.

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

18. 521 production sites were chosen by Decathlon buyers to be managed on decarbonisation issues as of 31/12/2022.

19. For more information about CDP: <https://www.cdp.net/en>.

HELPING TO COMBAT CLIMATE CHANGE AND PROTECT BIODIVERSITY



Calculating the impact of the company's activities and steering performance

TOWARDS GOVERNANCE OF ENVIRONMENTAL DATA

For several years, design, production, logistics and retail teams were provided with specific tools to improve the calculation accuracy of their business impact. Decathlon is now working to establish true governance in order to professionalise the structuring and management of its environmental data. The priority in 2022 was to automate data compilation to calculate the company's carbon footprint.

Tools used by Decathlon in 2022:

■ **Board**²¹ is Decathlon's financial analysis tool; it can now also consolidate, display and monitor the company's carbon footprint. In 2022, CO₂e emissions data was added to the platform to position these indicators at the same level as financial information. Carbon dioxide data is now shared with as many teammates as possible and can be used both internationally and at the level of each country. In 2023, the objective will be to include provisional CO₂e emission trajectories in the tool.

- **SAP Analytics Cloud**²² has been used by the company since 1 January 2021 to present its overall environmental performance (CO₂e emissions and sales from Ecodesign products), and enable Sports & Processes teams to take appropriate action. Since 2022, this tool includes the impact of products measured using the Glimpact tool²³, which is based on the Product Environmental Footprint method developed under the supervision of the European Commission.
- **PACE** is an in-house tool centralising information related to product design (raw materials, industrial processes, etc.). This information is then used in Glimpact to calculate the environmental impact of all products and components.
- **Resource Advisor**²⁴ 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 846 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 factors²⁵ to calculate the CO₂e emissions for each production site and displays the performance of the entire panel of suppliers on interactive dashboards.

- **EcoTransIT World**²⁶ 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.
- **Metrio**²⁷ has measured 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 policies²⁸. Metrio covers more than 95% of the impact of store and warehouse activity²⁹. In 2022, about 50 teammates from different countries were trained in using this tool and in analysing CO₂ data. Training sessions were also held at each quarterly collection to assist employees in their reporting. In 2023, the objective will be 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 and Processes Environmental Assessment Referents:** this group of about twenty people is responsible for training component and product engineers in using the PACE tool for the environmental assessment of sports articles;
- **the network of Emission Factor Managers³⁰ in industrial processes,** representing about fifteen people, is responsible for selecting Decathlon's most representative production environmental data. If this data is not available in public databases, the managers 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:** 90 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:** 55 people are responsible for measuring CO₂ emissions and for taking action to reduce them.

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

21. For more information on Board: <https://www.board.com/en/>.

22. For more information about SAP Analytics Cloud: <https://www.sap.com/>.

23. More information on Glimpact on p. 91.

24. For more information on Resource Advisor:

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

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

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

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

28. 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.

29. Based on real or estimated data, see methodological note on p. 214, 215 and 216.

30. An emission factor is a coefficient used to convert activity-related data into greenhouse gas emissions.

HELPING TO COMBAT CLIMATE CHANGE AND PROTECT BIODIVERSITY

Measuring risks and opportunities to work on adaptation scenarios

In 2022, Decathlon launched its new methodology to model its own climate risks and opportunities across its entire value chain. Its implementation is monitored by the *Agence de la Transition Ecologique* (ADEME)³¹ in France and the *Oficina Española de Cambio Climático* (OECC)³², the governing body of Spain's ministry of Ecological Transition and Demographic Challenge. This methodology includes the risk of maladaptation³³ for the first time.

Based on data shared by the IPCC and the World Resources Institute³⁴ and including the geographical coordinates of all its sites, Decathlon identified twenty risks and five opportunities for the company. To take initial adaptation actions, the Group prioritised seven risks and three opportunities, due to their likelihood in the short to medium term, their financial impact and their relationship to mitigation strategies.

The seven prioritised risks:

1. Increased prices/shortage of raw materials due to water stress impact
2. Increased costs due to higher prices of raw materials due to environmental regulations/restrictions
3. Production disruption due to water scarcity/poor water quality
4. Decreased productivity and increased arduousness of work in production sites due to the increase in temperatures
5. Downstream retail distribution disruption due to extreme heat
6. Reduction in outdoor sports practice/sales due to the rise in temperatures and heatwaves
7. Increase in costs due to new carbon taxes/GHG emission pricing

The three prioritised opportunities:

1. Cost reduction thanks to circular economy practices (ex. use of recycling)
2. Increase in sales due to the development of new sustainable services through R&D and innovation
3. Positioning sport as a way to reduce negative effects of climate change on human health and well-being

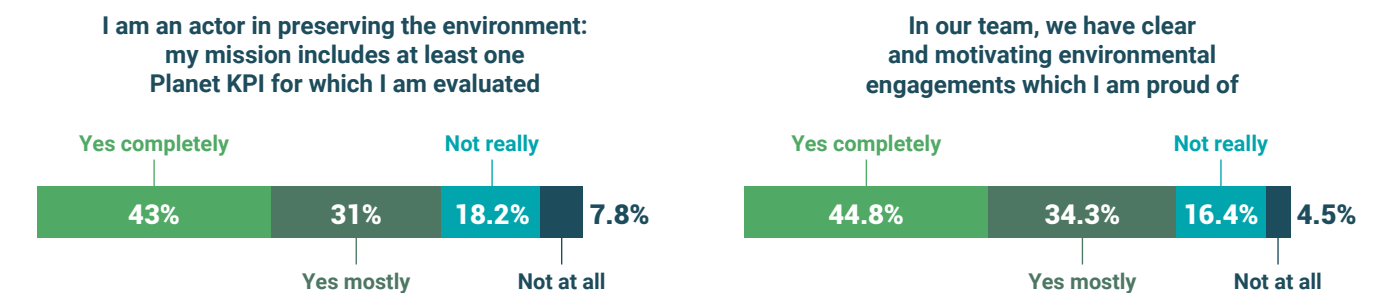
Decathlon is now using the results of this analysis to build an adaptation strategy. In this context, two experiments prepared in 2022 will be launched in 2023:

- the first will focus on mountain sports in direct relation to the product design and offer: the objective will be to understand how climate change impacts the mountain ecosystem and mountain sports in order to adapt Decathlon's design and offer to these new conditions
- In connection with operations, the second experiment will be dedicated to India, one of the countries most affected by climate change today. The teams will analyse the impacts of these changes on the supply chain (production, logistics, etc.) and the company's activities. This test aims to help Decathlon adapt to extreme temperatures and water stress

Involving teammates in Decathlon's environmental transition

INCLUDING ENVIRONMENTAL ISSUES IN THE DECATHLON TEAMMATES BAROMETER

The Decathlon Teammates Barometer (DTB) internal survey has been used annually for over 20 years to assess how human fundamentals are implemented within the company. **Two new questions were added in 2022 to consider the environmental dimension in teammates' experiences.** This addition reflects the importance of the environmental transition in the corporate culture today. This year's results will be used to draw up an initial inventory, set up action plans and supervise at the team level, as close as possible to operations.



In addition to the DTB, a sustainable development barometer carried out each year asks teammates about their knowledge of topics related to the environmental transition and their desire to contribute to this challenge. The survey conducted in 2022 reveals that **91% of employees already include or want to include sustainable development in their job's objectives.**

TRAINING DEDICATED TO CLIMATE CHANGE

At the end of 2022, Decathlon set itself the goal of teaching all its teammates about the causes and consequences of climate change by 2026.

For this, the company encourages its employees to participate in the Climate Fresk³⁵ collaborative workshop. The module uses collective intelligence to help participants link the effects, causes and mechanisms of climate change, and highlight the responsibility of human activity. This experience is now led at Decathlon by more than 220 internal facilitators who trained **5,565 teammates in more than 30 countries in 2022.** One highlight this year is that 204 of the company's business leaders (production, industries, sports, countries and services) attended a giant Climate Fresk held during a Leaders Summit³⁶. Since January 2021, 7,035 employees have already attended this workshop.

In 2023, an e-learning programme will also be made available to all teammates as an alternative to the Climate Fresk, when the workshop is not available locally.



Participating in international initiatives

To take action to collectively combat climate change, Decathlon has been involved in international initiatives and coalitions³⁷ for several years, including:

Contributing to global carbon neutrality:



Commitment standards:



Evaluation and reporting standards:



i More information on these initiatives and coalitions on p.163-167.

31. For more information about ADEME: <https://www.ademe.fr/en/frontpage/>. | 32. For more information about OECC: <https://bit.ly/OECCesp>.
 33. 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.
 34. For more information on the World Resources Institute: <https://www.wri.org/>.

35. For more information on the Climate Fresk: <https://climatefresk.org/>.
 36. This event brings together the members of the Executive Committee and 400 business leaders (production, industrial processes, sports, countries and services) for a few days. The purpose of this meeting is to share the company's business project and strategic pillars.
 37. More information on these initiatives on p.163-167.

HELPING TO COMBAT CLIMATE CHANGE AND PROTECT BIODIVERSITY

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 2020³⁸. While the global health crisis 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 carbon emissions is observed mechanically. If no effort is made to decarbonise buildings and improve their energy efficiency, the long-term results will be insufficient. Recognising the crucial importance of this issue in the fight against climate change, Decathlon is focusing efforts on its energy consumption and has committed to ensure **100% of the electricity consumed in its owned stores and warehouses comes from renewable sources by 2026**.

At the same time, the company is implementing energy efficiency and renewable energy production action plans. To include this objective in a sustainable real estate strategy, the Group is now investing in the environmental certification of its owned buildings. All these actions help reduce Decathlon's carbon emissions and preserve biodiversity.



KEY FIGURES
as of 31/12/2022

66.6% fewer CO₂e emissions on scopes 1 and 2
(compared to 2016, 64.7% fewer in 2021)

84.8% of electricity from renewable sources
(82.6% in 2021)

22.8% of owned stores sales area with environmental certification
(26.9% in 2021)

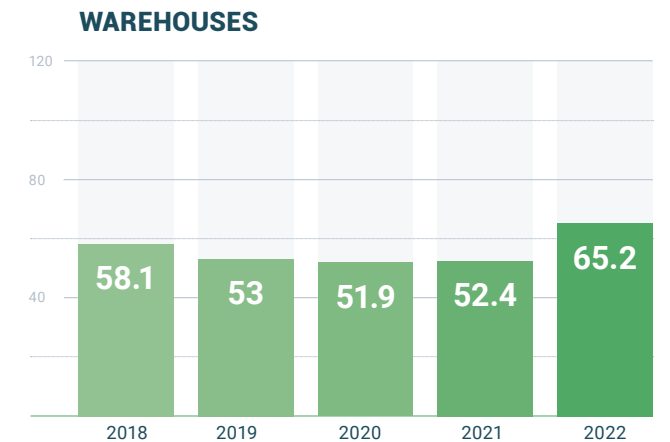
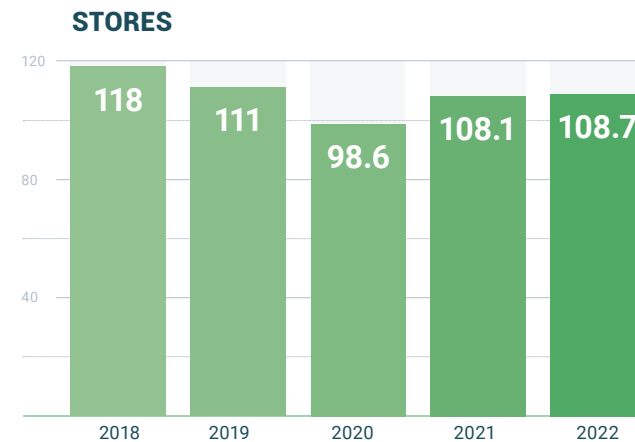
2022 HIGHLIGHTS

Following the deployment of the Group-wide sustainable real estate strategy, Decathlon validated experiments for the on-site production of renewable energy (photovoltaic panels), pursued the environmental certification of its owned buildings and developed biodiversity diagnostics in France.

Seven new countries committed to consume renewable electricity, enabling the company to reach 84.8% of electricity from renewable sources (mainly through the purchase of Guarantees of Origin certificates).

Changes in electricity consumption – stores and warehouses

Per year worldwide, in kWh/m² (as of 31/12/2022)



Deploying a new sustainable real estate strategy at the international scale

Decathlon's objectives are to achieve "100% electricity from renewable sources in company-owned stores and warehouses" and "environmental certification for 100% of owned buildings for which this is possible³⁹" by 2026. In 2022 and following the launch of the new international sustainable real estate strategy, the action plans defined for these two themes were pursued in parallel. This strategy was deployed for stores and warehouses owned by the company and then for leased buildings.

The three major strategic actions are:

- 1. 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) Level 1 certification⁴⁰; this is a programme developed by the International Finance Corporation, a member of the World Bank group. Of the 356 Decathlon sites, 113 already have certification at the global level (LEED, BREEAM, HQE, EDGE, etc.), including 82 company-owned stores. Thirteen new stores⁴¹ were certified in 2022. The same year, Decathlon created an incentive to help finance a portion of the costs incurred by local teams to obtain environmental certification. This process, dedicated to company-owned sites, will help speed up the number of certified sites. In 2022, Decathlon signed a contract with SGS⁴² to have close to 80 stores EDGE Level 1 certified during 2023 in five countries (Spain, France, Poland, Italy and Portugal). Lastly, a number of tests have been conducted since 2021 on five leased stores (three in Malaysia and two in India), resulting in these being certified EDGE Level 1 in 2022.
- 2. The use of 100% renewable energies in stores and warehouses, first through the installation of photovoltaic panels on site⁴³, then via off-site production projects⁴⁴ and finally, through a complementary approach with Guarantee of Origin certificates.**

Additionally, a person dedicated to this subject at the international level will help speed up the deployment of strategies, explore new solutions (particularly off-site), and offer these options to Decathlon's industrial and real estate partners.

3. Biodiversity: Decathlon is conducting regulatory monitoring to anticipate future local legislation on biodiversity. It has also tested a new diagnostic tool⁴⁵ in seven countries (France, Belgium, Spain, Italy, Malaysia, India and Romania) to map the situation locally. This work enables its teams to define a trajectory to reduce Decathlon's impact on biodiversity in countries that are subject to new laws.

i Information on Decathlon's actions in favour of preserving biodiversity on p. 80.



Testimonial
Glauber FECCHIO
Sustainable Real Estate Leader, and boxing enthusiast

“Once the strategy was established, we conducted numerous tests in 2022 to forge convictions on best practices and validate the best options in different places around the world. The growing number of challenges encourages us to explore new solutions, with strong ambitions and increased governance of the project.”

39. A feasibility study is carried out for each installation project, to verify the potential of the structures housing the electricity production equipment. Some projects are rejected due to safety or energy efficiency reasons (e.g. insufficient sunshine).

40. For more information about EDGE: <https://edgebuildings.com/>. | 41. Thirteen stores, of which ten are rented and three are company-owned.

42. For more information on SGS activities: <https://www.sgs.com/>. | 43. Through Power Purchase Agreements (PPA).

44. Renewable electricity generation at a remote site. | 45. Decathlon Biotope diagnostic tool.

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

Choosing energy sobriety and 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 2022, seven new countries committed to this path, enabling Decathlon to reach 84.8% of renewable electricity compared with 82.6% in 2021 (mainly through the purchase of Guarantee of Origin certificates). To achieve this result, the company is deploying various actions internationally. These tests include regular measurements to verify the efficiency of the solutions so that the most sustainable solution can be chosen. The final contracts, resulting from onsite tests launched in 2021 in China (5 stores) and India (4 stores), were signed in December 2022. Additionally, a letter of intent was signed for the installation of photovoltaic panels at Decathlon sites in Europe (in 7 countries and 74 sites). Contracts are currently being negotiated and will progressively be signed in advance of the planned deployment of the projects in 2023 and 2024.

Finally, Decathlon uses the purchase of Guarantee of Origin certificates for the remainder of the electricity consumed. Today, renewable electricity access is broken down as follows: 2.5% self-consumption onsite PPA) and 97.5% purchased renewable electricity (Guarantee of Origin certificates).

7 new countries have committed to electricity consumption from renewable sources:

Bangladesh, Bulgaria, Canada, the Czech Republic, Hungary, Lithuania and Thailand.

In 2022, energy consumption at Decathlon sites increased over the previous two years. On the one hand, the company's activity had been limited by the global health crisis, decreasing energy consumption during those years, while sales areas had increased over the same period. These factors currently make it difficult to interpret the many reduction actions that have been implemented over the last several years.

This is why measures to accelerate site energy sobriety are intensifying in parallel with actions on renewable electricity. Decathlon stores and warehouses in Europe conducted energy sobriety campaigns during the winter of 2022 (in France, Germany and Italy, for example) to share in the collective effort to reduce consumption, made necessary by market difficulties linked to geopolitical movements on energy resources. Despite the good intentions and strong commitment to continue these good practices, progress is still difficult to measure and interpret at this stage.



Testimonial

Pierre FAHY

Environmental Transition Leader and Energy Project Manager, Decathlon France, and running enthusiast

“Decathlon stepped up its energy sobriety plan this year. Because of the strong tensions in the energy market, we worked to reduce our energy consumption by 10% during the winter of 2022. This was another opportunity to increase education on everyday actions through a programme developed with labour partners and internal decision-makers to support good initiatives. This is because, although 80% of energy consumption is managed centrally⁴⁶, individual actions remain key in this approach. Through this very thorough monitoring, we were able to more clearly detect our weak points, define priority investments and reduce electricity consumption by 12.5% and gas consumption by 42.3% compared with 2021. We are also determined to reduce our dependence on energy purchases and to continue our efforts towards onsite production⁴⁷.”

46. 80% of Decathlon sites in France are under centralised technical management.

47. Currently, Decathlon France is powered by five renewable electricity generation plants on the sites in Vannes, Epagny, Bourg-en-Bresse, Bourgain and Annemasse.

HELPING TO COMBAT CLIMATE CHANGE AND PROTECT BIODIVERSITY

THE ENVIRONMENT IN PRODUCTION

Encouraging suppliers to adopt more environmentally friendly practices



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 262 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).

In 2022, 78.2% 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 for 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 846 production sites (up from 764 in 2021).

Since 2019, Decathlon has also 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 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 sports products.

2022 HIGHLIGHTS

44% of the electricity used by the production sites of Decathlon suppliers managed on decarbonisation issues comes from renewable sources (vs 33% in 2021).

Decathlon evaluates its suppliers and assists them as they work toward energy management maturity.

Work to optimise resources is undertaken as close as possible to textile production via the Sustainable Textile Processing project.

The company continues its commitment to have its Rank 1 suppliers eliminate all coal use by 2025, and its Rank 2 suppliers by 2030.

83.4% of relevant sites for Rank 1 and Rank 2 suppliers were rated A, B or C for environmental management at the end of 2022, a 8.3% increase over 2021.

HELPING TO COMBAT CLIMATE CHANGE AND PROTECT BIODIVERSITY

Supporting suppliers
in decarbonising production

KEY FIGURES
as of 31/12/2022

846 production sites are measuring
their CO₂ emissions

(764 in 2021)

475 production sites
have set a reduction trajectory in line
with science validated by Decathlon

(289 in 2021)

Decathlon's production decarbonisation strategy is structured around several pillars:

- measuring the energy consumed;
- obtaining supplier commitment to reduce their footprint;
- constructing coal elimination trajectories;
- deploying energy efficiency programmes;
- deploying renewable energies.

These pillars are verified during environmental audits for the relevant sites (see p.75). They are also promoted more widely with all suppliers because of how important this strategy is for the company.

AN AMBITIOUS REDUCTION TRAJECTORY

In 2021, the Science Based Targets initiative officially validated Decathlon's new emissions reduction trajectory⁴⁸ along its entire value chain⁴⁹. Two objectives are directly related to scope 3 and the activities of the company's suppliers:

- **To reduce by 53% its carbon intensity** (tCO₂e/euro value added) in scopes 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.

In constructing its new strategy, the company undertook global work in the second half of the year to move from a commitment to reduce carbon intensity to committing to reduce emissions in absolute terms. Following this work, Decathlon will soon propose a new reduction trajectory to be validated by the Science Based Targets initiative.

ESTABLISHING ENERGY
EFFICIENCY PROGRAMMES

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

In 2022, Decathlon teams devised a survey to assess the energy maturity of the company's suppliers. The initial version of the questionnaire was tested in six countries and at thirteen production sites, representing 22% of the energy footprint of suppliers that measure their CO₂ emissions. After analysing the results, Decathlon considered that five sites were mature and seven were not. The thirteenth site could not be evaluated due to insufficient information. Following this first test, the survey was reworked to propose a new version in January 2023 that will evaluate all production sites representing 90% of emissions related to product and service purchases.

At the same time, energy audits continued to be carried out with the help of external organisations:

- in particular, Decathlon worked with the Apparel Impact Institute⁵⁰ to enable ten of its supplier sites in the textile sector to participate in the Clean by Design programme to reduce the environmental impact of this industry. This programme has already made it possible to implement 92 energy efficiency actions (boiler electrification, installation of meters on the most energy-intensive machines, etc.), which generated savings of 46,314 MWh;
- RESET CARBON⁵¹ also assessed the energy maturity of 107 production sites in Mainland China. This analysis enabled energy efficiency actions and related potential gains to be identified.

Also this year, twelve teammates from seven countries received training at the University of Cape Town (South Africa) to become energy efficiency Referents. This work will represent 10 to 20% of their working time beginning in 2023. The construction of a network of Referents will further help suppliers improve their energy maturity.

THE SUSTAINABLE TEXTILE
PROCESSING PROJECT

In 2021, a team of Decathlon method engineers launched the Sustainable Textile Processing project to assist the 25 suppliers that consume the most energy, water and chemicals.

Through this project, work is done on the supplier's own machines to optimise processes, reduce water consumption and eliminate energy losses. Several highlights can be noted for 2022:

- **conventional polyester and cotton dyeing processes were improved** at the sites of seven suppliers, representing 20% of Decathlon's textile purchase volumes, through experiments with new machines and technologies to reduce water consumption (salt-free dyeing that greatly reduces energy consumption during water treatment, supercritical CO₂ dyeing⁵², tests on direct dye spraying on fabrics, ultrasonic washing, etc.);
- **meters were installed on machines** on some production lines to precisely measure water and energy consumption at every stage of the manufacturing process. The meters were installed at five suppliers in 2022; they will gradually be deployed more widely to better measure the environmental impact of production and establish standards for every textile industrial process;
- **progressive construction of an internal certification called ECODYE** based on four criteria: water consumption, energy consumption, CO₂ emissions and water recycling. The measurements taken by the above-mentioned meters are used to refine the thresholds for evaluating and selecting suppliers.

In 2022, these actions prevented the emission of 45,000 tonnes CO₂e⁵³ and the consumption of 240,000 m³ of water (2% of the impact of Decathlon's textile activity).



Testimonial
Lucien COGNIAUX
Sustainable Textile Processing Project Leader,
and walking enthusiast

“ In 2022, it would have taken 1.7 Earths to meet the needs of the world's population, and Earth Overshoot Day⁵⁴ is arriving earlier and earlier every year. This means that just reducing CO₂ emissions is not enough. We also have to reduce energy consumption and conserve resources. Because of this, working on water consumption and dyeing processes in production are priority issues for Decathlon so that we can set up the most frugal industrial system possible. As we work in this direction, we're testing many technological solutions to help our suppliers adopt more sustainable practices while taking into account their specific situations (location, type of production, etc.). At the same time, we're building an innovative in-house certification that ultimately aims to significantly reduce the impact of our production.”

48. The Science Based Targets initiative had already validated the initial objectives in 2020; for more information, see NFRD 2020, p. 52.

49. More information on Decathlon's emissions reduction trajectory on p. 58.

50. For more information about the Apparel Impact Institute: <https://apparelimpact.org/>.

51. For more information on RESET CARBON: <https://resetcarbon.com/en/index/>.

52. High pressure gas.

53. The numerical value of CO₂ is calculated on the basis proposed by ADEME.

54. For more information on Earth Overshoot Day: <https://www.overshootday.org/2022-calculation>.

HELPING TO COMBAT CLIMATE CHANGE AND PROTECT BIODIVERSITY

COAL ELIMINATION TRAJECTORIES

Decathlon is committed to the elimination of all coal use by its Rank 1 suppliers by 2025 and its Rank 2⁵⁵ suppliers by 2030. To reach this goal, the teams have conducted feasibility and cost studies for most of the production sites that use coal, and have worked on setting up reduction trajectories⁵⁶.

43 production sites (32 Rank 1 and 11 identified Rank 2 sites) still consumed coal in 2022 compared with 49 sites in 2021 (31 Rank 1 and 18 Rank 2 sites).

As of 31 December 2022, this number had fallen to 36, with five Rank 1 supplier sites having stopped using coal during the year.

REPLACING COAL WITH BIOMASS IN VIETNAM

The production teams in Vietnam have been collaborating with other companies in the sector since 2021 to help their shared suppliers end coal use and replace it with less polluting energy sources. This partnership has enabled one Rank 1 production site to switch from 100% coal to eliminating its use entirely, thanks to its use of biomass⁵⁷. A second Rank 1 production site succeeded in reducing its coal use by 20% between 2021 and 2022. Currently, one Rank 2 supplier is still having difficulty despite receiving support from Decathlon. Decathlon's power of influence with this supplier is limited because of the absence of a contractual relationship and the low volume of purchases that the company represents for this supplier. Overall, the actions taken in Vietnam in 2022 helped raise awareness among production sites and led to the creation of a "zero coal" technical working group with other international contractors to disseminate good practices and involve as many companies present in the country as possible.

RENEWABLE ENERGIES IN PRODUCTION



KEY FIGURES
as of 31/12/2022

44% of the electricity used by the production sites of Decathlon suppliers managed on decarbonisation issues comes from renewable sources (33% in 2021)⁵⁸

6% of the electricity used by production sites is of renewable origin, excluding energy certificate purchases (4% in 2021)

Percentage of electricity used during production that is from renewable sources (excluding energy certificate purchases), for industrial process activities:

- Gloves: **32%**
- Headwear and sweaters: **26%**
- Natural knit and fleece: **24%**



Onsite solar pannels deployed by TBS in Vietnam.

It is essential that Decathlon's production sites use renewable energy sources if the company is to drastically reduce its CO₂ emissions.

For the maximum reduction in impact, Decathlon's priority today is to focus on setting up new renewable electricity generation capacities.

So, the company now aims to help its suppliers, in this order of priority:

- 1. Set up new generation capacities.**
- 2. Participate in existing off-site projects.**
- 3. Purchase Energy Attribute Certificates⁵⁹** (in addition to the other activities).

The company also established various partnerships in India, Mainland China, Bangladesh and Vietnam this year to support its suppliers in deploying solar panels. This involves conducting feasibility studies for each of the suppliers and seeking external companies to support the rollout locally.

55. A more comprehensive census of Rank 2 suppliers using coal is currently underway.
56. As of 31 December 2022, only two production sites had no reduction trajectory.
57. Suppliers use only agricultural waste and wood waste from natural rubber plantations. However, it is important to note that there is currently no global traceability system for biomass.
58. Decathlon buyers had selected 521 production sites to be informed about decarbonisation issues as of 31 December 2022.
59. Proofs of purchase allowing companies to guarantee and communicate their renewable energy supply to their consumers.



Testimonial
Chris DEARING
Group Sustainability Director, Coats Group PLC

“ This year, and based on the impacts measured in 2018, Coats delivered a 10% reduction in energy intensity, a 38% reduction in water consumption and a 25% reduction in waste. We are really proud of these results. We've been working very closely with the Decathlon teams and in 2022, we had our near term Science Based Targets trajectory approved. This will see us delivering a 46.2% reduction in emissions in scopes 1 and 2 and a 33% reduction in emissions in scope 3 by 2030 from our 2019 baseline. At COP26, we also committed to contribute to reach carbon neutrality by 2030. To achieve this, we have adopted the same strategy as Decathlon for the development of renewable energies. We have set a target to have 100% of our electricity coming from renewable sources by 2030. We really look forward to working further with the Decathlon team. We see them as true leaders in sustainability.**”**

Participating in international initiatives to limit the impact of production on the environment

Decathlon is involved in several international initiatives⁶⁰ to work collectively to limit the impact of production on the environment:

- **UNFCCC:** Decathlon signed the Fashion Industry Charter for Climate Action in 2019 and in 2021, it participated in drafting the new version published for COP26. This version increases the commitments of textile brands in fighting climate change.
- **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 officially joined the Zero Discharge of Hazardous Chemicals initiative as a contributor in January 2022. Participation in the initiative grants Decathlon access to an online database to monitor tests conducted in accordance with the initiative's standards and to exchange practices with other companies.

Conducting environmental audits in production

THE CODE OF CONDUCT AND THE ENVIRONMENTAL AUDIT GRID

Decathlon's minimum environmental requirements and ambitions are set out in the company's Code of Conduct⁶¹.

Its application is verified by the regular presence of Decathlon's local production teams on the ground and by an internal and external audit system based on a regularly updated grid.

i More information on the purchasing strategy, the audit system, the compliance framework and production skills on p. 140.



KEY FIGURES
as of 31/12/2022

271 relevant production sites for Rank 1 and Rank 2 suppliers⁶² underwent environmental audits (248 in 2021)

83.4% of relevant sites for Rank 1 and Rank 2 suppliers were rated A, B or C for environmental management (77% in 2021)

60. More information on these international initiatives on p. 163-167.
61. Decathlon's Code of Conduct is available at: <https://sustainability.decathlon.com/legal-documents>.
62. See the definition of relevant sites on p.76.

HELPING TO COMBAT CLIMATE CHANGE AND PROTECT BIODIVERSITY

The company is using its audit grid to verify five main areas:

- 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's requirements and local regulations. If there is a discrepancy between local standards and Decathlon's specifications, the company applies the stricter rule. Decathlon also requires precise monitoring of the water quantities used.
- 3. Hazardous waste management** (chemical, bio-chemical, electrical or from 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 source of drinking water. Decathlon requires precise monitoring of the quantities of hazardous waste that enter the factory and that are 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 factories. 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 scopes 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.

These topics are evaluated in audits to reflect a situation at a given time, which makes it possible to identify short, medium and long-term improvements at the production site. **Decathlon requires its suppliers to obtain a minimum score of C (on a scale from A to E).** If they are assigned a D, the supplier has a period of six months to a year to take corrective action and make improvements. If they receive an E related to an immediate risk of environmental pollution, actions are instantly implemented and can include immediate suspension of production until the identified problem is resolved. Once the direct risk has been eliminated, the supplier is expected to set up a preventive action plan within three months to guarantee a lasting resolution.

RELEVANT SITES

To identify the relevant production sites involved in environmental audits, Decathlon has chosen an indicator based on the quantity of wastewater generated per day and 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 Mainland China, Bangladesh, India, Italy and Vietnam.

In 2022, the teams continued working on data reliability and analysis, to develop this indicator and:

- **expand the scope of 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.**

→ SUPPLIER PANEL PERFORMANCE IN 2022

In 2022, 83.4% of relevant sites for Rank 1 and Rank 2 suppliers were rated A, B or C on Decathlon's audit grid (compared with 77% in 2021).

The mechanism for assessing environmental responsibility in production has been severely impacted since the start of the COVID-19 pandemic⁶³. After seeing a decline in performance in 2021, Decathlon is now back in line with its commitment to ensure that 90% of relevant sites for Rank 1 suppliers are rated A, B or C by 2026. This progress can be explained by:

- **strong motivation from production teammates** to maintain ties with suppliers and guide them towards production practices that have less of an impact on the environment;
- **a growing number of internal auditors** (24 vs 16 in 2021) and more teammates trained in auditor validation to achieve greater autonomy, 142 audits in 2022 (compared with 129 in 2021) and the ability to take corrective action more quickly;
- **updated training dedicated to the basics of environmental compliance provided to auditors, production leaders and production managers in several countries** (Morocco, Pakistan, Portugal, Brazil and Sri Lanka), so they can inform more teammates (55) and be able to sound the alarm in the event of a problem identified outside audit periods.

HELPING TO COMBAT CLIMATE CHANGE AND PROTECT BIODIVERSITY

TRANSPORT AND LOGISTICS

Decarbonising the transportation of goods

In 2022, 89.7% of Decathlon's finished product volumes were transported by sea. However, during COP27 held in Sharm El-Sheikh, several countries raised the issue of decarbonising this mode of transport⁶⁴. While ocean freight shipping is constantly expanding today, technical solutions to decarbonise this sector are not forthcoming. But pollution from shipping now accounts for 3% of global emissions and could reach 17% by 2050, so ocean freight practices have to change and reduce their impact. Thanks to efforts made in recent years, air transport, which is the mode of transport having the greatest impact in terms of greenhouse gas emissions, currently represents only 0.4% of the finished product volumes transported by the Group.

At the same time, companies face many challenges in transporting goods. Given the strong growth of digital technology and changing consumption patterns, post-shipping is becoming increasingly important, so the constraints and opportunities of transport and storage now need to be taken into account on both a small and a large scale.

To limit its impact and meet the current challenges facing the transport of goods, Decathlon is co-constructing a new international decarbonisation strategy that is aligned with the Group's new goal to reduce its absolute CO₂ emissions by 20% by 2026 based on emissions measured in 2021.



KEY FIGURES
as of 31/12/2022

74 logistics warehouses worldwide
(74 in 2021)

13 warehouses have received environmental certification⁶⁵
(6 in 2021)

25.2% low-carbon kilometres for product transport in Europe
(39% in 2021)

190 grammes of CO₂ generated per article worldwide
(207 grammes in 2021⁶⁶)

Breakdown of the quantities of finished products transported per mode of transport
as of 31/12/2022

- Air: 0.4%** (1% in 2021)
- Road: 7.6%** (9.3% in 2021)
- Sea: 89.7%** (87% in 2021)
- Rail: 2.3%** (2.7% in 2021)

2022 HIGHLIGHTS

Decathlon is leading a co-construction process to establish a new strategy to decarbonise transport on an international scale.

Carbon emissions from air transport decreased in absolute terms in 2022. This is because Decathlon stopped shipping goods by air in July to avoid exceeding its dedicated CO₂ budget for the year.

Decathlon is developing its logistics network in Europe by transforming several warehouses in order to adapt to the company's new business models (internet delivery, store delivery, rental market, subscription and second life, etc.).

64. *Le Monde*, "COP27: Maritime transport is a polluting sector that's slow to change course", 11 November 2022.

65. More information on building certification on p. 69.

66. It should be noted that the 2021 data has been reprocessed to take into account methodological changes. In addition, the data for 2022 and 2021 is not comparable due to a revision in the data collection scope. More information on pages 194-195.

HELPING TO COMBAT CLIMATE CHANGE AND PROTECT BIODIVERSITY

Co-constructing a new strategy to decarbonise transport on the international scale

A CO-CONSTRUCTION APPROACH

In 2022, Decathlon organised the co-construction of an international transport decarbonisation strategy. **The transport and logistics teams studied local transport contexts in collaboration with teammates from each country** to align this new strategy with the goal of reducing Decathlon's absolute CO₂ emissions by 20% by 2026, based on emissions measured in 2021.

At the same time, the Group called on Citwell⁶⁷ to **identify 20 countries' level of transport decarbonisation maturity**. Interviews were conducted directly with Decathlonians, to identify good practices around the world.

Decathlon then analysed the data to build its new international strategy, which will require many changes in terms of policies, internal processes, supplier engagement and cost management.

THE NEW INTERNATIONAL TRANSPORT DECARBONISATION STRATEGY

Decathlon's new international transport decarbonisation strategy will be implemented in 2023 and will involve:

- **defining an international trajectory to reduce CO₂ emissions** for transport with Environmental Transition leaders and in alignment with Decathlon's new climate ambition;
- **improving data quality** for all countries;
- **implementing actions locally and sharing them internationally:** each country will offer solutions in response to its local difficulties (territorial dimensions, conditions of infrastructure, operating costs, number of stores, culture, etc.) and share them with the international network.

The goal is to **make transportation more sustainable by reducing the company's international carbon footprint**.



Testimonial

Isabel CAMARERO

Environmental Transition Leader,
Decathlon Brazil, and Pilates enthusiast

“Decathlon's new international transport decarbonisation strategy aims to respond to the climate emergency everyone is facing today. We will have to drive it in an increasingly complex global context that is transforming the dynamics of transport and logistics with the advent of digital technologies and new consumption modes (click-and-collect deliveries, e-commerce, etc.). To this, we have to add the specificities of the countries in which we are present (regions, infrastructures, costs, culture, etc.) and offer local solutions. That's why it was so important for Brazil to participate in co-constructing this new strategy. It allowed us to bring our Latin American vision to the decision-making committee. It also allowed us to develop a strategic plan for Brazil, aligned with the Group's ambitions and with our local reality.”

Deploying 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. The following tools are deployed uniformly in the countries to enable teams to manage performance:

- **Metrio⁶⁸:** thanks to the management of the transport and logistics network, 100% of countries used the tool for their CO₂ performance in 2022. This increased use leads to a better understanding of the strategies for decision makers and additional information to refine action plans;

- **a digital library collecting the best practices to be adopted:** this common space was created in 2022 by teammates to share best practices and advice related to sustainable means of transport.

It is to be noted that transport leaders in the countries are now required to include greenhouse gas emissions reduction in their purchasing strategy and work to develop their local network.

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. **Thus, the volume of Decathlon products transported by air fell from 1% in 2021 to 0.4% in 2022.** This decrease is due in particular to the cessation of air shipment of all goods without exception beginning in July, because 94% of the annual CO₂ air budget had already been used.

As a result, carbon emissions from air transport decreased in absolute terms from 12,840 tCO₂e in 2021 to 7,742 tCO₂e in 2022.

Decathlon is also committed to progressively choosing modes of transport that may be slower but have a lower carbon impact. 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 lake⁶⁹, which provides real-time data to the EcoTransIT tool⁷⁰.

THE CHALLENGE OF POST-SHIPPING IN EUROPE

Global recovery in transport in 2022

As global COVID-19 lockdowns were lifted, demand for transport increased considerably, with large volumes of goods having to be transported internationally in a short time to support a rapid resumption of business. **In 2022, post-shipping⁷¹ returned to a stable pace and volumes aligned with real needs,** with lorries remaining the preferred solution for goods transport. The four key criteria for post-shipping were: quality of service, delivery time, alternative energy solutions and transport costs.

Main advances in Europe in 2022

In 2022, 70.2% of shipped products transited inside Europe. Therefore, post-shipping in this region is essential in reducing Decathlon's impact. **With 62% of kilometres travelled in Europe using low-carbon means of transport for these products** (vs. 30% in 2021), the company exceeded its initial target of 50% this year. Country initiatives such as France's use of rapeseed oil (low CO₂ emissions) as an alternative fuel and a new HVO fuel⁷² for diesel lorries made entirely from recycled oils in Belgium and France were introduced.



This year, the priority of post-shipping in Europe has been to offer shorter and less costly delivery lead times. Lockdowns related to the COVID-19 pandemic led to overstocks, requiring carriers to make significant efforts to efficiently move goods present inside the ports within the allotted times. However, the many delays this year has led the company to seek concrete solutions for 2023. In this context, the challenge for Decathlon's transport teams is to reconcile environmental and economic issues.

Today, the company is committed to reducing the impact of post-shipping by transforming its logistics network and warehouses in Europe. The aim is to guarantee optimised transport flows. In 2022, the Dourges warehouse, for example, transferred part of its stock to Lyon to optimise the number of products available in a strategic geographical area in Europe.

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

70. For more information about EcoTransIT World: <https://www.ecotransit.org/en/>.

71. Post-shipping is the last leg of international transport, between the port of the importing country to the destination warehouse.

72. HVO stands for Hydrotreated Vegetable Oil.

67. For more information on Citwell: <https://www.citwell.co.uk/>.

68. For more information about Metrio: <https://www.metrio.net/>.

HELPING TO COMBAT CLIMATE CHANGE AND PROTECT BIODIVERSITY

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 boundaries⁷³. According to the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES)⁷⁴, the decline in biodiversity and the threat to ecosystems is accelerating at an unprecedented pace in human history. In the Living Planet Report 2022, the NGO WWF states that vertebrate populations declined by an average of 69% between 1970 and 2018⁷⁵.

There is still time to change however, if decisions are taken at all levels, both global and local, in all areas of activity: economic, health, quality of life, etc. So, nature must be protected and restored in order 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 its footprint as broadly as possible, so it can establish the most effective action plans. This scientific approach aims to limit the pressures and impacts of Decathlon's activities on biodiversity, and help restore natural areas. Measuring its biodiversity footprint therefore involves all activities in Decathlon's value chain, from supply to product use and product end-of-life.



KEY FIGURES
as of 31/12/2022

65.5 artificialised km² eq. - Annual impacts⁷⁶ on terrestrial biodiversity from Decathlon activities
(65.5 artificialised km² eq. in 2021⁷⁷)

8,672 artificialised km² eq. - Cumulative impacts on terrestrial biodiversity from Decathlon activities since the company's creation
(8,606 artificialised km² eq. in 2021)

1.6 artificialised km² eq. - Annual impacts on aquatic biodiversity from Decathlon activities
(1.6 artificialised km² eq. in 2021)

429 artificialised km² eq. - Cumulative impacts on aquatic biodiversity from Decathlon activities since the company's creation
(427 artificialised km² eq. in 2021)

2022 HIGHLIGHTS

Decathlon conducted its second global biodiversity assessment and refined its footprint calculation methods in a process of continuous improvement.

For the COP15 Biodiversity Conference, the company signed an open letter calling on heads of state to make it mandatory to assess and disclose impacts and dependencies on nature.

Decathlon launched an exploratory project in India to forge convictions on the tools and processes that will enable the Group to define its biodiversity trajectory and impact reduction targets.

Renaturation projects continued at Decathlon sites in France: the store in Hénin-Beaumont earned the "Signature Biodiversité" Gold label in 2022 with a score of 83/100.

Sharing a common framework

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.

In its *Global Assessment Report on Biodiversity and Ecosystem Services*⁷⁸, 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 strives to base its actions while taking into account the specific nature of its activities.

Measuring Decathlon's impact on biodiversity

METHODOLOGY

To assess biodiversity, one of the indicators is measured in MSA.km²⁷⁹. This represents the average abundance of plant and animal species characterising the intactness of ecosystems.

Decathlon has chosen the **Global Biodiversity Score® (GBS) tool** backed by CDC Biodiversity⁸⁰ until an international standard for biodiversity footprint measurement is established. The GBS[®] calculation methodology is applied to the company's various activities to generate a measurable result that can be used to develop improvement scenarios. It offers the advantage of being adaptable to various levels of accuracy: as more data is added, the results will become increasingly reliable.

To make the results easier to understand, Decathlon has chosen to use the term "**artificialised square kilometre equivalent**" based on the following conversion: 1 MSA.km² = 1 artificialised km² eq.⁸¹.

Advances in 2022

Decathlon conducted its second global biodiversity assessment in 2022. This year in a continuous improvement approach, **the company refined the accuracy of the data integrated into the GBS® tool** (financial flows, material consumption, etc.). This provides a more accurate measurement of Decathlon's impacts on biodiversity. To take these methodological developments into account, all 2021 data has also been reprocessed to obtain comparable information⁸².



This year, Decathlon also signed an open letter together with more than 330 companies calling on heads of state to make it mandatory to assess and disclose impacts and dependencies on nature. This initiative was led by Business for Nature⁸³, on the occasion of the COP15 Biodiversity Conference.

ANNUAL IMPACTS AND CUMULATIVE IMPACTS

Calculation of the biodiversity footprint using the GBS[®] tool distinguishes between **the cumulative impact (impact related to all past activities since the company's creation)** and **the annual impact (impact related to Decathlon's activities over the past year)**. It applies to **terrestrial and freshwater ecosystems**, with the tool not yet covering marine ecosystems. It integrates all Decathlon activities on **Scopes 1, 2 and 3** (excluding Marketplace and alliance activities).

73. 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>.

74. A group dedicated to biodiversity and supported by the UN: <https://www.ipbes.net/news/Media-Release-Global-Assessment>.
75. WWF, *Living Planet Report*, 2022.

76. In 2022, Decathlon decided to change terminology and speak of annual impacts rather than dynamic pressures to make the concept easier to understand.
77. All 2021 data has been reprocessed to take into account the methodological changes adopted in 2022 and thus obtain comparable data.

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

79. MSA or "Mean Species Abundance" is a metric created by PBL (Dutch environmental assessment agency); the measurement is expressed as a percentage.

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

81. An impact of 1 MSA.km² is equivalent to the artificialisation of 1 km² of undisturbed natural ecosystem.
Source: CDC Biodiversity, "*Measuring the Biodiversity Footprint of Companies and Financial Assets*", webinar, June 2022.

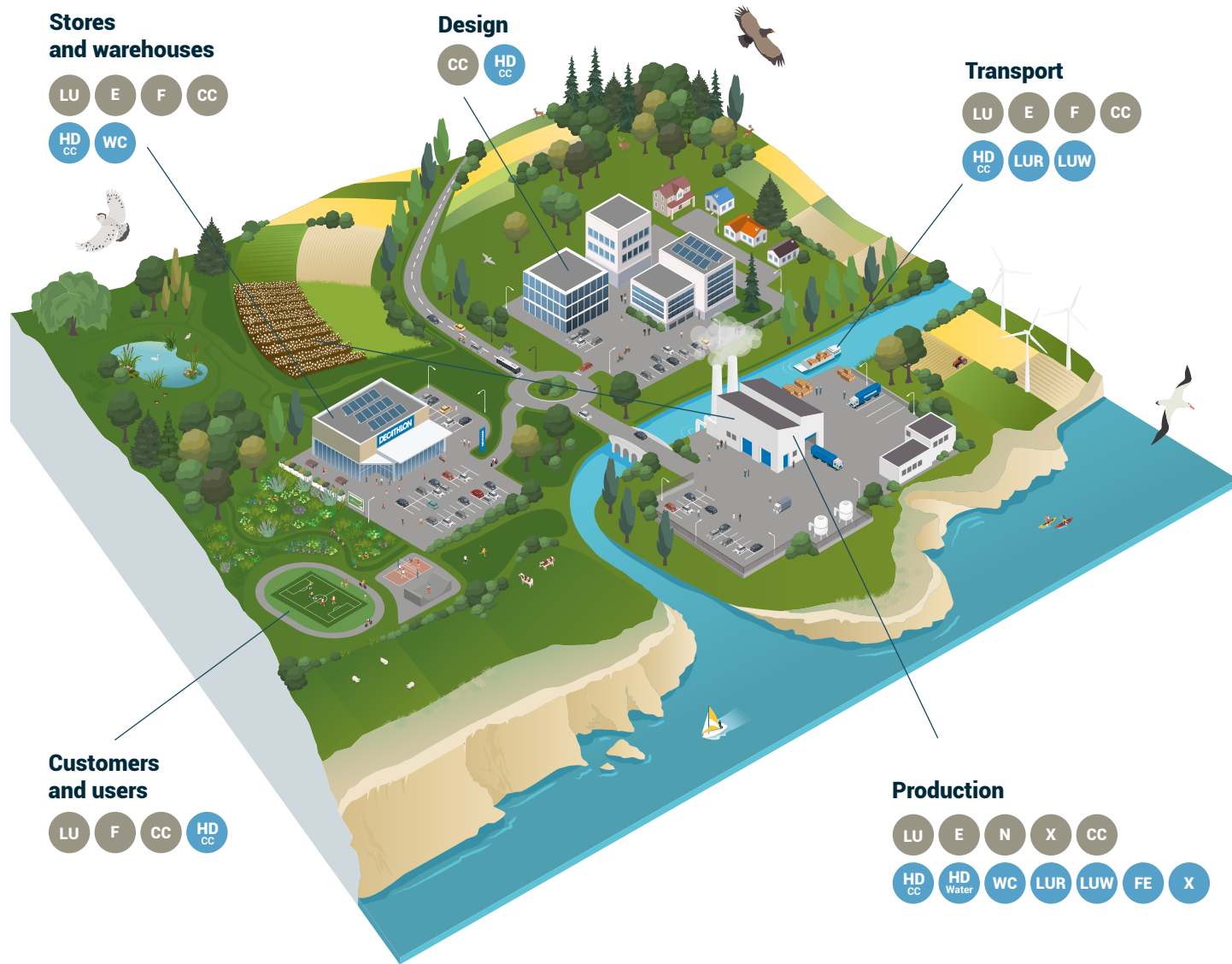
82. For more information on these methodological changes, see note 86 on p. 197.

83. For more information on this initiative: <https://www.businessfornature.org/target-15>.

HELPING TO COMBAT CLIMATE CHANGE AND PROTECT BIODIVERSITY

Simplified representation of Decathlon's impacts across the entire value chain

The pressures* indicated are taken from the Global Biodiversity Score tool (terrestrial and aquatic ecosystems)
 *Direct factors of biodiversity degradation



TERRESTRIAL PRESSURES

Land occupation:

- LU** Land use
- E** Human encroachment
- F** Fragmentation

Pollution:

- N** Atmospheric nitrogen deposition
- X** Terrestrial ecotoxicity

Climate change:

- CC** Climate change

AQUATIC PRESSURES

Climate change:

- HD CC** Hydrological disturbance due to climate change

Water use:

- HD Water** Hydrological disturbance due to water use

Land occupation:

- WC** Wetland conversion
- LUR** Land use in catchment of rivers
- LUW** Land use in catchment of wetlands

Pollution:

- FE** Freshwater eutrophication
- X** Freshwater ecotoxicity

Annual impacts

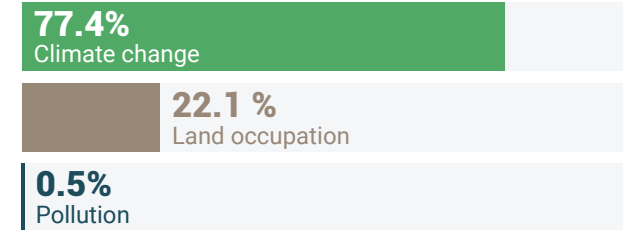
To observe the pressures on biodiversity, it is necessary to look at each of its ecosystems (terrestrial, aquatic and marine). Indeed, each of these ecosystems requires specific actions.

DECATHLON AND MARINE BIODIVERSITY

Decathlon's impact on marine biodiversity has not yet been modelled because the GBS methodology is still under development. However, the company is taking action on various levels to reduce its impact on marine ecosystems, in particular by working to reduce its CO₂ emissions to limit climate change, modelling to define a trajectory to reduce its plastics footprint⁸⁴ and fighting chemical risk through membership in the ZDHC Foundation⁸⁵.

Breakdown of annual terrestrial impacts

With a total of 65.5 terrestrial artificialised km² eq.

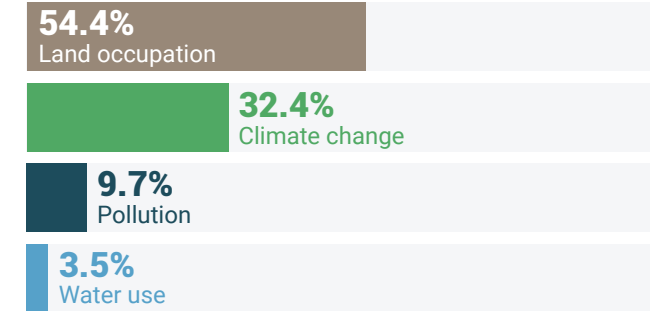


This data shows that the erosion of biodiversity is indeed directly linked to climate change, which is responsible for 77.4% of the annual terrestrial impacts. So, by working on climate change, action is also being taken to limit biodiversity loss.

i More information on actions related to climate change on p. 57.

Breakdown of annual aquatic impacts

With a total of 1.6 aquatic artificialised km² eq.

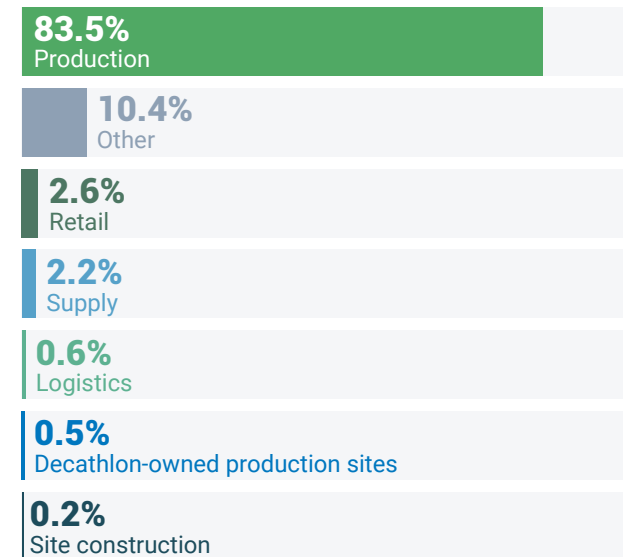


In this case, land occupation refers to the occupation of freshwater areas. Therefore, actions taken on terrestrial environments cannot compensate for pressures in aquatic environments. These require renaturation (e.g., by creating swales⁸⁶ on stores' green spaces).

Annual impacts by activity

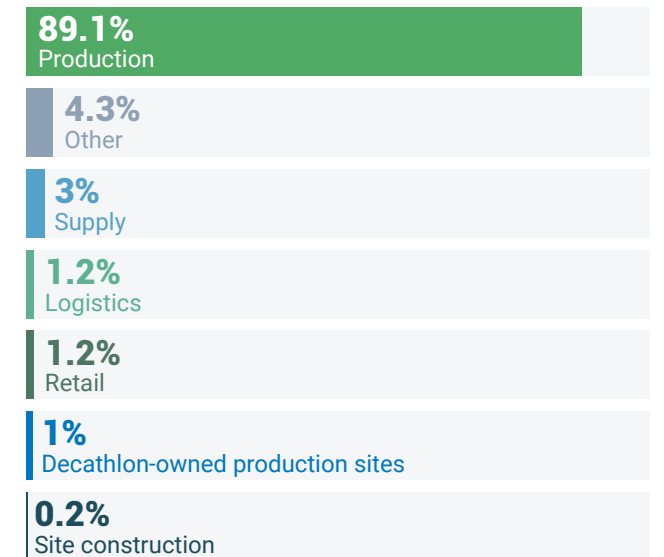
Breakdown of annual terrestrial impacts by activity

With a total of 65.5 terrestrial artificialised km² eq.



Breakdown of annual aquatic impacts by activity

With a total of 1.6 aquatic artificialised km² eq.



The annual impacts on terrestrial and aquatic areas mainly come from product manufacturing. Therefore, positioning a sustainable economic activity, within planetary boundaries in general and biodiversity in particular, requires a transition to circular business models. These models encourage optimising the uses of existing products throughout their extended lifetime instead of manufacturing new products.

84. More information about the "Plastic Pollution in the Oceans" project on p. 117.

85. More information about Decathlon's membership in the ZDHC Foundation on p. 52.

86. Swale: A natural or man-made grassy ditch that acts as a buffer zone for water runoff.



HELPING TO COMBAT CLIMATE CHANGE AND PROTECT BIODIVERSITY

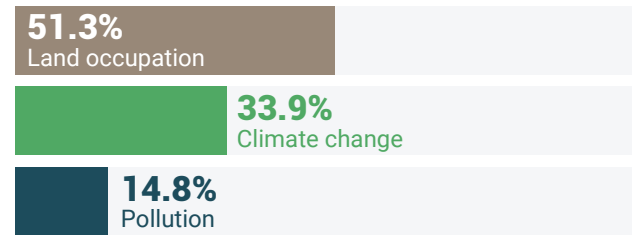
Cumulative impacts since the company's creation

The impacts generated by the Group's activities are being studied to define preventive and curative actions. In 2021, Decathlon became one of the first companies to undertake this overall review, which also allows it to consider the cumulative impacts related to the company's activities since its creation. **This analysis also allows the company to measure the trajectory it needs to take** in order to help restore the resources and ecosystems affected by the company's activities since 1976.

Based on GBS simulations, Decathlon has been able to determine the impact of its global activity at **8,672 km² eq. artificialised land**.

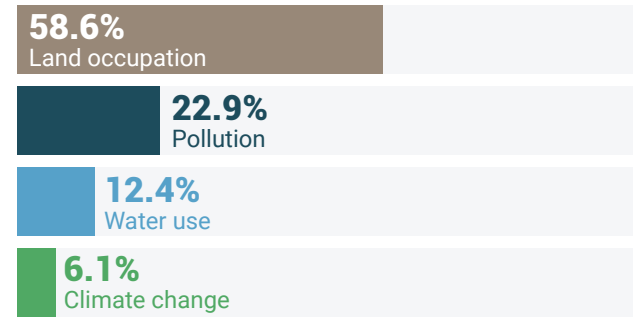
Breakdown of cumulative terrestrial impacts

With a total of **8,672 km² eq. artificialised land**



Breakdown of cumulative aquatic impacts

With a total of **429 km² eq. artificialised aquatic space**



Considering the breakdown of Decathlon's cumulative terrestrial and aquatic impacts, it should prioritise renaturing artificialised land and taking action to depollute spaces.

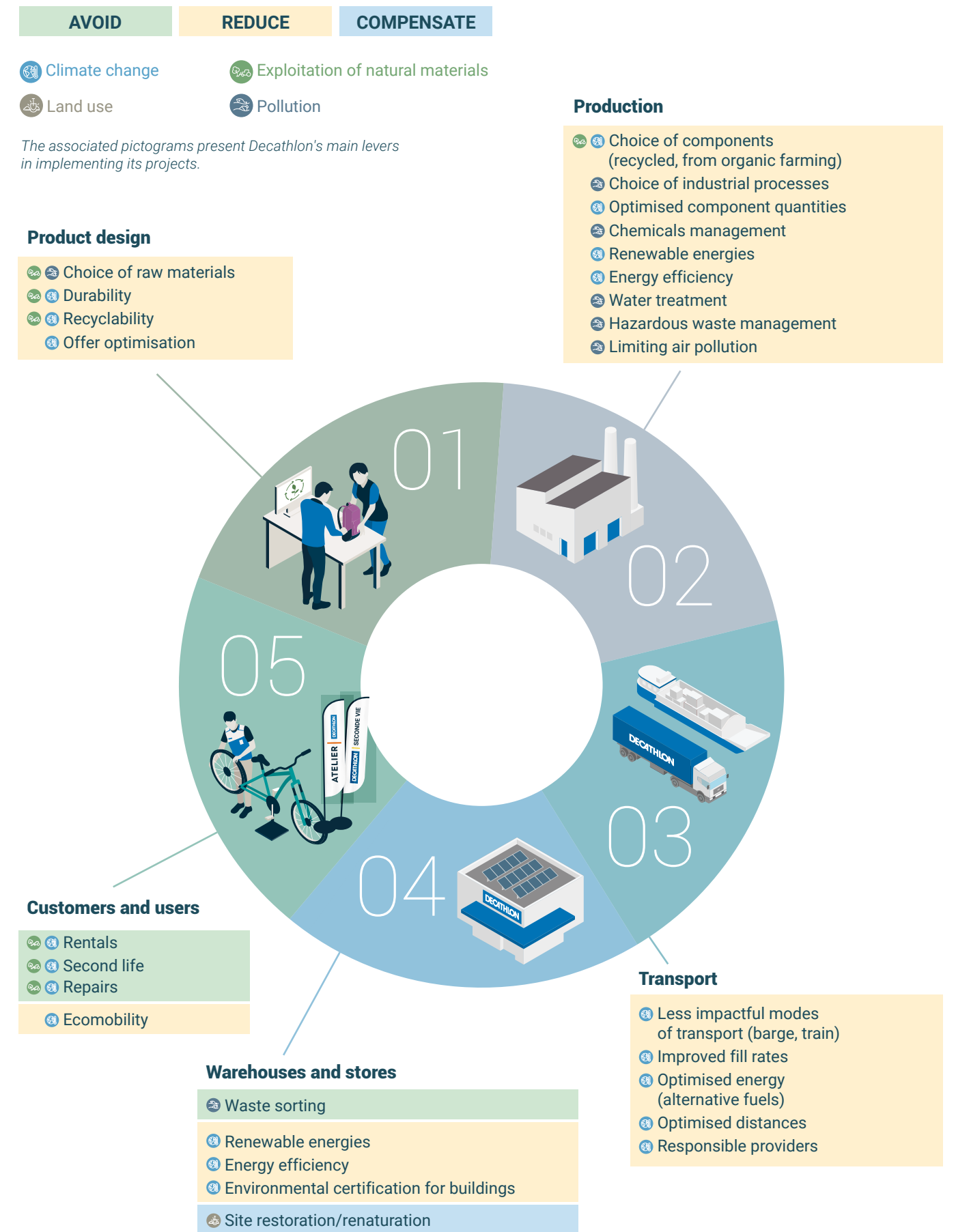
Identifying and implementing actions that help avoid and reduce erosion, and restore biodiversity along the entire value chain

The distinction between annual impacts and cumulative impacts must lead to two different action strategies and enable the company to engage in evolving its practices to contribute to fighting the erosion of biodiversity. In line with these criteria and with the AR³T method⁸⁷, Decathlon's priority issues are:

- **first, to reduce the impacts on biodiversity** by working on the manufacture of sporting goods for instance, which contributes to both climate change and erosion of resources;
- **second, to help restore biodiversity equal to the extent of Decathlon's impacts** by acting on the company's building footprint, for example.



Actions that help avoid, reduce or compensate for the erosion of biodiversity along the value chain



87. An action framework proposed by the Science-Based Target Network – AR³T initiative: avoid, reduce pressures, restore and regenerate nature, transform the system. For more information: <https://sciencebasedtargetnetwork.org/wp-content/uploads/2021/03/SBTN-Initial-Guidance-executive-summary.pdf>.

HELPING TO COMBAT CLIMATE CHANGE AND PROTECT BIODIVERSITY

Exploring ways to reduce impacts

DECATHLON'S STRATEGY

In addition to the scientific literature, Decathlon relies on the Kunming-Montreal Global Biodiversity Framework (COP15)⁸⁸ and the draft standards shared by the European Commission (CSRD Directive) to develop pilot projects. The objectives of this testing is to define **a trajectory for the company and define reduction targets for activities and countries, with the aim to help limit the biodiversity degradation process by 2030.**

THE PILOT PROJECT IN INDIA

In 2022, Decathlon launched an **exploratory project in India** to help the country reduce its local impacts on biodiversity across the entire value chain by 2030. This test offers the company opportunities **to forge initial convictions** on the most suitable tools for local decision-making and on the processes to be implemented to create a reduction trajectory. Ultimately, the goal is to establish a methodology that can be deployed in other countries.

This first year of testing revealed the importance of organising a training phase to help the teams understand the GBS tool in order to manage the biodiversity indicators autonomously. The tool has proved difficult to use because of the large amounts of processed data and its detailed architecture. The teams are now working on sharing definitions and writing processes to facilitate the local use of tools.

Renaturing property sites in France

As it upgrades its real estate portfolio, Decathlon has joined the *Entreprises Engagées pour la Nature* programme⁸⁹ to take measurable action, with the ambition of having:

- **100% of new company-owned stores in France "Signature Biodiversité"⁹⁰ certified by 2023;**
- **10% of the French real estate portfolio involved in the "Signature Biodiversité" renaturing approach in 2024.**

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. At the end of 2022, seven sites had started or completed a certification process: Dunkirk, Haguenau, Hénin-Beaumont, Lorient, Saint-Malo, Tarbes and Vannes. These sites represent 22.1 hectares, or 1.6% of Decathlon's total land area in France.



A "SIGNATURE BIODIVERSITÉ" GOLD LABEL FOR THE HÉNIN-BEAUMONT STORE

As the result of a project launched in 2019, the Decathlon store in Hénin-Beaumont was awarded the "Signature Biodiversité" Gold label in 2022, with an overall score of 83 points out of 100.



Interview

François-Xavier MAMPAEY

Decathlon Works and Maintenance Manager for Hauts-de-France, and hiking enthusiast

What did Decathlon Hénin-Beaumont do to earn the "Signature Biodiversité" label?

“With its vast amount of land and many trees, the Hénin-Beaumont site had significant potential to develop its green spaces despite the poor condition of its car park. After the success of the project in Saint-Malo, we wanted to replicate the initiative during maintenance work in Hauts-de-France. So, we started by conducting an initial Environmental Performance Diagnosis for which we obtained a score of 64/100. The "Signature Biodiversité" teams then helped us establish an ecodesign plan to restore nature at our facilities; we followed it until the site approval in 2021. At the end of the work, a new Environmental Performance Diagnosis was carried out and we officially received the "Signature Biodiversité" label in 2022.

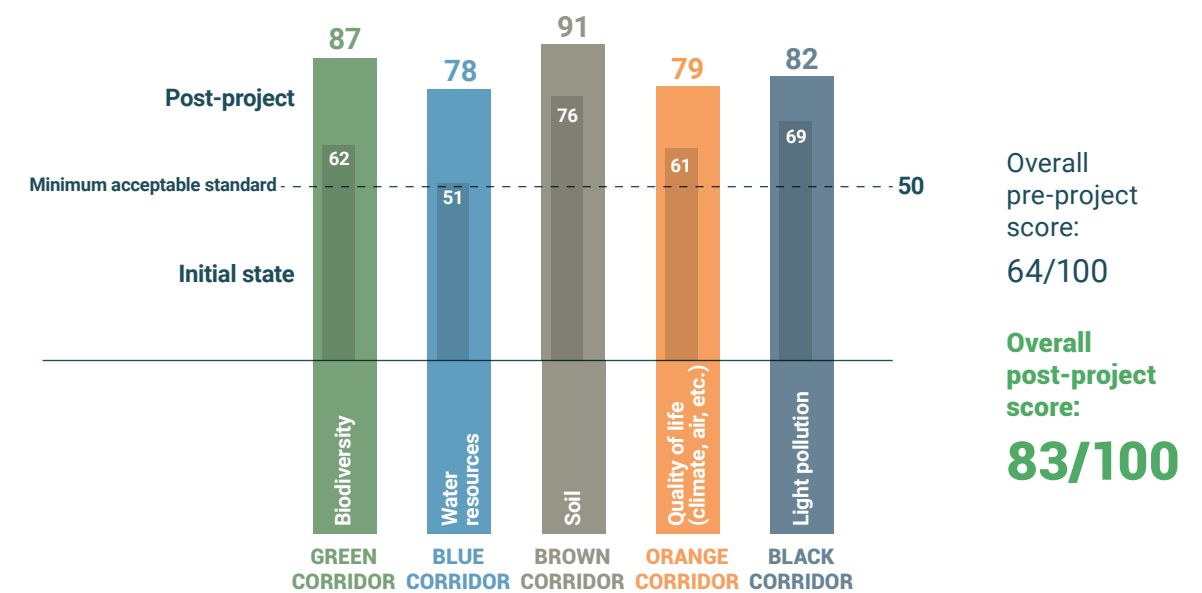
What renaturing work did you have to do to earn a score of 83/100?

Throughout the project, we found additional ways to strengthen the original ecodesign plan. So, this Gold level is a wonderful recognition of the work done by our teams. I can mention several actions: we defined differential mowing regimes so grasses and flowers can be left to grow, promoting the development of local flora and fauna. We also created a biodiversity labyrinth, with different species of flowers, insect hotels, birdhouses and benches for customers and teammates, with an information board at the store entrance. The site is now autonomous in terms of water management through the creation of two reservoirs to collect rainwater from the roof and the car park. Finally, all of the lighting has been revamped to limit its impact on the environment (lighting orientation and temperature, automatic switch-off when the store closes, etc.).

What other actions could be taken in the future?

We haven't yet completed all the actions in the ecodesign plan so there are many avenues we can still explore for the future: planting fruit trees, installing community vegetable plots, creating living and learning areas... we still have lots of ideas! This really energises us because it is important to restore our ecosystems for the future of the planet and for our children."

Result of the Hénin-Beaumont Environmental Performance Diagnostic



88. For more information on the Kunming Global Biodiversity Framework: <https://www.cbd.int/doc/c/e6d3/cd1d/daf663719a03902a9b116c34/cop-15-1-25-en.pdf>.

89. For more information on *Entreprises Engagées pour la Nature*: <https://engagespourlanature.ofb.fr/entreprises>.

90. For more information on the *Signature Biodiversité* label: <https://signature-biodiversite.com/>.

2.1

DEVELOPING MORE RESPONSIBLE PRODUCTS



DECATHLON IS COMMITTED TO THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS



OUR COMMITMENTS FOR 2026 2021 2022 RESULTS 2026



RESPONSIBLE MANUFACTURING OF MATERIALS AND PROCESSES



100% of cotton has been derived from more sustainable sources* (recycled, BCI, organic cotton) 100% **100%** 100%
*Objective achieved in 2020.



100% of polyester is derived from more sustainable sources (recycled, solution-dyed) 40.4% **49.7%** 100%



95% of the materials used for our packaging is derived from more sustainable and certified sources** 80.3% **92%** 95%
**FSC or PEFC certified pulp.



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 10.4% **23%** 100%

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 2023.

2.1 DEVELOPING MORE RESPONSIBLE PRODUCTS

MORE RESPONSIBLE PRODUCTS

Offering our customers products with a lower impact

2022 HIGHLIGHTS

Decathlon added new data to its tools to improve the representativeness of its environmental assessments.

The company continued defining Ecodesign criteria and allocated funding to many ecodesign projects. 23% of the company's sales were realised with Ecodesign products in 2022, which is four times more than in 2020.

In terms of raw materials, Decathlon now focused on the five families of materials that have the greatest impact in terms of quantities used and CO₂ impact: metals (aluminium, steel and cast iron), textiles (natural and synthetic), paper, plastics and rubber.

The company worked on its global offer to provide a selection of products having a smaller environmental footprint, and invited its partner brands to adopt its ecodesign standards.

In a circular economy approach, the company conducted many projects to take action right from the design stage to offer sports goods that are more durable, more repairable and more recyclable.

On 28 July 2022, 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.

Decathlon knows that 78.2% of its total environmental impact is generated by its products and that it needs to make its activities compatible with planetary boundaries. That is why it is accelerating its commitment to ecodesign its products and transform its offer to serve the circular economy (products that are sustainable, repairable, recyclable and traceable). **The company aims to generate 100% of its sales with Ecodesign products by 2026.**



KEY FIGURES
as of 31/12/2022

23% of sales were realised with Ecodesign² products

(10.4% in 2021)

49.7% of polyester was derived from more sustainable sources³

(40.4% in 2021)

11% of the products in Decathlon's catalogue were qualified as repairable⁴

(4.7% in 2021)

Accelerating the ecodesign strategy and offering more responsible products

Since 2020, Decathlon has been working hard to ecodesign more and more of its products. Several calls for projects launched over the past three years have enabled the company to **make investments to deploy technologies and explore new design solutions** (repairability, durability, etc.). These investments have contributed significantly to Ecodesign product sales, which quadrupled in two years to reach 23% of total sales in 2022 (5.9% in 2020)⁵.

Following these advances, two strategic areas of focus were defined this year to increase efforts and reduce the company's overall environmental impact through its product offering and design:

- **reduce the impact of products through ecodesign** (see p. 91);
- **transform the product offering to better serve the circular economy** (see p. 98).



Testimonial
Raffaele DUBY

Environmental Transition Leader for Products and Design, and climbing enthusiast

“ Decathlon is aware of the impact of its business, which is why it wanted to move quickly from being a product designer to product ecodesigner. So today we are working to find the best design solutions that will reduce our footprint and help make sport compatible with planetary boundaries. This also enables employees to live out their convictions in their area of responsibility. But we can't transform our industry all on our own. We therefore participate in many external working groups to create common standards, in particular by sharing our reference guidelines (definitions, circularity indices and environmental data). At the same time, we inform and educate our customers through environmental labelling. By involving as many people as possible, we will succeed in moving sport towards a more sustainable future.”

Reducing product impact through ecodesign

ENVIRONMENTAL ASSESSMENT

Since 2009, Decathlon has carried out 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 stages in the life cycle and the components 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 and the other brands sold by the Group. Today, more than 62% of the company's references, representing 82% of sales, have been assessed.

Since 2021, Decathlon has been using Glimpact⁶ to perform its environmental assessments. This company uses the Product Environmental Footprint (PEF) method developed by the European Commission⁷. This tool standardises and weights 16 impact categories (climate change, water use, fine particulate emissions, etc.) to provide a reliable and comparable score⁸. Thanks to Glimpact, **Decathlon's calculations are now in line with the most advanced life cycle analysis method in Europe.**

Advances in 2022

In 2022, priority was given to configuring assessment tools to improve calculation rules and ensure assessments best reflect Decathlon's industrial processes.

At the same time, **the teams developed their environmental databases**, adding new information on raw materials and manufacturing processes to **improve the representativeness of the assessments**. This year, some teammates also used the Glimpact tool's analysis functions to **identify the greatest environmental impacts and then propose priority redesign levers** by product type. This work contributes to the continuous improvement process undertaken in defining Ecodesign products, and has made it possible this year to identify ecodesign criteria for tents, sleeping bags and foam products.

The advances made in 2022 have also helped to **improve the reliability of the decision support tools used in Decathlon's various departments**. This new data is used by the eTCO (environmental Total Cost of Ownership) tool⁹, for example, to help buyers in selecting suppliers through a more thorough assessment of their environmental impact. It also helps the Sports & Processes teams determine their CO₂ emission reduction trajectory more effectively.

In 2023, the challenge will be to **continue improving the reliability of the design data** used in the environmental assessment tool, establishing a data quality indicator and a dedicated management system. The company also wants to gradually involve other international brands (OIB) to harmonise the environmental assessment of their products sold by Decathlon.

5. More information on this performance on p. 93.

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

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

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

9. For more information about eTCO, see p. 146.

1. For more information on Earth Overshoot Day: <https://www.overshootday.org/2022-calculation/>.

2. For more information on the definition of an Ecodesign product, see p. 92.

3. Recycled or dope-dyed.

4. With a repair solution.

2.1 DEVELOPING MORE RESPONSIBLE PRODUCTS

Participating in multi-stakeholder initiatives

Externally, Decathlon is working alongside French institutions to advance environmental assessment at the European level. Convinced that a common methodology for life cycle analysis needs to be established, the company supports the PEF method and continues to participate in Europe's Product Environmental Footprint Category Rules (PEFCR) for Apparel and Footwear¹⁰ project. This project is coordinated by the Sustainable Apparel Coalition¹¹ and brings together a wide range of textile and footwear stakeholders. It is currently working to define common rules to measure environmental impact by product type.

In 2022, Decathlon also submitted a file to The French Agency for Ecological Transition (ADEME) and the General Commissariat for Sustainable Development for the standardisation of environmental labelling, proposing the PEF method as the common basis of assessment.

i More information on environmental information on p. 107.

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.

DEFINING DECATHLON ECODESIGN PRODUCTS

To ecodesign its products, Decathlon works on several categories of actions such as product design, choice of material, transformation processes (dyes, etc.), durability, reparability and recyclability.

In 2021, Decathlon registered the "Ecodesign" designation along with a logo to complete the identification of its products created using an ecodesign approach. The definition process for Decathlon's Ecodesign products is constantly evolving, reflecting its continuous improvement strategy. Decathlon adds to it over time, incorporating more ecodesign actions and the specifics of all product types as it takes new technologies, changing science and methodologies into account.

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 ecodesign) and without a significant decline in other indicators. Decathlon has chosen to focus on certain key indicators: climate change, air pollution, fossil resource use and water eutrophication;
 - **Durability:** 1/3 longer lifespan compared to the lifespan of the same product family;
 - **Reparability:** at least 80% of breakage and breakdowns¹² have a repair solution.
- **Specific criteria:**
 - **Textiles – The product must meet 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 Biton¹³;
 - more than 50% of the product is dope dyed¹⁴.
 - **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 must meet 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.

i More information on the definition of Ecodesign products: <https://sustainability.decathlon.com/our-ecodesign-approach-and-criteria>.

Advances in 2022

In 2022, Decathlon teams constructed and validated ecodesign criteria for tents, sleeping bags and foam. The company also began definition work for bicycles, balls, nutrition, as well as cosmetic, hygiene and maintenance products. These new specific criteria will enter into force in 2023.

In line with its continuous improvement approach, the company is also continuing its work on the products with the greatest impact and for which **several ecodesign solutions can be implemented**. This is the case, for example, for certain T-shirts and polar fleece products that have already received the Ecodesign label as they are made from recycled materials. To go further, the company is re-examining the design of these products to use more environmentally friendly dyes. This year, the **deployment of the Greenbox internal tool** also enabled product engineers to accurately declare the type of action used at the design stage (dyeing, use of recycled materials, etc.). From now on, this declaration can be made at the product level, and at the model level as well, making it possible to quantify the actions done on certain colours.

→ 2022 PERFORMANCE

In 2022, **23% of Decathlon sales were realised with Ecodesign products** (vs 10.4% in 2021), a four-fold improvement in performance since 2020 (5.9%). This progress can be explained by:

- **funding allocated to around fifty ecodesign projects** since 2020, accelerating the establishment of new Ecodesign products;
- **the high motivation of design, production and supply teams;**
- **the actions implemented on reparability and durability** (in particular for products such as fitness equipment);
- **progress made on certain product types** for which Decathlon was still seeking technical solutions, such as products containing metals (38% of sales realised with Ecodesign products in 2022 compared with 5% in 2021) and footwear (15% in 2022 vs 4% in 2021).

Difficulties in advancing the ecodesign of composite and electronic products are still encountered today because access to materials having less of an impact on the environment remains technically complex and industrial feasibility is still limited. There are also delays for bicycles due to very long design times and the use of components that are not designed in-house by Decathlon. Today, the goal is to focus on the parts having the greatest impact, such as the frame, fork and rims in order to find ecodesign solutions for these products.

EXAMPLES OF ECODESIGN PRODUCTS IN 2022

Reveal Innovation: The environment at the heart of innovation

Innovation is part of Decathlon's DNA, and the company is working to continuously offer new solutions to its users. The company holds a special event every year called Reveal Innovation to present its new products and reward the best innovations¹⁵. On 20 October 2022, sixteen products were presented in four categories (design, technology, Ecodesign and use). In addition to an Ecodesign category showcasing products designed using materials and manufacturing processes that are less impactful and more durable, the teams for each of the pre-selected articles were encouraged to present an ecodesign solution to maximise their chances of winning. This approach reflects Decathlon's commitment to offering ever more responsible products.

GEL POD: WINNER IN THE ECODESIGN INNOVATION CATEGORY



In 2022, the Ecodesign Innovation category was won by the Nutrition & Care team for the gel pod, its new energy gel. Using algae and other natural ingredients, the team managed to reduce the environmental impact of the gel's recipe, which previously represented 69% of the product's total impact, by 30%. This product is also the first in a range that will aim to reduce and then eliminate plastic packaging for nutritional products consumed during sports activities. The gel pod's edible membrane reduces the impact of product packaging by 30% and protects the playing fields. In 2023, this gel will initially be made available for sporting events. Once its development is complete, the product will then be offered to all consumers.

10. For more information: <https://pefapparelfootwear.eu/>.

11. For more information about the Sustainable Apparel Coalition: <https://apparelcoalition.org/>.

12. Excluding bicycles, for which this percentage is too low considering their potential for repair is already very high.
13. 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>.

14. 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>.

15. For more information on "Reveal Innovation 2022": <https://www.decathlon.media/reveal-innovation-2022>.

2.1 DEVELOPING MORE RESPONSIBLE PRODUCTS

Minimal Editions – Local: Reducing the environmental impact of “backpack travel” textiles

In October 2022, the Forclaz brand¹⁶ launched its new Minimal Editions – Local capsule collection¹⁷ after more than two years of research and development. When designing this range of four articles, **Forclaz set itself the objective of attaining the lowest possible environmental impact, by having its products made and woven in Europe using low carbon energy¹⁸.** Decathlon teams and their European industrial partners focused on five areas:

- **encouraging more responsible consumption** by offering versatile travel clothing that is suitable for all situations and with the longest possible lifespan;
- **producing locally in France or Europe** using electricity emitting less CO₂;
- **optimising fabric consumption** through adapted pattern-making to reduce waste;
- **promoting more responsible, hard-wearing, advanced, recycled and recyclable materials;**
- **limiting or avoiding the use of dyes.**

This collection is currently available for sale in France, Switzerland and Germany.



THE DUFFEL BAG



- **8.75 kg of CO₂ equivalent emitted**
- **64% less CO₂ emitted¹⁹**

The Forclaz travel bag is manufactured in France using recycled materials (50% recycled cotton, 50% recycled polyester) and contains no dye²¹. The design teams used an acrylic and beeswax coating with hydrophobic properties to make this product water repellent without using chemical molecules. Its reinforced two-sided weave also makes the bag very durable.

THE SWEATSHIRT



- **4.74 kg of CO₂ equivalent emitted**
- **73% less CO₂ emitted²⁰**

This sweatshirt containing 65% recycled wool is manufactured in Italy and Portugal. No dye is applied to the product; instead, its colour comes from the use of pre-sorted recycled fabrics. Wool's intrinsic properties limit sweat odours, so the sweatshirt can be washed less frequently.

Choosing more sustainable materials

Decathlon is looking to address the main issues associated with the selection of its raw materials, from their country of origin to their incorporation in the products. To achieve this, the company has drawn up lists of criteria that must be followed so that the teams can commit to choosing suppliers and materials having less of an environmental impact. The criteria chosen by Decathlon notably include the reduction of pesticides and CO₂ emissions, as well as the use of recyclable and/or renewable resources²².

In 2022, to better control its raw materials and reduce its environmental impact, **Decathlon decided to focus on the five families of materials having the greatest impact in terms of quantities used²³ and CO₂ emissions: metals (aluminium, steel, cast iron), textiles (natural and synthetic), paper, plastics and rubber.** For each of these materials, dedicated teams are now responsible for deploying solutions and innovations, establishing the most appropriate partnerships and monitoring two performance indicators: the percentage of more sustainable materials integrated into products and the CO₂ equivalent emissions avoided. Following an initial phase of work dedicated to exploring and defining trajectories, scorecards will provide a regular snapshot of performance for these indicators in 2023 to improve management of these issues.



TEXTILES

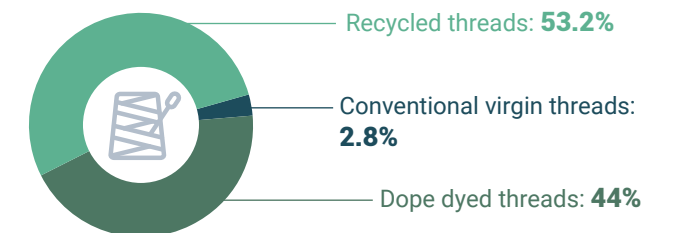
Synthetic & polyester threads

In 2022, **Decathlon significantly increased the share of polyester it uses from more sustainable sources²⁵, from 40.4% in 2021 to 49.7% in 2022.**

This rise can be explained first by the sharp increase in the quantities of more sustainably-sourced polyester ordered from Decathlon's synthetic fibres industrial process team²⁶.

Thanks to the choices made, the share of conventional virgin threads decreased significantly this year in this department's purchases, from 15% in 2021 to 2.8% in 2022. This was possible through more orders for dope dyed threads²⁷ (44% in 2022 compared to 35% in 2021). The share of recycled threads reached 53.2% in 2022 compared to 50% in 2021.

Types of polyester threads ordered by the industrial process managing Decathlon synthetic fibres in 2022



To provide an even broader offering of recycled threads, the company is working within alliances and partnerships aiming to put in place the most appropriate recycling technologies for its sources based on technical, environmental and economic elements. Today, testing is also underway on polyester with encouraging results.

i More information on textile recycling on p. 120.

RAW MATERIAL TRACEABILITY

Decathlon has made material traceability a priority in its new business strategy. The Group aims to collect and guarantee the reliability of data related to the use and processing of raw materials throughout its product manufacturing chain. **The goal is to achieve robust traceability on the origin and composition of these materials by 2026.** To do this, Decathlon teams are growing and each industrial process is moving to define its priorities and draft its own traceability policy. All of the work underway will make it possible to deliver the information expected by future European regulations (EU Ecodesign for Sustainable Products Regulation, EU Deforestation-free Regulation, etc.).

METALS

Decathlon uses raw materials such as aluminium, steel and cast iron in manufacturing its products. **The company is willing to use recycled materials** to avoid depleting mineral resources and to reduce energy consumption during the transformation stages. At the same time, Decathlon is supplementing its supply with more sustainable virgin metals manufactured using low carbon energies, especially in Europe²⁴.

16. Forclaz: Decathlon brand dedicated to hiking.

17. For more information on the Minimal Editions - Local collection: https://www.decathlon.media/fr_FR/dossiers-communiques/minimal-editions--local-vers-une-baisse-d-impact-co2.

18. According to the European Electricity Review 2023 published by the Ember think tank, wind and solar power exceeded natural gas in the European energy mix for the first time, representing 22% of electricity production in the European Union in 2022. Hydroelectricity and nuclear power represent 37.5% of the energy mix, natural gas 20% and coal 16%: <https://ember-climate.org/insights/research/european-electricity-review-2023/>.

Decathlon places renewable energies at the heart of its strategy, and aims for 90% of its purchase volumes to be produced by suppliers using renewable energy by 2026. Whenever possible, the company uses renewable energy sources over low-carbon energy sources. More information on p. 74.

19. Thanks to the use of more sustainable materials and electricity emitting less CO₂ for production as well as to a reduction in the distances travelled between manufacturing and distribution sites, compared to a product not benefitting from all of these actions.

20. *Op. cit.*

21. The colour is that of the original fabrics that have been sorted and then recycled.

22. 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.

23. These five families of materials represent 90% of Decathlon's total consumption.

24. *Op. cit.* note 19.

25. Recycled or dope dyed.

26. In 2022, Decathlon's synthetic fibre industrial process represented 50% of the synthetic materials consumed by the company and about 94% of the consumption of threads made using more sustainable sources (97.5% for polyester alone).

27. Dope dyed threads, see note 14, p. 92.

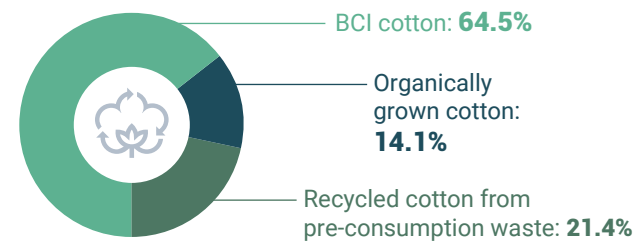
2.1 DEVELOPING MORE RESPONSIBLE PRODUCTS



Cotton

In 2022, **100% of the cotton used by Decathlon came from more sustainable sources**: 64.5% BCI cotton²⁸, 14.1% organically grown cotton and 21.4% recycled cotton from pre-consumption waste. The share of recycled cotton Decathlon uses increased significantly this year (+8.2 points compared to 2021), confirming Decathlon's desire to gradually reduce its use of virgin cotton. Today, the teams continue working to improve material traceability and give cotton products a second life.

Types of cotton used to manufacture Decathlon products



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 followed²⁹.

PLASTICS

The company first aims to **limit the use of virgin materials, so it encourages the use of recycled materials generated by mechanical processes** when manufacturing its products. If these processes cannot provide a sufficient level of performance, Decathlon will resort to using advanced chemical recycling solutions. However, these solutions are still under development and cannot yet be broadly used. At the same time, when virgin materials still have to be used for technical reasons, Decathlon uses conventional materials that are better controlled and less impactful, such as polypropylene.

PAPER

Decathlon uses various types of paper for its shipping boxes, for in-store packaging and for product instruction notices. The company prefers to use recycled materials over virgin fibres for packaging when strength criteria permit this.

To preserve ecosystems, the Group works with paper mills that guarantee responsible forest management. In 2022, **90% of the paper pulp³⁰ used by Decathlon for packaging was FSC and PEFC certified³¹** (73.4% in 2021).

At the same time, the company also wants to reduce its carbon footprint by sourcing from paper mills whose energy performance and management systems (water treatment, etc.) are in line with Decathlon's environmental commitments. Today, paper teams can count seven suppliers that have reduced their CO₂ emissions by at least 40%. These suppliers produced 12% of the paper used by Decathlon in 2022.

RUBBER

Decathlon uses natural and synthetic rubbers to manufacture shoe soles, bicycle tyres and inner tubes, and to a lesser extent, to manufacture yoga mats, balls and other sports equipment. To reduce its impact, **the company is now working to control its materials as much as possible and to use bio-based rubbers or rubber from recycled polymers whenever possible**. In 2022 for the first time, Decathlon used a bio-based rubber composed of silica³² produced from rice husk combustion ash. Several of its suppliers use this process which provides a less impactful raw material, while reducing the quantities of rice waste that conventionally generate soil pollution when they are not reused. All the actions carried out in 2022 doubled the level of sustainable material used in rubber today.

OTHER MATERIALS

Other agricultural and forestry raw materials

In 2021, the nutrition teams **banned the use of palm oil in the design rules of Decathlon's nutrition range**, guaranteeing it will be completely eliminated in 2023. Teammates are also working to **minimise soy consumption** while guaranteeing its origin and ensuring that the farmland operations did not cause deforestation.

By 2026, Decathlon has also set itself the goal of **applying Fairtrade/Max Havelaar certification³³ to all of its cocoa-based sports nutrition products**. This label guarantees fair remuneration for each producer, prohibits all activities related to deforestation and limits the use of inputs³⁴ in production. The first Fairtrade certified products were launched in 2022, including chocolate coated organic cereal bars.

In the manufacture of its shoes, Decathlon decided in 2022 to no longer purchase leather from Brazil, a country that is impacted particularly strongly by the loss of forest area. This decision reflects the company's desire to ensure that no raw material used for these products comes from farms contributing to deforestation. Most of the hides used today come from Europe, Argentina and the United States. Letters of commitment were signed at the end of 2021 and start of 2022 with each leather buyer to guarantee the traceability of the raw material and to ensure respect for animal welfare.

Feathers

Decathlon works with suppliers who observe decent breeding conditions: no animal abuse, no force-feeding of geese and ducks and no live plucking. Since 2020, **100% of the feathers for garments used by Decathlon's suppliers are Responsible Down Standard (RDS)³⁵ certified**.



REDUCING MATERIALS WASTE THROUGH DESIGN

Recognising that on average 20% of the fabric intended for textile manufacture is not used, the members of the Minimal Waste Design project are helping the Sports & Processes teams optimise textile use through Minimal Waste Design, an ecodesign method that reduces the wastage of raw materials (consumption and offcuts) right from a product's design phase.

To do this, prior to production, the design teams:

- work simultaneously on the design, pattern-making and placement of the pattern pieces on the fabric;
- compare multiple design solutions;
- ensure a significant environmental impact reduction is attained.

In 2022, the design teams created 147 products using this design method (65 in 2021). One highlight of this year is that 86 of these projects were conducted independently by 21 sports and five industrial process teams. According to estimates, all of the optimisation work done in 2022 avoided the generation of 27,000 tonnes of CO₂e.

This performance was made possible by:

- the organisation of fifteen workshops;
- the creation of a dedicated training module now available on the Decathlon Academy platform;
- organising five weeks of intense research to bring together different project groups within the company to work on shared product types using the MWD method;
- making available tools such as a dashboard to compare material consumption, offcut rates and CO₂ emissions;
- capitalising on all of the shape design research by product type since the start of the project.

This project was initially launched to optimise the design of textile products but will now be **extended to other product families**. Exploratory studies were begun in 2022 with glove, bag, neoprene and foam industrial processes, generating initial results (eight neoprene products and five bags have been designed using the Minimal Waste method).

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

29. 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 practise mulesing, and who take care to avoid injuring the animal (micro-cuts) during shearing.

30. Paper pulp from the selection referenced by the Decathlon packaging team, 73,029 tonnes used in 2022.

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

32. Natural form of silicon dioxide used to make rubber.

33. For more information on Fairtrade/Max Havelaar certification: <https://maxhavelaarfrance.org>.

34. In agriculture, inputs are products added to the soil to increase harvests.

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

2.1 DEVELOPING MORE RESPONSIBLE PRODUCTS

Transforming the product offering to better serve the circular economy

SELECTING PRODUCTS WITH A LOWER IMPACT

Decathlon wants to take its entire ecosystem into account to reduce the environmental impact of its product offering. This year, work initially consisted in using its Ecodesign standards to analyse the product ranges and optimise them, selecting the products and their respective quantities in order to generate an equivalent financial value with a lower carbon impact.

The goal is to work on this offering globally, and in particular the offering proposed by other brands at Decathlon. **A first test was conducted with Adidas in 2022³⁶, on the product carbon impact concept and the Ecodesign guidelines.** In this way, Decathlon shared the Ecodesign standard it uses to categorise products with the Adidas teams. This first test allowed the working group to forge convictions and establish a roadmap for 2023 aimed at ensuring a strict and harmonised Ecodesign claim for product environmental characteristics; this involved the Group's entire offering, including products from other international brands.

The strategic goal is to offer a selection of items having less and less of an environmental impact, complementing the product improvement processes at the time of design. This global impact analysis approach invites partners to apply the same standards, so that the offering is measured homogeneously for Decathlon products, other international brands and products available on Marketplace. In the long run, this homogenisation work will facilitate the decision to discontinue products in the ranges on offer and ensure consistent commitments.

EXTENDING PRODUCT LIFESPAN

Decathlon has been working for several years on the design of its products in order to extend their lifespan. The objective of this approach is to incorporate durability (resistance, reliability, performance over time and timelessness) and reparability right from the product design phase.

Progress made on durability

Using the methodologies and related tests developed since 2020, durability criteria are now included in the definition of Ecodesign products, through specifications. The database provides product engineers with a roadmap with clear criteria. A benchmark and durability standards are established based on this test-based design methodology, through a choice of more resistant components, for example.

In 2022, a network of Referent engineers was created following training courses dedicated to the subject. These designers are responsible for creating benchmarks for every item in their range and for identifying products that respect the durability framework, through four major steps:

- 1. Diagnosis** by the referent, defining the causes of end-of-life and deciding whether to address the issue based on durability or reparability.
- 2. Test phases** validating the diagnosis.
- 3. Interpretations** that allow the construction of the benchmarks.
- 4. Conclusions** that are exploited in common design software and that lead to sustainable design rules.

By understanding product durability in this way, Sports design teams can make the necessary decisions when constructing their range and detect products that should be eliminated or improved. This year, benchmarks were completed for the entire textile range, shoes with studs, backpacks, water bladders, gym balls and jumping balls.

Externally, Decathlon shares its research and conclusions with an AFNOR technical committee³⁷ called DUR-HABI that is working to establish a standard defining durability criteria.

Progress made on reparability

Using the reparability index developed in France by ADEME³⁸, **Decathlon has established criteria to define its products' repair potential.** For each product family, the following criteria need to be fulfilled for a product to be considered repairable:

- **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 breakages and breakdowns that are covered by a repair solution for each type. **For a Decathlon product to be considered Ecodesign, 80%³⁹ of failures related to the nature of the product must be covered.** A distinction is made between products with significant reparability potential (such as bicycles) and Ecodesign products, which benefit from a design effort that makes them more repairable than other products on the market.

As with the durability project, **the main work this year was to define benchmarks for each sport**, i.e. to establish the criteria and thresholds for each product family. Once these categorisation rules were set, the network of Referents trained in reparability could share them with the product engineers.

Since 2021, work has been undertaken on several products, including Stand-Up paddle boards, scooters and skateboards. Three hundred product references were assigned the repairable Ecodesign attribute in 2022 (6% of all Ecodesign products).

i Information on Decathlon's repair workshops on p. 105.

IMPROVING PRODUCT RECYCLABILITY

Decathlon aims to act on every part of its value chain to reduce its products' environmental impact. It is working to **better take into account product end-of-life and improve recyclability right from the design phase.**

Since 2021, several experiments have been conducted with various stakeholders from the recycling world (recyclers and Producer Responsibility Organisations) to jointly create a product recyclability method and evaluation tool.

The objective of this index is to define and verify the following for any product:

- **the recycling potential** and to validate that recyclability is backed by an industrial process;
- **existing links with recycling channels;**
- **potential recycling disruptors** (the presence of a metallic element or many different materials can lower the recyclability rating, for example).

These data are validated by tests. In 2022, the teams tested swimming fin recyclability with an external partner to verify whether a material grinding and sorting line could be used to manufacture fins reusing the same component. Testing will be continued in 2023 with swimming goggles, skis and helmets.

Since this recyclability index was defined for priority product families (shoes, textiles, helmets and tents), training was provided for the relevant product engineers. **A guide was also published to help design recyclable products**, which will be accompanied by design rules for concrete actions on certain types of products. Initially used by certain teams (helmet, shoe and mountain sports) as a test in 2022, this guide will be rolled out in 2023 for all products.

WEDZE AND RESORTECS PARTNERSHIP: A SKI JACKET DESIGNED TO BE RECYCLED

Wedze⁴⁰ partnered with Resortecs⁴¹ to develop a recyclable ski jacket using the start-up's disassembly technology. Since it is impossible to design a ski jacket containing a single material, this project aimed to make it easy to separate recyclable polyester elements from non-recyclable zips, press-studs and elastic bands. These elements can be removed by using threads that melt and disappear when exposed to temperatures between 150 and 190°C, enabling the polyester fabric to be recycled effectively.



Testimonial
Mansuy ROCQUIN
One Shoe Project Leader,
and volleyball enthusiast



“ For this first recyclability test, we looked at the NH100, a shoe that we have been producing for a long time and in large numbers. Early ecodesign efforts to include recycled materials had already reduced its impact by 20%. But the team wanted to go further by integrating the shoe's end-of-life right from its design stage, making it a mono-material product by cutting the number of materials used to just one. This was a real challenge in terms of technicality and supply! After many prototyping iterations to reach the desired product, we obtained a shoe that can be shredded and upgraded in its entirety into a new plastic material, then used to manufacture other Decathlon products such as Subea⁴² fins.”



Work on product durability, reparability and recyclability can be combined to increase the performance of Decathlon Ecodesign products. These elements also help **develop the economy of use, which requires more robust and easily repairable products** because of their longer use, and that they must eventually be recycled efficiently. The criteria for these topics, with related specifications intended for product designers, therefore focus entirely on serving alternative business models.

VERTIKA SOFT CLIMBING SHOE: COMBINING TECHNICAL INNOVATION WITH ACCESSIBILITY IN THE NETWORK OF WORKSHOPS

The treads on climbing shoes wear down significantly, reducing their grip. As a result, the soles have to be re-bonded often. However, some users do not know when this repair is appropriate so, after too much use, the whole shoe wears out and can no longer be repaired. Simond⁴³ provides a wear indicator built right into the product, ensuring users know when repairs have to be made and avoid having to throw away the entire shoe. In addition to this technical innovation, and to ensure that the proposal is truly relevant, the design teams have paired this approach with a resoling service available at Decathlon workshops in order to provide access to a wide repair network. Decathlon technicians were trained to provide this service and climbing shoe repairs are currently available at 157 Decathlon stores in France.

36. For more information on Adidas: www.adidas.com.

37. For more information on AFNOR: <https://www.afnor.org/en/>.

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

39. More information on Ecodesign product criteria on p. 92.

40. Wedze: Decathlon brand dedicated to skiing.

41. For more information on Resortecs: <https://resortecs.com/>.

42. Subea: Decathlon brand dedicated to underwater sports.

43. Simond: Decathlon brand dedicated to climbing.

2.2

COMMITTING TO MORE SUSTAINABLE CONSUMPTION



DECATHLON IS COMMITTED TO THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS



OUR COMMITMENTS FOR 2026 2021 2022 RESULTS 2026

RE-USING OUR PRODUCTS



REPAIR

30% of products in our ranges are classified as repairable 4.7% 11% 30%

100% of our repairable products are repaired by our workshops or by our customers 77.1% 66.5% 100%



SECOND LIFE

100% of our countries have a second-hand sports product range*

*using Second life application

→ Number of countries/regions offering a range of second-hand sports items 30 countries/regions 44 countries/regions



RENTAL/SUBSCRIPTION

We are developing rental and subscription models to meet the expectations of new consumption patterns

COMMUNICATION - RAISING AWARENESS



COMMUNICATION ABOUT OUR PRODUCTS

100% of Decathlon products have environmental labelling 63.4% 60.3% 100%



ACTIONS TO RAISE AWARENESS

100% of our sites are organising a minimum of 1 awareness-raising event per year n/a 48.9% 100%



ECOMOBIILITY OF TEAMMATES

40% of kilometres travelled by teammates during home/work trips was using active or ecomobility 21% 33% 40%

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 2023.

2.2 COMMITTING TO MORE SUSTAINABLE CONSUMPTION

ECONOMY OF USE

Developing a more eco-friendly offering

To make its business compatible with planetary boundaries while protecting the company's financial sustainability, Decathlon aims to transform its business model by accelerating its development of the economies of use and functionality¹. By scaling up services that emit fewer emissions (second life, rentals, repairs), the Group will be able to offer its customers responsible and multiple sports experiences, and facilitate access to sport.

Focusing on product use rather than ownership requires consideration and experimentation to ensure the product can be repaired, rented, resold or reused for as long as possible, and ultimately recycled if possible. For a designer and distributor, this means rethinking the entire value chain in order to create value sustainably, while reducing the company's impact on the environment. Transformation can be achieved by thoroughly analysing user needs and feedback.



KEY FIGURES
as of 31/12/2022

2022 HIGHLIGHTS

Circularity sales showed promising growth this year, thanks to effective implementation of strategies on the ground.

Decathlon gradually expanded its online offer of second life products in more countries. To develop product buy-backs, the company also tested a new digital system in France that allows customers to sell their products directly on line without having to go physically to a store.

The company continued developing rentals and made monthly subscriptions the focus of its strategy.

Repair workshop activity increased, with more and more Decathlon products considered repairable and with growing demand from users. Recruiting technicians is now becoming a major challenge for the company.

1.75%
of circularity sales²
(second life products, repairs and rentals)
(1.43% in 2021)

0.25%
of global sales from second life products,
731,482 Decathlon and OIB second life
products sold worldwide
(0.21% of global sales and 503,157 products in 2021)

187,888
Decathlon product rentals
(short period, subscription, long period)
(97,474 in 2021)

**1,636 workshops and
4,431 technicians worldwide**
(1,600 workshops³ and 4,095 technicians in 2021)



Testimonial
Eric FORTUNE
Economy of Use Leader

“After two years of stagnation, we observed an encouraging increase in our circularity sales for 2022, which totalled €100 million more than in 2021. This performance makes us hopeful and reflects our teams' energy in the field to implement strategies for the economy of use. To further refine and optimise our business models, we will be deploying all existing solutions in 2023 in four pilot countries: Belgium, Spain, Italy and the Netherlands. At the same time, we will be focusing on digitalisation to provide all the necessary tools to develop these online experiences and enhance the acceleration started this year.”

Developing second life products

Because circularity sales are now included in financial reporting and in line with the transformation of the company's business model, **development of product second life is accelerating within Decathlon.**

A range of second life products is now available in 44 countries, with more and more items being made available for resale and new digital solutions supporting the development of the circular economy. This acceleration is occurring while respecting Decathlon's requirements.

Articles made available for resale are inspected with the same level of quality as that applied to new products⁴, using detailed checklists that are being developed by the design engineers and are specific to each type of Decathlon product.



SECOND LIFE PRODUCTS IN STORES

Areas dedicated to used products are proliferating in Decathlon stores around the world, through redesigned merchandising, team training with time dedicated to second life products and improved customer communication (in-store corners, signage testing, etc.).

In 2022, Decathlon held **Trocathlon events once again, where users exchange their products for a gift card.** Decathlon then gives these products a second life by selling them to other customers. Trocathlon events are being gradually replaced by buy-backs in store that ensure users' products can be bought back immediately.

SECOND LIFE PRODUCTS ON MARKETPLACE

To develop second life products in its global offer, Decathlon is experimenting with various sales processes, especially on the Internet. Consequently, the company is adapting its value chain to centralise, recondition and make products available to information systems for sale on line.

After an initial test conducted in France in 2021, **nine countries⁵ now offer second life e-commerce products on Decathlon's Marketplace.** In 2022, Marketplace generated €4.6 million in sales, representing 24,843 items sold (€2.5 million in sales and 9,700 items sold in 2021).

Decathlon also wants to encourage its partners to develop their own second life offer. Currently, nine companies can sell their own reconditioned products on Decathlon's Marketplace in four countries (Belgium, France, Spain and the Netherlands).

In this way, the Group is pursuing its digital and environmental transformation by making second life products increasingly accessible to its users.

1. More information on the new business strategy on p. 18-19.

2. It should be noted that the "sustainable sales" indicator was renamed "circularity sales" this year. This figure does not include rental products, which are not yet calculated automatically. For more information, see methodological note 4 on p. 169.

3. An update following correction of an error noticed in the data published in NFRD 2021.

4. More information on quality procedures on p. 50.

5. Germany, Belgium, Spain, France, Great Britain, the Netherlands, Poland, Portugal and Switzerland.

2.2 COMMITTING TO MORE SUSTAINABLE CONSUMPTION

THE BUY-BACK SYSTEM

The buy-back system allows users to **sell their used sports goods directly** in France (in stores and on line), as well as in Belgium, Spain and Portugal (in stores). The system will be extended to other countries in 2023.

This service was originally offered for bicycles and skis, but **grew strongly in 2022** and now includes fitness and bodybuilding, winter sports (skis and snowboards), water sports (canoes, surfboards and paddle boards), urban mobility (bicycles, scooters, skateboards and rollerblades), hiking (tents, bags, warm jackets and textile equipment costing over €50 new), golf and fishing.

Service simplicity is fundamental in promoting the development of buy-backs. In Decathlon stores, customers can sell their products in exchange for a **gift card or direct payment to their bank account (in France since 2022)**. The products are then inspected and covered by warranty⁶, and the new buyers benefit from a money-back guarantee. In 2022, **Decathlon France tested a new digital buy-back system** allowing customers to find their item on line, describe its condition and see a buy-back price without having to go to the store. This was made possible thanks to the creation of a dedicated website⁷ in collaboration with CircularX⁸, a subsidiary of the Recommerce group⁹.

Through this online buy-back system, over 3,000 products have been bought back and made available for sale on Marketplace. It will be deployed in Belgium, Spain, Italy and the Netherlands for further experimentation in 2023.

SECOND LIFE IN NUMBERS

- **44 countries offer second life products** (30 countries in 2021)
- **Trocathlon:** 98,759 units - 965 events in France (28,954 units - 680 events in France in 2021)
- **Buy-backs:** 159,790 units sold (87,000 in 2021)
- **Store returns:** 324,830 units sold (57,900 in 2021)
- **E-commerce returns:** 24,842 units sold (9,700 in 2021)
- **Donations:** 56,589 units - 402 associations supported through Commerco and Donnez.org (26,095 units and 200 associations supported in 2021)

Expanding product rentals

Decathlon's testing in various areas to build strategic convictions based on experimentation and innovation means rentals are becoming a sustainable activity, thus enabling the company to rethink its business model.

Decathlon offered several rental solutions in 2022:

1. **Short-term rentals** with a one-time payment, so customers can use Decathlon products for a few hours, a few days or an entire season, especially for outdoor sports products¹⁰. This service was available in ten countries in 2022 and will be available elsewhere in the world in 2023. This model grew strongly this year, generating €9 million in sales (€5 million in 2021).
2. **Monthly rentals with a subscription** for increased flexibility (usually a minimum of one or three months). This was available in France for certain product categories¹¹ and rolled out in Spain for adult bicycles in 2022. Decathlon sees this subscription model as the priority focus of its rental development strategy. It has seen major growth in France, with more than 20,000 subscription contracts signed this year (compared to 872 in 2021) and an average customer satisfaction rating of 9.3/10¹² for children's bicycle rentals.
3. **Long-term rentals** with a longer commitment period (between 12 and 36 months), currently being tested in France for bicycles via an external partner responsible for the rental contracts. Through this exploratory solution, Decathlon can analyse customer needs and demands in depth, as well as outsource the risks related to long-term rentals (fraud, payment continuity) while learning to control them.



For each rental model, the company continues to study the offering, the detailed conditions, customer experience, logistics and customer risk management to determine the format that best matches users' needs.

The financial results in 2022 for rentals confirm users' growing interest in these services today. Thanks to encouraging growth in all the countries that provide these services, rental sales volume doubled this year to reach €12 million (€6 million in 2021).

Decathlon's ultimate goal is to offer its customers a complete rental experience (choice of duration, level of commitment and products).

Developing product repairs

INTERNATIONALLY

1.5%
of overall sales generated
by product maintenance and repairs
in Decathlon workshops

(1.2% in 2021)

11%
of the products in Decathlon's catalogue
are qualified as repairable¹³

(4.7% in 2021)

66.5%
of products repaired
(considered repairable)
in Decathlon workshops

(77.1% in 2021)

2,307,889
products repaired
in Decathlon workshops

(2,064,295 in 2021)

Product repair is the cornerstone of our circular economy approach, and at the heart of the development of a **business model that allows users to increase the lifespan of their products through a network of 1,636 in-store workshops and 4,431 technicians worldwide**. It will also play a major role in the future through the development of second life and rentals to guarantee product safety.

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

Overall activity is borne up by the development of **user self-repair** as the supply of replacement parts has grown and the desire for a sustainable sports experience to be incorporated into products right from the design stage¹⁴. Backed by the expertise of workshop technicians, the sports and design teams are now working hard to meet Decathlon's commitment of 30% of products being repairable by 2026. These efforts have already doubled the 2021 performance (4.7%), with 11% of products being repairable as of 31 December 2022.

i Information on product repairability is available on p. 98.



While Decathlon repaired more products this year than last year (2,307,889 compared with 2,064,295), just 66.5% of products considered repairable were repaired in 2022, compared to 77.1% in 2021. This result is due to an increase in the number of repairable products and to the growing demand for repairs, together with difficulties in recruiting technicians and, to a lesser extent, the temporary unavailability of certain replacement parts.

Customer self-repair solutions are supported by an **after-sales service site identifying compatible replacement parts and offering tutorials** at <https://support.decathlon.co.uk>. The service is available in 13 languages and 14 countries. Technical support is also offered in eleven countries, with experts guiding users in their repairs (for bicycles, ping pong tables, electronics and fitness equipment) by email, telephone or video conference depending on the country.

FRANCE

In France, 1,000 technicians at 300 in-store workshops and eight regional workshops repaired nearly one million products that were either returned to their owner or sent to a second life or used product channel.

The workshop teams are aware that this approach must be considered globally and are now following a strategy aiming to:

- **hire 500 technicians by 2026;**
- **develop skills** to ensure new products can be repaired, and support mobility, second life and rentals;
- **offer users self-repair services** and make replacement parts available.

To train young people in repair professions and help recruit technicians, Decathlon France opened its apprentice training centre in September 2022, with a first group of **134 apprentices** trained at **15 centres** across France.

i Information on Decathlon's apprentice training centre on p. 34.

6. The warranty period differs depending on the country. | 7. Website address: <https://secondevie.decathlon.fr/>.

8. For more information on CircularX: <https://www.circularx.co/>. | 9. For more information on Recommerce: <https://www.recommerce.com/>.

10. Winter sports, water sports, cycling, camping and hiking. | 11. Adult bicycles, weight training equipment (benches and dumbbells), golf equipment and children's tennis rackets.

12. Survey conducted by email in December 2022 of customers having taken out a subscription since March 2022 - 328 respondents.

The score of 9.3/10 was in response to the question "Overall, how satisfied are you with the rental subscription for this bicycle?".

13. With a repair solution.

14. More information on design approaches on p. 90.

2.2 COMMITTING TO MORE SUSTAINABLE CONSUMPTION

COMMUNICATION AND AWARENESS

Working towards more informed and lower-impact consumption

To meet its environmental impact reduction objectives set out in the Transition Plan, the changes Decathlon makes must be accompanied by customer and user commitment to the product and service offering.

To better inform choices towards more responsible consumption, the company is gradually increasing customer awareness and information. At the same time, it is using the powerful vector of sport to communicate the importance of protecting playing fields by regularly offering sporting events focused on environmental protection.



KEY FIGURES
as of 31/12/2022

60.3%¹⁶
of textile and footwear products display the carbon footprint on their product page

1,453
sporting events were held to raise awareness of the environmental transition (World Clean Up Day, eco-hiking, ecomobility); they were organised by **912 Decathlon sites in 45 countries** (1,098 events were held in 2021 in 40 countries)

48.9% of Decathlon sites held at least one awareness event during the year

2022 HIGHLIGHTS

Decathlon continues its efforts to develop environmental information¹⁵ in order to provide more transparent communication.

Awareness-raising sporting events dedicated to the environmental transition continue to be held around the world.

Making the environmental impact visible in product communication

ENVIRONMENTAL LABELLING FOR INFORMED CONSUMPTION

Decathlon is working to make the display of environmental data progressively available for its products to promote informed consumption and provide as much information as possible.

In 2022, Decathlon decided to focus on developing carbon footprint information for textile and footwear products. It made this decision mainly because these product categories are a priority in work being done at the French and European levels in which Decathlon is participating.

This information ultimately allows customers to understand the product's environmental impact and to compare products of the same category. The carbon footprint is calculated using a reference database that is shared with other companies and institutions. This endeavour to educate in more conscious consumer behaviour is based on information from various internal studies on Decathlon users.

Decathlon has not, however, stopped using the ABCDE environmental score which it developed in collaboration with ADEME, because it provides complementary information to the product's carbon footprint.

Product carbon footprint information

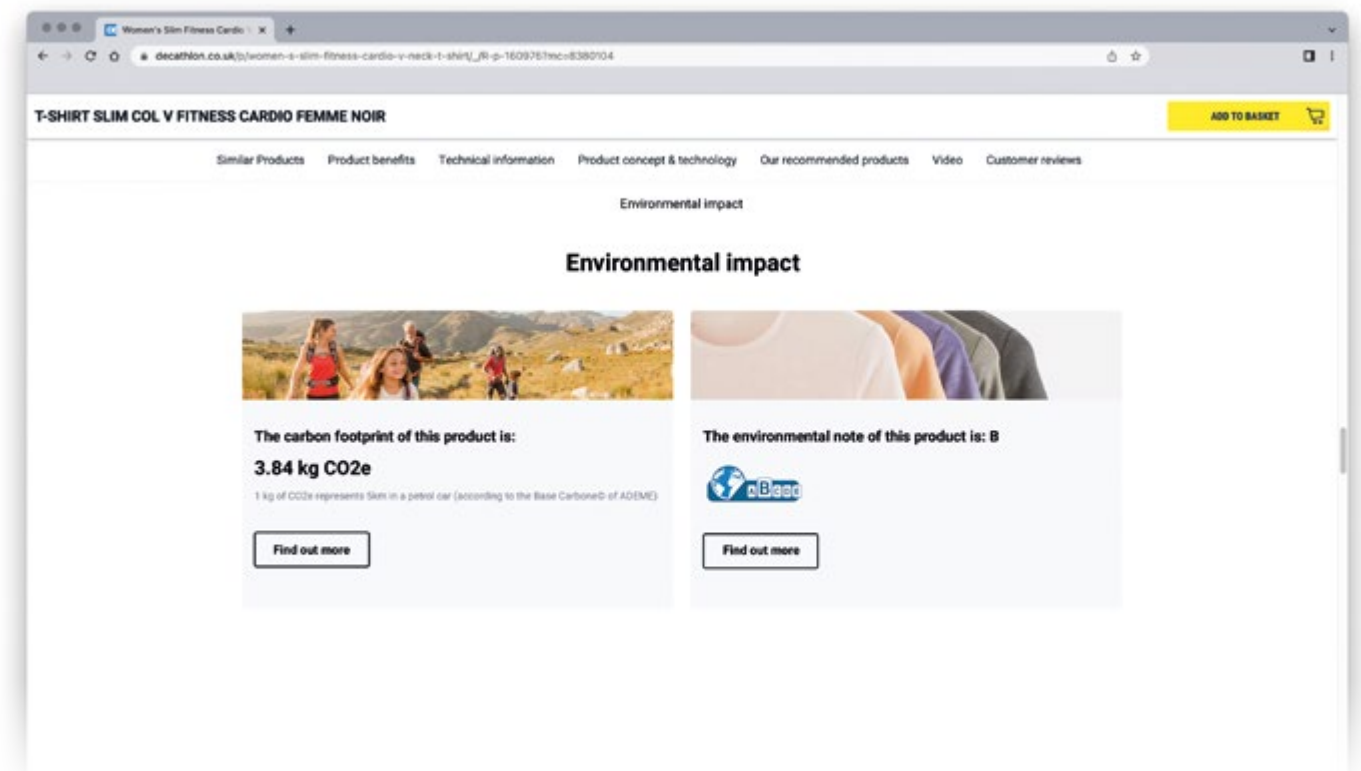
A product's carbon footprint is calculated by adding together all of the greenhouse gas emissions over the product's entire life cycle: raw materials, manufacturing, transportation, use and end-of-life. To make it easier to understand, the carbon footprint is converted into kilograms of CO₂ equivalent.

Since 2021, Decathlon engineers have been using the Glimpact tool¹⁷, which calculates a product's environmental impact during the design phase. Glimpact uses the Product Environmental Footprint (PEF) method developed by the European Commission¹⁸ to harmonise all the different data used in calculations and guarantee product comparability. Internationally, in addition to the work done in France and Europe, Decathlon is also a member of the working group created by the Mainland China National Council on Textile Products, to propose and deploy a carbon footprint score based on that country's national recommendations and standards.

Design and communication teams receive regular training to raise awareness in these areas. To improve efficiency, the design tool was connected to the in-store and web display tool in 2022. Decathlon's subsidiaries in the countries remain responsible for communicating the information locally.

The goal is for carbon footprint information to be available for 100% of Decathlon products by 2026¹⁹.

More information on the environmental assessment on p. 91.



15. For more information: https://www.decathlon.media/fr_FR/dossiers-communiques/decathlon-partenaire-d-une-consommation-eclairée.
16. The indicator chosen in 2022 is the carbon footprint, in addition to the ABCDE score. See explanations on p. 107 and methodologic note 103 on p. 201.

17. For more information on Glimpact: <https://www.glimpact.com/>.
18. For more information on the Product Environmental Footprint (PEF) method: <https://epca.jrc.ec.europa.eu/EnvironmentalFootprint.html>.
19. Indicators related to this deployment will be progressively incorporated in internal and then external reporting.

2.2 COMMITTING TO MORE SUSTAINABLE CONSUMPTION

The environmental score

Since 2014, Decathlon has been adding the calculations regarding the environmental impact of its products in its databases²⁰. 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.)²¹.

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

Decathlon aims to continue developing increasingly precise methods to assess the environmental impact of its products in line with other market players while proposing the best possible labelling format, in order to **support more informed consumption**.



Environmental awareness-raising events for customers and teammates

Every Decathlon site²⁶ around the world is encouraged to hold an awareness-raising event pairing sport with protection of the environment, and therefore also sports grounds. These events can take the form of global events involving many people on a single day (World Clean Up Day), over a long period (Mobility Weeks) or even on an ad hoc basis (eco-hiking).



Local teams are assisted in creating their own events so that each country can offer its customers and teammates events that make the most sense to them. Environmental transition leaders have been appointed for each zone, which has facilitated decision-making for these events. With the creation of an international network on this topic in 2022, **the teams held 1,453 eco-events organised by 912 different sites in 45 countries, educating nearly 45,000 people.**

These figures are growing thanks to the personalised support offered to the teams and the communication kit made available depending on local resources. These figures are based on reliable data thanks to their incorporation in the environmental management tool of the countries.

The topics addressed in these awareness-raising events are becoming more varied over the years and as new sports practices are deployed.



i Information on the internal organisation of the Climate Fresk training on p. 67.

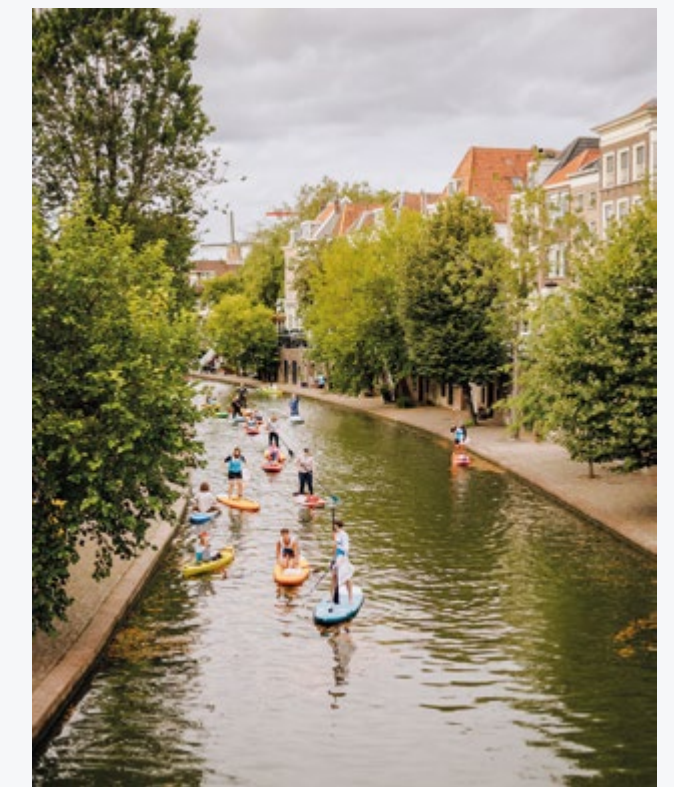
AWARENESS-RAISING EVENTS AROUND THE WORLD

45 participating countries

912 participating sites, representing 48,9% of Decathlon sites worldwide

1,453 events

45,000 participants



The Ecodesign designation

This information is complemented by the Ecodesign designation on products that meet eco-design criteria²². This logo is accompanied by information on why the product has been granted Ecodesign qualification.

In 2022, the ACM (Autoriteit Consument & Markt)²³ in the Netherlands asked Decathlon to justify the claims made for products with the Ecodesign marking. Based on the supporting documents Decathlon transmitted, the supervisory authority found that the information was not sufficiently clear, but also noted that none of the information was misleading or compromising²⁴. This audit offered Decathlon an opportunity to improve responsible communication training for the teams concerned, at the international level, with a two-hour module and workshops reviewing the regulations in force and the information available to customers.

SURVEYS TO BETTER UNDERSTAND USER EXPECTATIONS

Decathlon's goal is to establish a balance that provides the right information to customers: clear and attractive enough to encourage a change in consumption habits, while being detailed enough to be transparent.

Two studies²⁵ were conducted internationally in 2022 to answer the following questions:

- What do consumers look at in environmental labelling?
- What do consumers expect from an eco-designed product?

The results of these surveys show that **47% of the customers questioned included Ecodesign** in the information to which they pay the most attention when making a purchase (average in the countries surveyed). Users also consider eco-design information essential in the product description: 60% of users on the website, and 52% in store. However, there are significant differences in responses from country to country.

20. More information on product eco-design on p. 90.

21. More information on calculating environmental impact on p. 91.

22. More information on Ecodesign criteria on p. 92.

23. Market supervisory authority for consumers.

24. For more information on the review: <https://www.decathlon.nl/landing/ecodesign-qa/> /R-a-ecodesign-qa.

25. Studies conducted by Decathlon's in-house customer knowledge centre.

26. Decathlon site: store, warehouse or head office.

2.2 COMMITTING TO MORE SUSTAINABLE CONSUMPTION

TEAMMATE AND CUSTOMER ECOMOBILITY

Encouraging more environmentally friendly travel

Customer journeys to Decathlon stores and teammates who commuted to work represented 12.2% of the company's total CO₂ emissions in 2022. In order to reduce this impact, promote more environmentally friendly modes of travel and encourage their use every day, Decathlon has decided to become an agent for more sustainable mobility²⁷.

The main objectives of this strategy involve reducing retail-related greenhouse gas emissions, while highlighting the health benefits of active modes of travel for all.



0.6%
of Decathlon's carbon emissions was due to travel by teammates
(0.9% in 2021)

11.6%
of Decathlon's carbon emissions was due to travel by customers
(9.9% in 2021)

33%
of the kilometres travelled by teammates during home/work trips was using active mobility or ecomobility²⁸
(21% in 2021)

17%
of the kilometres travelled by customers to go to Decathlon stores was using active mobility or ecomobility
(14% in 2021)

2022 HIGHLIGHTS

The objective of 30% of the kilometres travelled by teammates during home/work trips using active mobility or ecomobility was met in 2022. So, Decathlon has now raised its goal to 40% by 2026.

The company continued testing ecomobility in Spain and prepared to deploy similar actions internationally.

Decathlon held numerous awareness events and positioned itself as an actor promoting health through active mobility and environmentally friendly modes of travel.

DEFINITIONS: ACTIVE MOBILITY AND ECOMOBILITY

- For Decathlon, **active mobility** means transport modes that use human energy without assistance, except for electric assistance.
- For Decathlon, **ecomobility or soft mobility** means transport modes that emit less than 0.10 kg of CO₂ per kilometre, as well as buses and electric cars. Internal combustion cars and motorcycles are not included in the percentage of ecomobility.

Defining ambitious objectives

In 2022, **33% of the kilometres travelled by teammates during home/work trips was using active mobility or ecomobility** (21% in 2021). This improvement was made possible by sharing good practices between countries. Since Decathlon exceeded its target (30% by 2026) by three points this year, it now aims to reach 40% of the kilometres travelled using active mobility or ecomobility by 2026.

The company uses several tools to measure this indicator depending on the country:

- an **internal survey** to determine the number of kilometres travelled per store and per country (24 surveys conducted in 2022);
- a **mobile app** that allows people to automatically calculate the distances they travel;
- **reporting** via human data management software²⁹.

17% of the kilometres travelled by customers to go to Decathlon stores was using active mobility or ecomobility (14% in 2021). The target of reaching 30% by 2026 remains unchanged.



Testimonial
Luis COSTA

Ecomobility Leader, and hiking enthusiast

“Active mobility makes cities more liveable: it improves people's health and helps reduce CO₂ emissions. At Decathlon, teammates have a role to play as ambassadors for the company's ecomobility strategy: every Decathlonian can serve as an example every day by cycling or walking and therefore bring about change in their local community.”



27. For more information: <https://conseilsport.decathlon.fr/mobilite-douce-trotinette-roller-velo-definition-et-conseils>.

28. Survey conducted in 2022 in 24 countries.

29. HR software: Effiplan.

2.2 COMMITTING TO MORE SUSTAINABLE CONSUMPTION

Constructing an international strategy

SOLUTIONS TESTED IN SPAIN

Since 2020, Decathlon has been testing a set of solutions in Spain to promote the development of soft mobility and active mobility.

For teammates

For teammates, these solutions include:

- **leading major events on sustainable mobility each year** to raise awareness of ecomobility issues and share good everyday practices;
- **developing a tool to collect reliable data** on teammates' active work commutes.

In 2022, Spanish teams held **"Mobility Challenges"** to encourage a rapid change of habits: 3,283 of the people who registered travelled the equivalent of 748,000 kilometres using a sustainable means of transport. In addition, a partnership with EMS³⁰ (Empresas por la movilidad sostenible³¹) enabled Decathlonians to take part in several round tables on the topic of reducing greenhouse gas emissions alongside other companies.

To encourage ecomobility and active mobility, the company also offered its teammates tools adapted to their daily lives:

- **a mobile app to encourage employees to carpool** and to provide information on the carbon footprint of travel;
- **bicycle and scooter routes and secure parking areas;**
- **a savings calculator.**

For customers

To promote customer use of sustainable means of transportation, a series of actions were conducted to:

- **encourage sustainable travel** and promote the use of transport modes that contribute to increased physical activity and improved health;
- **provide dedicated on-site infrastructures** (secure parking for bicycles and scooters);
- **provide secure and ecomobility-friendly equipment** at each new store opened throughout the country (electric vehicle charging stations, scooter parking, construction of bike paths nearby, etc.).

Decathlon Spain held **"Mobility Week"** and 229 other physical events dedicated to this topic in 2022. To defend the development of ecomobility within the country, Decathlon Spain also co-wrote **an active mobility manifesto** in partnership with about twenty public and private organisations (companies, associations and public administrations). Publication in Spain is planned for early 2023.

To improve the security of its customers' bicycles, Decathlon replaced its old and damaged anti-theft chains with new equipment, reducing the risk of theft in the car parks located near each store (this involved nearly 1,000 parking spaces in 2022).



Results

Ecomobility performances have increased significantly in Spain since these actions were implemented:

- **19.1% of the kilometres travelled by teammates** was using active mobility or ecomobility (16.6% in 2021)
- **420 teammates** switched from driving to work to more sustainable means of transport between 2021 and 2022
- **16.3% of the kilometres travelled by customers** was using active mobility or ecomobility (7.4% in 2021)

The actions taken in Spain have also been noticed outside the company. This year, Decathlon Spain became the first company to be awarded the **Bike Territory**³² label and it won the Urban Mobility Challenge 2022 for the third year in a row³³.



ACTIONS BEING PROGRESSIVELY DEPLOYED INTERNATIONALLY

Following the test in Spain, **the objective now is to share these action plans with as many countries as possible**, while supporting them as they create their own ecomobility strategy that takes into account local constraints and specificities. **An ecomobility guide** will be distributed internationally starting in 2023.

Thanks to the development of a global network and regular sharing of good practices, some countries have already started to follow Decathlon Spain's example. This is the case of Brazil, Chile, France, Hungary, Italy, Poland and Thailand. In each of these countries, an ecomobility project leader has been appointed to deploy actions locally and train teammates.

ECOMOBILITY IN CHILE

In 2022, Decathlon Chile carried out a survey among its teammates to establish an active mobility and ecomobility evaluation. The results showed that 45% of teammates use sustainable modes of transportation on a daily basis and 12% of teammates have experienced a safety concern on their commute journey.

Based on these results, the teams decided to set up road safety awareness actions for employees:

- **a "conscious ecomobility" awareness campaign** was held with testimonials from of road accident victims and videos on the environmental impact of different transport modes;
- **a communication campaign** was organised, with an in-store display on the topic of sustainable development, social media content on road safety and Internet tips on safe cycling.

Decathlon Chile held the **"Mobility Challenge"** to continue raising awareness among employees. Each Decathlonian was instructed to follow established routes that were updated in an app for the event, while recording the kilometres they travelled using a sustainable means of transport. This year, **60% of the kilometres travelled by Decathlonians** during home/work trips was using active mobility or ecomobility in Chile.

Organising awareness events

To promote a rapid change in commuting habits, six countries (Germany, Brazil, Colombia, Spain, the Philippines and Singapore) held a **"Mobility Week"** from 16 to 22 September 2022. The event included bike repair workshops, in-store product tests, routes through the city and advice from teams on site. **A total of 155 events dedicated to ecomobility** were also held in eight countries throughout the year³⁴.

In 2022, several countries in Asia held initiatives to educate customers and teammates about sustainable travel for the first time:

- **India:** On World Bicycle Day, stores offered free bike inspections, a bicycle borrowing and lending platform between teammates and additional discounts on second life products;
- **The Philippines:** The stores, in association with local NGOs and government organisations, celebrated "Mobility Week" by holding physical events such as bike rides with customers and teammates, free cycling classes for children and free bike inspections.



30. For more information on EMS: <https://www.movilidadsostenible.com.es/>.

31. Companies for sustainable mobility.

32. For more information on the Bike Territory label: <https://biketerritory.com/es/sellos>.

33. The Urban Mobility Challenge is a competition that brings together universities, and public and private companies around sustainable mobility issues for one month. The aim is to travel as many kilometres as possible using sustainable means of transport.

34. Belgium, Ivory Coast, Croatia, France, Hungary, Philippines, Slovenia and Tunisia.

3

REDUCING WASTE AND RECYCLING



DECATHLON IS COMMITTED TO THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS



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)

→ Additional tonnes of single-use plastic packaging eliminated 1,449 t 1,319 t

Methodological guidelines and assessment indicators have been drawn up ✓



EXCESS INVENTORY

0 component or finished product incinerated or sent to landfill n/a n/a



RECYCLING

80% of products sold in France are subjected to Extended Producer Responsibility 56% 80.2% 80%

Mapping existing and potential recycling channels in our other distribution countries In progress



WASTE

100% of waste recovered	54% in stores	57% in stores	100%
	68.6% in warehouses	69% 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 2023.

3. REDUCING WASTE AND RECYCLING

PLASTICS

Fighting plastic pollution

In January 2022, humanity exceeded the fifth planetary boundary¹ relating to global chemical pollution or the introduction and accumulation of “novel entities” in the environment, threatening the stability of ecosystems². Scientists have demonstrated the harmful effects of these “novel entities”, which include microplastics that are now widely dispersed in the environment and inside living beings.

In this alarming context and since plastic production is projected to triple between 2010 and 2050, **Decathlon wants to keep within planetary boundaries in conducting its business and is committed to reaching zero single-use plastic in its packaging by 2026³.**

To take collective action against plastic pollution, Decathlon has also joined several multilateral organisations:

- **the Fashion Pact⁴**, a global enterprise-led initiative in the fashion and textile sector, which is 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 microfibres.



KEY FIGURES
as of 31/12/2022

1,319 more tonnes of single-use plastic packaging have been eliminated and/or avoided for Decathlon products

(1,449 tonnes in 2021)

90% of the paper pulp⁶ used by Decathlon for packaging is FSC⁷ and PEFC⁸ certified

(73.4% in 2021)

2022 HIGHLIGHTS

Decathlon conducted modelling work to define its plastic footprint reduction trajectory in order to keep its activities within planetary boundaries.

The company continued to limit single-use plastics by gradually eliminating them from its packaging or recycling them.

Measuring and reducing Decathlon's impact

CONSTRUCTING A REDUCTION TRAJECTORY

Decathlon's Plastic Pollution in the Oceans project aims to eventually reduce the potential release of plastic created by the company's activities. Based on a study conducted with Environmental Action⁹ that was finalised in 2021¹⁰, Decathlon estimated that **of the 270,612 tonnes of plastic sold throughout the world in 2019, 3,931 tonnes¹¹** could potentially be released into the oceans at various points in the products' life cycle (production, shipping, use and end-of-life).

Following this study, **the teams carried out initial modelling in 2022 to validate a reduction trajectory that would allow the company to maintain its activities within planetary boundaries.** Concrete elimination or reduction actions through circularity solutions (durability, reparability and rental) were identified and incorporated in the calculation. Decathlon's reduction trajectory will be finalised in 2023 and will take into account an even more robust impact analysis based on volumes sold in 2021 and 2022, as well as the new corporate strategy announced in November 2022.

To assess this trajectory work, tests are also underway with the Olaian¹² and Subea¹³ teams, sports that are particularly sensitive to the problem of plastic pollution due to their aquatic playground.

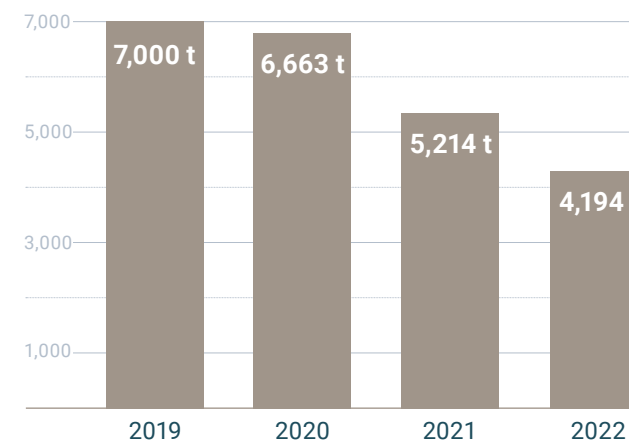
ADVANCING RESEARCH ON PLASTIC FIBRE FRAGMENTATION

Teammates who are members of the Textile Microplastic Leak project¹⁴ are also continuing their work on microplastics following the impact analyses performed¹⁵ in 2021. They are now preparing to take action. For three years, a doctoral researcher will **analyse all of the fabrics' technical parameters (thread, composition, structure, etc.)** to identify choices that will minimise the release of plastic fibre fragments. The results of this research will be used to draft a precise and rigorous trajectory as part of the commitment signed with the Microfibre Consortium to work toward a zero impact of textile fibre fragmentation on the natural environment by 2030¹⁶.

Moving toward eliminating single-use plastics

REDUCING THE IMPACT OF PACKAGING

Estimated quantities of plastic still used for Decathlon product packaging
(based on 2019 quantities)



In 2019, the packaging team estimated the amount of plastic packaging needed for Decathlon's finished products at 10,000 tonnes. This figure was revised down to **7,000 tonnes in 2020** following an analysis of forecast quantities for 2021. In 2023, a new estimate will be performed on forecast quantities for 2024 to obtain an up-to-date inventory of the quantities of plastic Decathlon uses.

Decathlon's teams have defined an environmental strategy that includes every stage of the packaging life cycle. The company aims to reduce the impact of packaging through a continuous improvement process, aiming to reach 95% FSC- and PEFC-certified packaging by 2025 and zero single-use plastics by 2026. To reach this goal, the company is working on:

- **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 FSC and PEFC certified, while choosing to use recycled materials whenever appropriate;
- **eco-design:** measuring the environmental impact of designs and considering packaging end-of-life right from the design stage;
- **production:** measuring and supporting 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;
- **distribution:** reducing the quantity of packaging by urging retail countries to encourage the purchase of reusable shopping bags and to use paper or cardboard e-commerce packaging;
- **end-of-life:** enabling packaging to be collected and recycled.

1. Planetary boundaries, which include the major processes that condition and regulate life on Earth, identify thresholds that must not be exceeded, at the risk of runaway effects. For more information: Stockholm Resilience Center, [Planetary boundaries](#).
 2. Environmental Science & Technology, "Outside the Safe Operating Space of the Planetary Boundary for Novel Entities", January 2022.
 3. Excluding food, chemicals and cosmetics, as well as products requiring protection to preserve their technical performance, together with products subject to legal constraints.
 4. For more information about the Fashion Pact: <https://www.thefashionpact.org/?lang=en>.
 5. For more information about the Microfibre Consortium: <https://www.microfibreconsortium.com/>.
 6. Pulp from the Decathlon packaging team's reference panel; 73,029 tonnes used in 2022.
 7. FSC: Forest Stewardship Council.
 8. PEFC: Programme for the Endorsement of Forest Certification.

9. For more information about Environmental Action: <https://www.e-a.earth/>.
 10. For more information about this study, see NFRD 2021, "Measuring Decathlon's impact", p. 96-97.
 11. Excluding production losses, plastic bags and pollution from bicycle tyre wear.
 12. Olaian: Decathlon brand dedicated to surfing.
 13. Subea: Decathlon brand dedicated to underwater sports.
 14. Textile Microplastic Leak: Release of microplastics from textiles.
 15. For more information on these analyses, see NFRD 2021, "Comparing fabrics to reduce the release of microplastics", p. 97.
 16. For more information on the Microfibre Consortium roadmap: <https://www.microfibreconsortium.com/roadmap>.

3. REDUCING WASTE AND RECYCLING

Once the work done on packaging design in 2022 is applied, Decathlon will be able to avoid consuming an additional 1,319 tonnes of plastic per year worldwide.



Testimonial
Fleur LIM

Sustainable Development Leader for Packaging, and running enthusiast

“Decathlon applies a continuous improvement approach and is setting increasingly ambitious objectives to ensure it proposes the most ethical components possible in its packaging. This year, in addition to being plastic free and made from recyclable mono-materials, our packaging also had to contain recycled materials. However, when testing this new approach, we realised that it was not always appropriate to impose this new criterion. For some packaging, such as bicycle boxes, we had to use two to three times more recycled cardboard to get the same strength as new cardboard. So, our definition of eco-designed packaging will evolve again in 2023 to adapt to the specifics of different product types.”

Here are a few examples:

- **Quechua¹⁷ furniture¹⁸:** 100% of Quechua furniture packaging was reworked in 2022, replacing plastic with FSC-certified cardboard. This change will take effect in 2023 and will avoid the consumption of 140 tonnes of plastic per year.
- **The Nabaiji¹⁹ nose clip,** with the switch from a 9-gram plastic box to a 3-gram FSC-certified cardboard box. This new packaging will enable Decathlon to avoid consuming 5.8 tonnes of plastic per year. Work was also done to optimise the filling of export boxes, allowing 432 units to be transported per boxes instead of 128, thus reducing the impact of transport.



REDUCING, REUSING AND RECYCLING CLOTHES HANGERS

Decathlon currently collects 65% of used hangers (171 million hangers were collected in 2022). Despite the progress made, the company will not meet the 80% target set for 2023. This is due to insufficient promotion of the programme and the fact that collection routines have not yet been deployed throughout the entire company. **Several actions have been identified** to remedy this situation and reach at least 75% collection by the end of 2023:

- to strongly encourage country/store leaders and country/store operating managers so they will rally all levels of the company;
- to establish clear roles and missions in stores and warehouses;
- the progressive generalisation of hanger collection in e-commerce and improved assistance at self-checkouts in stores;
- to continue to work with the Signed Sports teams to evolve Decathlon's "How to Sell" and limit the number of products presented on hangers in stores to reduce the company's hanger consumption.

In 2022, the teams also focused on improving hanger traceability to allow rigorous follow-up in each country, store and e-commerce site. This work will continue in 2023.



KEY FIGURES
as of 31/12/2022

65%
of used hangers were collected²⁰
(56% in 2021)

65.4 million
hangers were reused
(50 million in 2021)

56% of recycled materials
were used in making new hangers
(44% in 2021)

17. Quechua: Decathlon brand dedicated to hiking.
18. Camping chairs, tables and other furniture.
19. Nabaiji: Decathlon brand dedicated to swimming.
20. In store and for e-commerce deliveries.

3. REDUCING WASTE AND RECYCLING

PRODUCT RECYCLING

Inventing a new life for products

In its circular economy approach, Decathlon is committed to reducing its environmental impact at every stage of the product life cycle.

The company promotes the recycling of its sports equipment. With this in mind, Decathlon is committed to collectively finding new technological solutions and is working to adapt recycling channels for sporting goods in order to ultimately increase their recycling rate.



KEY FIGURES
as of 31/12/2022

80.2% of products sold in France are subjected to Extended Producer Responsibility
(56% in 2021)

Developing the recycling of sports goods

Textiles and footwear, electrical and electronic equipment, furniture, etc.²¹: many products in France are now subject to Extended Producer Responsibility (EPR). Under EPR, Decathlon is required to pay an eco-contribution for every item of this type that is sold, in order to finance their end of life. To maximise the recycling rate of textiles and footwear in particular, which represent the 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 other countries where Decathlon is present.

Decathlon currently wants to accelerate its actions in recycling and wrote a new strategy in 2022 to switch to the industrial scale for priority materials (cotton, synthetic fibres, polyethylene, polypropylene, thermoplastic elastomers, rubber, polyvinyl chloride, etc.).

2022 HIGHLIGHTS

Decathlon continued testing and joined various European consortia to develop new technologies and find recycling channels for its sports goods.

In 2022, Decathlon France became subject to Extended Producer Responsibility (EPR)²¹ for Sports and Leisure Goods (SLG); and from 1 January 2023, it will be legally required to collect its products in store at their end of life. **The company is preparing its teams and is distributing collection bins** in stores, although with a slight delivery delay.



21. For more information on Extended Producer Responsibility: <https://www.ademe.fr/expertises/dechets/elements-contexte/filieres-a-responsabilite-elargie-producteurs-rep>.
22. In 2020, the AGECL law also created several new EPR channels that concern Decathlon activities. This includes propane cartridges, toys, as well as sports and leisure goods.
For more information: <https://www.ecologie.gouv.fr/loi-anti-gaspillage-economie-circulaire>.

3. REDUCING WASTE AND RECYCLING

RECYCLING TEXTILES

Decathlon is focusing its efforts and circularity actions on the materials most commonly used in its textile sports goods (cotton, polyester and polyamide). To access new sources of raw materials, the teams are looking to work with major collectors and recyclers. At the same time, **the company is working in alliances and partnerships aimed at implementing the recycling technologies (mechanical, thermal and chemical) that are most appropriate to its sources based on the technical, environmental and economic aspects.**

To do this, **Decathlon is conducting feasibility tests with many partners and is joining consortia to work collectively to tear down existing technological barriers** (access to sources, sorting, disassembling, etc.). For example, the company is participating in the CISUTAC²³ and SCIRT²⁴ projects that are co-financed by the European Union. In 2022, Decathlon also participated in the ReHubs initiative²⁵ launched by Euratex, the European Clothing and Textile Confederation. Thus, some twenty companies worked together to finance a technical and economic study dedicated to textile recycling in Europe. Following the publication of this study, Decathlon and several other sector players decided to start a working group to continue the work begun and jointly create the foundations for the factory of the future that will be able to automatically sort and disassemble textile products.

At the same time, **Decathlon is continuing tests on the mechanical recycling of cotton.** In 2021, the company launched the experimental sale of Solognac Bermuda shorts made with 30% recycled cotton as part of the REWIND project²⁶. In 2022, a new test was conducted with the Domyos brand, this time with knit fabrics made using post-consumer textiles. These two experiments have demonstrated that it is now possible to recycle end-of-life products and transform them into new threads that can be reintroduced directly in production. Following these results, Decathlon launched new partnerships at the end of 2022 with European fabric shredding and spinning companies to test this recycling method on an industrial scale in 2023.

Decathlon now wants to **create an expanded offer of recycled threads** in Europe and develop these initiatives for other types of fabric in order to offer products that are increasingly environmentally friendly. Today, testing is also underway on polyester, with encouraging results. To move ahead more quickly on these topics in 2023, additional resources have been allocated to the project, enabling project managers, recycling experts, a methods engineer and a strategic buyer to be hired.



Testimonial

Bouraoui KECHICHE

Textile Recycling Leader,
and football enthusiast

“Raw materials play a very important role in our products' environmental impact. Today, it is essential that we use alternatives in recycling to replace materials from fossil fuel resources and land use. I like to think that today's textile waste will be the textile raw materials of tomorrow. To make that happen and to preserve our planet, we need to design products that are recyclable, set up automated sorting and disassembling solutions, and ensure that product sources meet our criteria (composition, quality, colour, etc.) while directing them to the right technological recycling solutions. This project's success will require new partnerships and alliances across the entire value chain.”

RECYCLING FOOTWEAR

In 2022, in partnership with several other sector brands, Decathlon continued to participate in one of the first industrial innovation programmes of CETIA²⁷, a technological centre dedicated to textile and footwear recyclability 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 open- or closed-loop production. Following work undertaken in 2022, a fully automated demonstration line capable of processing a thousand shoes per day will be installed in Hendaye in a dedicated 1,200 m² building in 2023.



23. For more information on the CISUTAC project: <https://www.cisutac.eu/>.

24. For more information on the SCIRT project: <https://scirt.eu/>.

25. For more information on ReHubs: <https://www.rehubs.eu/>.

26. For more information on the REWIND project, see NFRD 2021, p. 101.

27. Centre created by the ESTIA engineering school and the European Centre for Innovative Textiles (CETI). For more information on CETIA: <https://cetia.tech/home-en/>.

RECYCLING PVC AIR MATTRESSES

After first studying many durability and repairability solutions for PVC air mattresses, Decathlon teams have been working to reduce their end-of-life impact for the past two years. Until now, there has been no recycling channel for these products, which were instead systematically burned or buried. Today, recycling is the only way to make PVC air mattresses more sustainable given the unavailability of eco-designed or recycled materials in the flexible PVC sector. PVC air mattresses also have a higher return rate than other items due to the fragility of inflatable products. Based on these observations, Decathlon launched tests in 2020 to work with a recycler able to process these products and organise internal reverse logistics flows to centralise collected air mattresses in warehouses.

In 2022, an important milestone was reached in this project. Following a communication campaign in French stores, **ten tonnes of defective air mattresses were disassembled and recycled mechanically, avoiding the emission of 14,400 tCO₂e this year²⁸.** At the same time, mattresses are being redesigned to improve their recyclability by replacing the polypropylene valve with a PVC one. The goal is to move towards a mono-material product that is easier to recycle. In 2023, Decathlon aims to extend air mattress collection to other countries, starting with Belgium and the Netherlands. It will also continue reflections on uses for the recycled material that could eventually lead to the creation of a closed-loop process for Decathlon PVC air mattresses.

Implementing Extended Producer Responsibility for Sports and Leisure Goods in France

This year, one of the priorities of the Decathlon teams responsible for recycling issues was to implement **Extended Producer Responsibility (EPR) for Sports and Leisure Goods**. This legislation came into force in January 2022, and requires that all companies that design and distribute these types of articles on the French market contribute financially to the management of the products' end-of-life. This is a virtuous legal mechanism that encourages marketers to commit not only to collection, reuse and recycling phases, but also right from product design by improving repairability and recyclability.

i **More information on repairability and recyclability actions on p. 97-98.**

Since 2020, Decathlon has been actively discussing with all stakeholders involved in the creation of this new branch²⁹ 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 2022, Decathlon continued its commitment in the co-construction of EPR-SLG and participated in working groups outside the company dedicated to collection, repair and recycling.

While 100% of French stores will have to be ready to collect sports goods in 2023, companies subject to EPR-SLG have seen the distribution of their collection bins greatly delayed due to the global shortage of materials. **As of 31 December 2022, the Producer Responsibility Organisation Ecologic had equipped 90 of Decathlon's 325 stores and will continue deployment in January 2023.**

In April 2022, ahead of this deployment, **Decathlon tested operating procedures to enable in-store collection and the mass warehouse storage of products via reverse logistics flows across the country.** The objective was to propose processes that were the simplest for teams to apply and the most environmentally and economically effective. These tests were successful thanks to close collaboration between logistics and store teams. To meet EPR-SLG challenges, training modules have also been created for teammates. Store employees will have to adopt new habits, understand the flows and be able to assist customers when they voluntarily drop off their used products.



In 2022, 34 teammates at 26 stores had already attended training via videoconferencing, which will be deployed more broadly in 2023.

After a year of preparation, the objective for 2023 will be to roll out these procedures in all French stores and warehouses to meet EPR-SLG requirements and improve the sports sector's environmental performance.

28. Estimated according to the European Commission's Circular Footprint Formula.

29. In particular, Ecologic, the approved Producer Responsibility Organisation for this sector, Union Sport et Cycle and its members, as well as Community-Oriented Economy structures.

3. REDUCING WASTE AND RECYCLING

WASTE MANAGEMENT

Making waste valuable

As a product designer and distributor, Decathlon generates waste that contributes to its carbon footprint. The company is aware of its responsibility to reduce its environmental impact as much as possible, so it addresses the issue of waste on the local level via its Environmental Transition Leaders in each country, who define the most suitable action plans in both heterogeneous local contexts (different regulations, collection channels, providers for processing, recovery³⁰, recycling, etc.), as well as globally. **Decathlon commits to ensure that 100% of its waste is recovered by 2026.**



KEY FIGURES
as of 31/12/2022

106,007
tonnes of waste generated
by Decathlon sites worldwide
(103,495 in 2021)

58%
in-store waste recovery
(52% in 2021)

62%
warehouse waste recovery
(56% in 2021)

2022 HIGHLIGHTS

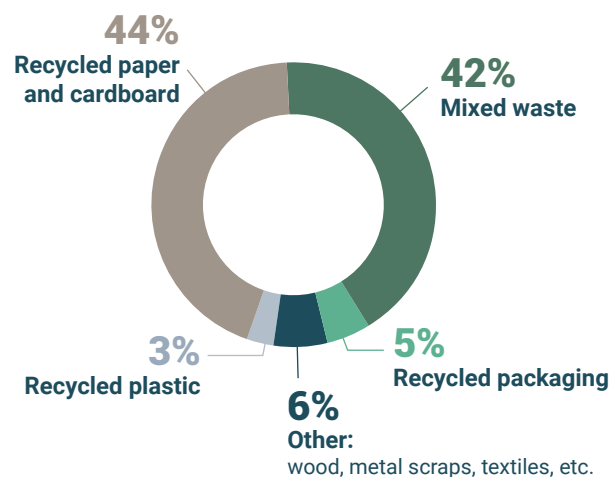
The international waste management network was developed and structured in four geographic areas. This new organisation meets the need for local collection and recycling partners for each issue and country, to improve efficiency.

The coordination and reliability of data around waste was strengthened, in order to analyse and deploy action plans suited to each country's way of working.

In France, Decathlon optimised its contract with a new waste management provider. This decision improves the company's knowledge of the volumes and types of waste for each store, in real time. More training is being provided and waste is being included in budget items.

More action was taken to prevent food waste in partnership with Too Good To Go and through in-store awareness work.

Types of waste generated by our sites worldwide
Decathlon stores, brand sites, warehouses
As of 31/12/2022



Sorting and recycling waste in stores and warehouses

In 2022, the waste management network was created and structured internationally. Each geographic area has its own specific characteristics in terms of waste collection, sorting and recovery. This is why, to ensure the best management of local issues, the network is organised around **four major geographic areas**, each of which is led by a Referent. The new governance for this subject ensures better local support thanks to the Referent's proximity. It contributes to more advanced data analysis and more regular monitoring of related strategies and action plans. This approach also encourages the sharing of good practices and enriched collective intelligence between geographic areas.

At the same time, this level of in-depth expertise provides opportunities for new programmes and skills development on this particular topic. So, **Decathlon has created an operational training curriculum** for store and warehouse teammates, and a **strategic curriculum** intended for Environmental Transition Leaders in the countries, to distribute and develop skills at the right level and achieve the best possible results.

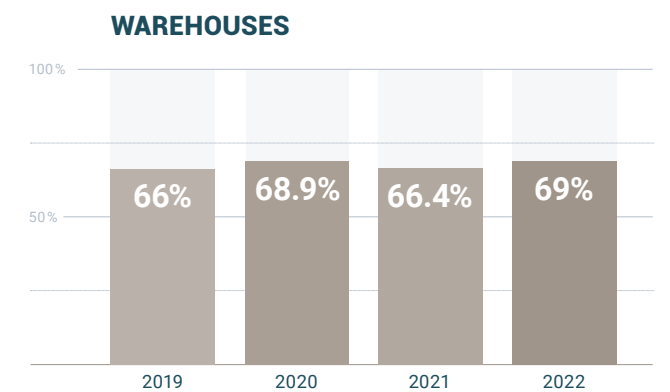
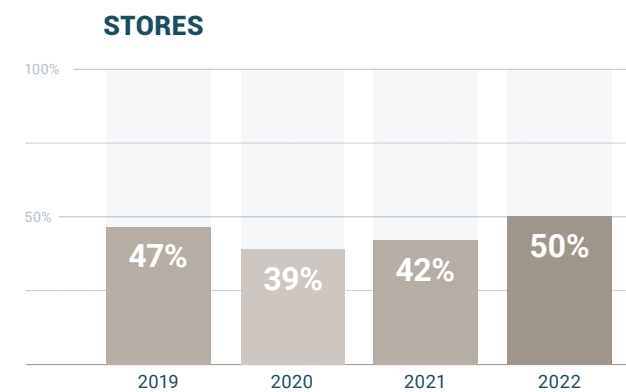
This strategic level was set up to create synergies with the various waste recovery partners, to increasingly consider waste as a worthy source and a true resource for circularity.

i Information on product recycling on p. 119.

Evolution in the teams' waste recycling rate

Decathlon stores, brand sites, warehouses

As of 31/12/2022



Testimonial
Deepan PRAKASH

Retail Sustainability Leader and Waste Project Manager in Decathlon India, and volleyball enthusiast

How did you approach the issue of waste from Decathlon's activity in India?

“Waste management is a challenge in India. To ensure we manage our environmental impact properly, we need to keep control of the entire management chain in the various recycling channels, from sorting by teammates to recovery by collection providers, alongside precise data.”

What actions have you taken?

Today, all Indian stores have close to a 70% waste sorting rate and two stores have reached 100% recovery. At the same time, operating smoothly with our partners is key. We have divided the country into eight geographic areas, which helps us build a network of partners with aggregators who become our single point of contact. They are responsible for collecting and sorting the different types of waste and for providing store-level data. Whenever possible, we return collected boxes and hangers directly to logistics. Half of our stores are also equipped with organic waste composters.

What challenges are you focusing on?

We are now operational on all priority actions. We are still having difficulty obtaining data related to shopping centres (which collect all waste in one place) and maintaining a good level of teammate knowledge through regular awareness campaigns, right from the moment they are hired.”

³⁰ Recovery: using waste to replace other materials or substances, including waste-to-energy conversion and reprocessing for use as fuels.

3. REDUCING WASTE AND RECYCLING

Prioritising and sorting waste in France

Decathlon France has expanded its waste management policy since 2020 through a number of experiments to improve waste qualification and therefore recovery performance.

This work on waste begins with major awareness-raising and training on sorting for all store employees. This teaching explains the issues that are necessary for a good understanding of sorting and to link sorting rules with the store's direct budget. Training is offered to all teammates and is reinforced by individual coaching for store managers (100 people were trained in 2022).

Data on waste sorting is necessary to establish objectives and action plans, and it became more accessible in 2022 thanks to a dynamic digital platform that allows each site to be autonomous in real time. This data is provided directly by collection providers, which increases reliability. This progress was achieved as each store's collection contracts were progressively renegotiated, to establish its appropriate level of need through work started in 2021 on the different levels of sorting management³¹.

Fighting food waste through Too Good To Go

Because of the nature of its activities, Decathlon's exposure to the risk of food waste is low. Nevertheless, Decathlon and its partner Too Good To Go³² have set up a process to collect all sports nutrition products, such as cereal bars. **The principle is simple: food products nearing their expiry date (Best Before date) are removed from store shelves and repacked as baskets of 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. The goal is to sell the stocks before they become out of date and have to be thrown out.

The programme was launched in 2020, during the COVID-19 crisis. Available quantities are gradually decreasing as a result of increasingly refined stock management and in-store training that formalises the process and provides education on food waste, focusing on inventory issues.

The initiative was deployed in Europe when the partnership was originally set up, but seven Decathlon countries are currently involved³³. **A total of 24,830 baskets of goods were 'saved' at 580 stores in 2022.**



THE PLEASURES OF SPORT
IN A PRESERVED ENVIRONMENT

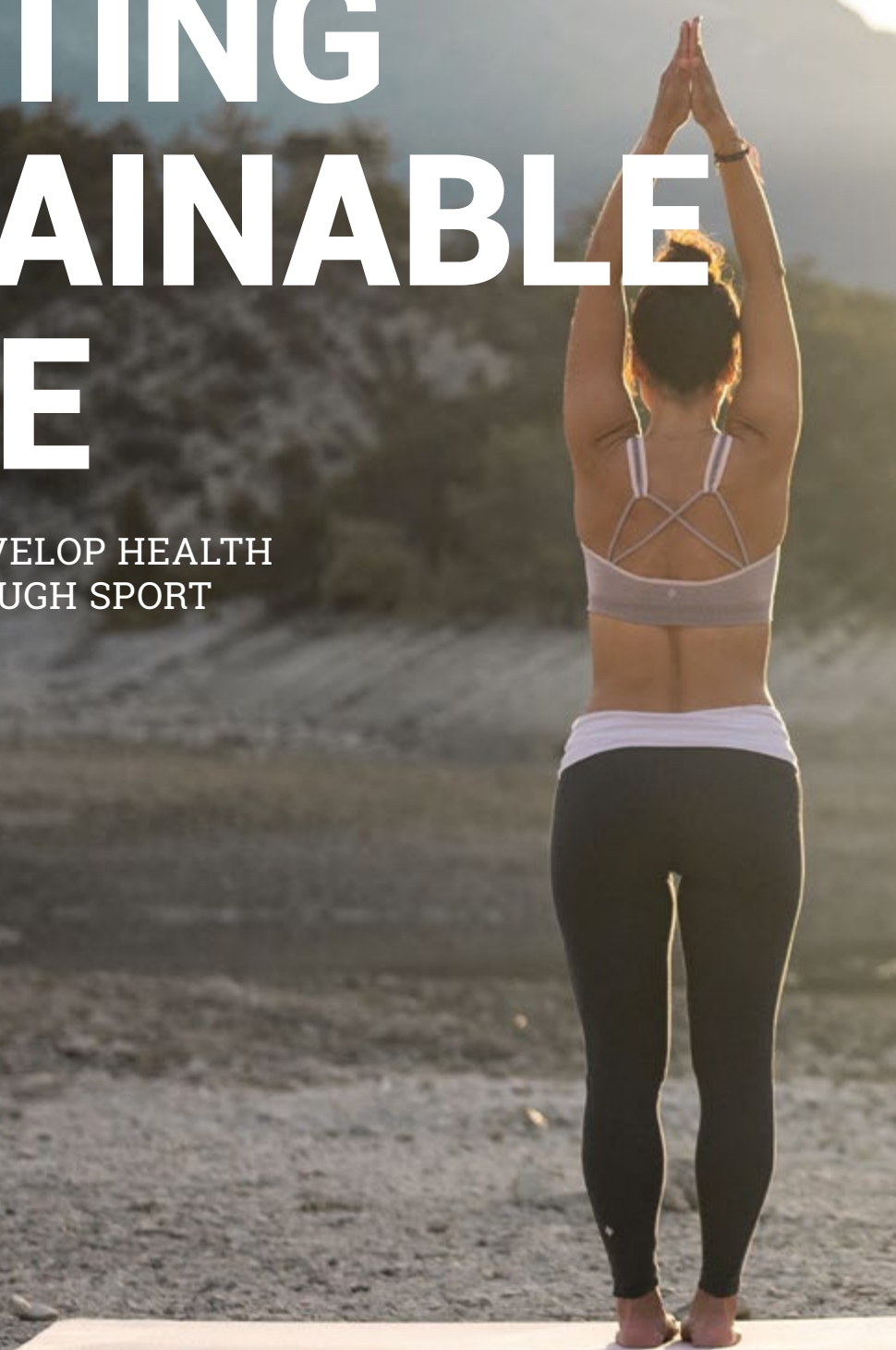
31. For more information, see NFRD 2021, p. 105.

32. For more information on Too Good To Go: <https://toogoodtogo.com/en>.

33. Countries involved in 2022: France, Poland, the Netherlands, Spain, Italy, Portugal and the United Kingdom.

CREATING SUSTAINABLE VALUE

TRANSFORMING TO DEVELOP HEALTH AND WELL-BEING THROUGH SPORT



DECATHLON IS COMMITTED TO THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS



OUR COMMITMENTS FOR 2026 2021 2022 RESULTS 2026



GOVERNANCE

Specialised committees dedicated to sustainable development	3 People and Sharing committee meetings	3 People and Sharing committee meetings
	3 Environmental Transition 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	71%	71%	100%
--	-----	-----	------

*The actions creating the most impact account for more than 70% of the total SBTi commitment

100% of teammates are paid in line with non-financial performance criteria	n/a	n/a	100%
--	-----	-----	------



BUSINESS ETHICS

100% of the countries in which Decathlon is present have appointed an Ethics & Compliance Referent	100%	100%	100%
--	------	------	------

100% of teammates have access to the internal alerte platform that enables them to raise questions or report issues	100%	100%	100%
---	------	------	------

100% of reports are processed	46% of reports are being processed	52% of reports are being processed
	54% of reports have been processed	48% of reports have been processed



CONNECTING AND DIALOGUING IN AN OPEN ECOSYSTEM

List of our memberships and partnerships with leading stakeholders (organisations, programs and initiatives, etc.)	✓
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Annual publications (Non-Financial Reporting Declaration, Vigilance Plan, Modern Slavery Statement, etc.)	✓
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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 2023.

CREATING SUSTAINABLE VALUE

GOVERNANCE

Organising for sustainable performance

Decathlon was founded in 1976 and is based on a unique governance system that:

- ensures the stability and independence of its governance bodies (family shareholders, board of directors and general management);
- pays close attention to project coherence and long term outcomes, with the involvement of employees (most of whom are shareholders);
- encourages a high level of agility by empowering teammates as close as possible to the customer.

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.



2022 HIGHLIGHTS

Decathlon's governance is evolving with the arrival of Barbara Martin Coppola as CEO and the establishment of an Executive Committee.

As sustainable development issues strongly impact the business model, the Environmental Transition Committee's responsibilities will now be addressed by the Executive Committee, which reports to the Strategic Committee.

Decathlon leaders were trained in environmental issues at a giant Climate Fresk.



3 Leaders Summits brought together 400 of the company's business leaders¹ (3 in 2021)

1 event to present the new business strategy, for all teammates, held digitally and in person

204 leaders trained in the causes and consequences of climate change during a giant Climate Fresk event

Decathlon's global governance system



THE BOARD OF DIRECTORS

Decathlon's Board of Directors is the guarantor of the company's long-term strategic vision; it defines the broad guidelines and ensures they are implemented while taking social and environmental issues into account. It had seven members as of 31 December 2022. In carrying out its activities, the Board of Directors also relies on the Strategic Committee and its specialised committees.

THE STRATEGIC COMMITTEE AND ITS 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 topics to specialised committees:

- The Audit & Finance Committee** was created through the merger of the Audit & Compliance Committee (six meetings held in 2022) and the Finance Committee (four meetings in 2022) at the end of the year. Its role is to assess the auditors' findings and the evolution of the company's balance sheet items, assess the internal audit system, challenge the risk mapping, approve the internal audit plan and examine the implementation of compliance.
- The People & Sharing Committee** assesses human indicators, challenges remuneration schemes and monitors possible replacements for key positions. This committee met three times in 2022. More information on p. 132.
- In 2022, the **Environmental Transition Committee** issued an informed opinion on the company's environmental goal, guaranteed the convergence of its economic and environmental interests, challenged and monitored indicators, approved the environmental audit plan, etc. This committee met three times in 2022. Because sustainable development issues heavily impact the business model, in late 2022, the Environmental Transition Committee's responsibilities were handed over to the Executive Committee, which reports to the Strategic Committee. More information on p. 132.

THE EXECUTIVE COMMITTEE

Barbara Martin Coppola (CEO) was leading the ten-member Executive Committee on 31 December 2022. This committee oversees the company's various functions:

- retail;
- digital;
- products and sports;
- value creation;
- human resources;
- environmental transition;
- supply chain and logistics;
- industry and production;
- alliances and explorations.

Its role is to define Decathlon's project and strategy and to lead their implementation. It meets monthly and reports to the Board of Directors every eight weeks.

The Ethics Commission promotes Decathlon's values and ethical principles, and ensures they are observed correctly. It is general management's operational body responsible for defining the company's ethics policy and for managing the compliance programme. The Commission supervises the management of internal investigations based on alerts regarding potentially illegal conduct or acts and/or breaches of Decathlon's ethics and compliance procedures and policies of which it is informed. The Ethics Commission is chaired by the CEO. It is convened by one of its permanent members as often as is necessary.

- The Appointment Commission** backs Decathlon's ambitions and requirements in its recruitment and appointment process for the 300 positions in the company with the highest responsibilities. It also works to strengthen international talent management. The Appointment Commission meets monthly to:
 - develop diversity within teams, to serve performance;
 - ensure the transversality of appointments and the right balance of international talent;
 - retain young talent;
 - retain, recognise, and maintain talent where it can create strong value.

Ad hoc Appointment Commissions can also be created within the company's business lines as needed.

- Councils support and challenge** the strategic orientations and biases of the main operational units (countries, sports, services, etc.). They meet three or four times a year.

See Decathlon's general governance diagram on the following pages

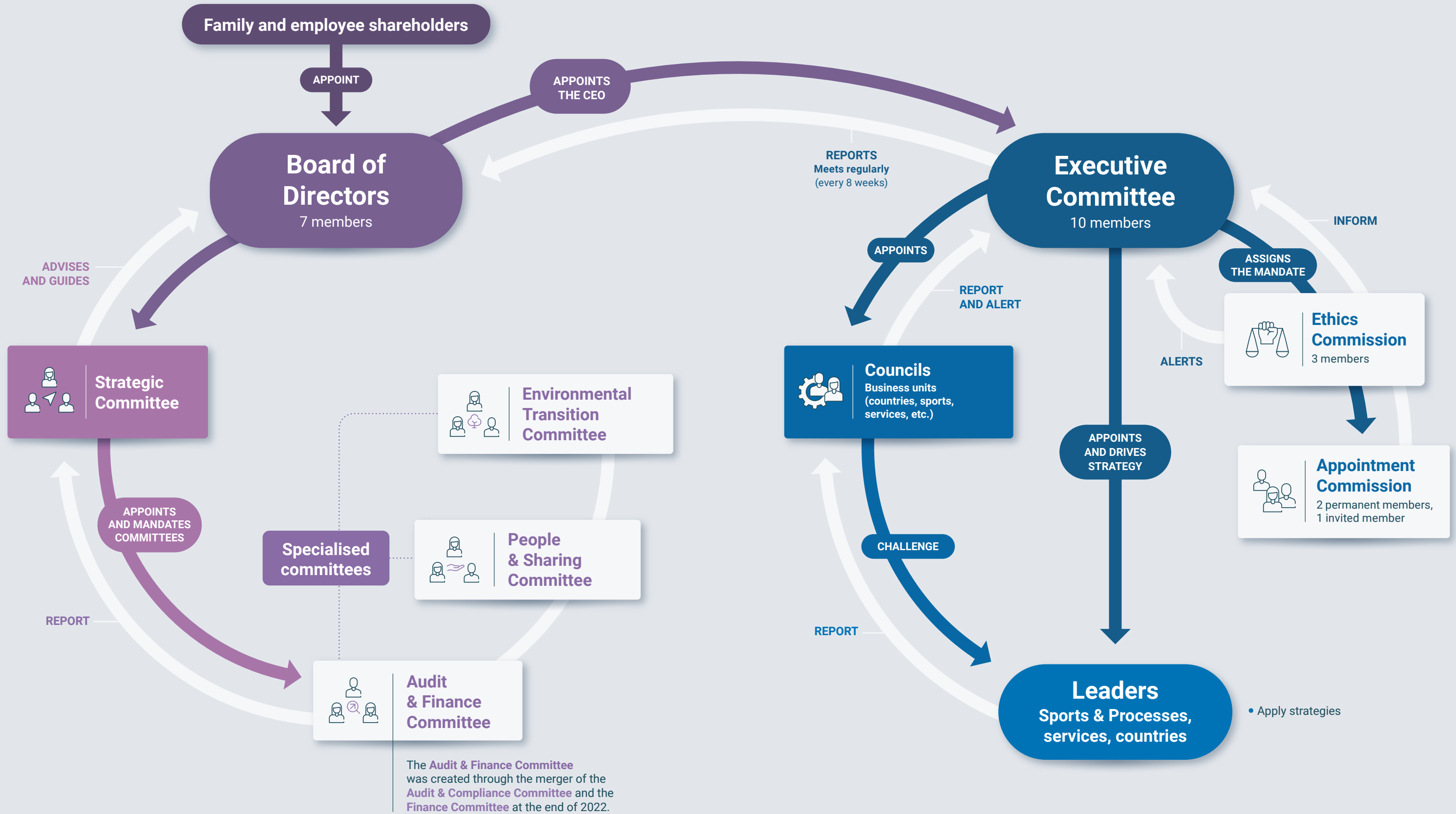


1. These events bring together the members of the Executive Committee and 400 business leaders (production, industrial processes, sports, countries and services) for several days. The purpose of these meetings is to share the company's business project and strategic pillars.

CREATING SUSTAINABLE VALUE

Decathlon's global governance system

as of 31/12/2022



CREATING SUSTAINABLE VALUE

Sustainable development governance

IDENTIFYING NON-FINANCIAL RISKS

The Internal Audit and the Sustainable Development teams rely on a **principle of co-construction** to identify the most significant non-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 non-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 mapping².

Using this mapping, the teams submit an audit plan assessing the degree of risk coverage to the Audit & Finance Committee for validation. Then audits can be conducted to determine actual risk. To strengthen its teams and cover climate risk in greater depth, Internal Audit also recruited a new teammate in 2022 who is specifically responsible for this topic.

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 resulting in sustainable in-depth decisions that are taken at the same level as those that enable the company to be responsive, agile and continually adaptive, to attain both medium and long-term results.

People & Sharing Committee

As an offshoot of the Strategic Committee, the People & Sharing Committee is composed of representatives of family shareholders and external experts.

Its responsibilities are to:

- assess human indicators (including accident rates);
- track the percentage of capital held by teammates;
- challenge remuneration schemes;
- lead *affectio societatis*³;
- monitor key position replacement scenarios;
- monitor teammate engagement.

The People & Sharing Committee met three times in 2022.

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; it **promoted and monitored the preservation of our natural capital with the utmost attention**.

This independent committee was composed of family shareholder representatives and external experts. It took an impartial view in order to observe, evaluate and challenge the strategies put in place to preserve Decathlon's resilience in the long term. For two years, the committee also monitored environmental performance on a regular basis in relation to the strategies identified.

The Environmental Transition Committee met three times in 2022.

At these meetings, it systematically analysed changes in indicators (product carbon intensity, Ecodesign product sales and circularity sales). A number of topics were explored during the committee meetings this year, namely:

- sustainable real estate development activities;
- incorporating environmental criteria in remuneration;
- plastic pollution and implementation of the strategy to eliminate single-use plastics;
- the presentation of exploration projects to make the company's business model compatible with the Paris Agreement.

As sustainable development issues strongly impact the company's business model, in late 2022, the Environmental Transition Committee's responsibilities were handed over to the Executive Committee, which reports to the Strategic Committee. From 2023, the Strategic Committee will focus on the company's priority environmental actions at least twice a year.

TRAINING LEADERS IN ENVIRONMENTAL ISSUES

In 2022, **six Decathlon executives and directors participated in CAP 1.5°C⁴**, based on the Climate Enterprise Convention (CEC)⁵.

This programme aims to build and challenge companies' strategies and roadmaps in order to break away from and transform business models, based on an awareness of planetary boundaries and the Paris Agreement. It was held in five one-day sessions between March and November 2022, with the Group President, CEO, executives involved in the environmental transition and one or more board members from each company in attendance.

At the end of the programme, each company shared a roadmap with a key question, a goal for 2030, redirection levers, measurable impact objectives and an action plan.



Testimonial

Barbara MARTIN COPPOLA
CEO

“ CAP 1.5°C bolstered our determination to make sustainable development one of the pillars of our new business project⁶. This programme has helped us refine our strategy and raise the bar even higher to take action for sport, people and the planet. In 2022, participating in CAP 1.5°C and other climate events increased my sense of urgency and responsibility. At Decathlon, we want to do all we can to ensure we're headed in the right direction. I'm convinced that our decarbonisation and circularity actions are not only important for the planet and future generations, but are also essential for both the business activities and the longevity of our company.”

In June 2022, **204 business leaders (production, industries, sports, countries and services) were also trained in the causes and consequences of climate change** at a giant Climate Fresk⁷ held at a Leaders Summit.

i More information on Decathlon's Climate Fresk workshops on p. 67.

INCLUDING ESG CRITERIA IN EXECUTIVE REMUNERATION

For the past three years, social and environmental issues have been incorporated in the **variable part of the company executives' remuneration** based on carbon intensity indicators and the results of the Decathlon Teammates Barometer⁸.

Four social and environmental criteria (gender equity among leaders, internationalisation of top management, reduction of carbon intensity tCO₂e/euro of pre-tax sales and circularity sales) are also taken into account in **Decathlon's long-term incentive plans**. Through this remuneration system, the company wants to promote value-creating employees and agents of change, then retain them for Decathlon's long-term performance.

THE STRATEGY AND ITS STEERING

People and the environment are at the heart of Decathlon's corporate strategy, constituting two of its five pillars⁹. These pillars are led by the Environmental Transition Director and the Human Resources Director, both of whom are members of the Executive Committee. **Decathlon's sustainable development strategy is also reflected today in the Transition Plan 2020-2026¹⁰** (see pp. 27, 57, 89, 101, 115 and 127), 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: **Developing people | Preserving nature | Creating sustainable value**.

Through this organisation, skills can be shared at different levels:

- **Environmental Transition process Leaders and Group People Leaders** are experts in their topic; they apply the strategies every day and steer the sustainable performance indicators;
- **Environmental Transition Leaders and Human Resources Leaders in the countries** are true relays of these strategies and make decisions for 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 principles of the local teams' autonomy and responsibility.

However, certain fundamental common human principles have been defined at the international level and form the basis for local autonomy.

The Human Resources Department defines human policies and supports leaders and teams in implementing and deploying them locally. This collaboration relies on Group 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) survey measures the deployment and practical implementation of concrete human strategies**, as well as the degree of teammate fulfilment and performance. The DTB is a reflection of teammate involvement and engagement at Decathlon; as a structuring measurement tool, it enables the company to assess the effectiveness of its people policies.



Environmental Transition Department

The Environmental Transition Department's mission is to "catalyse Decathlonians to conciliate human well-being and planetary boundaries through sport". Its organisation is based on several pillars that aim to:

- define a desirable future;
- transform all Decathlon activities to include the environmental transition;
- drive and report on the company's non-financial performance;
- build and develop careers dedicated to sustainable development.

Staff dedicated to these topics are supported on a daily basis by teams specialised in communication, legal affairs, information technology and human resources.

The Environmental Transition Department is also linked to **various operational networks**:

- **Sports and 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 life products, etc.) for customers and users.

See Decathlon's sustainable development governance diagram on the following pages →

2. More information on risk mapping on p. 24.

3. *Affectio societatis* is a Latin phrase that designates the intent necessary to form the bond that unites people who have decided to take a stake in the capital of a company, whether civil or commercial.

4. More information on CAP 1.5°C: <https://actsandfacts.org/actualites/cap-1-5c-un-parcours-dirigeants-gouvernants/>.

5. More information on the Climate Enterprise Convention (CEC): <https://cec-impact.org/>.

6. Decathlon's new business project was presented in November 2022, one week after the end of the CAP 1.5°C programme.

7. For more information on Decathlon's Climate Fresks, see p. 67.

8. More information on the Decathlon Teammates Barometer on p. 29.

9. More information on Decathlon's new strategy on p. 18-19.

10. For more information on the Transition Plan: <https://sustainability.decathlon.com/transition-plan-2020-2026>

CREATING SUSTAINABLE VALUE

Decathlon's sustainable development governance

as of 31/12/2022



CREATING SUSTAINABLE VALUE

ETHICS AND COMPLIANCE

Conducting our activities responsibly

Decathlon works on a number of levels in conducting its business responsibly, focusing on adopting ethics standards to fight corruption, fraud and influence peddling, respecting its duty of vigilance and protecting personal data. All of these elements are at the heart of its ethics and compliance strategy.

Because Decathlon is present in **59 countries/regions**, 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 for these risks.** Following the entry into force of France's Sapin II¹¹ law 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.

In accordance with the French law on the Duty of Vigilance¹², Decathlon also constructs a **vigilance programme** covering the social and environmental impacts in its value chain and in its commercial partners' activities. The company has been presenting this programme in its Vigilance Plan¹³ every year since 2017.

Lastly, the Group **protects personal data by applying the European General Data Protection Regulation¹⁴** (GDPR), which came into force in 2018, in addition to local regulations in the countries where Decathlon is present.



100% of countries have adopted Decathlon's "Anti-corruption" Code of Conduct (100% in 2021)

100% of the countries in which Decathlon operates have appointed an Ethics & Compliance Referent (100% in 2021)

100% of reports received via the alert platform were processed (48%) or are being processed (52%) (100% in 2021)

2022 HIGHLIGHTS

The teams developed synergies and implemented a global management system to measure and guide the company's performance on all ethics and compliance issues.

The company held its first Ethics and Compliance Month to increase the awareness of teammates around the world.

Decathlon updated the mapping of its risks of exposure to corruption and influence peddling and conducted its first compliance reviews in the countries.

Building a global approach

DEVELOPING COMMON LEADERSHIP

In 2022, the "Business Ethics", "Duty of Vigilance" and "Personal Data Protection" teams were all brought together under one roof: the "Ethics and Compliance" department. This reorganisation aims to construct a global approach to **working collectively on topics that are now closely related** within the company. With this in mind, common leadership has been set up to:

- align communications and performance indicators with countries/subsidiaries;
- create a global steering system.

The steering system takes the form of a scorecard and provides a **regular snapshot of the country's performance on all ethics and compliance topics.** In addition to tables dedicated to specific criteria in the various topics, the global scorecard includes a general ranking to provide country leaders with an overview of their own performance and that of other countries. This system reveals any deviations that exist between national performance and company objectives, as well as establishing healthy competition between the countries while encouraging them to share good practices in a logic of continuous improvement. To monitor the proper implementation of compliance, these performance tables are presented at Audit & Compliance Committee¹⁵ meetings at the company's highest level.



Testimonial
Noémie WALLAERT
Legal & Compliance Director,
and water sports enthusiast

"The existing close ties between the teammates and the similarity of the subjects were key factors in bringing these teams together within the Ethics and Compliance department. Discussions, as well as sharing experiences and knowledge, are encouraged; and resources are pooled. This organisation prevents creating silos between subjects that share ethics and compliance as their foundation. The convergence has also helped strengthen messaging, particularly in-house. This promotes efficiency, consistency and alignment."

DEPLOYING A GLOBAL AWARENESS CAMPAIGN

Ethics and Compliance Month, which Decathlon organised between 8 November and 9 December 2022, was one of the first manifestations of the new team structure. The purpose of this awareness campaign was to help everyone better understand the Group's playing environment, its ethical principles and their stakes to **ensure teammates act with integrity every day.** The event featured an interview with Decathlon's CEO, weekly thematic emails, special programmes broadcast every Friday on the company's French-language radio station, thematic videos and a communication kit for the countries.

The highlight was the **Compliance Days**, which marked the conclusion of Ethics and Compliance Month and featured meetings for 70 local referents from 44 countries either in person in France or by videoconference. For one week, local Referents attended presentations and participated in workshops to develop their skills and share good practices.



11. Law N° 2016-1691 of 9 December 2016, on transparency, the fight against corruption and the modernisation of economic life.

12. Law N° 2017-399 of 27 March 2017, on the Duty of Vigilance of parent companies and contracting companies.

13. Note that Decathlon's Vigilance Plan addresses primarily human issues within the company and in production, as well as relations with third parties. It includes a reference to the Non-Financial Performance Declaration, where environmental issues are developed further.

14. Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016, on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC.

15. More information on the Audit and Compliance Committee (which became the Audit and Financial Committee at the end of the year) on p. 129.

CREATING SUSTAINABLE VALUE

Fighting corruption and influence peddling

DEPLOYING THE CODE OF CONDUCT IN ALL COUNTRIES

Adopted 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 2022, once 100% of the countries in which Decathlon is present had adopted the Code of Conduct, the company shifted its focus to providing training to raise the awareness of all teammates.**



IDENTIFYING AND PRIORITISING THE RISKS OF CORRUPTION AND INFLUENCE PEDDLING

In 2022, Decathlon updated its risk mapping of exposure to corruption and influence peddling for the company's different businesses. This update included methodological improvements to better measure risks by analysing their potential impact and probability. Decathlon sent all its teammates a questionnaire to ensure all risks of corruption and influence peddling were included in the mapping. Following the update, the teams will begin writing more sector-based policies to address the various issues in depth.

As of 31 December 2022, all the countries have received the new version of the risk mapping, and are preparing to have it signed by their governing body.

Corrective and preventive measures are currently being deployed.

ASSESSING THIRD PARTIES

Decathlon provided every employee with a **tool to assess the third parties** with which they might work. The tool uses a risk-based approach to assess their reputation and 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. In 2022, Decathlon worked to improve the assessment process, as well as the tools to increase its effectiveness even further in 2023.

CONDUCTING COMPLIANCE REVIEWS

For the first time since the launch of the Business Ethics programme in 2017, **Decathlon conducted compliance reviews in two countries (Morocco and South Korea) over a period of several months this year.** The reviews require good knowledge of local issues and a sufficient level of establishment of the programme and its effectiveness, which required several years of work.

Compliance reviews involve examining a set of documents and interviewing teammates in countries to observe how they interact with third parties in order to identify the risks of corruption and influence peddling. Following these steps, a report is drafted that proposes a series of actions to be implemented and monitored.

In 2023, the teams will focus on extending the compliance reviews to more countries in order to assess the programme's effectiveness.

PREVENTING AND ALERTING IF 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.

Internally, teammates have access to a dedicated site, which provides all the information necessary to prevent these risks.

The **alert platform¹⁶** 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 values, Code of Conduct or current regulations. This platform is also used in house to report corruption, discrimination, harassment, or other situations that could jeopardise employees' physical or mental health.

In 2022, **100% of the reports received were addressed (48%) or are currently being addressed (52%)**; 16% of them concerned corruption, fraud or conflict of interest. More reports were submitted this year than in 2021 (156 vs 82), which the teams believe reflects increased teammate confidence in the platform.

The Ethics Commission has been meeting since 2021 to discuss the most sensitive reports received on the platform.

i [More information on the Ethics Commission on p. 129.](#)

TRAINING THE REFERENT NETWORK

In 2022, 100% of the countries in which Decathlon operates appointed an Ethics & Compliance Referent (100% in 2021). The network receives regular training to improve skills, particularly on emerging issues. This year, the priority was to train the Referents in the new version of the risk mapping to allow them to then share their knowledge with the people working in positions that are most exposed to these risks.

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 July 2022, Decathlon published the **fifth edition of its Vigilance Plan** for 2021. This public report is accessible to everyone and covers all of 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.

For this edition, the Vigilance team revamped its risk mapping methodology in partnership with Verisk Maplecroft¹⁷. New criteria were introduced (business sector, country and exposure based on the extent of Decathlon's activity) for a more detailed analysis of the critical nature of the risks. External data were used in this exercise for the first time.

The writing of the Charter of Ethics began in 2021, and it is now being finalised to ensure the document is aligned with the new corporate project and new strategies. It will be submitted for validation and shared in 2023.



i [The Decathlon Vigilance Plan is available at: https://sustainability.decathlon.com/decathlon-annual-sustainable-development-reports](https://sustainability.decathlon.com/decathlon-annual-sustainable-development-reports)

Protecting personal data

Decathlon works to protect its teammates', its customers' and all its stakeholders' personal data, actively **applying the principles of personal data protection in accordance with the local legal framework** in every country in which it is located. In the interests of consistency and efficiency, the company communicated four main ethical principles in 2016 that must be respected by each subsidiary:

- 1. The principle of transparency:** Decathlon is transparent towards any person affected by data processing.
- 2. The principle of relevance:** The company collects only the data it requires to serve and benefit its stakeholders.
- 3. The principle of security:** Decathlon commits to apply all the necessary security measures required to protect personal data.
- 4. The principle of ownership:** The company considers that every person must retain ownership and control of their personal data. This increases Decathlon's responsibility as it must do everything possible to ensure that this principle is respected.

To support the teams and share good organisational and operational practices, the subsidiaries of the countries in which Decathlon is present have got organised, appointing either a **Privacy Officer** or a **Data Protection Officer** (who is registered with the country's national authority).

In France, four training courses dedicated to different departments (HR and leaders, retail/marketing and communication, IT, Sports & Processes) are now available for in-person classes (225 participants this year). In 2022, e-learning programmes for store employees were completely revamped. To preserve skills and assess retention one year after training, an anniversary quiz was also held for the first time this year. Teammates earning lower scores on the quiz were made aware of this and encouraged to take the training course again.

CREATING SUSTAINABLE VALUE

SUPPLY CHAIN

Maintaining long-term purchasing relationships

Decathlon entrusts the production of its components and sports goods to a global supplier panel that covers a variety of industrial processes (textile, metal, plastic, etc.). The company shares its values and purpose to “move people through the wonders of sport” with suppliers, at the start of the relationship by having them sign its Code of Conduct¹⁸ and on a daily basis at the production sites through the support of locally established teammates. In this way, Decathlon aims to maintain long-term relationships of trust with its suppliers based on respect, team fulfilment, product quality and environmental protection. A complete management system and regular audits underline these contractual relations to ensure each party meets its commitments.

The many different industrial processes used to manufacture the various types of products (textiles, heavy-duty sewing, electronics, metal equipment, etc.) make 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 responses along the entire supply chain that are adapted to each situation.

Decathlon’s suppliers are at the heart of its strategy and will play a key role in the industrial transformation begun in 2021 and confirmed by the launch of the new strategy¹⁹.

2022 HIGHLIGHTS

Decathlon continued its **New Industrial Giant industrial transformation strategy** in line with its new company project.

The company launched a new **supplier segmentation** to meet its ambitions and bring the best partners on board.

Assisted by **Better Buying™²⁰**, the company conducted its first **Decathlon Supplier Barometer survey** to measure its desirability and strengthen the quality of dialogue with its suppliers.

Decathlon continued raising awareness around **sustainable development** with its buyers and production teams.

KEY FIGURES as of 31/12/2022

52 partner suppliers
(50 in 2021)

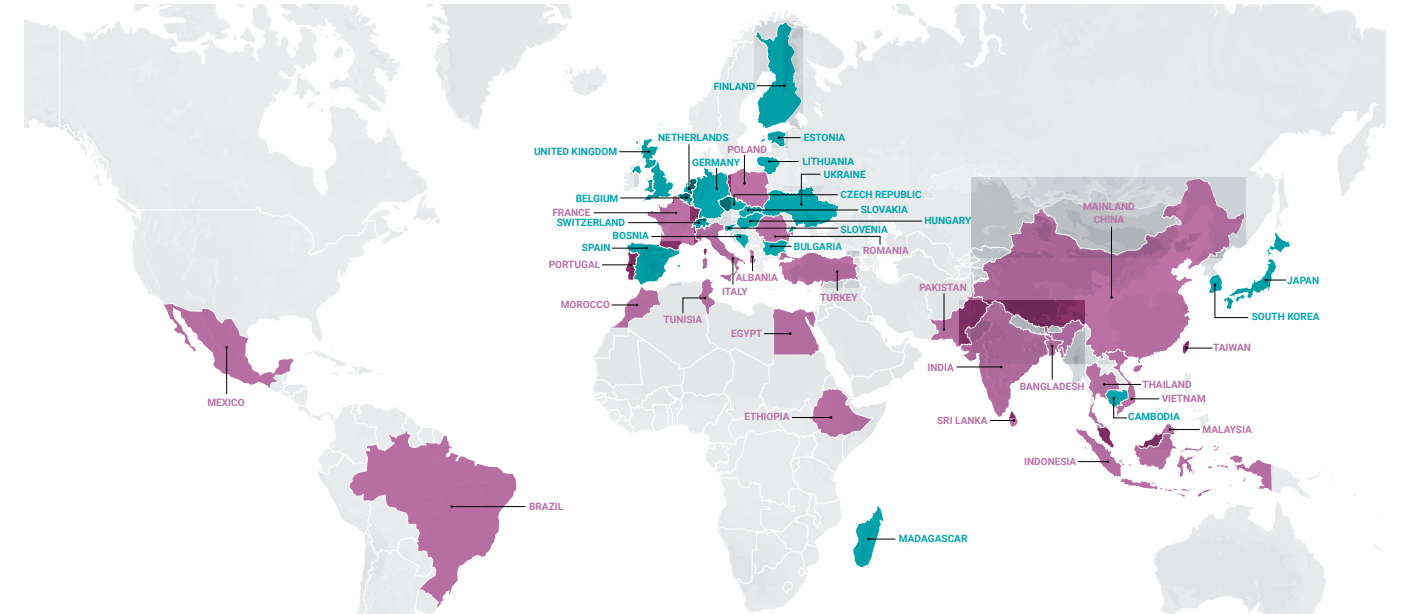
956 Rank 1 suppliers²¹
(930 in 2021)

311 Rank 2 suppliers²²
(355 in 2021)

Developing a multi-product offering, as well as solutions for multiple industrial processes and multiple countries/regions

PRODUCTION COUNTRIES/REGIONS

Decathlon works with suppliers in 43 countries or regions. 2,429 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:** Mainland China, Taiwan | **Southeast Asia:** Indonesia, Malaysia, Thailand, Vietnam | **Southwest Asia:** Bangladesh, India, Pakistan, Sri Lanka | **Europe:** Albania, France, Italy, Poland, Portugal, Romania, Turkey.

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, Ukraine.

PURCHASING VOLUMES BY INDUSTRIAL PROCESS

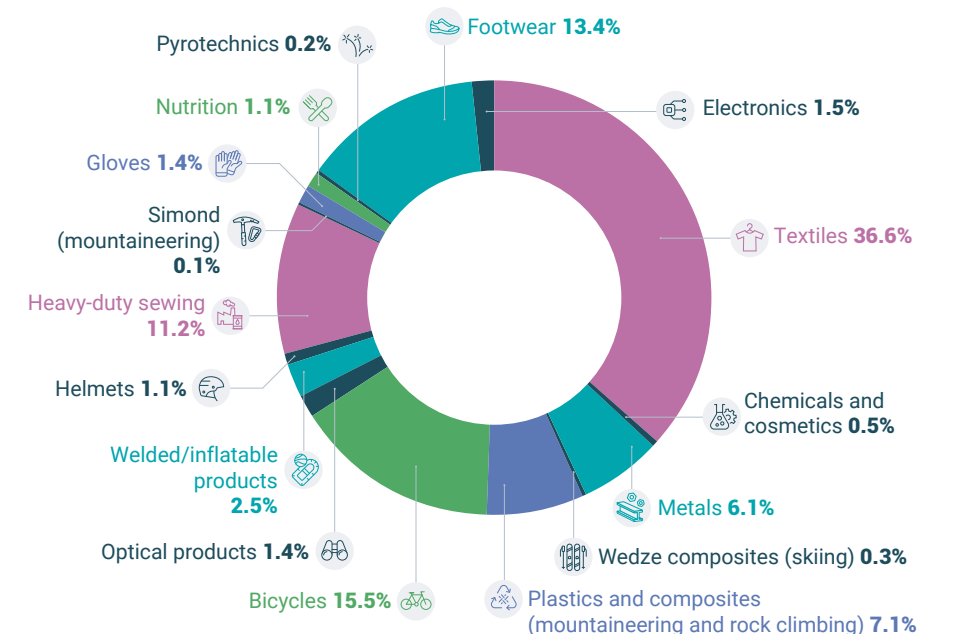
Decathlon offers a wide range of sports items in line with user requirements for 36 Signed Sports. These products, designed by the Decathlon teams and suppliers, are manufactured using a number of industrial processes, including those in sectors such as textiles, metallurgy, electronics, footwear, etc. The products are designed and manufactured in compliance with Decathlon’s specifications and contracts, which include its social and environmental requirements.

COMPANY-OWNED PRODUCTION SITES

Decathlon has **nine company-owned 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 in-house teams and partner suppliers to exchange ideas and draw inspiration from the best practices known to date.

Breakdown of Decathlon’s purchase volumes by industrial process

From 01/01/22 to 31/12/22



18. All Rank 1 suppliers sign the Decathlon Code of Conduct. It is available at: <https://sustainability.decathlon.com/legal-documents>.

19. More information on the new business plan on p. 18-19.

20. Learn more about Better Buying™ at <https://betterbuying.org/>.

21. Suppliers of finished products and components in a direct contractual relationship.

22. Suppliers of our Rank 1 suppliers, not having a contractual relationship with Decathlon.

CREATING SUSTAINABLE VALUE

Controlling the supply chain

In order to manufacture Decathlon branded products that satisfy the requirements of customers and users, the most thorough possible control of the supply chain is essential. The company therefore develops supplier relationships on several levels:

RANK 1 SUPPLIERS

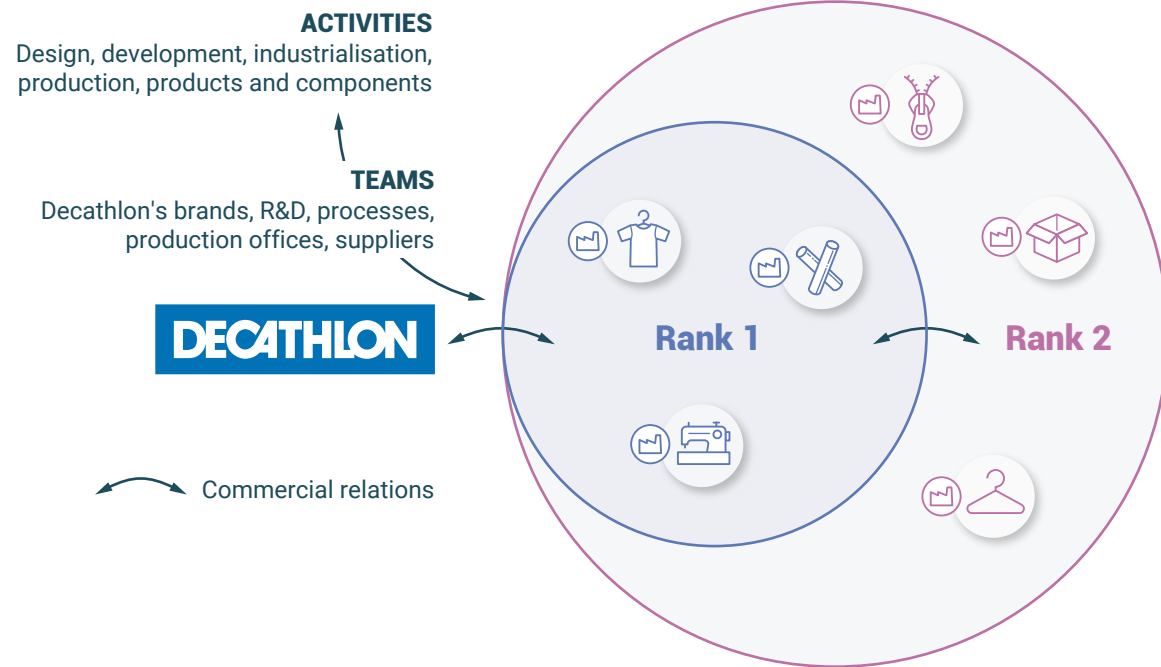
Rank 1 suppliers are bound contractually to a company within the Decathlon group for the production or assembly of finished and semi-finished products (via a manufacturing agreement), or for the supply of raw materials or components (via a purchasing agreement); they receive purchase orders from the aforesaid company, which they invoice directly.

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 regarding their differentiated component offering, though without interfering in the commercial and legal relationship between Rank 1 and Rank 2 suppliers.

956 Rank 1 suppliers
(2.8% more than in 2021)

311 Rank 2 suppliers²³
(12.4% fewer than in 2021)



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.** If there is any doubt, actual capacity data and the number of products delivered can be cross-checked.

23. Main Rank 2 suppliers selected by Decathlon for their component offering.

Continuing Decathlon's industrial transformation

THE NEW INDUSTRIAL GIANT PROJECT

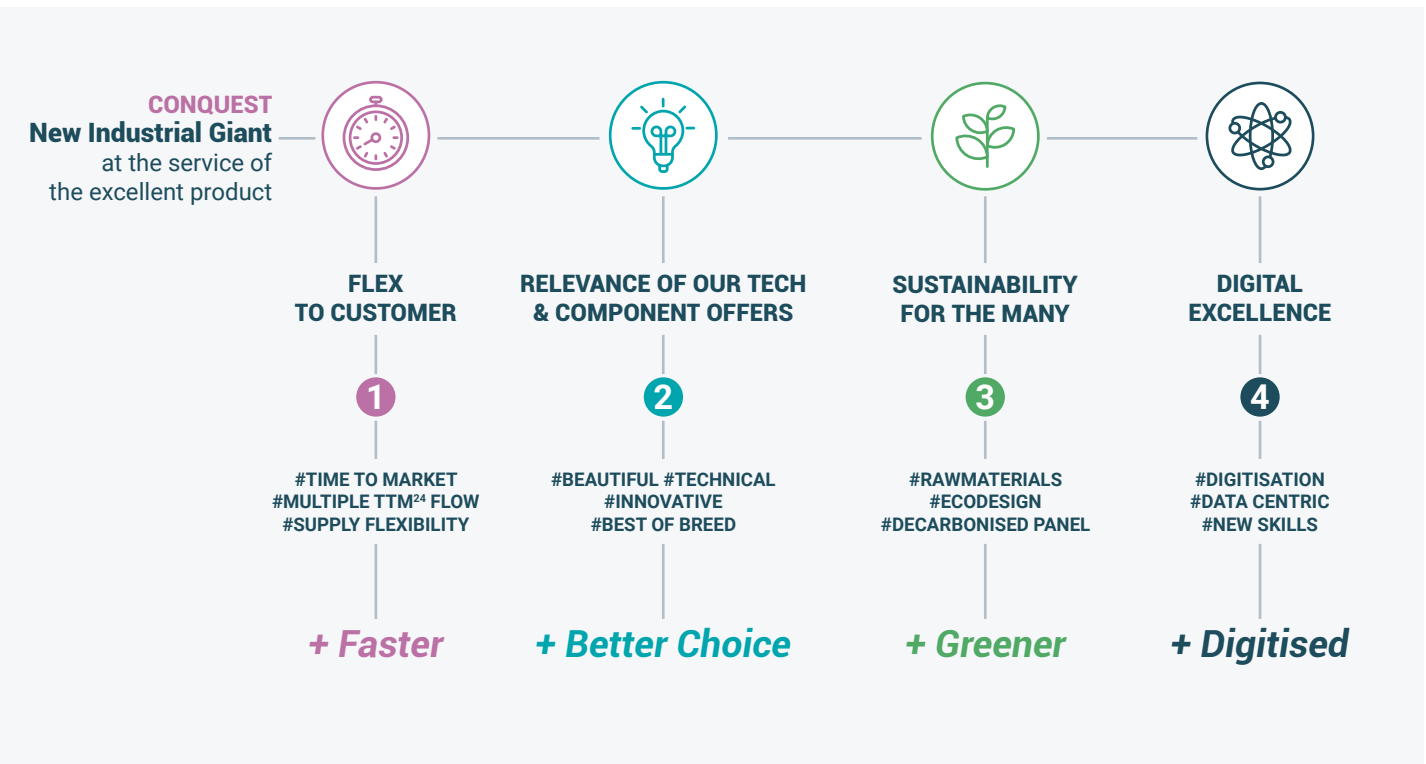
In 2021, Decathlon launched a **new industrial transformation project aiming for product excellence.** This project meets the company's ambition to "create the best industry for the world".

The project is structured around **four major strategies:**

1. Increasing flexibility in product design and supply;
2. Improving product style using innovative components and technologies;

3. Controlling raw materials and decarbonising production;
4. Continuing Decathlon's digital metamorphosis by becoming an industry 4.0.

New Industrial Giant is fully aligned with Decathlon's new strategy, and particularly with its Pillar 3, which aims to create "the best value chain for the world".



Testimonial
Émilie FREJAVILLE

Chief of Staff for New Industrial Giant, and tennis enthusiast

“ New Industrial Giant aims to implement industrial transformation to serve the new strategy. It reflects the company's desire to build an increasingly powerful supply chain and to make Decathlon a driver for a sustainable future. Through its investment fund, New Industrial Giant financed 16 projects in 2022, which will contribute massively to the design and industrialisation of more technical products and significantly reduce the CO₂ impact of our offers (11 out of 16 projects). For example, this year we invested in more sustainable dyeing solutions, less polluting substitutes for the silicone in our diving masks and brought an elastane-free swimsuit²⁵ to market. The swimsuit is already available in store for testing and was designed using a textile component that retains its elasticity and is more resistant to chlorine. It is more durable and is also completely recyclable. These advances were made possible thanks to our work with new highly innovative industrial partners that are essential to our transformation.”

24. TTM: Time to market.

25. For more information, see Reveal Innovation 2022 event page, the Nabaiji Negombo 500 swimsuit was nominated in the "Techno Innovation" category this year: <https://www.decathlon-united.media/reveal-innovation-2022?page=pressroom>.

CREATING SUSTAINABLE VALUE

Strengthening Decathlon's purchasing strategies

To meet the ambitions of the new strategy and New Industrial Giant, Decathlon decided to launch a new segmentation of its suppliers in 2022. This new classification will be implemented in IT tools starting in 2023. It aims to strengthen the company's industrial ecosystem by working with the best partners to increase innovation and reduce the environmental impact of its activities.

Two new distinctions have already been proposed for partner suppliers:

- partners whose main added value is production capacity;
- partners whose main added value is supply and industrial innovation.

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 reciprocal 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 2022, Decathlon reaffirmed its partnership strategy by adding two new suppliers that had reached sufficient maturity to become partners, bringing the company's total number of partners to 52. 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.

35.6% of Decathlon's total purchases are made with its industrial partners

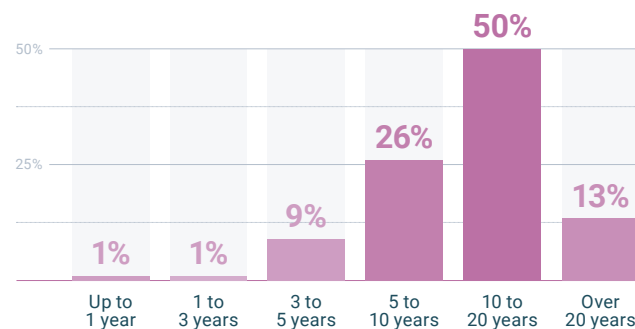
(34.7% in 2021)

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 panel²⁶

As of 31/12/2022



DECATHLON SUPPLIER BAROMETER: MEASURING DECATHLON'S DESIRABILITY WITH ITS SUPPLIERS

In 2022, Decathlon launched its first large-scale supplier survey with help from Better Buying™, an institute specialised in the study of purchasing practices. Of the 320 suppliers²⁷ contacted, 265 (80.7%) completed the anonymous survey despite its demanding requirements (send supporting documents, two-hour duration). The questionnaire addressed seven topics: win-win sustainable partnerships, order scheduling and forecasting, design and development, procurement and ordering, purchasing process management, costs and negotiations, payments and payment deadlines. Better Buying™ analysed the results and revealed both Decathlon's strengths and areas for improvement in comparison with the suppliers' observations of other customers' practices, at an informative level only:

- Decathlon's strengths compared to other market players: strong sharing of sustainable development ambitions, strong guidance and presence of Decathlon teams for suppliers, etc.
- Decathlon's areas for improvement compared to other market players: order scheduling and forecasting, precision of technical specifications, length of the development cycle, etc.

This first survey will help Decathlon strengthen the dialogue with suppliers even further and implement action plans for the areas needing improvement starting in 2023.



Testimonial

Wilfried CORNET

Purchasing Processes Leader and swimming enthusiast

"The new supplier segmentation aims to meet the ambitions of the new company strategy and of New Industrial Giant. To work with the best partners and enrich our ecosystem, we're adapting the way we manage our supplier relationships and launching more personalised monitoring. This helps make us more desirable so we can become our suppliers' partner of choice."

Production audits

The company's aim is to maintain long-term relationships with suppliers 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, manage suppliers in a logic of continuous improvement and conduct human, environmental and quality audits.

DECATHLON'S AUDIT SYSTEM

To evaluate suppliers through an auditing process, Decathlon instructs OPM-SD (Operational Process Managers in Sustainable Development), as well as social and environmental auditors from external firms or who are trained internally according to the SA 8000 (social) and ZDHC²⁸ (chemical substances and environmental management) standards.

On establishing a new partnership with a supplier, the supplier undertakes to comply with Decathlon's Code of Conduct and its minimum requirements. Audits are used to ensure the following are applied properly:

- the twelve chapters of fundamental human rights for workers as well as health and safety conditions;
- the five chapters of the environmental audit (environmental risk governance, on-site industrial water treatment, hazardous waste management, air pollution and energy management);
- the four chapters of the quality audit (quality management system, skills management, operational activities, non-conformity management and corrective actions).

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; unstable quality management system that has not been formally established;
- E. Unacceptable level:** risk of death or basic human rights are not respected; risk of direct pollution to the environment; legal or security risk that is not under control.

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 reduce or terminate the commercial activity conducted with the supplier. The deadlines required for implementing remedial actions vary according to the criticality of the risk and 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.

Note that in 2022, Decathlon worked to more **formally establish and strengthen exemption procedures in the event of one-off and/or systemic failures to respect Decathlon's compliance framework** (action plan deadline not respected, late audit, etc.). This year, the company decided to:

- establish an exemption committee responsible for validating, monitoring and closing the procedure;
- create an internal risk analysis tool to assist decision-making in the event of an exemption request;
- formally establish the exemption expiry date and the actions necessary for the exemption to be closed;
- have the supplier, production director and buyers sign a waiver making them responsible for correctly monitoring the actions.

86.7% of relevant sites for Rank 1 suppliers were rated A, B or C for human responsibility in production (HRP)

(78% in 2021)

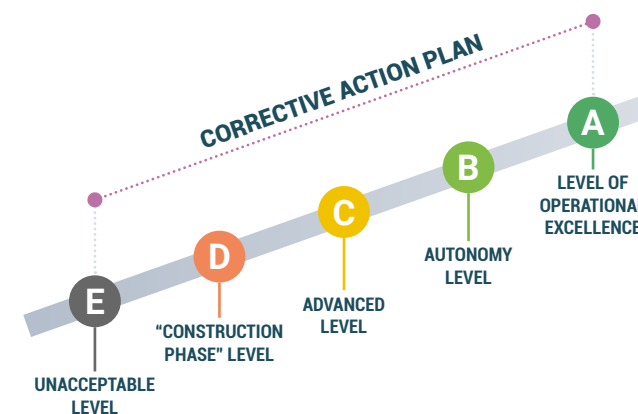
83.4% of relevant sites for Rank 1 and Rank 2 suppliers were rated A, B or C for environmental management

(77% in 2021)

73.1% of relevant sites for Rank 1 and Rank 2 suppliers were rated A, B or C for quality management

(66% in 2021)

i Read about more information on performance on p. 37 for HRP, on p. 75 for environmental management, and on p. 51 for quality management



26. For Decathlon's top 100 suppliers in terms of purchase volumes.

27. The survey's first edition was sent to 320 suppliers. It will be extended to 500 suppliers in 2023.

28. For more information on ZDHC: <https://www.roadmaptozero.com/> and p. 52 of the NFRD.

CREATING SUSTAINABLE VALUE

Developing local production

Decathlon is pursuing its local production development strategy to **limit supply risks** (linked to geopolitical, macroeconomic, environmental, etc. events.) **and to be more responsive to market demands and uncertainties**. This strategy also makes it possible to develop the industry as close as possible to catchment areas, thus helping to develop the circular economy. The panel of suppliers and choice of volume allocations are always decided on the basis of total cost (referred to as eTCO: environmental Total Cost of Ownership). The combination of these two strategies (local production and the eTCO approach²⁹) enables Decathlon to form a panel of suppliers that meets the global and local challenges facing the company.

- Made in China for Retail China: 95.9% (94.8 % in 2021)
- Made in Europe for Retail Europe: 27.2% (25.6% in 2021)
- Made in India for Retail India: 48.5 % (54.7 % in 2020)
- Made in Africa for Retail Africa: N/A³⁰
- Made in Brazil for Retail Brazil: N/A

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 digital transformation in industry.

With the conviction that competency is an essential component of sustainable performance, Decathlon therefore pursued its aim in 2022 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 available on Decathlon Academy and through regular assessment, every teammate is now responsible for their own professional development.

In production at Decathlon, the guarantors of competency 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, digital transformation in industry 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, digital transformation in industry and purchasing. They are the guarantors of our suppliers' operational management.

Production leaders and managers are assisted by **operational process managers who are Referents in their field of competency**. As experts, they must be autonomous in the various topics and be able to convey their meaning. They are responsible for the competency and Decathlon's strict requirements, and work to integrate compliance in terms of sustainability and quality, etc.

All of these actors must be able to **detect unacceptable human rights and environmental pollution situations**³¹.

These skills are vital for the application of the whole strategy of supplier compliance regarding 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.

Strategic buyers

In addition to buying skills³², 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 (as defined in the audit grid) 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 goal is to incorporate CO₂ emission reduction efforts in the company's purchasing policies in order to meet Transition Plan commitments.

In December 2022, Decathlon organised a one-day seminar for strategic buyers to develop their skills on sustainable development issues. During this event, the participants (30 out of 70 strategic buyers were present) discovered the new compliance framework and learnt more about human rights and the environment. New seminars will be held in 2023 to train 100% of buyers.

Last, a new decision support tool for buyers is being deployed to accelerate Decathlon's local production strategy while controlling CO₂ emissions. The environmental Total Cost of Ownership (eTCO) tool makes it possible to apply a data-driven approach to supply chain choices. At the end of 2022, 212 buyers had used eTCO to carry out analyses, representing a purchase volume of almost 35 million items.

AUTONOMY FOR 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.

Decathlon has set itself the goal of strengthening its partner suppliers' autonomy on all their evaluations, in order to ensure continuous improvement in performance.

This programme is being expanded constantly and saw significant progress last year. As of 31 December 2022, 11 partner suppliers have obtained their certificate of autonomy for human responsibility in production (0 in 2021).

i More information on the HRP Autonomy programme on p. 38.



Coordinating networks to share and deploy strategies and action plans



More than 700 people listened to the testimonials of Decathlon's executives and Barbara Martin Coppola's exclusive presentation of the new strategy. In-house experts and some members of alliances discussed innovation and sustainable development during round tables. Again this year, participants at the World Partner & Alliance Forum were able to connect directly to the Reveal Innovation³³ event, enabling them to familiarise themselves with Decathlon's culture of innovation.

Several local events were held around the world (in Mainland China, India, Vietnam, Pakistan, 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.

The seventh edition of Decathlon's World Partner & Alliance Forum was held over two days both in person and on line. This event brought together 52 partners from 16 countries, future partners of the company, industrial alliances and Decathlon teams. This was the first time alliances were invited to attend this event.

29. For more information, see p. 91.

30. Computer downtime for purchases made by Africa for Africa, and by Brazil for Brazil.

31. Sustainable development training data for production and purchasing teams extracted from Decathlon Academy for 2022 are not sufficiently reliable to be reported this year. For more information, see methodological note 32, p. 184.

32. Ibid.

33. Annual event presenting Decathlon's latest innovations.

CREATING SUSTAINABLE VALUE

MEASURING VALUE

Accelerating the incorporation of human, environmental and financial performance

Today, a company's performance is evaluated based on both financial and non-financial data. To assess sustainability and resilience, indicators related to human and environmental issues must be measured, analysed and used. In this way, the company can steer its value globally, gradually applying the same level of importance to all indicators.

This data accelerates the transition to sustainable development at different levels. It reflects a conviction and sheds light on the potential contribution of the levers for action that have been identified. This is why it is fundamental for this data to be of high quality (relevance and reliability) and clearly understood in performance reports. To achieve this integration goal, one of the keys to success is to synchronise the teams dedicated to human and environmental issues with financial teams.

Decathlon's non-financial performance is now assessed according to certain indicators at different levels. These are incorporated in reports to understand performance, to establish the bonuses of certain leaders and are used when granting impact loans, which link bank financing for the company with sustainable development indicators. The taxonomy regulations for activities also offer Decathlon a real opportunity to identify all of its sustainable operations.

2022 HIGHLIGHTS

Ecodesign sales and circularity sales were incorporated in the company's financial management tool (completed and estimated). The **carbon footprint** and **CO₂ impact modelling** are used for distribution activities.

Decathlon's non-financial performance is included in regular progress reports to provide a simultaneous understanding of performance, with human and environmental capital being given the same importance as financial capital.

The analysis of ESG (economic, social and governance) **data has been expanded**: their integration and regular monitoring are used to steer, define trajectories and therefore improve decision-making.

Work was begun to anticipate **regulations on the sustainable investment of company activities**: the methodology was defined and the technical nature of the indicators was strengthened to guarantee correct classification.



23% of Ecodesign sales³⁴
(10.4% in 2021)

1.75% of circularity sales³⁵, from second life products, repairs and rentals
(1.43% in 2021)

26% less CO₂ equivalent emissions per euro of net sales compared with 2016
(0.75 kg CO₂e/euro in 2022, 12% less than 2021)

Helping everyone understand non-financial performance

INCORPORATING ESG CRITERIA IN FINANCIAL REPORTING TO DRIVE GLOBAL PERFORMANCE

In order to meet the **Transition Plan objectives**, non-financial indicators have to be analysed with the same care as financial elements. This global consideration of performance is necessary to assess the company's resilience over the long term, by including the environmental transition. Some ESG indicators that were identified as priorities have been included in financial reporting since 2021.

In 2022, the following indicators were incorporated in monthly financial reports and shared with all teammates:

- **carbon intensity** (tCO₂e/euro sales);
- **the share of circularity sales** (consisting of second life product sales, repairs and rentals);
- **the share of Ecodesign sales**;
- **the percentage of electricity from renewable sources used by suppliers**;
- **the supplier environmental responsibility** score.

These reports are intended for business leaders (countries, processes, sports, etc.) and finance directors. They are also made available to all teammates every month. Decathlon hopes to gradually make them more visible, moving from traditional economic analysis to understanding the creation of values in new business models that are necessary for the environmental transition.

This data has been under observation for the past few years, and has been progressively studied by technical experts in preparation for its incorporation in this global reporting. It is the fruit of reliability and structuring work undertaken by the financial teams, who were assisted by the teams dedicated to non-financial performance.

Steering the creation of non-financial value

IMPROVING VALUE MEASUREMENT AND ANALYSIS

This way of understanding performance is made possible by incorporating ESG data in the measurement tools; previously this data was only used for financial information. The goal is to make decision-making much more dynamic, by considering Decathlon's environmental and social data at the same level as its financial data.

To meet this objective, **"Ecodesign sales" and "circularity sales" indicators were included in the financial management tool in October 2022**. As a result, their performance is examined and analysed just as deeply as other types of performance: month by month, and country by country.

The indicators available in this tool in 2022 were:

- the volume of CO₂ emissions reported each quarter (internationally and per country);
- store CO₂ trajectory for 2023-2026;
- circularity and Ecodesign sales in stores;
- Ecodesign sales and the CO₂ impact of Sports and Processes products.

In 2023, CO₂ impact modelling for transport and products will be added to existing data, for use by design, production and logistics teams. This gradual incorporation will allow for more effective management on topics and decision-making that address all issues, and will be communicated more broadly.

To achieve this, significant efforts have been made to **improve the availability and quality of environmental data**. The newly-incorporated data now allows better interpretation of the performance and impacts related to the manufacture of different products. For example, the company can now quickly see which products it has sold that have the greatest impact, and can therefore decide to prioritise design decarbonation efforts on these models.

At the same time, the company's understanding of environmental performance is constantly being improved. In 2022, data was consolidated both globally and by country. The objective is to improve visibility for country leaders so they can make decisions under the best possible conditions.

The objective of this approach is to obtain as much information as possible that will allow the company to adapt the actions it takes as accurately as possible, switching from reacting after a one-off assessment to deep data analysis and steering based on the issues identified.

GREEN TAXONOMY: IDENTIFYING SUSTAINABLE ECONOMIC ACTIVITIES

The finance law, which includes taxonomy measures³⁶ for companies, will apply to Decathlon starting in 2025, for the 2024 financial year. This regulation requires a company's sustainable activities to be identified in order to classify them. Eligibility depends on a significant contribution to at least one of the following six environmental objectives, without having a negative effect on the others: climate change mitigation, climate change adaptation, sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, and protection and restoration of biodiversity and ecosystems.

In 2022, Decathlon seized the opportunity offered by this new way of considering economic activities. Thanks to this complementarity between financial and non-financial criteria, the company has:

- **defined a methodology** to identify eligible activities, working on the reliability of the data used for this classification;
- **identified the economic activities to be strengthened** in accordance with the company's environmental transition strategy, so they can be included in the scope of sustainable activities.

34. For more information on how Ecodesign products are defined, see p. 92.

35. Note that the "sustainable sales" indicator was renamed "circularity sales" this year. This figure does not include product rentals, the calculation of which has not yet been automated. For more information, see methodological note 4 on p. 169.

36. For more information on the European Taxonomy Regulation: <https://eur-lex.europa.eu/eli/reg/2020/852/oj>.

This work has helped **consolidate the decisions around certain actions already undertaken**, starting with **evaluations of circularity sales** and **Ecodesign sales**. It reveals the merits of basing convictions on experience at the heart of the company's strategies, in order to achieve the most efficient result possible by balancing economics and sustainability.

This robust and reliable work that is compatible with financial requirements, allows the company to increase skills on the technicality of this data. Furthermore, the result reveals activities that were not previously identified as being sustainable, such as those dedicated to ecomobility.



Testimonial

Leila TOUAT

Property Finance Director France, Decathlon Taxonomy Project Manager, and yoga enthusiast

“ This regulation will allow true global consistency between our environmental convictions and our economic activities. The new modelling of financial indicators will really strengthen the strategies we want to pursue. These new rules lead us to take a fresh look at our business model and make it possible for us to be compared internationally, on all our activities. Taxonomy also puts financial teams at the heart of environmental transition strategies and launches a very virtuous, long-awaited dialogue.”

Converting non-financial performance into monetary terms

SUSTAINABLE FINANCING THROUGH IMPACT LOANS

Decathlon has been incorporating ESG criteria in some of its bank credit lines since March 2020. The impact loan project symbolises the link between financial value and long-term investments. It was set up by Decathlon in partnership with Ethifinance, a non-financial analysis agency that conducts a yearly analysis of the relevance of non-financial indicators. These ESG criteria have already been incorporated in long-term financing contracts with nine banking partners (including Crédit Agricole CIB and Natixis), either by introducing amendments to existing contracts or by including these criteria in new contracts.

In 2022, 70.5% of the medium-term bank loans taken out by Decathlon underwent ESG criteria analysis. The goal is for 100% of medium-term bank loans to be subject to this by 2025. The evaluation criteria are environmental labelling³⁷, employee and customer satisfaction, the results of environmental and social audits in production and CO₂ intensity.

This contract is based on a desire for continuous improvement by the various players: demonstrating the company's performance and resilience through non-financial indicators can result in more attractive interest rates from banks that respect Decathlon's sustainability convictions. It also offers banks a way to finance more sustainable activities. All changes in credit margins resulting from this partnership are donated to associations.

This analysis also prepares the company for the banking evaluation based on ESG criteria, which is becoming more widespread. By getting a head start and using indicators that make sense for the company, Decathlon enabling long-term assessment that allows financiers to look to the future.

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 non-financial projects. **This is why Decathlon is gradually including non-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. Since 2021, a variable portion of country leaders' pay has been indexed to non-financial performance criteria.

In 2021, the French compensation package was brought in line with the company's strategies:

- **Services, Sports & Processes, IT:** the quarterly bonus includes a bonus-malus system linked to Ecodesign sales, which are added to economic performance criteria.
- **Stores & Logistics:** the quarterly bonus includes a bonus system linked to circularity sales³⁸, which are added to economic performance criteria.

These changes were decided in discussions with all of Decathlon's labour partners. Similar initiatives to integrate ESG criteria into remuneration are being taken voluntarily in some countries, including Spain and Vietnam.

i [More information on integrating ESG criteria in leader compensation on p. 133.](#)

INCLUDING NON-FINANCIAL CONCEPTS IN SHARE VALUE

Each year, independent experts evaluate Decathlon's financial trajectory based on market data in order to determine its share value³⁹. 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 performances that positively or negatively impact the expression of 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 non-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 non-financial performance is assessed globally, with a **focus on certain representative environmental and social indicators:**

- teammate happiness and engagement at work;
- user delight;
- Ecodesign sales;
- circularity 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.

37. Transitioning labelling from the ABCDE product score to the CO₂ weight according to the European method at the end of 2022.

38. More information on circularity sales on p. 102 and in methodological note 4, p. 169.

39. More information on shareholdings on p. 46.

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 being gradually included in the assessment tables.

Finally, since 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 31/12/2022

16.8%
of digital sales
(products and services)
(20.8% in 2021)

Nearly **11** digital solutions
are used to calculate Decathlon's
environmental impacts

100%
of country leaders have
signed the Decathlon
Information Security Policy

2022 HIGHLIGHTS

The company strengthened its commitment to responsible digital technology with a **new Green IT team that is dedicated entirely to seeking a more sustainable model for the IT department.**

Decathlon published its Decathlon Information Security Policy to protect the confidentiality, integrity and availability of its data.

The company held **Cybersecurity Awareness Month** for the second consecutive year to raise awareness among teammates, and provided dedicated training to every newly hired person.

CREATING SUSTAINABLE VALUE

Measuring progress in sustainable development using digital technology

ACTIVELY CONTRIBUTING TO THE COMPANY'S CLIMATE STRATEGY THROUGH TECHNOLOGY

In 2021, the Decathlon Technology team launched its Green Technology project, based on two interconnected levers: IT for Green and Green (for) IT:

- **IT for Green aims to use digital technologies to reduce the impact of the company's entire value chain;**
- **Green (for) IT is working to transform the IT Department into a more sustainable model** by reducing the direct impacts of technology on the environment.

In 2022, Green (for) IT saw major development with the structuring of a project team dedicated entirely to the subject and the appointment of 18 Green Technology project ambassadors in seven countries (France, Spain, Belgium, Switzerland, the Netherlands, Chile and Singapore).

Decathlon is creating new positions in Green (for) IT. This year, for example, a Green (for) IT project manager position was created. This job title is not common in other companies and is responsible for defining trajectories to reach responsible digital goals.



INVESTING TO DEVELOP DEDICATED DIGITAL RESOURCES TO MEASURE AND REDUCE OUR ENVIRONMENTAL IMPACT

To calculate Decathlon's global digital impact, the **Green IT teams share a great deal of data with the WeNR tool⁴⁰** that measures the footprint of information systems in organisations. Decathlon is now developing a specialised internal dashboard to go even further, provide guidance to the teams, propose appropriate solutions for projects and take urgent action. The dashboard will be available in the first quarter of 2023 and will provide a monthly snapshot of the company's carbon footprint in order to reduce it as much as possible.

RAISING AWARENESS OF THE DIRECT ENVIRONMENTAL IMPACT OF USING DIGITAL PRODUCTS

To raise teammate awareness of the impact of digital technologies on the environment, teams in the digital division participated in **The Digital Collage⁴¹**. The target of training 700 people in 2022 was reached by 31 December.

In 2023, the company's onboarding process will include a new section on the impact of digital technologies on the environment, in order to share best practices with every new hire.



Beefing up cyber security

The growing complexity of new technologies, 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 require a clear strategy and related action plans to protect both the company and its stakeholders.

Decathlon is working to raise employee awareness of the risks of cyberattacks and how to protect the company. The company offers continuous digital technology training to teammates.

RAISING EMPLOYEE AWARENESS OF DIGITAL SECURITY

In 2022, Decathlon published a new **Decathlon Information Security Policy that was signed by all country leaders**. This policy aims to define actions and responsibilities to protect data confidentiality, availability and integrity, in order to defend the entire information system.

To provide a first level of digital risk education, Decathlon has also established **cybersecurity awareness training that is recommended for all new employees**. The goal is to help teammates become aware of cybersecurity processes and their importance for the company every day. Decathlon hopes to have trained 100% of employees in cybersecurity by 2025.

In October 2022, the **company held Cybersecurity Awareness Month** for the second consecutive year to help all employees understand this type of risk. The event was broadcast in ten languages and provided an opportunity to discuss the security of Decathlon's information system and the risks of cyberattacks.

PROTECTING INFORMATION SYSTEMS AGAINST CYBERATTACKS

As it pursues its digital transformation, Decathlon is impacted directly by the complexity and specificities of cybersecurity. As cyberattacks 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 third parties Decathlon deals with, including suppliers and service providers, add to the company's cybersecurity risks related to outsourcing, since a contractor whose security measures are not compliant could represent an entry point into the company's information system.

To beef up its cybersecurity systems, **Decathlon set up its first Security Operation Centre (SOC)⁴² accessible 24/7 in 2022**. It monitors security alerts anywhere in the world and every activity continuously. The SOC uses digital tracking to establish risk profiles so that it can detect any variation from the initial state in the event of a security breach, and correct the slightest error.

Decathlon has developed its cybersecurity skills strongly in cooperation with other organisations, including at the 2022 edition of the **Lille International Cybersecurity Forum**, where teammates offered a Bug Bounty⁴³ at a live event. For 24 hours, well-known ethical hackers worked at the Decathlon booth to put the company's official website to the test, detect the potential risks of cyberattack and measure the level of protection. A total of 27 low-risk vulnerabilities were detected, which then served to strengthen the security of the Group's information system even further. Today, Decathlon is one of the first companies to propose innovative events of this type on cybersecurity issues.



Testimonial

Farid ILLIKOUD

Digital Information Security Leader, and tennis enthusiast

“Cybersecurity is no longer an option. It is a strategic pillar that all businesses at Decathlon are becoming increasingly aware of. Regular internal assessments ensure we can be proactive and anticipate potential vulnerabilities. Thanks to team awareness campaigns, we have observed a significantly greater understanding of cybersecurity challenges on a daily basis within the company.”

40. For more information on WeNR: <https://wenr.isit-europe.org/fr/wenr-2021/>.

41. For more information on The Digital Collage: <https://www.fresquedunumerique.org/>.

42. The Security Operation Centre is the company's security unit protecting its information system.

43. A Bug Bounty is a bonus paid to anyone who detects vulnerabilities in the company's security system.

CREATING SUSTAINABLE VALUE

TERRITORIAL DYNAMICS

Supporting our local stakeholders



Decathlon is attentive to its external ecosystem and wants to use its activities and social actions to be a positive force for change across different communities.

Decathlon's teams locally assist their stakeholders (local communities, authorities, associations, schools, etc.) by offering services that make it easier for people to play sports, promoting socio-economic development in the regions in which the company is present, supporting the initiatives of teammates who want to get involved and identifying ways to have greater social impacts.

In 2022, Decathlon launched internal reflections on how to construct the company's new social responsibility strategy on an international scale. This strategy aims to structure the actions already in place around the world and increase the company's social impact.

2022 HIGHLIGHTS

Decathlon developed a **service offering to make it even easier to practise a sport**.

Locally, **Decathlon conducted social entrepreneurship projects** to meet the development and solidarity challenges identified in the regions.

Through its **partnership with the Paris 2024 Olympics**, Decathlon is promoting sport for everyone and undertaking a voluntary integration programme.

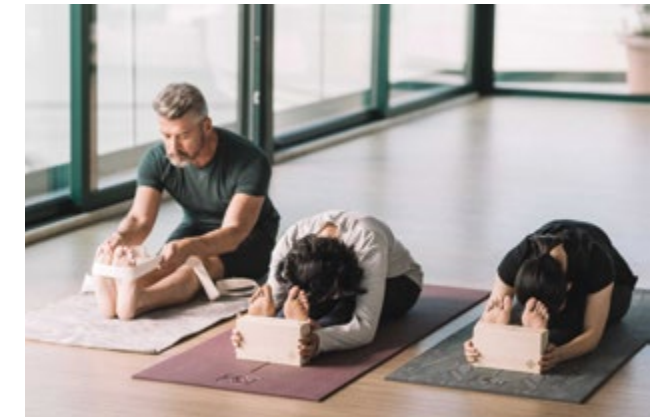
The company worked in **Ukraine and Pakistan** to help the people there in emergency situations.

Facilitating sport practice and bringing communities together

As an equipment manufacturer, **Decathlon has an important role to play in encouraging people to become involved in sports as an essential element of both health and wellness, and of low-carbon travel** (walking, cycling, etc.). By deploying platforms that make it easier to practise a sport, Decathlon is positioning itself as a true partner that responsibly supports users throughout their sporting lives. These new business models also help develop positive dynamics within communities by creating networks and strengthening ties between users who get together to share sports experiences.

- **Decathlon Conseil Sport⁴⁴** is an on-line sports, fitness and wellness magazine that advises, informs and inspires readers of all sporting levels.
- **Decathlon Coach⁴⁵** offers audio and video sport training sessions for all levels and measures performance. The app has been translated into nine languages and is available in most countries, allowing users to practise nearly 70 sports for free.
- **Decathlon Outdoor⁴⁶** offers a catalogue of close to 25,000 routes across France, to explore on foot or by bicycle. This completely free app offers visual and audio guidance to users, even without internet access.
- **Decathlon Activités⁴⁷** can be used to book sports activities led by professional coaches for free or for a fee in seven countries. Its main goal is to help children become involved in sports and to introduce new sporting activities for families.
- **Decathlon Training +⁴⁸** is a subscription service offering video fitness classes and programmes in France.
- **Decathlon Travel⁴⁹** is a subsidiary promoting over 400 sports-based trips offered by partners selected for their local knowledge and sports expertise, as well as the commitment in their approach to social and environmental responsibility. The platform was launched in 2021 and is currently available only in French.
- **TrainMe⁵⁰** is a Decathlon subsidiary that allows users to book sports services led by one of 1,400 coaches certified by the platform. In 2022, TrainMe and Decathlon Pro⁵¹ together launched a new service for companies to make it easier for employees to practise sport. Since its creation, 600 companies in France have used TrainMe Corporate solutions⁵² in 15,000 sports sessions involving 65,000 participants. From January 2023, this service will also be available in Portugal, the United Kingdom and Belgium.

In 2022, **these services helped more than two million people get active around the world** (including 1.4 million in France) through 11 million sports sessions. The goal for 2023 will be to further improve Decathlon's service offering to continue to facilitate the practice of sports alone or as a family, at home or outdoors, for beginners and experienced athletes alike.



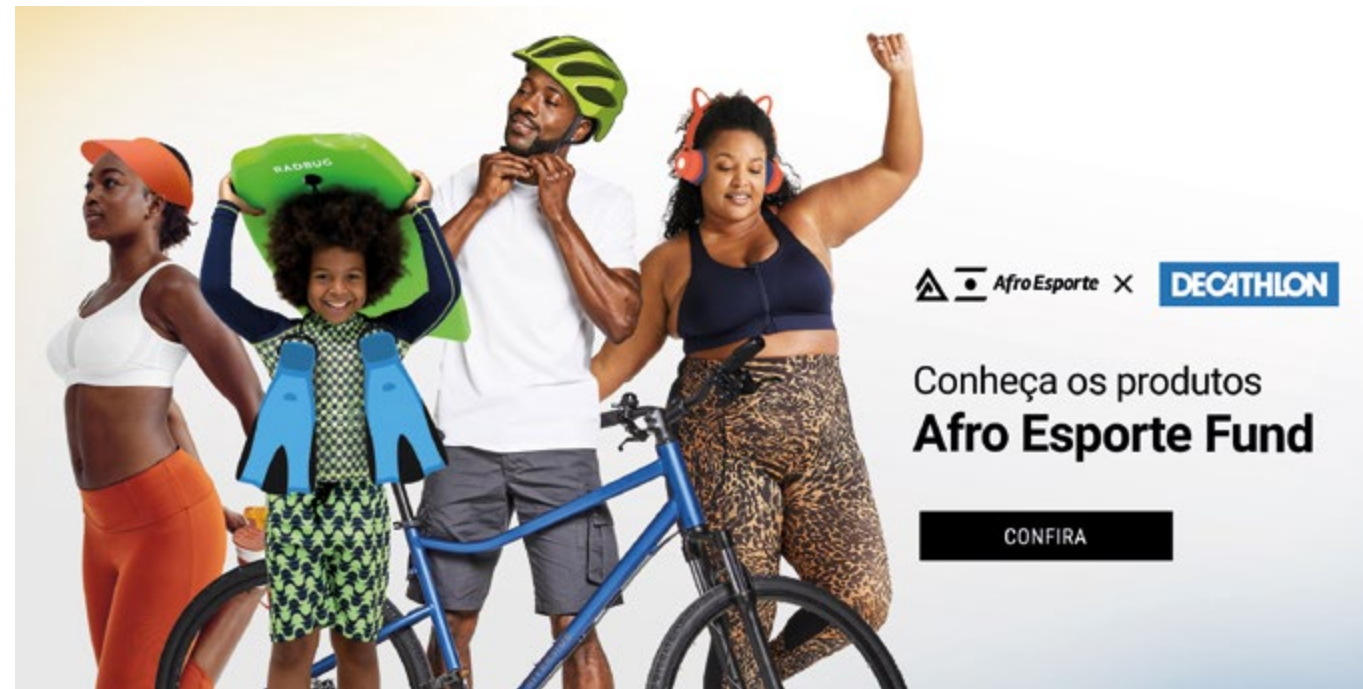
11 million sports sessions were held using Decathlon's services

(9.1 million in 2021)

44. For more information on Decathlon Conseil Sport: <https://conseilssport.decathlon.fr/>.
 45. For more information on Decathlon Coach: <https://www.decathloncoach.com/en/home/>.
 46. For more information on Decathlon Outdoor: <https://www.decathlon-outdoor.com/>.
 47. For more information on Decathlon Activités: <https://activites.decathlon.fr/>.
 48. For more information on Decathlon Training +: <https://www.decathlon-training-plus.com/>.
 49. For more information on Decathlon Travel: <https://www.decathlontravel.com/>.
 50. For more information on TrainMe: <https://trainme.co/>.
 51. For more information on Decathlon Pro: <https://www.decathlonpro.fr/>.
 52. For more information on TrainMe Corporate: <https://decathlonpro.trainme.co/>.

CREATING SUSTAINABLE VALUE

Taking action for regional socio-economic development



Decathlon strives to conduct value-creating activities in all countries in which it is located. Its actions can provide opportunities for local residents as well. **All around the world, teammates are leading local initiatives and projects to meet the development and solidarity needs identified in their regions.**

BRAZIL

Afro Esporte Fund: Encouraging entrepreneurship in Afro-Brazilian communities

In 2022, Decathlon Brazil signed a partnership agreement with Afro Esporte⁵³, an organisation promoting sports-based entrepreneurship in Afro-Brazilian communities. The two companies worked hand in hand to create the first Afro-Brazilian investment fund in the sector and a training programme for ten previously selected entrepreneurs. In addition to training sessions held in Brazil during Black Consciousness Month⁵⁴ in November 2022, all the participants were offered financial assistance to develop their businesses and an opportunity to sell their products on Decathlon's Marketplace to improve their visibility.



Testimonial
Sarah BOUVIL
Communications Director and tennis enthusiast, Decathlon Brazil



Émilie LANGRENE
Communications Manager and hiking enthusiast, Decathlon Brazil

“ We didn't hesitate a single second to commit to this project that matches our values perfectly. Teammates from every level of the company responded and committed to the project immediately.

The Afro Esporte Fund is a source of great pride for all of us. In addition to the awareness activities that we regularly conduct in house, we also wanted to take concrete action for Afro-Brazilian communities.

In 2021, we launched a bathing cap designed specifically for kinky hair. This year, we're going further by supporting ten entrepreneurs who sell products that are designed specifically for these communities or that promote their culture. These actions help to broaden the spectrum of sports practice and strengthen Decathlon's position in Brazil as a sports brand committed to everyone.”

53. For more information on Afro Esporte: <https://www.afroesporte.com/>.

54. Each year on 20 November, Brazil celebrates Black Consciousness Day to commemorate the death of Zumbi dos Palmares, one of Brazil's greatest leaders in the fight against slavery. Black Consciousness Day is a national holiday and an important day of historical commemoration for Brazilians, with numerous events held across the country throughout the month of November.

HUNGARY

Szuno gym bags⁵⁵: Helping a disadvantaged community to develop

Decathlon Hungary joined forces with the Real Pearl Foundation⁵⁶ to provide assistance to the residents of Told, a village located on the border with Romania, in one of the poorest regions of Europe.



The Foundation established a craft workshop where residents make products that are decorated using drawings by poor children who attend an art education programme. **This social entrepreneurship initiative is aiming to break an intergenerational cycle of poverty by creating new workplaces through the sale of handmade items.** Decathlon Hungary worked with the Real Pearl Foundation for close to a year to design a selection of Szuno gym bags with a sports theme. In 2022, these bags were sold at four Decathlon stores and were so successful that the Foundation was able to recruit an additional person just one month after the bags hit store shelves. Now the goal is to increase the project's impact by selling these gym bags at other stores across the country.



55. Szuno (dream) - The name of the products made at the workshop.

56. For more information on the Real Pearl Foundation: <https://igazgyongyalapitvany.hu/>.

CREATING SUSTAINABLE VALUE

Committing to society through the Decathlon x Paris 2024 partnership

In July 2021, Decathlon became an official partner of the Paris 2024 Olympic and Paralympic Games. This partnership is founded on Decathlon's desire to use its expertise to serve the world's largest sporting event by dressing the event's 45,000 volunteers with the most sustainable collection possible. The partnership is based on circular and sustainable design, while offering the company a unique opportunity to share with the world its values of sport, vitality, respect, goodwill and self-improvement, and to pass these values on to younger generations.

Using its history and its solid presence in towns and cities across France, Decathlon wants to bring the Olympics experience to everyone countrywide. A number of projects having a social impact were already launched in France in 2022 through the Decathlon x Paris 2024 partnership.

A VOLUNTARY INTEGRATION PROGRAMME

As part of the partnership with Paris 2024, Decathlon France's QWLWC team⁵⁷ has launched a voluntary integration programme to help 48 young people having dropped out of school to find a job. Sponsored by Nantenin Keita and Dimitri Jozwicki, two members of Decathlon's Athletic Team⁵⁸, this programme is bringing youths into the company to learn and work for ten days in 2022 and 2023. These young people will learn the rules of the working world, discover jobs at Decathlon and explore their own talents. Decathlon hopes that all of them will be job ready by the end of the programme. Participants could also be offered positions as volunteers at the Paris 2024 Olympics to experience the Games first hand.

PROMOTING THE PRACTICE OF SPORT

Olympics Day

For the first time in 2022, Decathlon helped organise Olympics Day, which is celebrated on 23 June every year. Traditionally, this day offers everyone an opportunity to try Olympic and Paralympic sports with experienced athletes while sharing Olympic values.

Under the Decathlon x Paris 2024 partnership, 30 stores in France worked alongside sports federations, committees and local associations to offer sports activities and initiations⁵⁹ (multi-sport obstacle courses, skateboarding, break dancing, climbing, etc.). Five other stores also worked with the cities of Nancy, Clermont-Ferrand and Saint-Etienne as 'Terre de Jeux 2024' (2024 playing fields) to hold Olympics Day in the heart of the regions and enable as many people as possible to take part in the event. Lastly, the company participated in the Paris 2024 Olympic Committee event on 26 June 2022 around Stade de France. In total, close to 20,000 people practised or tried a new sport at the events organised by Decathlon.

Paralympics Day

On 8 October 2022, Decathlon also participated in Paralympics Day at Place de la Bastille in Paris. The goals of this public event were to raise awareness of the Paralympic Games, celebrate the performance of athletes and encourage the practice of sports while helping change attitudes towards disabilities.



At Decathlon's stand, the teams presented the **Adapted Sports project** (see box) and the company's **disability mission**⁶⁰ to 1,500 visitors. Decathlon also partnered with the French Sitting Volleyball Federation to host a match between the EDF Sitting Volleyball team and Decathlon's Athletic Team, while giving 500 visitors a chance to try both sitting volleyball and para badminton. Meanwhile, two Decathlon teammates, Jonathan Hivernat, member of Decathlon's Athletic Team (wheelchair rugby) and Laurent Tricot (an accomplished athlete with multiple sclerosis), spoke on stage about how important sports are for people with disabilities.

ADAPTED SPORTS: EQUIPMENT TO MAKE SPORT ACCESSIBLE TO PEOPLE WITH DISABILITIES

The Adapted Sports project was created in Italy in 2016 to provide people with permanent or temporary physical disabilities with special equipment to practise a sport. Following several years of study and development, the first two product categories went on sale in September 2022. Today, five different types of wheelchair (handcycles, wheelchairs for basketball, racket sports, fencing and athletics) are available online in European Union countries. A line of tracksuits designed to facilitate getting dressed and undressed before and after sport, for greater comfort and autonomy, is also accessible in Europe online and in around forty stores. The objective in 2023 is to sell this equipment in other countries as well, several of which have already started making moves to market them.

Facilitating teammates' community involvement in France

At Decathlon, freedom to be oneself is a value that is evaluated and promoted every year⁶¹. As a result, Decathlon supports and facilitates teammates' involvement with associations through:

- **special agreements integrated into working conditions:** for example, for teammates' working as volunteer firefighters⁶² since 2021;
- **volunteering through the partnership with Vendredi**⁶³, a citizens' engagement platform that connects teammates who want to volunteer with over 900 associations offering activities with an environmental and social focus;
- **actions with partner associations specialising in inclusion** (disability, integration, etc.);
- **the opportunity to run a sports and inclusion project with the Decathlon Foundation**⁶⁴;
- **skills-based sponsorship of older employees:** since 2022, teammates over the age of 57 with at least ten years of seniority in the company can devote half a day each month to social integration missions during working hours.

ONE SITE = ONE INCLUSIVE PARTNERSHIP: A WIN-WIN PROJECT

Decathlon France launched its project "One site = One inclusive partnership" in 2022 to get **all sites involved with a local association of their choice by the end of 2024**. These win-win partnerships increase each site's social impact by offering beneficiaries the opportunity to learn about the company and its jobs, providing a variety of expert skills and setting up sports activities within the association. For Decathlon, this commitment strengthens its teammates' sense of pride, attracts new employees and increases team diversity on its local playing fields. As of 31 December 2022, 135 out of 323 sites had an active partnership.

Responding to exceptional crises

HELPING THE PEOPLE OF UKRAINE

Ever since the start of the conflict in Ukraine, Decathlon has been working to help the people in that country. A solidarity movement was organised at all levels of the company to provide both financial and non-financial support (donations of Decathlon products and employee donations of basic necessities, etc.) to Ukraine.

To structure its aid, Decathlon quickly set up the **Decathlon International Solidarity Fund**, allowing it to direct over one million euros to assistance efforts. Supported by an international expert in philanthropy, the company first made an initial donation of €119,750 to meet the most urgent needs, selecting the projects of six NGOs working on the ground with the Ukrainian people. To support Ukrainians over time and especially during the winter months, Decathlon then selected five medium- and long-term projects led by medium-sized NGOs with a strong presence in the region. In the first half of 2023, €706,835 will be donated to these projects to restore school and community sports fields, provide prostheses for injured people and address violence against women.

Responding to its teams' rallying action, the company also created a **Decathlonian mutual assistance association**, setting up a second specific solidarity fund. In 2022, the company doubled the amounts collected by teammates and donated them to the families of Ukrainian teammates.

Close to €2.8 million were raised in 2022 through all of these assistance actions (donations of equipment and inventory, financial donations). Decathlon is observing the changing needs of the Ukrainian people closely and stands ready to take further action.

€2.8 million raised to help the people of Ukraine

HELPING FLOOD VICTIMS IN PAKISTAN

In 2022, Pakistan experienced the most severe flooding in its history, leaving some 33 million people homeless. **In response to this climate and humanitarian disaster, a solidarity chain was set up within Decathlon to help the victims.** On the ground, the Pakistani production office team set out to define needs, select an NGO to work with and reach out to Decathlon's Nature Hiking sports, as well as the tents, bags and balls processes, which quickly responded to finance the purchase of:

- 4,740 family tents;
- 2,520 shelters.

These products were available in stock at Vietnamese and Bangladeshi suppliers, and were donated to the Saylani Welfare Trust⁶⁵. The NGO then handled the logistics and distribution to people living in the most severely affected regions.



Testimonial

Tamoor AKBAR

Project Manager, Decathlon Pakistan

“I can't thank the tents, bags and balls teams enough for their support during these dramatic events. Never in my entire career have I witnessed such an outpouring of solidarity in a company. This has further strengthened my appreciation of Decathlon. Thanks to the donation of these tents, we hope to provide shelter to about 50,000 flood victims in the hardest hit areas of Sindh and Balochistan. Unfortunately, Pakistan is the eighth country most severely affected by climate change. Even though our country has the world's fifth largest population, it emits less than 1% of global CO₂. Today, it is vital that we focus our efforts on sustainable development and I am proud to work for a company that has committed to work in that direction.”

57. Quality of Work Life and Working Conditions.

58. For more information on Decathlon's 'Team Athletes': <https://www.decathlon-united.media/decathlon-athletic-team-paris2024>.

59. Events held over one, two or three days between 23 and 25 June 2022.

60. More information on the professional integration of people with disabilities at Decathlon is available on p.33.

61. See DTB internal survey, p. 29.

62. For more information on this agreement, see NFRD 2021, p.129.

63. For more information on Vendredi: <https://en.vendredi.cc/>.

64. More information on the Decathlon Foundation is available on p. 160.

65. For more information on the Saylani Welfare Trust: <https://www.saylaniwelfare.com/en>.

CREATING SUSTAINABLE VALUE

DECATHLON FOUNDATION

Using sport to promote social inclusion

Since 2005, the Decathlon Foundation⁶⁶ 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, Italy and Portugal (since 2022) now also run their societal projects independently.

KEY FIGURES
as of 31/12/2022

46,860 beneficiaries⁶⁷
in a vulnerable situation were able to practise a sport regularly in 23 countries, thanks to the Decathlon Foundation's support

(71,864 in 2021)

66 projects organised by Decathlon teammates

(61 in 2021)

€1.1 million paid to associations

(€1.2 million in 2021)

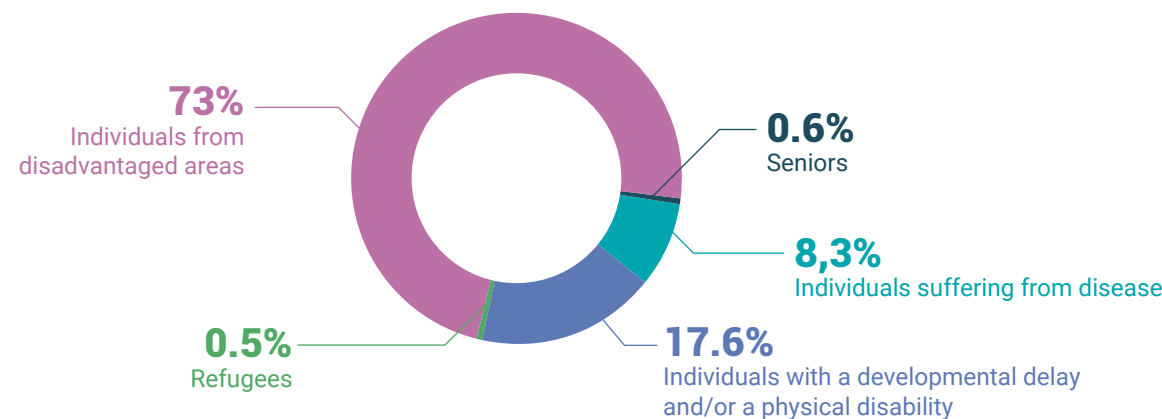
2022 HIGHLIGHTS

The Decathlon Foundation continued working with associations to help the people in greatest need.

Many new projects (66) were launched in 2022 thanks to the involvement of teammates in local solidarity projects.

Breakdown for beneficiaries of Decathlon Foundation projects by category

as of 31/12/2022



66. For more information on the Decathlon Foundation: <https://www.fondationdecathlon.com/?lang=en>.
67. For more information, see methodological note 133 on p. 209.

Foundation Day: Sharing sports with vulnerable people

After being halted for two years due to the COVID-19 crisis, the Decathlon Foundation was able to hold Foundation Day, its solidarity and sports day, once again in 2022. For the event, Decathlon stores and warehouses invited local associations to practise sports activities. The objective of this day is to put into practice the Decathlon Foundation's mission of **bringing the benefits of sport to vulnerable people**. The Netherlands participated in this event for the first time in June 2022.

Foundation Day 2022 in numbers:

- 20 countries and 365 sites around the world held this event;
- over 1,000 Decathlon volunteers were involved in Spain;
- 70 sites were involved in Italy.



Taking action to assist vulnerable people around the world

In 2022, the Decathlon Foundation launched 66 new projects (compared to 61 in 2021) involving 46,860 beneficiaries in 23 different countries.

FRANCE

The Eleven of Legend: Encouraging the social inclusion of children with autism



Journalist and producer Caroline Delage challenged herself to form a football team composed of both children on the autism spectrum and neurotypical children (having no neurodevelopmental disorders). She called that team the "Eleven of Legend"⁶⁸. In order to prepare them as much as possible for a friendly match, the Decathlon Foundation and the Paris Saint-Germain Foundation supported sixteen young people aged between nine to eleven by organising football training sessions every Wednesday for six months. **This initiative aims to be a true social inclusion tool for children, offering them an opportunity to get to know each other, understand each other and share good times through the practice of sport.**

A documentary by Au Tableau Productions⁶⁹ and Caroline Delage was broadcast on Canal+, to highlight the values of team sport using the "Eleven of Legend" team as an example and to raise public awareness of the importance of inclusion for children on the spectrum.

68. In football, "Eleven of Legend" is a dream team made up of top players.
69. For more information on Au Tableau Productions: <https://www.autableauprod.com>.



Testimonial
Antoine DROISSART

Director of the Paris Aquaboulevard Decathlon store and rugby enthusiast

“ It just seemed natural for us all at Decathlon Aquaboulevard to participate in this project. We provided all the equipment the players of the Eleven of Legend team needed at a low cost to enable them to gain access to the sport more quickly and to guarantee that the children were supported in the best conditions. The match taught us that sport brings everyone together, no matter what our situation, to share a common goal: have fun and put a smile on every child's face!**”**

CREATING SUSTAINABLE VALUE



CAMBODIA

Toutes au sport: providing quality education for girls from disadvantaged families

In September 2022, the Decathlon Foundation launched its "Toutes au Sport" project at the Happy Chandara School, providing funding for the construction of a gymnasium and the purchase of sports equipment. **The aim of this initiative is to promote sport among children and the local community.** Created by journalist Tina Kieffer, the Happy Chandara School in Cambodia aims to offer quality education to girls with disadvantaged backgrounds. Today, the school supports more than 1,000 girls from childhood until they get their first job⁷⁰.



Testimonial

Anne-Céline PRIGENT

Former Decathlonian, Communications Manager at Happy Chandara School, and horseback riding enthusiast

“Even in the 21st century, women too often still encounter obstacles on the road to emancipation. Sport can help us jump these final hurdles; it certainly helped me gain self-confidence, test my limits and learn to compete with others. It is a good school for self-improvement, growth and agility. Today, I want to share these values with girls from disadvantaged backgrounds through this project at Happy Chandara School.”

POLAND

United by the Mountains: Helping to improve quality of life for people with disabilities

Launched in July 2022 by the Decathlon Poland teams and the Ładne Historie Foundation⁷¹, **the United by the Mountains project provides opportunities for people with disabilities to go on mountain hikes with their families.** The Decathlon Foundation finances the purchase of climbing equipment adapted to people with physical disabilities. The first trip in October 2022 attracted 110 people with the support of the Decathlon Foundation.



Testimonial

Anna KASPEREK

Decathlonian, volunteer of the Ładne Historie Foundation, and skiing enthusiast

“This project that aims to stimulate people with disabilities and help them get active is very close to my heart. As a volunteer, I was able to go on one of the hikes and I realised just how positive it was. My niece, Natalia, has a disability and I know how difficult it is to organise an activity of this type. I hope that she will soon be able to participate in events like this and live her life to the fullest. That’s why this project is so important to me.”

70. Happy Chandara School has already graduated 15 classes with a 100% success rate in the baccalaureate examinations.
71. More information on the association Foundation Ładne Historie: <https://ladnehistorie.pl/fundacja>.

CREATING SUSTAINABLE VALUE

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 more information: <https://www.fcd.fr/qui-sommes-nous/actualites-de-la-fcd/detail/decouvrez-la-video-de-presentation-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 more 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 more information: <https://wfsgi.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 more information: <https://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 more information: <https://www.orse.org/>.

ECOCONCEPTION



Decathlon responded to ADEME's XTEX call for projects to propose an environmental methodology and labelling system for the textile industry, in collaboration with the consortia Enseignes and YUKAN. The company participated in the cross-disciplinary group for the creation of a sustainability index on electronic products required by the anti-waste law for a circular economy. It also drafted a framework contract with ADEME for the implementation of a textile and footwear sustainability and reparability index. For more information: <https://www.ademe.fr/en/>.

For more information: <https://www.halteobsolescence.org/lindice-de-durabilite-une-revolution-prevue-pour-2024/#:~:text=La%20mise%20en%20place%20de,refl%C3%A9tant%20leur%20niveau%20de%20durabilit%C3%A9>.



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 more 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 more 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 which co-financed a technical and economic study on the textile circular economy in Europe, co-ordinated by Euratex (The European Apparel and Textile Confederation). The objective of this study, carried out by McKinsey, is to determine the opportunities, barriers, economic/environmental and social values and investments needed to establish recycling hubs throughout Europe. For more information: <https://euratex.eu/news/rehubs/>.

For more information: <https://www.mckinsey.com/industries/retail/our-insights/scaling-textile-recycling-in-europe-turning-waste-into-value>.



Product Environmental Footprint (PEF): Involvement in a European experiment to define a common multi-criteria method for calculating and labeling the environmental footprint of textile 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 more information: https://green-business.ec.europa.eu/environmental-footprint-methods_en.

CREATING SUSTAINABLE VALUE

ECOCONCEPTION



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 more information: <https://bettercotton.org/>.



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 more 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 more information:

<https://quantis.com/fr/nos-clients/notre-impact/initiatives-en-developpement-durable/plastic-leak-project/>.



Based on the planetary boundaries framework, Environmental Action assists Decathlon in using calculation tools to integrate plastic pollution indicators to define quantified objectives and related trajectories to reduce its overall impact.

For more information: <https://www.e-a.earth/>.



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 more 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 more information: <https://www.there100.org/re100-members>.



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 more 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 more 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 more information: <https://www.cdp.net/fr>.



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 more information: <https://www.net-zero-initiative.com/fr>.



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 more information: unfccc.int.

For more information:

<https://unfccc.int/climate-action/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 more information: <https://thefashionpact.org/?lang=fr>.



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



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

RESPONSIBILITY IN PRODUCTION



Technical support for Decathlon's human responsibility in production and supplier environmental management assessments (conducting audits, wastewater samples and analyses).

For more information: <https://www.sgs.com/>.



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 more information: <https://www.bureauveritas.fr/>.



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 more information: <https://mneguidelines.oecd.org/responsible-supply-chains-textile-garment-sector.htm>.



The Mekong Club is an NGO catalyst for change, inspiring and engaging the private sector to lead in the fight against modern slavery.

For more 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 more information: <https://www.diginex.com/apprise>.

CREATING SUSTAINABLE VALUE

RESPONSIBILITY IN PRODUCTION



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 more information: <https://impacttlimited.com/>.



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 more information: <https://apparelimpact.org/>.



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 more information: <https://www.wri.org/>.



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 more information: <https://www.laborsolutions.tech/wovo>.



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 more information: <https://www.knoglobal.com/>.



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 more information: <https://bluwinnet/>.



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. In 2022, Decathlon became a contributor to ZDHC and underwent its first "Brand to Zero" audit by KPMG (a ZDHC-mandated organisation) to assess the progress made on its roadmap towards zero chemical discharge.

For more information: <https://www.roadmaptozero.com/>.

Press release: <https://www.roadmaptozero.com/post/contributor-announcement-jan-2022>.



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. The BHive app is one of the tools approved by ZDHC to create an inventory of chemical products in factories.

For more information: <https://www.thebhive.net/>.

DUTY OF CARE



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 more information: <https://www.maplecroft.com/>.



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 more information: <https://www.e-dh.org/>.



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 more information: <https://www.whispli.com/>.

PRODUCT QUALITY AND SAFETY



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 more information: <https://www.afirm-group.com/>.



The course of the "Groupe d'Etude et de Recherche en Dermato-Allergo" (GERDA) is the annual meeting of dermato-allergy 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 more information: <https://www.gerda2021.com/>.



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 more information: <https://reach-info.ineris.fr/focus/life-ask-reach>.



Chemsec is an independent, non-profit organisation seeking safer alternatives to toxic chemicals. Founded in 2022, Chemsec bases its work on that of chemists, political scientists, business experts, etc. Decathlon joined Chemsec in urging the European Union to adopt stricter requirements for chemicals and it is one of the co-signatories of the open letter to Ursula Von Der Leyen requesting the rapid and ambitious revision of the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) regulation.

For more information: <https://chemsec.org/>.

For more information: <https://chemsec.org/a-company-request-for-an-ambitious-revision-of-reach/>.

NUMÉRIQUE RESPONSABLE



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 more information: <https://institutnr.org/>.



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 more information: <https://www.economie.gouv.fr/environnement-numerique-feuille-de-route-gouvernement>.



Acts and Facts is a movement born within the Mulliez ecosystem, involving company employees, top managers and shareholders. Acts and Facts does not replace corporate strategies, serving instead as a catalyst to accelerate the ecological transition by creating virtuous connections between engaged people who want to learn more and take action.

For more information: <https://actsandfacts.org/>.

APPENDICES

PERFORMANCE INDICATORS

COMPANY PROFILE

COMPANY FACTS AND FIGURES	2021	2022
ECONOMIC INFORMATION SALES		
Decathlon sales (excluding taxes)	€13.8 billion	€15.4 billion (note 1)
Growth in sales Y/Y-1	+21.3%	+11.7% (note 2)
% of non-store sales (digital, b2b, marketplace, etc.)	17.2%	15.5%
% of digital sales	20.8%	16.8%
ECODESIGN PRODUCT SALES		
% of Ecodesign product sales ^{VERIFIED INFORMATION} mazars Audit	10.4%	23.03% (note 3)
CIRCULARITY SALES		
% of circularity sales (second life, workshops, rental) - World: ^{VERIFIED INFORMATION} mazars Audit (note 4)	1.43%	1.75%
↳ % of sales generated with second life products - World	0.2%	0.25%
↳ % of sales generated by product maintenance and repair in workshops - World	1.23%	1.5%
% of sales generated by product rental - World	0.04%	0.07%
Quantity of Decathlon & OIB second life products sold worldwide	503,157	731,482
% circularity sales (second life, workshops, rental) - France: ^{VERIFIED INFORMATION} mazars Audit (note 4)	2.54%	2.96%
↳ % sales generated with second life products - France	0.45%	0.51%
↳ % of sales generated by product maintenance and repair in workshops - France	2.09%	2.45%
% of sales generated by product rental - France	0.03%	0.05%
Quantity of Decathlon & OBI second life products sold in France	185,548	293,039

2022 NFRD methodological notes

Note 1: In 2022, the health situation due to Covid-19 was much better than in the previous year, with no significant impact on results. On the other hand, the situation in Russia and Ukraine has impacted the whole world with a rise in inflation. Decathlon managed to achieve strong double-digit sales growth of +11.7%, mainly driven by Europe. Half of the growth comes from a few sports such as swimming, skiing and hiking. In-store performance remained strong, while e-commerce declined. However, the share of sales generated outside our stores (digital, b2b, Marketplace, etc.) remained high and the company has invested to support this new reality. The share of digital sales reached 17% for the year 2022, compared to 9% in 2019 (before the impacts of Covid-19).

Note 2: At constant exchange rates.

Note 3: The 2022 target of Ecodesign product sales set by the teams was 30% and we achieved 23.03% cumulatively for the year. This 30% target can be considered very ambitious, coming from 10.4% in 2021. However, thanks to a major mobilisation of our teams (design, production and supply, we achieved the strongest acceleration ever experienced by Decathlon, reaching 23.03% and even more than 30.5% on average over the last quarter. In terms of volume, this represented €4.2 billion (including taxes) over the year and more than 200 million quantities of Ecodesign products sold. As in the previous year, the performance was strongly achieved by "textile" products, with an average share of Ecodesign product sales at 40% by 2022. Indeed, historically, textile products are the most advanced in terms of Ecodesign, thanks to recycled raw materials and industrial techniques widely available worldwide. Despite this, Decathlon achieved very strong growth in sales of Ecodesign products for which we were still looking for technical solutions, particularly products made from metals (iron, steel, aluminium, cast iron, etc.). Their share in Ecodesign product sales reached 38% this year (almost the same share as for textile products) and "footwear" products, for which the share reached 15% (starting from 4% by the end of 2021). On the other hand, for other types of products, such as plastic-based products and composites and electronics, we are still faced with the technical complexities of accessing materials that have less impact on the environment and we also face difficulties of industrial feasibility. Finally, the least notable performance remains on our "cycle" products for which we have not fully activated Ecodesign to focus on second-hand as part of the circular economy strategy. It should be noted that Decathlon's objective is to reach 35% in 2023 on this indicator, with the ambition of getting as close as possible to 40%.

Note 4: Note that the "Sustainable sales" has been renamed "Circular sales" this year, the terminology used in the 2022 NFRD.

Regarding the circular sales indicator, this is an internal definition intended to accelerate the company's share of 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 circular sales by Decathlon. Following the Mazars audit, only the automatic data flows were taken into account in the calculation of circular sales. Rental sales are calculated manually and are therefore excluded from the calculation of total circular sales this year. Work is underway to automate the rental data flow and to be able to integrate it into the calculations for publication of the 2023 NFRD. In 2022, Decathlon focused on the circular economy strategy at the international level by validating the profitability and replicability of certain business models such as product buy-back. Circular sales increased from 1.43% in 2021 to 1.75% in 2022. Product maintenance and repair accounts for 81% of circular sales. The second life activity has been implemented in 30 countries with tools developed by the group, and the rental activity is also present in 10 countries with different models offered.

The priorities for 2023 are as follows:

- Define the circular economy strategy for e-commerce;
- Rethink workshop strategy to seek greater long-term profitability globally;
- Push the product buy-back model online and in physical stores worldwide.

The 2023 target for circular sales is 2.25% with an ambition to get as close as possible to 2.5% (5% in 2026).

COMPANY FACTS AND FIGURES	2021	2022
VALUE CHAIN RETAIL & PRODUCTS		
Number of sports users	424 million	441 million
Number of distribution countries/regions	60	59 (note 5)
Number of Decathlon stores worldwide	1,747	1,751 (note 6)
Number of new outlets Y/Y-1 (directly operated, excluding franchises)	+114	+68 (note 7)
Number of warehouses and logistics platforms	74	74
Number of Decathlon product brands	65	36 (note 8)
Quantities of products sold (bn)	1.24	1.26
SUPPLY CHAIN		
Number of production countries/regions:		
↳ with Decathlon teams physically present	25	23
↳ without Decathlon teams physically present	19	20
Number of Decathlon production offices	43	42 (note 9)
Number of suppliers for Decathlon products:		
↳ Rank 1 suppliers (components & finished products)	930	956
↳ Rank 2 suppliers	355	311
Number of teammates in charge of supplier relations and management	2,245	2,429
Number of Decathlon-owned production facilities	9	9

2022 NFRD methodological notes

Note 5: Owned, excluding franchises.

In October 2022, the distribution activities in Sri Lanka were closed.

Note 6: Owned and leased, excluding franchises.

Including Decathlon Alltricks & Own Brands (Signed Sports) stores.

Note 7: This is the number of gross openings without taking into account closures.

Note 8: In order to simplify the readability and understanding of our offer and sports for our customers, we have reduced the number of brands on our products.

Note 9: In 2022, the activities of the DP CIS production office were closed.

PERFORMANCE INDICATORS

DEVELOPING PEOPLE

EMPLOYMENT	2021	2022
Total workforce (as of 31/12) <small>VERIFIED INFORMATION</small> mazars Audit	103,161	104,116 (note 10)
Workforce by gender (as of 31/12)		
↳ % women	46.7%	46.3%
↳ % men	53.3%	53.7%
Workforce by age group (as of 31/12)		
↳ % under 20	4.7%	5.1%
↳ % 20 to 29	54.4%	51.7%
↳ % 30 to 39	28.8%	29.8%
↳ % 40 to 49	8.8%	9.6%
↳ % 50 and over	3.3%	3.8%
Workforce by geographical area (as of 31/12)		
↳ % Europe & Russia	69.4%	68.8%
↳ % Asia	20.3%	20.6%
↳ % Africa & Middle-East	4.7%	5%
↳ % Americas	5.3%	5.3%
↳ % Oceania	0.3%	0.3%
Workforce by activity (as of 31/12)		
↳ % retail and Web services	77%	76.6%
↳ % logistics	12.1%	11.3%
↳ % design/production	5.2%	5.5%
↳ % support activities	5.7%	6.6%

2022 NFRD methodological notes

Note 10: This indicator takes into account teammates on permanent and non-permanent contracts and trainees in the company as of 31/12/2022. There is a 1% growth in the total workforce compared to 2021.

ORGANISATION OF WORK	2021	2022
% of employees on permanent contracts (as of 31/12) <small>VERIFIED INFORMATION</small> mazars Audit	76.1%	81% (note 11)
% of employees on non-permanent contracts (as of 31/12)	18.2%	13.9%
% of employees on other types of contracts (as of 31/12)	5.8%	5.1% (note 12)

2022 NFRD methodological notes

Note 11: On 84,336 teammates on permanent contracts and 14,479 on non-permanent contracts as of 31/12/2022 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 12: As of 31/12/2022, worldwide, 5,301 teammates are covered by "other types of contracts", a category that includes trainees/students, excluding contractors 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.

DIVERSITY & INCLUSION	2021	2022
DIVERSITY & GENDER		
Breakdown of teammates by gender (as of 31/12)		
Worldwide:		
↳ % women	46.7%	46.3% (note 13)
↳ % men	53.3%	53.7%
Europe & Russia:		
↳ % women	47.9%	47.2%
↳ % men	52.1%	52.8%
Asia:		
↳ % women	44.9%	45%
↳ % men	55.1%	55%
Africa & Middle-East:		
↳ % women	42.4%	42.4%
↳ % men	57.6%	57.6%
Americas:		
↳ % women	42.1%	43.4%
↳ % men	57.9%	56.6%
Oceania:		
↳ % women	41.4%	38.6%
↳ % men	58.6%	61.4%

2022 NFRD methodological notes


Note 13: Target of "50% women and 50% men" by 2026.

DIVERSITY & SENIORITY	2021	2022
% of seniors in the company by geographical area (people aged 55 or over) (as of 31/12)		
Worldwide		
	1%	1.47% (note 14)
Europe & Russia		
	1.29%	1.94% (note 15)
Asia		
	0.26%	0.35% (note 15)
Africa & Middle-East		
	0.51%	0.67% (note 15)
Americas		
	0.48%	0.57% (note 15)
Oceania		
	0.93%	0.76% (note 15)

2022 NFRD methodological notes

Note 14: i.e. 1,534 senior teammates in 2022 (1,028 in 2021).

Note 15: i.e. 1,391 seniors in Europe & Russia, 75 seniors in Asia, 35 seniors in Africa & the Middle East, 31 seniors in the Americas and 2 in Oceania.

RESULTS OF THE DECATHOLON TEAMMATES BAROMETER SURVEY (DTB)	2021	2022
% of teammates who participated in the Decathlon Teammates Barometer Survey	81%	83% (note 16)
Number of teammates who participated in the DTB survey	70,405	72,361
% who answered "Yes, absolutely" or "Yes, somewhat" to the question: 		
BEING YOURSELF		
↳ I can express my thoughts AND people listen	92%	92%
↳ I can be myself in my daily actions	94%	93%
↳ I am treated with respect	94%	94%
I LIVE THE PURPOSE AND VALUES		
↳ I am proud and happy to work at Decathlon	93%	93%
↳ Our values Vitality, Responsibility, Generosity and Authenticity live around me	88%	88%
↳ "Bringing lasting pleasure and the benefits of sport to as many people as possible in the long term" motivates me and guides my daily actions	93%	93%
↳ I am proud of our signature products	95%	96% (note 17)
I TAKE DECISIONS, I AM AN ACTOR IN THE TEAM PROJECT		
↳ I have a quantifiable mission with clear KPIs	84%	85%
↳ I am an actor in the preservation of the environment: my mission includes at least one planet KPI for which I receive guidance	n/a	74% (note 17)
↳ I make decisions on matters that concern me and I understand the consequences	94%	94%
↳ Before deciding, I seek the opinion of other Decathlon teammates concerned by my decision	97%	97%
↳ At Decathlon, I am allowed to make mistakes: I can try, test, learn and correct	95%	95%
I DEVELOP / GROW THROUGH RESPONSIBILITY		
↳ I am supported in my skills	85%	86%
↳ I am supported in my personal development	83%	84%
↳ I am supported with my performance	86%	87%
↳ I have an annual review to assess my performance, measure the progress made in terms of development and discuss my future project	92%	93%

2022 NFRD methodological notes


Note 16: Results of the Decathlon Teammates Barometer Survey carried out in 2022 among Decathlon teammates. 72,361 respondents in 67 participating countries/regions.

Note 17: These questions were included for the first time this year in the Decathlon Teammates Barometer, which explains the lack of data reported for 2021. The addition of two environment-related questions in the historical DTB measurement tool indicates the importance given to this topic. A comparative measurement of the answers to these questions from one year to the next will allow targeted action to be taken directly with the teammates.

RESULTS OF THE DECATHLON TEAMMATES BAROMETER SURVEY (DTB)	2021	2022
I PLAY COLLECTIVELY		
↪ We play sport and celebrate our victories together	80%	85%
↪ I feel safe in my work environment	94%	94%
↪ Communication within my team is effective and transparent	86%	86%
↪ In our team we have clear and motivating environmental commitments of which I am proud	n/a	79% (note 17)
↪ In my team, we are united and we help each other	94%	94%
I CREATE VALUE		
↪ I create human, environmental and economic value for the business project	94%	93%
↪ 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	91%	90%
↪ My pay is fair in relation to my responsibilities and performance	60%	62%
↪ I am involved in Decathlon's performance. We share the value created together	85%	88%
↪ I feel like a co-owner of Decathlon through my shareholding	70%	73%
SUMMARY		
↪ I am happy to come to work every morning to advance our project, my project and our company values	91%	91%

2022 NFRD methodological notes


Note 17: These questions were included for the first time this year in the Decathlon Teammates Barometer, which explains the lack of data reported for 2021. The addition of two environment-related questions in the historical DTB measurement tool indicates the importance given to this topic. A comparative measurement of the answers to these questions from one year to the next will allow targeted action to be taken directly with the teammates.

SKILLS & DEVELOPMENT	2021	2022
% of teammates declaring that they have made progress in the use of digital technology in their responsibilities (DTB survey)	90%	90% (note 18)
% of teammates declaring that they take responsibility for their progress (DTB survey)	90%	91% (note 18)
% of teammates who have had at least 3 hours of training in the last 2 years 	n/a	71.1% (note 19)

2022 NFRD methodological notes

Note 18: Indicator from the Decathlon Teammates Barometer Survey, taking into account the result at the level of the theme and the total of "yes" answers ("yes, absolutely" and "yes, somewhat" answers).

Note 19: The rate obtained does not reflect Decathlon's efforts to increase the skills of its teams. The causes have been identified and work, still in progress, has been undertaken by the Decathlon teams to enable better reporting by the beginning of 2024.

SHARING VALUE	2021	2022
PAY AND PAY TRENDS		
World payroll (from 01/01 to 31/12)	€2,655,095,138	€3,088,961,288
% of payroll/sales (from 01/01 to 31/12)	19.3%	20%
EMPLOYEE SHAREHOLDING		
% of capital held by employee shareholders (as of 31/12)	12.3%	12.72%
% of employee shareholders (as of 31/12) 	50.93%	52.34% (note 20)
Number of employee shareholders (as of 31/12)	52,545	54,489 (note 21)
Number of countries/regions involved in the employee shareholding scheme (as of 31/12)	44	50 (note 22)

2022 NFRD methodological notes

Note 20: The objective of this indicator is "100% of eligible teammates who so wish are co-owners of Decathlon through the employee shareholding scheme" by 2026.

Note 21: The number of employee shareholders continues to grow. The growth in the number of shareholders shows a moderate dynamic (+3.7%), which can be explained in different ways. Several countries are showing good progress, reflecting the economic recovery in the Covid-19 context, strong shareholding incentives and a changing legal framework.

Note 22: Six countries were added to the scheme in 2022: Greece, Austria, Serbia, Latvia, Sweden, Ivory Coast. The list of countries/regions concerned by the 2022 employee shareholder scheme is now: France, Italy, India, Belgium, Mainland China, Germany, Hungary, Poland, Portugal, Russia, Spain, Australia, Brazil, Bulgaria, Cambodia, Canada, Chile, Colombia, Croatia, the Czech Republic, Egypt, Hong Kong, Ireland, Japan, Korea, Malaysia, Morocco, Mexico, the Netherlands, Philippines, Romania, Singapore, Slovakia, Slovenia, Sri Lanka, Switzerland, Taiwan, Thailand, Turkey, the United Kingdom, Ukraine, Israel, Tunisia, Lithuania, Greece, Austria, Serbia, Latvia, Spain, Sweden, and Ivory Coast.

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	2021	2022
Number of teammates with a share of remuneration based on non-financial performance criteria (as of 31/12)	n/a	n/a (note 23)

2022 NFRD methodological notes

Note 23: Harmonisation work for this indicator is still ongoing and needs to continue in order to be able to publish figures in the next 2023 NFRD.

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.

Switzerland, Singapore and Canada have therefore been included in addition to the previous 20 (France, Spain, Italy, Belgium, Mainland China, Germany, Portugal, Poland, Russia, India, Hungary, Turkey, Brazil, the Czech Republic, Romania, the United Kingdom, Morocco, the Netherlands, Mexico and Taiwan), bringing the total scope to 89.71% of the global workforce.

The following indicators relate only to these 23 countries/regions:

NUMBER OF TEAMMATE NATIONALITIES (23 COUNTRIES/REGIONS) DIVERSITY & INCLUSION	2021	2022
Number of nationalities in France (as of 31/12)	74	74
Number of nationalities in Spain (as of 31/12)	52	52
Number of nationalities in Belgium (as of 31/12)	28	32
Number of nationalities in Italy (as of 31/12)	72	71
Number of nationalities in Mainland China (as of 31/12)	14	18
Number of nationalities in Portugal (as of 31/12)	10	10
Number of nationalities in Poland (as of 31/12)	10	8
Number of nationalities in Germany (as of 31/12)	97	82
Number of nationalities in Russia (as of 31/12)	16	8
Number of nationalities in Hungary (as of 31/12)	3	6
Number of nationalities in India (as of 31/12)	7	5
Number of nationalities in Brazil (as of 31/12)	8	6
Number of nationalities in the Czech Republic (as of 31/12)	5	6
Number of nationalities in Turkey (as of 31/12)	4	6
Number of nationalities in Romania (as of 31/12)	9	6
Number of nationalities in the United Kingdom (as of 31/12)	74	72

NUMBER OF TEAMMATE NATIONALITIES (23 COUNTRIES/REGIONS) DIVERSITY & INCLUSION	2021	2022
Number of nationalities in Morocco (as of 31/12)	3	2
Number of nationalities in the Netherlands (as of 31/12)	36	54
Number of nationalities in Mexico (as of 31/12)	9	9
Number of nationalities in Taiwan (as of 31/12)	11	10
Number of nationalities in Switzerland (as of 31/12)	n/a	40
Number of nationalities in Singapore (as of 31/12)	n/a	27
Number of nationalities in Canada (as of 31/12)	n/a	n/a

TEAMMATE RECRUITMENTS & DEPARTURES (23 COUNTRIES/REGIONS) EMPLOYMENT	2021	2022
PERMANENT & NON-PERMANENT CONTRACTS		
Number of hires on permanent contracts (from 01/01 to 31/12)	18,854	22,591
Number of hires on non-permanent contracts (from 01/01 to 31/12)	47,788	46,515
Total hires on permanent and non-permanent contracts (from 01/01 to 31/12)	66,642	69,106
Number of resignations on permanent contracts (from 01/01 to 31/12)	15,040	17,838
Number of redundancies on permanent contracts (from 01/01 to 31/12)	1,607	2,528
Number of retirements on permanent contracts (from 01/01 to 31/12)	59	68
Other departures on permanent contracts (from 01/01 to 31/12)	2,399	3,434 (note 24)
Total departures on permanent contracts (from 01/01 to 31/12)	19,105	23,868

2022 NFRD methodological notes

Note 24: It should be noted that the "Other departures" category takes into account, in particular, mutually agreed terminations, end of trial periods, etc.

TEAMMATE RECRUITMENTS & DEPARTURES (23 COUNTRIES/REGIONS) EMPLOYMENT	2021	2022
TURNOVER		
Turnover rate for permanent staff (from 01/01 to 31/12):		(note 25)
→ France	19.3%	21.1%
→ Spain	19.1%	28.9%
→ Belgium	13.8%	16.1%
→ Italy	9.2%	10.7%
→ Mainland China	36.7%	24.7%
→ Portugal	18.4%	21.8%
→ Poland	22.6%	26.1%
→ Germany	25.7%	55.6%
→ Russia	38.9%	75.1%
→ Hungary	31.7%	28.8%
→ India	40.2%	55%
→ Brazil	47.5%	44.1%
→ Czech Republic	25.3%	24.8%
→ Turkey	66.4%	65.2%
→ Romania	40.2%	23.9%
→ United Kingdom	45%	42.5%
→ Morocco	77.8%	67.6%
→ Netherlands	30%	38.2%
→ Mexico	35.8%	52.4%
→ Taiwan	44.8%	53.1%
→ Switzerland	n/a	31.5%
→ Singapore	n/a	73.3%
→ Canada	n/a	84%

2022 NFRD methodological notes

Note 25: The turnover indicator is calculated on an average annual workforce on permanent contracts.

ORGANISATION OF WORKING TIME (23 COUNTRIES/REGIONS)	2021	2022
% of employees on permanent full-time contracts (as of 31/12)	62.8%	63.3% (note 26)
% of employees on permanent part-time contracts (as of 31/12)	37.2%	36.7%
% of employees on non-permanent full-time contracts (as of 31/12)	25.1%	26.1%
% of employees on non-permanent part-time contracts (as of 31/12)	74.9%	73.9%

2022 NFRD methodological notes

Note 26: On 75,230 employees on permanent contracts and 12,939 on non-permanent countries in the 23 countries/regions considered for these indicators.

ABSENTEEISM (23 COUNTRIES/ REGIONS)	2021	2022
Absenteeism rate for employees on permanent contracts (from 01/01 to 31/12):		(note 27)
→ France	3.1%	4.4%
→ Spain	3.7%	3.3%
→ Belgium	n/a	n/a
→ Italy	6.8%	6%
→ Mainland China	n/a	8%
→ Portugal	2.6%	3.3%
→ Poland	8.2%	8.5%
→ Germany	n/a	8%
→ Russia	n/a	0.1%
→ Hungary	5.5%	5.7%
→ India	n/a	n/a
→ Brazil	3.4%	4.8%
→ Czech Republic	4.2%	5.3%
→ Turkey	2.8%	3.1%
→ Romania	1.4%	1.2%
→ United Kingdom	2.4%	2.5%
→ Morocco	1.8%	3%
→ Netherlands	4.6%	5.7%
→ Mexico	10.9%	8.9%
→ Taiwan	0.2%	0.3%
→ Switzerland	n/a	5.9%
→ Singapore	n/a	2.6%
→ Canada	n/a	7%

2022 NFRD methodological notes

Note 27: 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.

WORKPLACE ACCIDENTS (23 COUNTRIES/REGIONS)	2021	2022
NUMBER OF WORKPLACE ACCIDENTS		
Number of workplace accidents resulting in sick leave (from 01/01 to 31/12):		(note 28)
→ France	656	657
→ Spain	255	264
→ Belgium	64	46
→ Italy	134	126
→ Mainland China	26	28
→ Portugal	57	33
→ Poland	39	45
→ Germany	103	71
→ Russia	5	3
→ Hungary	46	42
→ India	n/a	11
→ Brazil	15	13
→ Czech Republic	11	17
→ Turkey	80	77
→ Romania	14	6
→ United Kingdom	8	11
→ Morocco	34	27
→ Netherlands	13	14
→ Mexico	21	3
→ Taiwan	12	16
→ Switzerland	n/a	46
→ Singapore	n/a	2
→ Canada	n/a	8

WORKPLACE ACCIDENTS (23 COUNTRIES/REGIONS)	2021	2022
NUMBER OF WORKPLACE ACCIDENTS		
Frequency rate of workplace accidents resulting in sick leave (from 01/01 to 31/12):		(note 28)
		
→ France	21	19
→ Spain	19	17
→ Belgium	19	14
→ Italy	14	12
→ Mainland China	2	n/a (note 28)
→ Portugal	22	12
→ Poland	7	8
→ Germany	24	14
→ Russia	1	1
→ Hungary	22	18
→ India	n/a	1
→ Brazil	4	3
→ Czech Republic	7	8
→ Turkey	23	22
→ Romania	5,7	2
→ United Kingdom	4	4
→ Morocco	20	16
→ Netherlands	8	8
→ Mexico	33	3
→ Taiwan	9	12
→ Switzerland	n/a	34
→ Singapore	n/a	1
→ Canada	n/a	6

2022 NFRD methodological notes

Note 28: The accidents counted are only accidents with work interruption. We include accidents at the workplace or accidents while travelling between two workplaces. The frequency rate is a way of measuring the degree of exposure of employees to the risk of accidents, by neutralising the effect of changes in working hours and the number of employees. This rate makes it possible to monitor the evolution of the level of risk for an activity or a sector and to compare. Mainland China's 2022 data on the "frequency rate of workplace accidents resulting in sick leave" is not published due to the unreliability of the number of hours worked. Work has been undertaken by the Decathlon teams to report the information in the 2023 NFRD.

LEADERSHIP DIVERSITY & INCLUSION (23 COUNTRIES/REGIONS)	2021	2022
% of women leaders (as of 31/12):		(note 29)
↳ % France	28.6%	28.8%
↳ % Spain	42.6%	43.9%
↳ % Belgium	27%	27.4%
↳ % Italy	35.7%	38.7%
↳ % Mainland China	51.7%	51.6%
↳ % Portugal	32.9%	36.6%
↳ % Poland	53.8%	52.9%
↳ % Germany	42.8%	39.5%
↳ % Russia	54%	42.5%
↳ % Hungary	53.5%	48.5%
↳ % India	17.7%	18.2%
↳ % Brazil	35.7%	37.8%
↳ % Czech Republic	39.2%	41.4%
↳ % Turkey	31%	33.3%
↳ % Romania	42.8%	42.8%
↳ % United Kingdom	44.2%	40.4%
↳ % Morocco	36.9%	42%
↳ % Netherlands	30.1%	31.5%
↳ % Mexico	39.5%	42.9%
↳ % Taiwan	51.6%	55.2%
↳ % Switzerland	n/a	31.8%
↳ % Singapore	n/a	39.8%
↳ % Canada	n/a	28.2%

2022 NFRD methodological notes

Note 29: Women teammates with at least 1 person in line management.

EMPLOYMENT AND INCLUSION OF PEOPLE WITH DISABILITIES (23 COUNTRIES/REGIONS) DIVERSITY & INCLUSION	2021	2022
Percentage of teammates with recognised disabilities (as of 31/12):		
↳ % France	3.1%	3.2% (note 30)
↳ % Spain	2.1%	2%
↳ % Belgium	n/a	n/a
↳ % Italy	3.6%	3.8%
↳ % Mainland China	0.1%	0.1%
↳ % Portugal	0.8%	0.7%
↳ % Poland	0.7%	0.9%
↳ % Germany	0.7%	0.6%
↳ % Russia	0.4%	0.5%
↳ % Hungary	0.9%	1.1%
↳ % India	0.5%	0.7%
↳ % Brazil	1%	2.2%
↳ % Czech Republic	0.3%	0.3%
↳ % Turkey	1.1%	1.6%
↳ % Romania	2.8%	3.5%
↳ % United Kingdom	0.1%	0.1%
↳ % Morocco	0.4%	0.2%
↳ % Netherlands	n/a	0.2%
↳ % Mexico	0.2%	0.2%
↳ % Taiwan	1.2%	1.5%
↳ % Switzerland	n/a	0.2%
↳ % Singapore	n/a	0.4%
↳ % Canada	n/a	n/a

2022 NFRD methodological notes

Note 30: Some disability data could not be collected in 2022 from countries/regions due to the lack of national legislation, right to collect this information, etc.

HUMAN RIGHTS	2021	2022
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TRAINING HUMAN RIGHTS		
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Number of teammates trained on human rights	n/a	245 (note 31)
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2022 NFRD methodological notes

Note 31: This indicator is reported for the first time this year in the 2022 NFRD, hence the lack of history. The number of teammates trained in 2022 is 0.24% of the workforce as of 31/12/2022 for this first year of implementation of this new training. Our target of 30% of teammates trained in human rights around the world was not met by the end of 2022 due to:
 - technical difficulties in extracting data from training tools;
 - the technical implementation of local translations of the subtitles of the video material in the Elucidat e-learning creation tool;
 - and the lack of resources for some countries for training in the topics of Compliance and Human Rights.
 The objective by the end of 2023 will be to reach 30% of teammates trained in human rights in the world. The integration of the training in Compliance and Human Rights in the job description and responsibilities of the country Ethics & Compliance officers will also contribute to achieving this objective.

HUMAN RIGHTS IN THE VALUE CHAIN	2021	2022
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SKILLS HUMAN RIGHTS		
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% acquisition of sustainable development skills for production teams (as of 31/12)	77%	n/a (note 32)
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% acquisition of sustainable development skills for purchasing teams (as of 31/12)	78%	n/a (note 32)
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2022 NFRD methodological notes

Note 32: In 2021, the teams began a transition period between two tools to switch the monitoring of skills in terms of Sustainable Development from the Skill Matrix tool to the Decathlon Academy platform. However, the data extracted from Decathlon Academy for the year 2022 on these two indicators is not reliable enough to be included in the 2022 NFRD.

SCOPE & NUMBER OF ASSESSMENTS HUMAN RIGHTS		
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Number of production sites concerned by HRP assessments (as of 31/12):		
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↪ Number of Rank 1 production sites concerned	902	928 (note 33)
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↪ Number of Rank 2 production sites concerned	378	335
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Number of HRP assessments conducted (from 01/01 to 31/12)	989	1,067 (note 34)
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% of HRP assessments conducted internally (from 01/01 to 31/12)	60%	58% (note 35)
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2022 NFRD methodological notes

Note 33: Checks consisting of a periodic cross-check of the list provided by the Purchasing Department of suppliers with achieved sales were carried out with the list of suppliers coordinated on 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 SBD extractions, which can be explained by various technical reasons. In January 2023, there were still 253 suppliers for which the reasons have not yet been explained or corrections made. The analysis and monitoring work is continuing.
Note 34: In 2022, we carried out a total of 1,067 HRP audits and 615 were carried out internally by our local HRP auditors (internalisation rate in 2022 of 58%).
Note 35: In 2022, we had 1,067 internal HRP audits and 452 external HRP audits conducted by SGS & Bureau Veritas (outsourcing rate in 2022 of 42%).

HUMAN RIGHTS IN THE VALUE CHAIN	2021	2022
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FOCUS ON HRP RESULTS HUMAN RIGHTS		
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% 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	78%	86.7% (note 36)
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↪ % of Rank 2 production sites rated A, B or C	57%	61.8% (note 36)
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Results of HRP assessments of partners and company-owned production sites:

↪ % of company-owned production sites rated A, B or C	78%	67% (note 37)
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↪ % of partner supplier production sites rated A, B or C	91%	93%
	A: 1%	A: 1%
	B: 40%	B: 42%
	C: 50%	C: 50%

104 partner supplier production sites rated A, B or C

118 partner supplier production sites rated A, B or C (note 38)

2022 NFRD methodological notes

Note 36: The Covid-19 crisis has led to a delay in the proper implementation of our HRP assessment mechanism for the last two years. In 2022, we took action to catch up on late HRP assessments caused by the Covid-19 years. The efforts of the HRP assessment teams and the production network have made it possible to regain the level of performance in terms of HRP (increase of 4.7 points compared to the 2022 target of 82% ABC). Various actors were heavily involved (OPM SD by process, network of assessors, SD relays by process, process managers, country managers) and various webinars were regularly organised to promote connections and exchanges.
 In 2022:
 - The "Autonomy in HRP" programme was launched and 11 partner sites were certified in this framework.
 - The teams updated the overall HRP compliance framework to support the new supplier segmentation defined in Decathlon's purchasing policy.
 - Decathlon has also become a member of Sedex (Supplier Ethical Data Exchange), an organisation working to improve working conditions in global supply chains. In order to test the equivalence of external audit standards, Decathlon has piloted SMETA (Sedex Members Ethical Trade Audit) audits across 25 different production sites in Mainland China, Italy, Turkey, Bangladesh and India, with a primary focus on Rank 2 suppliers.
 The % ABC target is set at 88% for Rank 1 suppliers by 2023.
 Note that:
 - We have 928 active Rank 1 production sites and 805 that are in the ABC ranking for HRP audits, with the 2022 result being 86.7% for this ABC Rank 1 ranking. For reasons of methodological rigour, we have removed the impact of 43 Rank 1 production sites that have not been assessed for more than one year according to the country frequency level.
 - Of the 335 Rank 2 production sites, 207 sites are in the ABC ranking, i.e. a rate of 61.8%. 49 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. During the year 2022, efforts were prioritised on the completion of the Rank 1 audits to date.
Note 37: In 2022, Decathlon had 9 factories worldwide. 3 sites in France are more than a year behind schedule according to the country's frequency level; for this reason we have removed the impact of these sites from our % ABC calculation. We have a Decathlon factory in Mainland China that has been certified from the "HRP Autonomy" programme.
Note 38: The scope of the indicator covers 118 partner production sites (52 partners in total) and 110 sites are in the ABC HRP ranking.

DELIGHT FOR OUR PRODUCTS	2021	2022
CUSTOMER & USER SATISFACTION		
% of sports users delighted with Decathlon products (from 01/01 to 31/12) 	71.5%	71.7% (note 39)
Average scores given by customers on Decathlon products (from 01/01 to 31/12)	4.51	4.54 (note 40)
Coefficient of influence on the quality of recommendations of Decathlon products by Decathlon teammates (from 01/01 to 31/12)	3.9	3.9 (note 41)
"Decathlon Products Barometer" score on the quality of recommendations of Decathlon products by Decathlon teammates (from 01/01 to 31/12)	40 (scope 24 countries/regions)	40 (scope 35 countries/regions) (note 41)

2022 NFRD methodological notes

Note 39: This indicator relates to the percentage of delighted sports users who gave a score of 5/5 on their product review. The indicator covers 1,571,195 product reviews collected in 2022 (1,069,209 reviews collected in 2021). These are the "solicited" reviews of our customers on Decathlon products excluding Other International 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 2022 was 74%. It has not been achieved, although this year's result is an improvement on 2021.

In 2022, Mainland China implemented a new methodology for collecting reviews via a solution called "Glad To See You". This new collection strategy allows them to collect more reviews, which significantly increases the impact on this indicator. However, this data is not currently available in an automated way and remains very difficult to access in our reporting tools. Thus, the reviews submitted by Chinese customers and users could not be taken into account for the year 2022. These reviews are in the process of being made available and should be effective for 2023. The impact of Chinese reviews should be extremely positive as the average is estimated at more than 4.8/5 for Mainland China with a weight of almost 20% on the indicator (last estimate in October 2022).

Note 40: This indicator is newly reported in the 2022 NFRD. It includes both extensive and spontaneous reviews on a worldwide basis and concerns only Decathlon brand products. The issue related to the reviews submitted by Chinese users and customers is identical to that described for the indicator "% of sports users delighted with Decathlon products".

Note 41: This indicator was integrated into the NFRD as of the 2018 financial year and then only concerned the France scope (10,427 Decathlon teammates responded). It has been extended each year to reach 35 participating countries/regions in 2022 (Algeria, Australia, Belgium, Brazil, Bulgaria, Canada, Chile, Mainland China, Colombia, Croatia, the Czech Republic, England, Egypt, France, Germany, Hong Kong, India, Italy, Mexico, Morocco, the Netherlands, Poland, Portugal, Romania, Senegal, Serbia, Singapore, Slovenia, South Korea, Spain, Sweden, Switzerland, Taiwan, Thailand, Turkey) with 68,000 responses.

The Decathlon Products Barometer is based on a simple methodology, called Net Promoter Score (NPS), adapted for recommendation by teammates. It is important that they know and convey the image and quality of Decathlon products.


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 "Decathlon Products Barometer" measures the level of recommendation of own-brand products by the company's teammates (all professions combined).

The 2022 result for all Signed Sports is 40 (54% promoters - 14% detractors).

The "Decathlon Products Barometer" score alone is not enough; a 2nd indicator of importance has been added: the influence coefficient (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, there are more positively influenced people than negatively influenced people at the start.

The ambitions, in 5 years, are to reach a score of 50 on the "Decathlon Products Barometer" indicator, and 6 on the influence coefficient (6 times more promoters than detractors). It should be noted that despite 11 additional countries this year, the results for 2022 are identical to those for 2021. This suggests that the inclusion of new countries in the DPB does not necessarily affect the international score.

DELIGHT FOR OUR PRODUCTS	2021	2022
PRODUCT QUALITY		
Number of returns for quality issues per million Decathlon products sold (from 01/01 to 31/12) 	988	1,059 (note 42)
Number of cases for which there were Quality Corrective Actions (QCA) for Decathlon products and other international brands (OIB) (from 01/01 to 31/12)	243	243 (note 43)
Number of Decathlon and OIB products concerned by these QCAs (from 01/01 to 31/12)	0.46 millions products	1.06 million products

2022 NFRD methodological notes

Note 42: The 2022 result is slightly higher than the 2021 value. The teams analysed the evolution of the indicator throughout the year and observed a deterioration in performance that was difficult to explain by any one factor. Comprehensive analyses were carried out to define which Sports and Processes performed better or worse. It was found that some areas of activity have better results than others. This indicator will therefore be monitored with particular attention in 2023 and remains very complementary to the indicators related to customer satisfaction.

Note 43: This indicator concerns all quality files without exception: provisional files, not yet estimated or closed in 2022.

The number of open files is stable compared to 2021. However, the trend is good because starting from this year, the Quality teams have integrated all the files managed locally by other countries (Mainland China, India, Turkey, Brazil). Indeed, these countries have teams capable of opening quality files independently. Until now, each country had its own database. Since 2022, all files are centralised in one place and allow for a more exhaustive management of this indicator.

DELIGHT FOR OUR PRODUCTS	2021	2022
PRODUCT QUALITY		
% of Decathlon & OIB products repaired, donated and recycled as a result of QCAs (as of 31/12):		
↳ % recycled	1.6%	5.4% (note 44)
↳ % donated	1%	12.1% (note 45)
↳ % repaired	91.7%	65% (note 46)
↳ % supplier returns	0.2%	3.8% (note 47)
↳ % destroyed	5.5%	13.6% (note 48)
Weight of products having undergone a QCA saved from destruction (from 01/01 to 31/12)	496 tonnes	625 tonnes

2022 NFRD methodological notes

Note 44: Recycling products is not easy, especially as:

- the vast majority of the products concerned are composed of several materials that are difficult to separate. However, to recycle effectively, components must be isolated;
 - the current panel of recycling providers meets the needs for products made of metals (easily reusable components) but is not sufficiently equipped for other materials.
- In 2022, the recycling of non-compliant products increased significantly (44,554 quantities recycled in 2022 vs 7,231 in 2021) thanks to partnerships signed with new service providers to develop specific recycling channels.

Note 45: 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 (in France) is provided by the association as proof that the donation has been made.

The quantities donated in 2022 are ten times greater than those donated in 2021, due in particular to three significant donations of sleeping bags (15,184 products), fleece jackets (16,721 products) and walking shoes (26,409 products).

Note 46: 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-conforming products:

- Either in stores or warehouses, when the repair is easy to carry out;
- Or by a service provider when it is complex or represents large quantities;
- Or the products are sent to the supplier for repair.

The percentage of non-conforming products repaired has decreased compared to last year, although the same means were used to repair them. This can be explained:

- by the fact that there were more products that could not be repaired this year. (e.g. nutritional products, irreparable defects such as an invalid colour);
- by the development of recycling channels that increase the % of recycled products.

Note 47: This part only includes non-conforming products that have been returned to the supplier with no knowledge of their fate. A return to the supplier, if not to repair a product, is a rare practice, which explains this low percentage.

Also, the quality team is strongly involved to identify what happens to non-conforming products returned to suppliers in order to better integrate and monitor the "% of products recycled, repaired and donated following QCAs" indicators.

Note 48: This 13.6% corresponds to products that had to be destroyed because it was not possible to repair, donate or recycle them.

This can happen with products which, for example, present a significant toxicological risk. In this case, they are incinerated. Moreover, for products with complex compositions that cannot be used, recycling is difficult to implement.

Note that the percentage of products destroyed increased from 5.5% in 2021 to 13.6% in 2022. This was due in particular to the closure of a file that resulted in the destruction of 74,000 unfit-for-consumption nutrition bars in India (out of a total of 112,479 items destroyed in 2022).

DELIGHT FOR OUR PRODUCTS	2021	2022
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)	93.9%	81.6% (note 49)
% of samples that comply with Decathlon's chemical requirements (from 01/01 to 31/12)	86%	85.8% (note 50)
Number of suppliers trained in chemical management (from 01/01 to 31/12)	43	44 (note 51)
Number of suppliers concerned by the ZDHC project at Decathlon (from 01/01 to 31/12)	n/a	373 (note 52)
% of suppliers concerned by the ZDHC project and having committed to the approach (from 01/01 to 31/12)	n/a	58% (note 53)
Average time of 1 st customer contact following an allergy report (from 01/01 to 31/12)	1.9 day	2 days (note 54)
Average time taken to close a customer file following the management of an allergy complaint or a customer question on chemical substances (from 01/01 to 31/12)	40 days	37 days (note 55)

2022 NFRD methodological notes

Note 49: The drop in performance for 2022 compared with 2021 should be moderated given the 2022 context:
 - Firstly, publication of the new version of the RSL (Restricted Substances List) version M in the first quarter with a new call for signature campaign by suppliers;
 - Ongoing transition to a new supplier monitoring tool which required the temporary implementation of manual signature management and manual extraction of the list of suppliers. The figure of 81.6% (conservative low value) represents a satisfactory result in view of the unfavourable context in terms of tools.

Note 50: There was no significant variation in the indicator "% of samples meeting Decathlon's chemical requirements" from year to year. The rate of non-conforming samples remains relatively constant, due to:
 - developments in test packages (which increase it);
 - our effectiveness in testing more and more precisely the riskiest perimeters (which increase it);
 - and the supplier training and upstream product testing policy (which lower it).

The number of products tested to Decathlon's toxicological requirements (5,739 in 2020, 6,894 in 2021, 7,451 in 2022) has been steadily increasing slightly over recent years 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).
- We are pushing for more testing of our components that will be used in the manufacture of several product categories (risk management further up the manufacturing chain). This is counterbalanced by some of the tests carried out and monitored outside the Corporate tool by the central teams.

Note 51: A total of 272 suppliers have been trained in chemical risk management since the training was introduced, including 44 new suppliers in 2022. In addition, 16 suppliers already trained before 2022 received a visit from a trainer during the year for a second training and/or a follow-up visit on the implementation of the actions requested following the first training received. Despite the fact that travel is still limited by the Covid-19 pandemic, supplier training continues thanks to a network of nearly 30 trainers in the production countries.

Note 52: This indicator is reported for the first time this year.

373 Decathlon supplier sites are involved in the ZDHC project at the end of 2022. These are suppliers of components or finished products of the textile, leather or footwear industry that use the most risky industrial processes.

Note 53: This indicator is reported for the first time this year.

In 2022, 215 supplier sites were connected to the GATEWAY (the official ZDHC platform for listing chemicals), which represents 58% of the supplier sites involved.

The results at the end of 2022 are moving in the right direction and we are confident that we will reach the 60% target set for April 2023.




Note 54: In 2022, we noted a slight deterioration in this indicator compared to the previous year, due in particular to the average contact time for international files (2.2 days). The French average (1.9 day) has not succeeded in catching up with international files (2.2 days). It was therefore not possible to achieve the 2022 target of 1.8 day on average. As with the average time taken to close files, the Chemicals Management teams must remain vigilant during peak periods of activity (summer) in order to stay on course and aim for a lower average.

Note 55: In 2022, we saw an improvement in the average time taken to close customer files (3 days less than the previous year), despite a more complex context with approximately 180 more customer files managed than in 2021, and the inclusion of other international brands (OIB) which are now accounted for since the beginning of 2022. The objective is to continue to improve on this indicator in order to move towards a close after 35 days, to strengthen management and efficiency during the summer period, when a strong increase in the number of cases is observed.

Note: international cases include customer issues handled in an average of 14 days. For the sake of representativeness, the overall average for this indicator is based on the French average.

PERFORMANCE INDICATORS

PRESERVING NATURE

FIGHT AGAINST CLIMATE CHANGE (IN OUR STORES AND WAREHOUSES, AT OUR SUPPLIERS)	2021	2022
SCOPES 1,2 AND 3 CO₂ EMISSIONS		
Greenhouse gas emissions by scope (from 01/01 to 31/12) in tonnes of CO ₂ equivalent: (notes 56, 57, 58 and 59)	11,722,350 tCO ₂ e	11,527,535 tCO ₂ e
→ Scope 1 	31,520 tCO ₂ e	27,106 tCO ₂ e
→ Scope 2 (Location based methodology) 	224,318 tCO ₂ e	189,134 tCO ₂ e
→ Scope 2 (Market based methodology) 	41,644 tCO ₂ e	42,025 tCO ₂ e
→ Scope 3	11,649,186 tCO ₂ e	11,458,404 tCO ₂ e
Change in greenhouse gas emissions compared to the value for year Y-1	13.28%	-1.66%
Change in greenhouse gas emissions compared to the value for the reference year 2016	16.57%	14.63%
% of reduction in absolute value on scope 1 and 2 since 2016	-64.65%	-66.6%

2022 NFRD methodological notes

Note 56: Regarding the methodological changes adopted for our assessments:

PRODUCT IMPACT (EXCLUDING TRANSPORT UPSTREAM AND DOWNSTREAM OF THE VALUE CHAIN):
 The emission factor databases used to calculate our environmental impact and integrated into our new calculation tool (Glimpact) come from different sources: ADEME Impacts database, Europe's ELCD database, Ecoinvent database and other data developed directly with our suppliers. The Product Environmental Footprint (PEF) calculation method has changed the way we calculate the end-of-life impact of products. The circular footprint formula is now used to calculate this stage of the product life cycle. However, the product aggregation rule has not changed.

ENERGY IMPACT IN PRODUCTION:
 In order to bring more precision to the measurement of renewable electricity consumed in production, the teams added in 2022 the percentage of sales made by Decathlon with suppliers. This is to avoid overestimating the amount of renewable electricity actually consumed in the manufacture of Decathlon products. This data (% of sales) is declarative and most frequently communicated for a full year. 723 production sites reported this data for the year 2022, 570 for the year 2021.

Note that the bonus-malus corresponds to the addition of CO₂e emissions generated by the production of kWh not measured in our LCAs (with a share from renewable energy).

TRANSPORT UPSTREAM OF THE VALUE CHAIN:
 The collection methodology has been made more reliable through the implementation of control towers in 2022, which has made it possible to verify that 100% of the data is integrated into the calculation of international transport in an automated manner.

SITE CONSTRUCTION AND OPERATION:
 No change in calculation methods.
 Given these methodological changes, the historical data has been recalculated from 2016, the reference year (for more information, see the methodological note on pages 214-215-216).

Note 57: Regarding the changes in scope for our assessments:

PRODUCT IMPACT (EXCLUDING TRANSPORT UPSTREAM AND DOWNSTREAM OF THE VALUE CHAIN):
 No changes in scope.

ENERGY IMPACT IN PRODUCTION:
 In 2022, the number of suppliers sharing energy data with us increased (846 sites in 2022 compared to 764 in 2021).

WAREHOUSE TO WAREHOUSE TRANSPORT:
 The geographical scope has increased: in 2021, 52.5% of worldwide data was included in the CO₂ assessment, compared to 94.3% in 2022.

SITE CONSTRUCTION AND OPERATION:
 No change in the scope of in-store activities. The scope covers all stores excluding franchises.

Note 58: Regarding Decathlon's CO₂ reduction targets:

- The company's commitments to reduce climate impact are the same as in 2021, namely:
- 90% reduction in our absolute emissions (tCO₂e) on scope 1 and 2 between 2016 and 2026;
- 53% reduction in our carbon intensity (tCO₂e/€ of added value) on scopes 1, 2 and 3 between 2016 and 2026;
- coordination of suppliers representing 90% of the emissions from our product and service purchases to set their own reduction trajectory in line with science.

However, the tracking and management of CO₂ intensity/€ of added value does not strictly guarantee a reduction of emissions in absolute value. The company has therefore defined a new internal objective aimed at reducing the carbon footprint on scopes 1, 2 and 3. This new target is not yet validated and should be submitted to the Science Based Target Initiative for validation in 2023: Reduction of 20% of our emissions in absolute value on scopes 1, 2 and 3 between 2021 and 2026, corresponding to the target volume of residual emissions for 2026. As the path between 2021 and 2026 is essential to meet our 1.5°C commitment, Decathlon has also defined an annual CO₂e reduction trajectory. This takes into account the inertia of decarbonisation and results in increasingly ambitious reduction targets, year after year.

Note 59: Regarding the analysis of Decathlon's carbon footprint in 2022:

SITE CONSTRUCTION AND OPERATION:

With regard to our SBT target of reducing our total emissions by 90% on scopes 1 and 2 (market-based methodology): there has been a reduction of 66.6% (between 2016 and 2022) for a reduction target of 90% by 2026. This performance is analysed as follows:

There is an increase of 6.6% in scope 1 compared to 2016. Its evolution is linked to the growth of m² after a year 2021 still disrupted by the closures due to Covid-19. Improving the reliability of gas consumption data increases its impact. On the other hand, there was a decrease in the impact related to air conditioning (refrigerant leaks) due to a more systematic measurement of these leaks with an increasing share of real data used.

Despite a 6.2% increase in electricity consumption this year, our scope 2 market-based impact increased slightly (+0.9% vs 2021) due to the purchase of renewable electricity covering 84.8% of our consumption in 2022.

As a result, we have reduced our scope 2 impact by 76.8% since 2016, whereas it would have increased by 1% without this action (see "location-based" figure). In 2022, reported energy consumption increased as more countries had access to their actual gas consumption, which was previously underestimated.

PRODUCT IMPACT (EXCLUDING TRANSPORT UPSTREAM AND DOWNSTREAM OF THE VALUE CHAIN):

Products sold account for 85% of Decathlon's CO₂ emissions. Since 2018, we have therefore embarked on a low-carbon design strategy through the Ecodesign of our products. The aim is to limit the environmental impact as much as possible. We measure this strategy by the share of sales made with Ecodesign products and by the CO₂ emission intensity per Euro of sales. In terms of Ecodesign, we have quadrupled the share of sales of Ecodesign products from 5.9% of total sales in 2020 to 23% in 2022 (our 2023 target is 35%). This represented €4.2 billion in sales including taxes for the year and 200 million quantities of Ecodesign products sold. In addition, we have reduced our CO₂ emissions intensity per Euro of sales by -11.98% compared to 2021 and -20.2% compared to 2019 (reference year excluding Covid-19). The products that contributed most to the decrease in CO₂ intensity were textiles (-13%). These are also the products for which the share of sales of Ecodesign products has increased the most, from 22% in 2021 to 36% in 2022. As a result of these actions, our product-related CO₂ emissions have decreased by 2.8% compared to 2019, despite a 25.1% increase in sales over the same period. This represented approximately -290,000 tonnes less CO₂ emitted compared to 2019. We have therefore started this year to break the link between our sales, which are up, and our CO₂ emissions, which are falling.

ENERGY IMPACT IN PRODUCTION:

In keeping with the energy efficiency programme, dedicated audits were carried out with the help of external organisations, resulting in 92 energy efficiency actions (electrification of boilers, installation of meters on the most energy-intensive machines, etc.) which generated a saving of 46,314 MWh.

At the end of 2022, production was impacted by the reduction in orders, which resulted in a decrease in energy consumption.

However, for the share of renewable electricity, the impacts were positive as the year-end production was concentrated on partner suppliers and Key Account Suppliers (Rank 1 suppliers with a privileged relationship) who have a higher share of renewable electricity (mainly via the purchase of offset certificates).

In addition, work has been carried out to improve the reliability of suppliers' electricity consumption data. This allowed for the correction of data that had historically been incorrectly double-counted. This correction has a positive impact on CO₂ performance (continuous improvement of impact measurement, previously with a conservative approach).

IMPACT OF TRANSPORT FROM PRODUCTION SITE TO CUSTOMER:

The year 2022 was marked by a very strong action for a decrease in air transport and a geopolitical context negatively impacting the modes of transport used (decrease of rail on international transport).

In addition, we are constantly seeking to optimise our trucks, while at the same time transforming our logistics network and warehouses in Europe. In warehouse-to-warehouse transport, there is also an improvement, particularly in Europe. There are two main explanations:

- Work carried out by the teams when loading trucks and validating shipments (validation only when the truck is optimised);

- Basin separation project which makes it possible to reduce the number of kilometres travelled in Europe.

In distribution transport (warehouse - store), the CO₂/item intensity improved in 2022. This reflects the local implementation of transport decarbonisation strategies (e.g. mainland China, Brazil).

STORES AND PRODUCTION SITES:

The climate performance of our sites is explained by the following points:

- Air conditioning: significant reduction in the carbon impact (approximately 4,000 tonnes of CO₂e) linked to refrigerant leaks due to better coordination of local teams leading to more systematic measurement of these leaks and an increasing share of real data;

- Energy: stabilisation of the carbon impact linked to energy. At this stage, not all renewable electricity certificates have been validated by Schneider. However, the focus on renewable electricity has been offset by an overall increase in energy consumption over 2022. On the other hand, it should be noted that the CO₂e impact of non-renewable electricity consumption has decreased significantly due to the evolution of emission factors reflecting less carbon-intensive energy mixes;

- Construction: significant decrease in the carbon impact of construction due to less m² in 2022 (vs 2021) and these new m² were opened proportionally more in existing buildings (81% vs 76% in 2021);

- Business travel: slight decrease in travel due to budgetary restrictions, resulting in a small decrease in carbon impact;

- Employee travel: slight decrease in carbon impact reflecting the increase in ecomobility (21% ecomobility km in 2021 vs 33% in 2022);

- Customer travel: significant increase in carbon impact due to increased activity (vs 2021, Covid-19 context) and better measurement (new customer survey);

- Waste: non-significant increase (1.5%) related to 2021 waste recalculated according to the new methodology applied in 2022 and mainly explained by a minimal increase in activity (slight increase in quantities sold);

- Purchase of goods: significant increase in carbon impact, mainly due to the update of emission factors and increased reporting on this type of activity.

FIGHT AGAINST CLIMATE CHANGE (IN OUR STORES AND WAREHOUSES, AT OUR SUPPLIERS)		
	2021	2022
CO₂ EMISSION INTENSITY		
CO ₂ emission intensity in kg CO ₂ e per product sold	8.98 kg CO ₂ e/ product sold	8.68 kg CO₂e/ product sold
Change in CO ₂ emission intensity per product sold compared to the value for the year Y-1	-0.17%	-3.31%
Change in CO ₂ emission intensity per product sold compared to the value for the reference year 2016	-2.41%	-5.64%
CO ₂ emission intensity in kg CO ₂ e by sales (sales excluding taxes)	0.85 kg CO ₂ e/€	0.75 kg CO₂e/€
Change in CO ₂ emission intensity by sales compared to the value for the year Y-1	-6.39%	-11.98%
Change in CO ₂ emission intensity by sales compared to the value for the reference year 2016	-15.93%	-26%

FIGHT AGAINST CLIMATE CHANGE (IN OUR STORES AND WAREHOUSES, AT OUR SUPPLIERS)		
	2021	2022
BREAKDOWN IN % OF GREENHOUSE GAS EMISSIONS BY LIFE CYCLE STAGE		
Raw material extraction and production	80.4%	78.2%
Assembly	0.4%	0.4%
Packaging	2.1%	2.3%
Product transportation	1.9%	2.2%
Product use	4.8%	5%
Site construction and operation	2.8%	2.8%
Teammate and customer travel	10.8%	12.2%
Product end of life	-3.2%	-3.1%

RAISING EMPLOYEE AWARENESS OF THE CLIMATE ISSUE		
Number of employees made aware of the causes and consequences of climate change (from 01/01 to 31/12)	1,470	5,565 (note 60)

Note 60: This indicator is reported for the first time this year and corresponds to the number of employees who were trained at the Climate Fresco. From 2023, e-learning will also be available to allow employees to choose between two types of training (physical and online). 7,035 employees have been trained since January 2021.

FOCUS ON CO ₂ MANAGEMENT IN THE SUPPLY CHAIN		
Number of production sites autonomous in measuring their CO ₂ e emissions (from 01/01 to 31/12)	764	846 (note 61)
Number of production sites with a validated Science Based target (from 01/01 to 31/12)	289	475 (note 62)

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Note 61: This indicator concerns all production sites that measure their carbon emissions in the Resource Advisor tool at the end of 2022.

It should be noted that the climate objectives are reviewed each year because the scope of supplier coordination also evolves to adapt to the company's decarbonisation ambition. The commitment of suppliers to measure their CO₂ emissions and to validate an emissions reduction trajectory should be progressively deployed on all Rank 1 and Rank 2 supplier sites.

Note 62: Suppliers follow the official SBTi validation process or take the following 3 steps: use the excel tool for the trajectory, sign a commitment letter and propose an action plan. These 3 steps are validated by Decathlon teams.

As of 31/12/2022, 475 production sites have validated a Science-based climate commitment (400 of these sites are part of the list of production sites chosen by Decathlon buyers to be coordinated on decarbonisation topics).

FIGHT AGAINST CLIMATE CHANGE (IN OUR STORES AND WAREHOUSES, AT OUR SUPPLIERS)		
	2021	2022
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	657,750,156 kWh	702,325,244 kWh (note 63)
↪ Gas consumption	70,875,540 kWh	72,967,674 kWh (note 64)
↪ Total energy consumption	728,625,696 kWh	775,292,918 kWh (note 65)
Energy consumption in kWh/m² in stores (from 01/01 to 31/12)	108.1 kWh/m ²	108.7 kWh/m² (note 66)
Energy consumption in kWh/m² in warehouses (from 01/01 to 31/12)	52.4 kWh/m ²	65.2 kWh/m² (note 66)
Consumption of electricity from renewable sources by stores and warehouses (from 01/01 to 31/12)	543,234,780 kWh	595,697,046 kWh
% of electricity from renewable sources consumed by stores and warehouses (from 01/01 to 31/12)	82.6%	84.8% (note 67)

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Note 63: There has been an increase in the energy consumption at our sites, which varies from country to country and is due to two main factors: a full year of operation after 2020 and 2021 with partial openings due to Covid-19. In addition, new stores have opened and the surfaces are therefore larger in 2022, which leads to greater consumption. Despite numerous actions taken to reduce energy consumption at our sites, the results of these actions are not yet visible in our energy consumption figures.

Note 64: For gas, there have been a combination of impacts on this indicator:
- on the one hand, some countries are reducing their consumption through actions to reduce heating;
- while, on the other hand, it has increased in countries that now collect real data and in countries that had consumed less in 2021 due to Covid-19-related closures.

Note 65: Actions on energy management are ongoing and focus on 3 areas:
- long-term on-site PPA contracts for the installation of photovoltaic panels, mainly on our owned sites, with renewable energy suppliers;
- verification and validation of renewable energy data by Schneider twice a year;
- measures at local level to increase the energy efficiency of our sites.

Concerning energy efficiency and sobriety: the energy crisis in Europe has led some European countries (e.g. France, Germany, Italy) to launch an exceptional sobriety plan to contribute to the collective effort to reduce energy consumption (such as adjusting store temperatures to reduce the use of heating and air-conditioning or reducing the brightness of lighting). This exceptional sobriety plan was launched in the 4th quarter of 2022, so the results are not yet sufficient to compensate for the whole year.

Note 66: Stores: in 2022, the level of the result is close to that of 2019, and therefore less efficient than in 2020 and 2021, years in which a decrease in energy consumption per m² was observed. This is explained by several factors, the most impacting being the periods when our stores are closed during the cold season. Despite the energy efficiency improvement measures at our sites (installation of LEDs, new certified shops, sobriety plans, etc.), there were no significant improvements compared to 2019. Various elements influence energy consumption (heatwave, cold or mild winter, digitalisation, etc.), which makes it difficult to analyse the effectiveness of the measures taken.

Warehouses: the mechanisation of warehouses can explain this increase, at least in part. In Europe, the very hot summer also resulted in high electricity consumption to cool warehouses. In addition, but also related, the increase in Decathlon's sales volume (stores and e-commerce) has led to greater energy use (through the mechanisation available) and, consequently, to an increase in energy consumption per m².

Note 67: 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). The goal is to achieve 100% renewable electricity by 2026 at our owned sites (regardless of the mode). We prioritise the installation of photovoltaic panels on site, then off site projects and finally complete the process with certificates / guarantees of origin.

We launched POC (Proof of Concept) tests of long-term on-site PPAs in mainland China (5 shops) and India (4 shops) in 2021 and concluded them in December 2022 with Amarenco. In 2022, a call for tenders for the installation of photovoltaic systems on our own sites was launched in Europe. This tender includes 10 candidate suppliers for 8 countries and 80 sites. A letter of intent has been signed with EDP for 7 countries and 74 sites, and implementation contracts will be signed progressively with deployment taking place over 2023 and 2024.

The recruitment of a Group energy manager at the end of 2022 will allow us to accelerate our approach to renewable energy, to study the optimisation of our energy purchases and solutions, notably by exploring off-site PPA solutions at country level and/or by grouping several countries.

The distribution of access to renewable electricity is currently as follows: 2.5% self-consumption (on-site PPA) and 97.5% purchased renewable electricity (guarantee of origin certificates). Note the list of new countries that now have renewable energy (or at least part of their consumption is covered by renewable energy): Hungary, Canada, Thailand, the Czech Republic, Bulgaria, Lithuania and Bangladesh.

FIGHT AGAINST CLIMATE CHANGE (IN OUR STORES AND WAREHOUSES, AT OUR SUPPLIERS)		
	2021	2022
FOCUS ON ENERGY MANAGEMENT IN THE SUPPLY CHAIN		
% of electricity from renewable sources consumed by our production sites involved in decarbonisation issues (from 01/01 to 31/12)	33% (note 68)	44% (note 68)
Number of production sites with an energy efficiency programme (from 01/01 to 31/12)	62 (note 69)	68 (note 69)
Number of Rank 1 production sites using coal (as of 31/12)	31	32 (note 70)
Number of Rank 2 production sites using coal (as of 31/12)	n/a	11
Tonnes of coal consumed by Rank 1 production sites	483,002 tonnes	417,088 tonnes (note 71)
Tonnes of coal consumed by Rank 2 production sites	106,410 tonnes	111,436 tonnes (note 71)

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Note 68: The scope of the indicator covers a panel of production sites chosen by Decathlon buyers to be involved in decarbonisation issues and for which data is available, i.e. 521 sites as of 31/12/2022 (519 sites as of 31/12/2021 for the previous year). The % of electricity from renewable sources for these suppliers was 33% in 2021 and is 44% in 2022. This is the total electricity from renewable sources vs the total electricity consumed. The renewable sources taken into account are:

- energy attribute certificates (38%);
- long-term PPAs and on-site renewable electricity production (solar panels and wind turbines) (6%).
For renewable electricity, the priority is to accelerate on PPA and on-site renewable electricity sources and to continue to use energy attribute certificates, with the target of reaching 67% for the entire panel by 2026.


Note 69: 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 involved in decarbonisation issues and for which data is available, i.e. 521 sites as of 31/12/2022. (519 sites as of 31/12/2021 for the previous year's data).

Note 70: Coal is a very carbon-intensive energy source. In order to reduce the impact of production, it is very important to work with our suppliers on this issue. Decathlon's target with the UNFCCC is to commit its Rank 1 suppliers to be coal-free on site by 2025 and its Rank 2 suppliers by 2030. Decathlon's production teams support these suppliers to conduct feasibility and cost studies, in addition to validating coal reduction trajectories. This includes electrification or the use of gas or biomass as an alternative to coal, through the construction of a local network for the supply of these energy sources by working with its external stakeholders.

At 31/12/2022, there were 32 Rank 1 supplier sites consuming coal and 11 Rank 2 supplier sites identified. A more exhaustive inventory of Rank 2 suppliers using coal is underway.

Note 71: These indicators are reported for the first time this year.

TRANSPORT & LOGISTICS	2021	2022
TRANSPORT & LOGISTICS		
Breakdown of volumes of finished products transported by means of transport worldwide (from 01/01 to 31/12)		
→ % air	1%	0.4% (note 72)
→ % rail	2.7%	2.3% (note 72)
→ % sea	87%	89.7% (note 72)
→ % road	9.3%	7.6% (note 72)
CO₂ emissions by means of international transport worldwide (from 01/01 to 31/12): 		
→ CO ₂ emissions by air	12,840,000 kg CO ₂ e	7,742,000 kg CO₂e (note 73)
→ CO ₂ emissions by rail	3,982,000 kg CO ₂ e	2,185,000 kg CO₂e (note 73)
→ CO ₂ emissions by sea	42,897,000 kg CO ₂ e	40,003,000 kg CO₂e (note 73)
→ CO ₂ emissions by road	3,579,000 kg CO ₂ e	3,167,000 kg CO₂e (note 73)
CO₂ emissions from the transport of Decathlon products delivered worldwide (from 01/01 to 31/12)		
→ From production countries to key import warehouses	89	51 (note 75)
→ From key import warehouses to distribution platforms	38.1	41.7 (note 76)
→ From distribution platforms to stores	79.8	96.9 (note 77)
% of post-shipping multimodal transport in Europe (from 01/01 to 31/12)	18.3%	15.6% (note 78)
CO₂ emissions from post-shipping multimodal transport in Europe (from 01/01 to 31/12)		
→ CO ₂ emissions by Waterway	n/a	92,934 kg CO₂e
→ CO ₂ emissions by Rail	n/a	316,786 kg CO₂e
→ CO ₂ emissions by Road	n/a	2,390,039 kg CO₂e
Average load volume per truck between key import warehouses and distribution platforms in Europe (from 01/01 to 31/12)	51.4 m ³ (12,539 items per lorry)	52.3 m³ (13,435 items per lorry) (note 80)
% of km travelled in Europe from import warehouses to distribution platforms using low-carbon transport (from 01/01 to 31/12)	39%	25.2% (note 81)
% 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)	19.7%	9.4% (note 81)

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Note 72: The 2021 figures concerning the "distribution of volumes of finished products transported by means of transport worldwide" have been updated in the 2022 NFRD following the automated data collection process and the implementation of control loops to make these indicators more reliable.

Concerning the % of air transport, the year 2022 was synonymous with strong action on the reduction of the use of this mode of transport, one of the major strategies in terms of decarbonisation of international transport. The 2022 target of 0.57% has been achieved and the 2023 target has been set at 0.38%.

In the geopolitical context of the current situation in Ukraine, the use of rail transport was limited in 2022 due to difficulties in using the rail networks that cross Europe. A slight increase had been forecast at the expense of road transport.

Note 73: The 2021 figures for the "distribution of CO₂ emissions by means of international transport worldwide" have been updated in the 2022 NFRD following the automated data collection process and the implementation of control loops to make these indicators more reliable.

Regarding the % of air transport, the teams have strongly promoted the reduction of the use of this mode of transport, one of the major strategies in terms of decarbonising international transport. The 2022 target of 7,079,000 kg CO₂e was not reached (the CO₂ impact does not only depend on the number of items, but also on the weight transported and the distance travelled). However, the teams are committed to an ambitious target for 2023 (-20% vs 2022 target, i.e. 5,663,253 kg CO₂e).

Note 74: The 2021 values for the indicators "CO₂ emissions from the transport of Decathlon products delivered worldwide", "from production countries to key import warehouses" and "from key import warehouses to distribution platforms" have been updated in the 2022 NFRD following the automated data collection process and the implementation of control processes to make the data more reliable.

Note that the 2022 and 2021 data are not comparable due to changes in the calculation methodology and changes in the collection scope on one of the 3 transport sections (section: "from key import warehouses to distribution platforms", see note 76).

Note 75: The change in this performance in 2022 is mainly due to the sharp decrease in the % by air.

Note 76: The 2022 data covers a larger collection scope than in 2021. The flows included in the CO₂ impact have increased from 87% to 94.1%.

The results for 2022 and 2021 are not comparable because the calculation methodology for the European scope changed this year in order to make the data more reliable. However, Europe accounts for 68.6% in terms of the number of items transported on this transport section. This change in calculation therefore has a strong impact on the 2022 result and on the non-comparability with the 2021 results.

Note 77: The results for 2022 and 2021 are not comparable due to changes in the actual data rate between the two years and the collection scope of each country.

Note 78: The performance decreased because of the context of separation of supply basins and therefore the post-shipping transport is not comparable to 2021. There was less opportunity in 2022 to use the rail mode of transport in Spain. As of November 2021, we can no longer use barge transport to the Rouvignies CAC (Continental Supply Centre).

Note 79: Between 2021 and 2022, France increased from 25% less carbon-intensive km to 51% in 2022. This work was achieved thanks to the mobilisation of transport managers who integrate the decarbonisation axis into their decarbonised transport purchasing strategy. Between 2021 and 2022, the amount of kg.eq. CO₂ per container decreased from 113 kg CO₂e/ctn to 72 kg CO₂e/ctn.

The total emissions of post-shipping multimodal transport in Europe are broken down as follows: 85.4% for road transport, 11.3% for rail transport and 3.3% for inland waterway transport.

Note 80: The 2022 target was 52 m³/truck and was therefore achieved. The target set for 2023 is 51.4 m³/truck. It takes into account the separation of supply basins as well as the plans to specialise the Continental Supply Centres (CACs) by category of packages and products (standard, non-standard and Other International Brands).

The 2022 target for the "number of items per truck" indicator was 11,700 items per truck and this was achieved. This was made possible by the daily work to optimise truck loading in the context of the separation of supply basins. The target for 2023 is 15,334 items per truck.

Note 81: Any mode of transport that is not diesel road transport (gas truck, rapeseed truck, inland waterway, sea, rail, etc.) is known as low-carbon transport.

It should be noted that the 2022 figures are not comparable with those for 2021 because the calculation methodology has changed: the teams now take into account what has been achieved in terms of transport modes and not only what has been negotiated in terms of contracts.

With a breakdown of the low-carbon energy used as follows: 8.5% gas, 0.9% rapeseed, 90.6% diesel.

BUILDING CERTIFICATION PROCEDURES	2021	2022
Number of Decathlon stores with environmental certification (as of 31/12)	107	113 (note 82)
Number of Decathlon stores opened during the year with environmental certification (from 01/01 to 31/12)	6	13
% of sales areas in company-owned stores with environmental certification (as of 31/12)	26.9%	22.8%
Number of Decathlon warehouses with environmental certification (as of 31/12)	6	13 (note 82)

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Note 82: The list of international certifications considered includes, among others, LEED, Breeam, HQE, Edge, DGNB, IGBC.

In terms of environmental certification, the objective is to certify company-owned sites by 2026.

In 2022, an incentive mechanism was developed by Decathlon's central teams with the aim of accelerating environmental certification by 2026. The aim is to reimburse part of the costs incurred by local teams in obtaining environmental certification. This mechanism concerns company-owned sites and aims to obtain Edge level 1 certification (created by the World Bank, focused on the operational efficiency pillars and with software that allows to decide upstream the most efficient green actions by country and project type).

Decathlon has also recently signed a contract with SGS with the objective of certifying 86 stores Edge level 1 in 2023 in 6 countries (Spain, France, Poland, Italy, Portugal and Germany).

Proof of Concept (POC) tests in India and Malaysia were launched in 2021 with Edge level 1 certification and concluded in 2022 (2 stores in India and 3 stores in Malaysia).

Concerning the number of environmental certifications: the number of certified stores and warehouses increased in 2022 compared to 2021 (14 in 2022 compared to 9 in 2021), with an acceleration of the Edge certification in Europe, which is being rolled out to 86 company-owned sites.

BIODIVERSITY	2021	2022
BIODIVERSITY BUILDINGS		
Number of Decathlon sites (stores, warehouses) that have undergone a Biodiversity Diagnosis (as of 31/12)	5	26 (note 83)
% of new French company-owned stores with the 'Signature Biodiversité' label (as of 31/12)	0%	0% (note 84)
% of our French real estate portfolio having undergone continuous improvement in biodiversity ('Signature Biodiversité' label) (as of 31/12)	1.06%	1.6% (note 85)

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Note 83: The certification used is the 'Signature Biodiversité' label. The number of sites that have undergone the 'Biodiversité' diagnosis in France is 26 (5 in 2021 and 21 in 2022).

Note 84: The indicator relates to the number of projects that include a non-built-up land area (for permits submitted from 01/01/2022). The result is zero in 2022, as there were no new company-owned projects.

Note 85: By the end of 2022, seven sites had applied for the label (the others are only in the design phase for the moment): Saint Malo, Hénin Beaumont, Haguenau, Lorient, Vannes, Tarbes and Dunkerque. The 7 sites represent 22.1 Ha, i.e. about 1.6% of the French real estate stock that has been subject to a Biodiversity Diagnosis. With regard to the biodiversity strategy for Decathlon France's real estate, the objectives are:
 - 100% of our new stores have the 'Signature Biodiversité' label. The indicator is on the number of projects that include a non-built-up land area (for permits submitted from 01/01/2022). The result is zero in 2022, as there were no new company-owned projects;
 - 10% of our French real estate will integrate the 'Signature Biodiversité' approach by 2024.
 100% of our company-owned car park renovations include the 'Signature Biodiversité' label with a double target: improvement of existing property and a score above 50. 18 sites in the design phase have carried out an EPD (Environmental Performance Diagnosis). 14 sites will undergo renaturation work in 2023.
 The biodiversity actions on Decathlon's real estate launched in 2022, for all countries, and continuing in 2023 are:
 - Monitor the evolution of legal constraints on biodiversity in real estate;
 - Define targets and trajectories to reduce the biodiversity impact on countries under legal constraints.

TERRESTRIAL BIODIVERSITY IMPACT ASSESSMENT

Cumulative impacts on terrestrial biodiversity caused by Decathlon's activities since its creation (as of 31/12): (note 86)	8,606 artificialised km ² eq.	8,672 artificialised km ² eq.
Annual impacts on terrestrial biodiversity caused by Decathlon's activities (from 01/01 to 31/12): (note 86)	65.5 artificialised km ² eq.	65.5 artificialised km ² eq.
↳ Scope 1	1.7 artificialised km ² eq.	1.9 artificialised km ² eq.
↳ Scope 2 and 3	63.8 artificialised km ² eq.	63.6 artificialised km ² eq.
Breakdown in % of annual impacts on terrestrial biodiversity by activity (from 01/01 to 31/12): (note 86)		
↳ Distribution	2.4%	2.6%
↳ Production	85%	83.5%
↳ Construction	0.3%	0.2%
↳ Decathlon-owned production sites	0.5%	0.5%
↳ Logistics	0.5%	0.6%
↳ Supply	2.3%	2.2%
↳ Other	9%	10.4%
Breakdown in % of annual impacts on terrestrial biodiversity by pressure (from 01/01 to 31/12): (note 86)		
↳ Climate change	78.1%	77.4%
↳ Land use	21.4%	22.1%
↳ Pollution	0.5%	0.5%
↳ Other	0%	0%
Breakdown in % of cumulative impacts on terrestrial biodiversity (from 01/01 to 31/12): (note 86)		
↳ Climate change	33.6%	33.9%
↳ Land use	51.5%	51.3%
↳ Pollution	14.9%	14.8%

AQUATIC BIODIVERSITY IMPACT ASSESSMENT

Cumulative impacts on aquatic biodiversity caused by Decathlon's activities since its creation (as of 31/12): (note 86)	427 artificialised km ² eq.	429 artificialised km ² eq.
Annual impacts on aquatic biodiversity caused by Decathlon's activities (from 01/01 to 31/12): (note 86)	1.6 artificialised km ² eq.	1.6 artificialised km ² eq.
↳ Scope 1	0 artificialised km ² eq.	0 artificialised km ² eq.
↳ Scope 2 and 3	1.6 artificialised km ² eq.	1.6 artificialised km ² eq.
Breakdown in % of annual impacts on aquatic biodiversity by activity (from 01/01 to 31/12): (note 86)		
↳ Distribution	1.1%	1.2%
↳ Production	90.1%	89.1%
↳ Construction	0.2%	0.2%
↳ Decathlon-owned production sites	1%	1%
↳ Logistics	1%	1.2%
↳ Supply	2.8%	3%
↳ Other	3.8%	4.3%
Breakdown in % of annual impacts on aquatic biodiversity by pressure (from 01/01 to 31/12): (note 86)		
↳ Climate change	32.5%	32.4%
↳ Land use	53.7%	54.4%
↳ Pollution	10.3%	9.7%
↳ Water use	3.5%	3.5%
↳ Other	0%	0%
Breakdown in % of cumulative impacts on aquatic biodiversity (from 01/01 to 31/12): (note 86)		
↳ Climate change	6%	6.1%
↳ Land use	58.7%	58.6%
↳ Pollution	23%	22.9%
↳ Water use	12.4%	12.4%

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Note 86: Regarding the methodological changes adopted for our assessments:
 At present, there is no regulatory framework on biodiversity reporting for companies (except for financial organisations) or a calculation protocol similar to the GHG Protocol for the carbon footprint. For Decathlon, this is a voluntary commitment made as part of the "Companies Committed to Nature" initiative in February 2021 and renewed in our Transition Plan. The method of calculation has changed, but it is still based on the Global Biodiversity Score. An update of the tool has been made from the open version (February 2022) to version 1.4 (link to the changes made: <https://www.cbd-biodiversite.fr/simplified-changelog-gbs/>).
 The calculations have also been refined by integrating new data into the tool for a more accurate measurement of impacts.
 All 2021 data has been restated to take into account the methodological changes adopted in 2022 and to ensure that the data is comparable.
 The cumulative impact for 2021 and 2022 in the 2022 NFRD has been revised to include an estimate of Decathlon's past impact on climate change.
 Regarding the changes in scope for our assessments:
 The service scope in the list of activities has been removed compared to the 2021 NFRD.
 A new "procurement" scope has been added. It refers to the transport activities from the port of the country of production to the warehouses and from the warehouses to the distribution points.
 The "Distribution Stores" scope has been simplified by naming it "Distribution" while keeping the same scope.
 Regarding Decathlon's biodiversity objectives:
 This year, international negotiations at COP15 resulted in countries being encouraged to put in place a regulatory framework for companies to disclose their impacts and dependencies on biodiversity by 2030. (source target 15, COP15: <https://www.cbd.int/article/cop15-cbd-press-release-final-19dec2022>).
 This regulation aims to "progressively reduce negative impacts on biodiversity and increase positive impacts" of companies without giving a timeframe or quantified targets.
 Decathlon relies on the COP15 and European Commission texts, in addition to scientific literature, to define its objectives for reducing impacts on biodiversity by 2030.
 For exploratory purposes, Decathlon has launched a pilot project in India and wishes to support this country in reducing its impact on biodiversity by 2030.
 Regarding the analysis of Decathlon's performance in 2022:
 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 cumulative impacts on biodiversity generated by Decathlon's activities are mainly due to the degradation of natural areas, climate change and pollution.
 The calculation of this Biodiversity footprint is the second exercise for Decathlon. The aim is to raise awareness among our employees and stakeholders and to make this exercise part of a continuous improvement process to anticipate future regulations. This diagnosis also allows us to identify the most relevant reduction actions.
 We see a strong link between the issues of biodiversity and climate change. (77% and 33% of the annual terrestrial and aquatic impact respectively).
 Erosion appeared to stabilise between 2021 and 2022, but we remain cautious in view of the critical reviews of the Global Biodiversity Score and the quality of the data used. (Source of critical reviews: <https://www.cbd-biodiversite.fr/documentation-gbs/>).

CIRCULAR ECONOMY RESPONSIBLE SUPPLY & PRODUCTS	2021	2022
RESPONSIBLE MATERIALS & INDUSTRIAL PROCESSES		
TEXTILE COTTON		
% of cotton used for Decathlon products from more sustainable resources (from 01/01 to 31/12):	100%	100% (note 87)
↳ % of BCI cotton	70.8%	64.5%
↳ % of cotton from organic farming	16%	14.1%
↳ % of recycled cotton	13.2%	21.4%
Tonnage of cotton used for Decathlon products from more sustainable resources (from 01/01 to 31/12):	31,973 tonnes	27,479 tonnes
↳ Tonnage of BCI cotton	22,647 tonnes	17,723 tonnes
↳ Tonnage of cotton from organic farming	5,108 tonnes	3,883 tonnes
↳ Tonnage of recycled cotton	4,218 tonnes	5,873 tonnes
TEXTILE POLYESTER		
% of polyester used for Decathlon products from more sustainable resources (from 01/01 to 31/12)	40.4%	49.7% (note 88)
Tonnage of polyester used for Decathlon products from more sustainable resources (from 01/01 to 31/12)	32,527 tonnes	41,610 tonnes
PACKAGING		
% of materials used for packaging from more sustainable resources (from 01/01 to 31/12)	80.3%	92% (note 89)
% of paper pulp used in packaging that is FSC or PEFC certified (from 01/01 to 31/12)	73.4%	90% (note 89)
HANGERS		
Quantity of hangers collected (from 01/01 to 31/12)	155,000,000	170,900,000 (note 90)
% of hangers collected (from 01/01 to 31/12)	56%	65% (note 90)
Quantity of hangers reused (from 01/01 to 31/12)	50,000,000	65,391,356 (note 90)
% of hangers reused (from 01/01 to 31/12)	18%	21% (note 90)
% of recycled material in the manufacture of new hangers (from 01/01 to 31/12)	44%	56% (note 90)
CO₂ impact of "Garment On Hanger" by textile product (from 01/01 to 31/12)	21.6 g CO ₂ e/piece	20 g CO₂e/piece (note 90)

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Note 87: The calculation of this indicator is based on the tonnage of organically grown cotton, BCI (Better Cotton Initiative) cotton and recycled cotton. We achieved the target of 100% cotton from more sustainable sources in 2021 and maintained this level of performance in 2022. The second and more challenging objective was to accelerate the amount of recycled cotton from manufacturing waste. 2022 was a good year in terms of growth in recycled cotton by achieving an 8 point improvement in performance on this indicator (13% in 2021 compared to 21% in 2022). In 2023, the teams' aim is to maintain this level of performance and to facilitate the increasing use of recycled cotton. In addition, the teams are continually working to improve the reliability of the data, as supply chains are complex and there are multiple stakeholders.

Note 88: 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. The Synthetic Yarn process (SYP) teams continue to consolidate their offer to make more environmentally friendly yarns available for Decathlon's industrial process projects. The performance achieved in the first half of the year was significant (+47% in quantities vs 2021), only to see a steady decline in orders in the second half (-8% vs 2021). This was due to ambitious store sales management, which had to be readjusted downwards during the year. The Synthetic Yarn process, at the end of the value chain, has felt the effects of this change in demand. As a direct consequence, wire suppliers saw their order books fall sharply throughout the second half of the year and still have no visibility at the beginning of 2023 regarding the resumption of a usual level of activity. It should be noted, however, that Decathlon's industrial process teams are committed to using SYP for the use of yarns from more sustainable sources, which will increase the demand for this type of yarn even in the scenario of a downturn in store sales.

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Note 89: The scope for the indicator "% of materials used for packaging from more sustainable resources" includes: sales packaging intended for customers, linearizable packaging for in-store display, hangers, transport cartons, plastic transport boxes, e-commerce packaging (plastic bags and cardboard boxes). *except food, cosmetics and cleaning products. Store bags (shopping bags, paper bags), gift wrap and packaging from other international brands (not Decathlon) are excluded. As the measurement methodology for these various indicators (% of materials used for packaging 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 2022 tonnage of materials used for packaging from these more sustainable resources is 81,330 tonnes. The targets that have been set for these two indicators are:
 - 95% of packaging materials from more sustainable resources by 2025;
 - 100% of paper pulp used in packaging to be FSC or PEFC certified by 2025.

In 2022, we will reach our annual target of 90% FSC or PEFC certified pulp. In 2023, the action plan will focus on reducing the environmental impact of our papers through audited paper mills whose management systems enable us to reduce our environmental footprint (via the energy mix or water discharge control, for example).

Note 90: Despite the increase in the collection rate, this performance does not allow the target of 80% set for the end of 2022 to be reached. This is due to insufficient coordination and collection routines that have not yet been deployed throughout the company. To remedy this and achieve at least 75% collection by the end of 2023, several actions have been identified:
 - increased coordination of country/store leaders and country/store operations managers for mobilisation at all levels of the company;
 - establishment of clearly defined roles and missions in stores and in our logistics warehouses;
 - gradual generalisation of the collection of hangers for e-commerce and the improvement of support at the automatic checkouts in stores;
 - continuation of work carried out with the Signed Sports teams to develop Decathlon's "How to Sell" in order to limit the number of products with hangers in stores and thus reduce the company's consumption of hangers.

In 2022, the teams also focused their efforts on improving the traceability of hangers so that rigorous coordination could be carried out in each country, store and e-commerce site. This work will continue in 2023.

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	160	182 (note 91)
↳ Number of Rank 2 production sites concerned	88	89 (note 91)

Number of environmental assessments conducted (from 01/01 to 31/12)	129	142 (note 92)
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Number of environmental assessments conducted internally (from 01/01 to 31/12)	72	81 (note 92)
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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 of 31/12):	 77%	83.4% (note 93)
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Results of environmental assessments of partners and company-owned production sites (as of 31/12):

	81%	97.1%
	A: 6%	A: 2.9%
	B: 25%	B: 42.9%
	C: 50%	C: 51.4%
↳ % of partner supplier production sites rated A, B or C	26 partner supplier production sites rated A, B or C	34 partner supplier production sites rated A, B or C

2022 NFRD methodological notes

Note 91: A supplier is subject to an environmental audit, including industrial wastewater control, hazardous waste management, CO₂ emissions and energy consumption control and air pollution reduction, if and only if its volume of industrial water to be treated exceeds 50 m³ per day. There are 182 Rank 1 suppliers subject to environmental audit (as of 31/12/2022). There are 89 Rank 2 suppliers subject to environmental audit (as of 31/12/2022). 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 92: We carried out a total of 142 assessments in 2022:
 - 81 assessments with the help of 24 internal auditors based in our production countries;
 - and 61 assessments by external audit organisations.

Note 93: The % ABC target for 2022 was 82% and we achieved 83.4% ABC (Rank 1 & Rank 2 suppliers). The main areas where we have improved the performance of the environmental assessments of our ABC partner suppliers worldwide are:
 - an increase in the number of completed assessments that were overdue or expired;
 - improvement of the skills network by increasing the number of internal assessors and referents who can train and validate new assessors (8 new internal assessors for a total of 24 internal auditors worldwide);
 - work with external audit organisations such as SGS and BV to assist our production countries in carrying out assessments.

CIRCULAR ECONOMY COMMITMENT TO RESPONSIBLE CONSUMPTION		
	2021	2022
REUSE OF OUR PRODUCTS REPAIR		
Number of workshops worldwide	1,600 (for 1,747 stores) (note 94)	1,636 (for 1,751 stores)
Number of workshops in France	344	332
Number of technicians in Decathlon workshops (world)	4,095	4,431
Satisfaction rating of the quality of service in our workshops	4.6	4.6
% of products qualified as repairable in the Decathlon product catalogue	4.7%	11% (note 95)
% of products repaired (considered repairable) in Decathlon workshops	77.1%	66.5% (note 95)
Total number of products repaired in Decathlon workshops	2,064,295	2,307,889 (note 96)

2022 NFRD methodological notes

Note 94: A correction and update has been made following an error detected in the data communicated in the 2021 NFRD.

Note 95: The objectives for 2026 are to have:

- 30% of the products in the offer qualified as repairable;
- and 100% of repairable products repaired by our workshops and our customers.

The repair services business in 2022 continued to evolve and grow, but at a slower pace compared to the rest of the Decathlon business (approximately 2.5% year-on-year). The main reason is linked to significant historical results in 2021, driven in France by various State aids in the context of Covid-19 (not renewed for 2022). The reparability of our products has more than doubled, a sign that the design teams have mobilised.

The momentum continues to be very positive. For 2023, the teams expect stable growth in the repair business, which will gradually involve more product categories.

Note 96: This indicator relates to all products repaired as a paid service or under warranty.

REUSE OF OUR PRODUCTS | SECOND LIFE

Number of countries or regions with a second life product offer (as of 31/12):	30 (out of 60 distribution countries)	44 (out of 59 distribution countries) (note 97)
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2022 NFRD methodological notes

Note 97: Second life was developed in various countries in 2022. Today, 44 countries have at least one second-hand activity (second life, trocathlon or buy-back). The central teams in charge of the circular economy strategies have validated the financial business model for product buy-back, which is the priority to be developed internationally, not only in physical store, but also by offering an online solution.

The main objective in 2023 will be to develop the circular economy strategy in Western European countries. In addition, a retroplan has been set up to develop the Corporate IT tools necessary for these projects in 23 countries.

REUSE OF OUR PRODUCTS | RENTALS (SHORT-TERM, SUBSCRIPTIONS, LONG-TERM)

Number of Decathlon brands offering product rental (short-term, subscriptions, long-term) (as of 31/12)	23	23 (note 98)
Number of countries offering Decathlon products for rent (short-term, subscriptions, long-term) (as of 31/12)	9	10 (note 98)
Number of Decathlon product rentals (short-term, subscriptions, long-term) (from 01/01 to 31/12)	97,474	187,888 (note 99) (note 100)
Number of days of rental of Decathlon products (short-term, subscriptions, long-term) (from 01/01 to 31/12)	6,519,180	2,230,751 (note 100)
Number of Decathlon brands offering subscription and long-term rental of Decathlon products (as of 31/12)	6	6 (note 101)
Number of countries offering subscription and long-term rental of Decathlon products (as of 31/12)	4	2 (note 102)
Number of subscriptions and long-term rentals of Decathlon products (from 01/01 to 31/12)	1,688	24,280 (note 102)

2022 NFRD methodological notes

Foreword: Note that the various rental data for the year 2021 are not comparable with those for 2022, due to a change in timing. Last year, the consolidation was requested and carried out once, at the end of the year, while for 2022, the central teams requested the information monthly from the different countries.

Note 98: No significant change compared to 2021 for Decathlon brands involved in rentals.

The countries concerned by rentals in 2022 are: Italy, Poland, Portugal, France, Switzerland, Belgium, Holland, Russia, Spain and the United Kingdom.

Note 99: Overall, the types of products concerned are: investment products, bulky products, seasonal products, technical products, products subject to a cycle of innovation/significant change (vintage, technology) and therefore more particularly in 2022 mountain sports equipment (sliding/hiking), water sports equipment (sea, river), mobility equipment (bicycles, scooters), racket sports and miscellaneous.

Note 100: It should be noted, as explained earlier in the foreword, that the data for 2021 and 2022 are not comparable.

Note 101: The number of Decathlon brands offering subscription and long-term rental of products is 6 in 2022.

In France: weight training, adult mountain bikes, adult city bikes, children's bikes, golf (test) and tennis (test);
In Spain: children's bikes.

Note 102: It should be noted, as explained earlier in the foreword, that the data for 2021 and 2022 are not comparable.

In 2022, the countries that offered the subscription of Decathlon products are France and Spain. Long-term rental has only been offered by France.

The main priority in 2022 for the rental business was the subscription model. Initially, the roll-out plan provided for 4 additional countries, but finally it could only be developed in Spain. The difficulty encountered was that there was no automated data for monitoring rental performance, which made it difficult for team members to manage the activity. Concerning subscriptions, the teams validated the financial model for children's bikes in order to duplicate it as soon as possible.

Overall rental (short-term, subscription, long-term):

In 2022, the teams worked to define the 2023 - 2026 trajectory on the circular economy.

The priority for 2023 will be to offer the subscription model in 7 countries, and to unify the short-term business plan internationally. Today, the rental business is mainly accessible in-store, and the priority is to make this possible online as well.

COMMUNICATION ABOUT OUR PRODUCTS

% of Decathlon footwear and textile products that display their carbon footprint (from 01/01 to 31/12):	 VERIFIED INFORMATION	63.4%	60.34% (note 103)
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2022 NFRD methodological notes

Note 103: Although, at first glance, the "Environmental Display" indicator appears to have decreased slightly between 2021 and 2022 (63.7% to 60.7%), some caution should be exercised when comparing these two figures:

The definition and calculation of the indicator were revised in 2022:

- Since 2021, the environmental display for Decathlon textile & footwear products has consisted of two elements: the environmental rating and the carbon footprint, allowing consumers to compare the impact of a product in an objective way, just as they can do for a price. In 2021, the number of products associated with an environmental rating was measured. In 2022, the number of products for which a carbon footprint is displayed on the product page of the e-commerce site is now counted. This methodological evolution follows ADEME's call for projects to define a new environmental display, for which we know that the carbon footprint will be a mandatory data item;

- The methodology for calculating this indicator has also been reviewed to be more consistent with the desire for transparency to consumers. Thus, in 2021, the number of products for which an environmental rating was calculated was taken into account in our design tools. In 2022, the number of active product pages on decathlon.fr which display the product's carbon footprint is now counted;

- However, the scope of the calculation remains the same as in previous years: the environmental display indicator covers Decathlon products, sold online in France, and concerned with the industrial processes involved in the production of clothing, shoes and other textiles. The following are still 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).

In parallel with these structural changes, the emphasis has been placed on making the data displayed more reliable, with the addition of an extra level of control by the product engineer before it is displayed to the consumer, and on its international deployment (the carbon footprint is available in five countries: France, the United Kingdom, Italy, Germany and Hungary).

The ambition for 2023 for this indicator is to exceed 75% of textile and footwear products for which a carbon footprint is displayed on the product pages and to continue work to make this data more reliable. The commitment to achieve 100% of textile and footwear products with a carbon footprint by 2026 is maintained.

SUSTAINABLE DEVELOPMENT AWARENESS ACTIONS

Total number of sports activities organised in France for our user customers (from 01/01 to 31/12)	3,200	5,300 (note 104)
Number of stores involved in these sports activities in France (from 01/01 to 31/12)	206	207
Number of events related to sustainable development organised by French stores (from 01/01 to 31/12)	117	150

2022 NFRD methodological notes

Note 104: The first half of 2022 was disrupted by a still uncertain health context, especially at the beginning of the year, and the situation slowly improved over the months to give way to a context more conducive to the organisation of multiple events.

Our first event of the year in January 2022 with the Fitness Evening saw the cancellation of a large number of the stores initially registered. The situation gradually returned to normal in the second half of the year for all our events, concerning the sanitary conditions for our organising stores.

The results obtained this year are encouraging.

Indeed, 207 stores organised at least one event in 2022, which is rather stable compared to the previous year (206 stores).

The main point of satisfaction lies in the number of events that were organised by our teams, i.e. 5,300 events, which represents an increase of 65%.

Events related to sustainable development benefited from this upturn with 150 events (+28.2%) organised by 84 stores, warehouses or departments (+4%).

These actions brought together 5,506 participants (+79%) and resulted in the collection of 14.3 tonnes of waste (+6.7%).

One of the axes of this 2022 campaign was focused on the collection of cigarette butts and the result is interesting with 163,408 butts collected, avoiding pollution equivalent to 32 Olympic swimming pools.

Regarding Vitalisport, our mobilisation campaign brought together 116 stores for the organisation of this exclusive event (+18.3%) with the return en masse and the support of 2,628 partner clubs (+57%). The combination of these two factors resulted in good attendance at all our sites with a flow of 354,014 visitors (+36.1%).

In short, 2022 was a year of renewed attractiveness for our events.

SUSTAINABLE DEVELOPMENT AWARENESS ACTIONS		
Number of awareness-raising actions related to sustainable development worldwide (from 01/01 to 31/12):	1,098	1,453 (note 105)
↳ organised by Decathlon stores	1,091	1,404
↳ organised by Decathlon warehouses	7	27 (note 106)
↳ organised by production offices and central services	n/a	22 (note 107)
Number of awareness-raising actions related to sustainable development worldwide (from 01/01 to 31/12):	1,098	1,453
↳ related to ecomobility	n/a	320 (note 108)
↳ related to waste and environmental pollution	n/a	1,133 (note 109)
Number of people involved in events related to Sustainable Development worldwide (Decathlon warehouses, production and stores) (from 1/01 to 31/12)	27,717	44,928 (note 110)
% of sites that organised at least one awareness-raising event during the year	n/a	48.9% (note 111)

2022 NFRD methodological notes

Note 105: 45 countries organised awareness-raising events in Decathlon stores or warehouses, either with internal employees or with external customers. There were 6 kinds of events in 2022: *Clean Up Days* (during the year), *World Clean Up Day* (17 September 2022), *Mobility Week* (16-22 September 2022), mobility events (during the year), tree planting, collection operations (e.g. major shoe collection operation in France in 2022).

Note 106: List of countries that have organised awareness-raising actions from their warehouses: Belgium (1), Brazil (1), Canada (2), Colombia (2), Hungary (2), Italy (1), Morocco (1), Poland (2), Romania (1), Russia (4), Spain (4), Switzerland (2), Taiwan (1), Thailand (1), Tunisia (1), United Kingdom (1).

Note 107: This indicator concerns the awareness-raising actions organised by the teams in the production offices but also by those of the central service sites: e-commerce sites (5), Datalab (2), head offices (2), production offices (13).

Note 108: There were 2 kinds of ecomobility events in 2022:

- mobility week from 16 to 22 September 2022: 165 events (3 in Brazil, 7 in Colombia, 3 in the Philippines, 3 in Singapore, 149 in Spain);

- mobility events during the year: 155 events (4 in Belgium, 1 in Ivory Coast, 2 in Croatia, 113 in France, 25 in Hungary, 3 in Philippines, 1 in Slovenia, 6 in Tunisia).

Note 109: This indicator takes into account:

- 438 *Clean Up Days*;

- 168 collection operations like the one organised in France for the collection of shoes in January-February 2022;

- 16 tree planting events;

- 511 *World Clean Up Days* organised on 17 September 2022.

Note 110: The indicator takes into account all participants declared in the monitoring tool as having attended the event. Note that the figure reported, for the first time in the 2022 NFRD, does not take into account:

- participants in the shoe collection operation organised in France, as it was impossible to have the number of participants;

- as well as some sites that did not report this information because the main KPI metric is currently the number of sites and not the number of participants.

Note 111: The number of sites taken into account as of 31/12/2022 for the calculation of this indicator is 1,867 (74 warehouses + 42 production offices + 1,751 Decathlon stores), and at least 912 of them have organised an awareness-raising action (877 stores + 19 warehouses + 16 other sites including central services and production offices). Each country was contacted one by one to get the most accurate data possible.

ECOMOBIILITY OF TEAMMATES		
% of kilometers travelled by customers to get to Decathlon stores by active mobility or ecomobility (from 01/01 to 31/12)	14%	17% (note 112)
% of kilometers travelled by teammates to get to their workplace by active mobility or ecomobility (from 01/01 to 31/12)	21%	33% (note 112)

2022 NFRD methodological notes

Note 112: The indicator for customers is reported for the first time this year.

The objective for 2026 is to reach 30% of kilometers travelled by ecomobility by customers to get to Decathlon stores, and 40% for teammates going to their workplaces.

This objective is on the right track, as many countries are in the process of drawing up and implementing their ecomobility plans.

Note that active mobility for Decathlon refers to means of transport that use human energy without assistance, with the exception of electric assistance. Ecomobility or soft mobility for Decathlon refers to means of transport emitting less than 0.10 kg of CO₂ per km, as well as electric buses and cars. Cars and motorbikes are not included in the ecomobility percentage.

CIRCULAR ECONOMY WASTE REDUCTION & RECYCLING	2021	2022
ZERO SINGLE-USE PLASTIC		
Weight of single-use plastic packaging eliminated for Decathlon products (from 01/01 to 31/12)	1,449 tonnes	1,319 tonnes (note 113)
Weight of single-use plastic e-commerce packaging (from 01/01 to 31/12)	2,024 tonnes	1,887 tonnes (note 114)
Weight of single-use plastic logistic packaging (stretch film) (from 01/01 to 31/12)	1,224 tonnes	1,292 tonnes (note 115)
Quantities of single-use plastic checkout bags in stores (from 01/01 to 31/12)	7,357,891 units	3,568,164 units (note 116)

2022 NFRD methodological notes

Note 113: The 2021 data on the indicator "Weight of single-use plastic packaging eliminated for Decathlon products" has been modified from that reported in the previous year's NFRD in order to be consistent with the work carried out by the packaging teams (the data has evolved after reporting in the 2021 NFRD).

In 2022, the Packaging teams eliminated 1,319 tonnes of plastic from an estimated 7,000 tonnes of plastic packaging (sales packaging, transport packaging for finished products from our production plants excluding logistics and e-commerce), which represents a reduction of 19%. These results, although encouraging, are below our expectations. Indeed, additional resources had been invested in the project in terms of human resources and the number of technical tests to verify the impact of plastic eliminations on the quality of our products. It should be noted that some tests were not successful and others had to be postponed, which placed the 2022 result below the teams' expectations.

Note 114: In 2022, 83% of the data for plastic e-commerce packaging was actual data (17% estimated data). A decrease of 7% in quantities is observed compared to 2021, which is explained by the implementation of third-party solutions (in cardboard and/or paper) proposed in the packaging catalogue.

Plastic e-commerce packaging accounts for 20% of the total weight of e-commerce packaging.

Note 115: The weight of stretch film is the first integrated logistical indicator to measure and drive the end of single-use plastic in this area.

An estimation system has been put in place when a site or country does not submit figures.

Thus, in 2022, 20% of the data on stretch film was actual data.

Note 116: Checkout bags are purchases made by stores, so steps are being taken 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.

By 2022, single-use plastic carrier bags will account for 7% of all carrier bags placed on the market. If we consider the average weight of a single-use plastic carrier bag to be 5 grammes, this means an equivalent of 18 tonnes of single-use plastic checkout bags in 2022 (vs. 37 tonnes 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 products sold in France subject to Extended Producer Responsibility (from 01/01 to 31/12)	56%	80.2% (note 117)

2022 NFRD methodological notes

Note 117: The percentage of products covered by extended producer responsibility (EPR) in France changed significantly in 2022 with the arrival of the Sports and Leisure Goods EPR and Toys EPR (in addition to the Textiles and Footwear EPR, Electronics EPR and Furniture EPR). We have reached 80.2% of the quantities of products subject to EPR in France.

The target for 2026 is 80%.

CIRCULAR ECONOMY WASTE REDUCTION & RECYCLING	2021	2022
WASTE MANAGEMENT		
Weight of waste generated by the sites (Decathlon stores, company-owned warehouses) (from 01/01 to 31/12)	103,495 tonnes	106,007 tonnes (note 118)
↳ Weight of recycled paper and cardboard	42,236 tonnes (41%)	46 936 tonnes (44%)
↳ Weight of recycled packaging	3,780 tonnes (4%)	5,456 tonnes (5%)
↳ Weight of recycled plastic	2,504 tonnes (2%)	2,604 tonnes (3%)
↳ Other (wood, scrap metal, textiles, etc.)	5,350 tonnes (5%)	6,540 tonnes (6%)
↳ Weight of mixed waste	49,625 tonnes (48%)	44,471 tonnes (42%)
Recycling rate by activity (from 01/01 to 31/12): 		
↳ Overall recycling rate (stores and warehouses)	52%	58% (note 119)
↳ Recycling rate in stores	42%	50% (note 119)
↳ Recycling rate in warehouses	66.4%	69% (note 119)
Recovery rate by activity (from 01/01 to 31/12):		
↳ Overall recovery rate (stores and warehouses)	56%	62% (note 120)
↳ Recovery rate in stores	54%	57% (note 120)
↳ Recovery rate in warehouses	68.6%	69% (note 120)

2022 NFRD methodological notes

Note 118: In 2022, there was a limited overall increase of around 2.4% in the weight of waste compared to 2021. 2022 was a busy business year.

Note 119: The overall recycling rate increased by 6 points compared to 2021. This evolution is the result of coordination and concrete actions to improve sorting, the deployment of outlets (waste treatment channels) and data collection. The targets for the recycling rate are:
 - Overall: 70% in 2022, 70% in 2023 and 95% in 2026;
 - For retail: 60% in 2022, 65% in 2023 and 95% in 2026;
 - For logistics: 75% in 2022, 75% in 2023 and 95% in 2026.

Note 120: This indicator is intended to be similar to the recycling rate except that it includes the quantities of hazardous waste and incineration with energy recovery. The overall recovery rate varies in a similar way to the recycling rates (+ 6 points compared to 2021). The targets for the recovery rate are:
 - Overall: 75% in 2022, 75% in 2023 and 100% in 2026;
 - For retail: 70% in 2022, 70% in 2023 and 100% in 2026;
 - For logistics: 80% in 2022, 80% in 2023 and 100% in 2026.

PERFORMANCE INDICATORS

CREATING SUSTAINABLE VALUE

INTEGRATING HUMAN, ENVIRONMENTAL AND FINANCIAL PERFORMANCE INTO OUR VALUE MEASUREMENT	2021	2022
MEASURING VALUE		
Weight in % of significant climate actions included in Decathlon's monthly performance report (as of 31/12)	71%	71% (note 121)

2022 NFRD methodological notes

Note 121: This measure was implemented for the first 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 made with Eco-design products (30%);
 - Share of renewable energy in production (21%);
 - Share of circular 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 2022, the indicators included in this reporting are as follows: Ecodesign product sales / Circular sales / Digital sales.

LONG-TERM RELATIONSHIPS WITH SUPPLIERS	2021	2022
SUPPLIER PANEL		
Number of production countries/regions (as of 31/12)		
↳ With Decathlon teams physically present	25	23 (note 122)
↳ Without Decathlon teams physically present	19	20 (note 123)
Number of production offices (as of 31/12)	43	42 (note 124)
Number of teammates responsible for managing and coordinating relations with suppliers (as of 31/12)	2,245	2,429
Number of suppliers for Decathlon products (as of 31/12)		
↳ Number of Rank 1 suppliers (finished products & components)	930	956 (note 125)
↳ Number of Rank 2 suppliers	355	311 (note 125)
Number of Decathlon-owned production facilities (as of 31/12)	9	9 (note 126)

2022 NFRD methodological notes

Note 122: Production countries/regions with a team: a Decathlon production office is present in the country/region. Albania, Bangladesh, Brazil, Mainland China, Egypt, Ethiopia, France, India, Indonesia, Italy, Malaysia, Mexico, Morocco, Pakistan, Poland, Portugal, Romania, Sri Lanka, Taiwan, Thailand, Tunisia, Turkey, Vietnam.

Note 123: 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-Herzegovina, Bulgaria, Cambodia, Czech Republic, Estonia, Finland, Germany, Hungary, Japan, Lithuania, Madagascar, Slovakia, Slovenia, South Korea, Spain, Switzerland, Netherlands, Ukraine, United Kingdom.

Note 124: List of Decathlon production offices:
 DP Albania, DP Bangladesh (x2: DP Dhaka, DP Chittagong), DP Brazil, DP Mainland 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 Vietnam (x2: DP Ho Chi Minh, DP Hanoi).

Note 125: In line with our "New Industrial Giant" strategy (see page 143 2021 NFRD), the openings of new suppliers resumed in 2022, after many years of massification. We have rolled out a new supplier segmentation in order to integrate new manufacturers, enabling us to speed up the design, innovation and sustainability of our products and the relocation of production. Thus the number of Rank 1 suppliers has increased from 930 in 2021 to 956 in 2022.
 Rank 1 suppliers are: suppliers contractually bound to a Decathlon company for the production or assembly of finished/semi-finished products (via a manufacturing contract) or for the supply of raw materials or components (via a 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 126: 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 mainland China (Nanjing factory, TEC, CMW, Xinwei).

LONG-TERM RELATIONSHIPS WITH SUPPLIERS	2021	2022
TYPE & DURATION OF THE RELATIONSHIP		
Number of "partner" suppliers (as of 31/12)	50	52 (note 127)
Average seniority of suppliers (top 100 suppliers in terms of purchase volumes made by Decathlon) (as of 31/12)		
↳ < 1 year	0%	1%
↳ from 1 to 3 years	2%	1%
↳ from 3 to 5 years	10%	9%
↳ from 5 to 10 years	31%	26%
↳ from 10 to 20 years	47%	50%
↳ > 20 years	10%	13%
↳ Average	11.8 years	11,1 years

BREAKDOWN OF PURCHASE VOLUMES	2021	2022
Breakdown of Decathlon's purchase volumes by production area (from 01/01 to 31/12) (note 128)		
↳ North Asia	47.17%	43.06%
↳ Europe	20.74%	21.9%
↳ South East Asia	13.02%	14.44%
↳ South West Asia	16.34%	17.94%
↳ Africa	2.4%	2.56%
↳ Americas	0.01%	0.04%
↳ CIS (Commonwealth of Independent States)	0.32%	0.12%
% of the amount of purchases made from Decathlon's partner suppliers (from 01/01 to 31/12)	34.7%	35.6% (note 127)

2022 NFRD methodological notes


Note 127: Concerning the evolution of the number of partnerships, we continue to reinforce our Industrial Partnership strategy by validating 2 new partners bringing the number to 52 by the end of 2022. In 2022, our partners accounted for 35.6% of our global purchase volumes.

LONG-TERM RELATIONSHIPS WITH SUPPLIERS	2021	2022
BREAKDOWN OF PURCHASE VOLUMES		
Breakdown of Decathlon's purchase volumes by production process (from 01/01 to 31/12)		
↳ Nutrition products (food & sports nutrition)	1%	1.14% (note 128)
↳ Chemical & cosmetic products	0.47%	0.5%
↳ Electronic products	1.5%	1.5%
↳ Footwear products	12.4%	13.41%
↳ Glove products	1.2%	1.38%
↳ Heavy stitching products (tent, backpack, sleeping bag, balloons, etc.)	11%	11.24%
↳ Pyrotechnic products (Solognac hunting equipment)	0.2%	0.23%
↳ Welded/inflatable products (mattresses, rings, armbands, etc.)	2.6%	2.52%
↳ Helmet products	1%	1.08%
↳ Optical products (sunglasses, swimming goggles, ski masks, diving masks)	1.1%	1.41%
↳ Bikes/cycle products	14.8%	15.49%
↳ Plastic and composite products	7.96%	7.06%
↳ Wedge composite products (ski equipment)	0.17%	0.29%
↳ Metal/metallic products (scooters, fitness products, basketball hoops, football goals, etc.)	10.2%	6%
↳ Simond products (climbing equipment)	0.1%	0.1%
↳ Textile products (natural fibres, synthetic fibres, woven fabrics, yarn)	34.3%	36.65%
% of sales made with locally manufactured Decathlon products (from 01/01 to 31/12):		
↳ Mainland China	94.8%	95.9%
↳ Europe	25.6%	27.2%
↳ Russia	10.8%	16.1%
↳ India	54.7%	48.5%
↳ Brazil	n/a	n/a (note 129)
↳ Africa	n/a	n/a (note 129)

2022 NFRD methodological notes

Note 128: There are now 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 129: We continue to accelerate our local to local sourcing strategy in mainland China and Europe. 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	2021	2022
% of teammates with access to the reporting platform which allows them to report questions or alerts (as of 31/12)	100%	100% (note 130)
Number of alerts received in the platform (from 01/01 to 31/12) 	82	156 (note 131)
Types of alerts received in the platform (%) (as of 31/12)	Alerts handled: 54% Alerts being handled: 46%	Alerts handled: 48% Alerts being handled: 52% (note 131)
Topics of alerts received in the platform (%) (from 01/01 to 31/12):		(note 131)
↳ Psychological harassment	22%	19%
↳ Sexual harassment	11%	10%
↳ Employment contract	0%	1%
↳ Safety	9%	7%
↳ Personal data	1%	0%
↳ Discrimination	0%	13%
↳ Conflicts of interest	12%	6%
↳ Gifts & Invitations	0%	1%
↳ Corruption and Fraud	7%	10%
↳ Other	38%	33%

2022 NFRD methodological notes

Note 130: The reporting 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 ethical compliance directly.

Note 131: The alerts indicator is purely indicative and quantitative. These are alerts where the seriousness of the problem can only be determined after investigation. Their status (in progress or processed, as of 31 December 2022) depends on many variables, such as the subject reported, the date of submission of the alert and, of course, the complexity of the investigations to be conducted.

As each alert is different, it is not possible to estimate the effectiveness of the handling of alerts by comparing the number of alerts handled with the number of alerts received.

The aim is therefore to ensure that all reports are properly handled, within a timeframe that varies according to their complexity, so that no report is ignored by the case managers.

As of 31 December 2022, 52% were being processed. This figure includes alerts submitted at the end of 2022, as well as those requiring complex investigations and further processing.

It should be noted that details of alerts 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	2021	2022
Number of projects validated by the Decathlon Foundation (from 01/01 to 31/12)	61	66 (note 132)
Number of beneficiaries of Decathlon Foundation projects (from 01/01 to 31/12)	71,864	46,860 (note 133)
Number of countries concerned by Decathlon Foundation projects (from 01/01 to 31/12)	17	23 (note 134)
% by category of beneficiaries of Decathlon Foundation projects (note 135)		
↳ % people with mental and/or physical disabilities	20.8%	17.6%
↳ % people from disadvantaged neighbourhoods	54.4%	73%
↳ % people with diseases	8.3%	8.3%
↳ % senior citizens	n/a	0.6%
↳ % of refugees	n/a	0.5%
↳ % other situations of fragility	16.5%	0%

2022 NFRD methodological notes

Note 132: The year 2022 was marked by many projects. The Foundation teams accompanied and supported 66 projects, compared to 61 in 2021.

As in the previous year, the majority of projects were carried out in France (28 out of 66).

In 2022, three new countries had their first Foundation project: Austria, England and Belgium.

In parallel to these projects, 22 "exceptional" supports were carried out (16 donations to hospitals and associations to respond to the Covid-19 health situation, and 6 linked to other donations) with an average exceptional budget of 2000 Euros.

In total, the teams supported 88 projects and structures in 2022.

Note 133: The number of validated projects is not in itself an indicator 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 46,860 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).

The decrease in 2022 vs 2021 on this indicator is explained by the implementation of large-scale projects (e.g. construction of a skatepark, development of sports halls) aimed at a large number of beneficiaries during the year. It should be noted that the number of beneficiaries may change each year depending on the type of projects supported by the Foundation and is not the only performance indicator.

Note 134: In 2022, there were projects in 23 countries:

These are the different countries in which a project was supported in 2022: Austria, Belgium, Brazil, Burundi, Cambodia, Cameroon, Ivory Coast, France, Italy, Lebanon, Malaysia, Mexico, New Zealand, Philippines, Poland, Portugal, Senegal, Spain, Sri Lanka, Tanzania, Tunisia, Uganda and the UK.

Note 135: Redrafting has been carried out and new categories have been added or renamed, which explains the absence of data in 2021 on some indicators.

APPENDICES

METHODOLOGICAL NOTE

GENERAL ORGANISATION OF REPORTING

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.

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 risk.

- **A review of the more strategic issues using Decathlon's updated materiality analysis.** The 2022 edition of the materiality analysis was carried out with the Datamaran tool using artificial intelligence. This progressively incorporates any changes and developments, marking this financial year as the first step in the transition towards the future double materiality regulatory requirements as laid down by the CSRD (Corporate Sustainability Disclosure Directive). As such, in order to complete the interview panel and workshops carried out in 2021, new internal stakeholders from the finance sector took part this year. This new exercise allows the results to be presented in a way that differentiates financial materiality from impact materiality.

- **A sustainable development policy, called "2020-2026 Transition Plan"³,** 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.

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 2022.

To draw up this Declaration, we have set up the following organisation:

- A dedicated NFRD reporting team:
 - a CSR reporting manager responsible for overseeing the entire process and for quantitative consolidation, with the help of a project manager for the consolidation of numerical data;
 - An editor-in-chief, editor and editorial manager for the qualitative aspect;
 - as well as two project managers 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 2022 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 220.

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.

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.

3. For more information on the Transition Plan: <https://sustainability.decathlon.com/transition-plan-2020-2026>.

REPORTING SCOPE

Decathlon was present in 59 distribution countries, with 104,116 teammates and a turnover of €15.4bn before tax, in 2022.

The Decathlon Group's scope includes, as of 31/12/2022:

- 1,751 stores (all forms of sales combined)⁴;
- 74 warehouses and logistics platforms;
- 9 company-owned production sites.

In order to establish the target CSR reporting scope for the 2022 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;
- turnover (threshold of 0.01% of the sum of the turnover 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 turnover.
- any subsidiary recording RBU (Reporting Business Unit) which corresponds to turnover 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 turnover 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 2022 is 98.8% of the sum of the turnover of the Decathlon Group's subsidiaries. Any scope limitations are specified at the level of each indicator where appropriate.

METHODOLOGICAL CLARIFICATIONS

1 - "Decathlon" 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, Oiaian 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 turnover 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 - Context

In 2022, the health situation caused by the emergence of Covid-19 had vastly improved compared to the previous year, without having any significant impact on profits. By contrast, the situation in Russia and Ukraine had a worldwide impact with a rise in inflation.

On this basis, Decathlon was able to achieve a strong double-digit growth of 11.7%, primarily thanks to Europe.

Half of this growth was the result of several sports such as swimming, skiing and hiking.

Store performance remained strong, whilst e-commerce dipped.

Despite this, the percentage of sales generated outside of our stores (digital, B2B, Marketplace, etc.) remained high and the company has invested to support this new actuality.

The percentage of digital turnover reached 16.8% for the year 2022, up from 9% in 2019 (before the impacts of Covid-19).

Given this context, figures and performance across our activities should be analysed in relation to this global situation. Wherever possible, in the 2022 Non-Financial Reporting Declaration, we will provide clarifications in our analyses in this regard.

7 - Indicators not included in the 2022 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. As an intermediate stage equivalent to this DMI, one statement was added to the 2021 Decathlon Team Barometer; "I am making better use of digital tools when performing my tasks."

- For the matter of "overstock management" and the commitment "0 parts or finished products incinerated or in landfill by 2026":

→Commitments were made at global level in the company and communicated to the country teams and approved. Various actions were taken over the course of 2022:

- reinforcing the team in charge by means of dedicated recruitments;
- increasing accountability of those involved in supply for greater quantified visibility of the excess stock and better quality of this data;
- reworking of the catalogue of the overstock of finished products and parts to improve recovery.

Teams in charge of the matter of "overstock management" would like to have the accounting tool restructured in 2023 to give them reliable reporting data over time as well as to transfer responsibility to the finance teams.

- 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 2023.

8 - For the business model financial information

Details are provided below to shed light on the figures shown in representation of the Decathlon business model.

Some of this information is available in a simplified form in the consolidated financial statements.

■ **451.25 million euro distributed as dividends:** the dividend paid out in 2022 is the dividend declared in 2021. The dividend paid out in 2023 will be the dividend declared in 2022 (as a percentage of 2022 profits).

■ **15.4 billion euro in turnover excluding taxes,** or growth of 11.7% in constant currency.

■ **923.3 million euro in net profit:** this net profit was taken over the 2022 financial period at Decathlon group level. The net profit for France over the 2022 financial period amounts to 499 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). Of these 3.7 billion euro in economic contribution, 2.2 billion were indirect taxes and 1.5 billion were direct taxes (including social security contributions).

■ **27.74% for the Group's effective tax rate.**

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 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.

Switzerland, Singapore and Canada were therefore included in addition to the previous 20 regions and countries (*France, Spain, Italy, Belgium, China, Germany, Portugal, Poland, Russia, India, Hungary, Turkey, Brazil, Czech Republic, Romania, United Kingdom, Morocco, Mexico, The Netherlands and Taiwan*), bringing the total scope to 89.71% of the worldwide workforce.

It should be noted that in 2022, Decathlon stores in Russia suspended their business operations and are still closed to this day. The data has been affected as a result.

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 10.29% 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.

For the 2023 NFRD, we have decided to focus on the current 23 contributing countries in order to strengthen the robustness of the data used for non-financial reporting.

As of the 2024 financial year, we will continue to add 3 countries every year as follows::

2024: +3 3 countries (Colombia, Thailand, Malaysia)

2025: +3 countries (Israel, Chile, Slovakia)

2026: +3 countries (Australia, Bulgaria, Austria)

These countries will be contacted on an ongoing basis to incorporate the collection framework using their payroll extracts to improve the reliability of the data.

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.

10 - Logistics figures:

Methodological work was carried out in 2022 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 2022, Europe accounted for 70.2% 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 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.

The scope taken into account for the GHG inventory consisted of Decathlon sites, owned or leased, and open for at least one month during the year 2022, namely 1,829 Decathlon stores and 52 warehouses.

The number of sites is different to the number consolidated by the financial tools as sites that were closed during the year were taken into account in the CO₂ and waste consolidations.

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 (The French Agency for Ecological Transition) (<http://www.bilans-ges.ademe.fr/>). Only some factors come from specific sources for Taiwan.

Products:

Product impact modelling is carried out using simplified life cycle analyses. It is calculated using an external environmental impact calculation module (Glimpact) connected to an internal design tool (PACE). Glimpact ensures Decathlon adheres to the European method of calculating product environmental footprint (PEF). Teams are looking to use various different databases to improve the accuracy of their calculations. This is why databases of emission factors used in Glimpact come from a variety of different sources: the ADEME (The French Agency for Ecological Transition) Impact database, the European ELCD database, the Ecoinvent database and other data developed directly with our suppliers.

The circular footprint formula is now used to calculate this stage in the product life cycle.

The aim of these changes was to be able to measure a greater number of product types (teams studied how to evaluate the impact of electronic products in more detail, for example).

The progression of the SAC 1 to SAC 2 version of the consolidation tool for the impact of product data at the start of 2022 allowed new emission factors to be integrated into the tools with the changeover to Glimpact.

Given these methodological changes, historical data were recalculated from 2016, the reference year.

Energy in production:

For improved accuracy in the data, in 2022 and across previous financial periods, the teams included the percentage of turnover made by suppliers when calculating the bonus/malus. This ensures we did not overestimate the percentage of renewable energy actually consumed to manufacture Decathlon products.

In order to ascertain the quality of data in 2022, the teams verified the availability of energy data over the last 12 months. They also analysed the variation of the total for the last 12 months and compared this to the 12-month average in order to detect any anomalies.

This data reliability calculation evolved from the end of 2022 to become a formula in 2023 that covers the verification of 3 indicators: % turnover made, % renewable energies and total kWh.

Transport upstream of the value chain:

Historical data has been recalculated and updated since 2019 in response to the automatic data collection process and to the implementation of control loops to improve the reliability of these indicators.

Construction and on-site operations regarding waste:

A change was made to the emission factors. These are now based on ADEME (The French Agency for Ecological Transition) (<http://www.bilans-ges.ademe.fr/>), whilst avoided emissions (reductions in emissions generated by the activities, products or services of an organisation where these reductions occur outside the scope of the activity) are excluded.

Emission factors related to the national energy mix are updated annually in the Metrio tool on the basis of the annual update of the IEA database.

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, 2021), the history has been updated on the basis of this data.

Where the details of the data did not allow (2016, 2017, 2018), the impact of the methodological changes has been carried over proportionally to the historical data.

By updating the carbon footprint of the base year 2016, to make it methodologically comparable with that of 2022, 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 73 out of 74 warehouses (98.6%) and 1,714 out of 1,751 stores (98%).

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 level.

In 2022, 7% of natural gas kWh came from estimated data, while 93% was actual data. For electricity, 10% of electricity kWh came from estimated data while 90% 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 (1,807 stores including 5 Ghost stores⁵ and 29 Closed stores⁶) and 100% of warehouses (79 warehouses including 1 Ghost warehouse⁵ and 2 Closed warehouses⁶).

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 estimate ratio was calculated based on reliable data entered by the countries during the period from January to September 2022 (data validated during the Mazars audit in November) and on the number of items dispatched from warehouses and on the physical quantities sold in stores.

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%.

This specific ratio calculation was performed at country, geographical area and global level (group level). As such, if a country has a percentage of reliable data equal or greater than 20%, the ratio calculated at country level is deemed sufficiently reliable to be applied. By contrast, if a country has a reliability rate of less than 20%, the group ratio is applied to ensure estimates are reliable.

In 2022, 68% of store waste quantities and 71% of warehouse waste quantities were derived from actual data; i.e. 70% actual data overall.

Therefore, 32% of the quantities of store waste and 29% of the quantities of warehouse waste corresponded to estimated data.

This is the second year that Decathlon has been monitoring the 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.

To improve the reliability of our performance and the monitoring of our data, an internal preaudit was carried out at the end of the first half of 2022 on about a dozen data criteria per country, working with 8 countries overall. These countries were required to validate the samples with supplier certifications for the recycled quantities.

12 - Information on the biodiversity impact assessment:**The biodiversity impact assessment:**

The biodiversity footprint was calculated following the GBS (Global biodiversity Score - version 1.4) method which classifies impacts into two ecosystems (terrestrial and aquatic), and into two time reference periods (combined total and annual).

5. Ghost stores & Ghost warehouses: fictitious sites created by computer to track non-physical data (e.g. online).

6. Closed stores & closed warehouses: sites that closed during 2022 but that may have generated waste during the months they were open, hence their inclusion.

Decathlon has chosen to share the annual aquatic results to drive the continuous improvement of this indicator, although the French CDC Biodiversité (a private subsidiary of the Caisse des Dépôts Group [CDC]) does not recommend publishing them, as uncertainty is high with regard to the result.

The unit preferred by Decathlon is artificialised m².eq, which is based on MSA.m², the standard unit used by the scientific body, assuming: 1 MSA.m² = 1 artificialised m².eq. (MSA stands for "Mean species abundance").

The impacts on biodiversity are calculated by multiplying an activity data by plant/facility, 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.

Except for our land (scope 1), our polyester and cottonseed consumption for the textile business units, our carbon pressures and eutrophication pressure, the data used constituted 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 2022, except for Marketplace and alliances..

The combined biodiversity assessment was extrapolated using Decathlon's activity data for the 2020 financial year (1 January to 31 December 2020) and incorporates the 2021 annual impact.

The "Owned factories" scope enables to distinguish Decathlon production in scope 1 from production in scope 3.

13 - Restatement of historical data and correction of errors:

Some data calculated in previous years may exceptionally be different from that communicated in our 2022 Non-Financial Reporting Declaration, in particular when data entry or calculation errors have been detected.

If changes in methods have been made between 2021 and 2022, 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 2022) 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 tenth 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 page 56
Societal commitments in favour of sustainable development	Territorial dynamics on page 154 Decathlon Foundation on page 160
Circular economy	Developing more responsible products on page 88 Committing to more sustainable consumption on page 100
The fight against food waste and food insecurity	Fighting food waste through Too Good To Go, on page 124
Animal welfare	Choosing more sustainable materials on page 95
Responsible, sustainable and fair-trade food choices	Fighting food waste through Too Good To Go, on page 124
Collective agreements	Teammate well-being on page 28 Diversity and inclusion on page 30 Sharing value and shareholding on page 46
Measures in favour of people with disabilities	Disability on page 33
The fight against discrimination, promoting diversity	Diversity and inclusion on page 30
Business model	Our value creation model on pages 12-13
Main non-financial risks	Main extra-financial risks on pages 24-25
Policies	Transition Plan on pages 27, 57, 89, 101, 115, 127
Results and key performance indicators	Performance indicators on page 169

APPENDICES

METHODOLOGICAL NOTE

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 *Who replied "yes, completely"	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 *Who responded "yes, totally" or "yes, generally"	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
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 *Who responded "yes, totally" or "yes, generally" 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** **Users who gave a score of 5/5 in our customer ratings	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 Support for suppliers on their CO ₂ emissions and their energy consumption	CO ₂ emissions in scope 1 and 2 CO ₂ emissions in scope 3: product transportation (warehouse and international transport) Energy consumption per m ² Waste recycling rate on sites Percentage of production sites with a CO ₂ trajectory aligned with validated science Percentage of electricity consumed by sites receiving guidance on decarbonisation through renewable sources
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	Circularity sales
Non-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

APPENDICES

CONFIRMATION OF PARTICIPATION AND REPORT ON THE FAIRNESS OF INFORMATION

DECATHLON
FINANCIAL YEAR ENDED
DECEMBER 31, 2022

Report by the Independent third-party organization on the verification of the consolidated non-financial statement included in the Group management report

This is a free translation into English of the Independent third party organization's report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To shareholders,

In our capacity as Independent third-party organization, member of Mazars Group and accredited by COFRAC Inspection under number 3-1058 (scope of accreditation available on www.cofrac.fr), we have performed work to provide a reasoned opinion that expresses a limited level of assurance on the historical information (observed and extrapolated) of the consolidated extra-financial performance statement, prepared in accordance with the entity's procedures (hereinafter the "Statement") for the financial year ended December 31, 2022 (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

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 81% and 89.7% of the Group's workforce as of December 31, 2022, due to the absence of reporting by certain countries and the absence of a Group reporting tool. The countries affected by these exclusions are specified indicator by indicator in the Statement.
- Information related to hours worked in China, which represents 10% of the Group's workforce, is not available. Consequently, the frequency rate published in the Statement does not take into account data from China.
- User reviews in China, representing 20% of Group data, have been excluded from the "Percentage of sports users delighted with DECATHLON products" indicator, due to the country's inability to aggregate data according to the Group definition.
- Actions to strengthen traceability and the updating of products identified as "Ecodesign" are ongoing. This information is necessary for the calculation of the indicator "Percentage of turnover made achieved with Ecodesign products".
- The information used to characterize the motorization (diesel, bio-fuel, electric, etc.) of the trucks is not available and therefore could not be verified during the review of the indicator "CO₂ emissions from the transport of DECATHLON products delivered worldwide (from 01/01 to 31/12) from the large import warehouses to the distribution platforms".
- The indicators relating to the commitments "100% of countries are driven by a digital maturity index; Zero components or finished products incinerated or landfilled; 100% of team members remunerated on extra-financial performance criteria" of the Transition Plan are not, to date, available, as mentioned in the Statement.

Reasonable assurance report on selected information

For the information selected by the company and identified by the sign ✓, we have carried out, at the company's request and on a voluntary basis, work of the same nature as that described in the paragraph "Nature and scope of the work" above for the key performance indicators and for the other quantitative results that we considered to be the most important. This work was carried out in greater depth, particularly in terms of the number of tests.

The selected sample thus represents 100% of the environmental information identified by the sign ✓.

We are convinced that this work allows us to express reasonable assurance on the information selected by the company and identified by the sign ✓.

Conclusion

In our opinion, the information selected by the company and identified by the sign ✓ has been established, in all material respects, in accordance with the Standards.

Preparation of the non-financial performance statement

The lack of a commonly used framework or established practice on which to base the assessment and evaluation of information allows for the use of alternative accepted methodologies that may affect comparability between entities and over time.

The Statement has been prepared in accordance with the entity's procedures (hereinafter the "Guidelines"), the main elements of which are presented in the Statement.

Restrictions due to the preparation of the Information

As mentioned in the Statement, the Information may contain inherent uncertainty about the state of scientific or economic knowledge and the quality of external data used. Some of the Information is dependent on the methodological choices, assumptions and/or estimates made in preparing the information 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 Company's Guidelines as referred to above.

Responsibility of the Independent third-party organization

Based on 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 the Information 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").

As it is our responsibility to form an independent conclusion on the Information as prepared by management, we are not permitted to be involved in the preparation of the Information as this could compromise our independence.

It is also our responsibility to express, at the request of the entity and outside the scope of accreditation, a reasonable assurance conclusion on the fact that the information selected by the entity¹ has been prepared, in all material respects, in accordance with the Standards.

It is not our responsibility to express an opinion on:

- the entity's compliance with other applicable legal and regulatory requirements (in particular with regard to 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 3000².

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 10 people between September 2022 and April 2023 and took a total of 10 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 departments.

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. For some indicator³, our work was carried out on the consolidating entity, for the others indicators, our work was carried out on the consolidating entity and on a selection of entities⁴;
- 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 28% 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 moderate assurance engagement are less extensive than those required for a reasonable assurance engagement performed in accordance with the professional doctrine of the Compagnie nationale des commissaires aux comptes. Indeed, the procedures performed for reasonable assurance required more comprehensive verification work.

The Independent Third-Party body,
mazars
Paris La Défense, 25 May 2023

Isabelle MASSA
Partner

Edwige REY
CSR & Sustainable Development Partner

1. Percentage of circularity sales (second life products, repairs and rentals).

2. ISAE 3000 - Assurance engagements other than audits or reviews of historical financial information.

3. Decathlon Teammates Barometer results and number of reports received in Whispli, Scope 3 CO₂ emissions (international transport).

4. France, Brazil, China, Italy, Poland, Taiwan, Belgium, Germany, Spain, India, Portugal.

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:

- Destruction of surplus stocks and "Save the Frog" project;
- Waste optimization and management;
- Single-use plastic: waste and packaging;
- Security of customer and employee data;
- Fight against corruption and ethics;
- Duty of care.

Quantitative indicators including key performance indicators:

(√) Information reviewed in reasonable insurance.

Quantitative social information	Entities audited
Workforce at 31/12/2022	France, China and Brazil
Percentage of teammates on permanent contracts	France, China and Brazil
Percentage of people who have had at least 3 hours of training in the last 2 years	France, China and Brazil
Percentage of employee shareholders	France, China and Brazil
Frequency rate of accidents resulting in time off work	France, China and Brazil
Results of the Decathlon Teammates Barometer	Group
Quantitative societal information	Entities audited
Percentage of products with an environmental label	France
Energy consumption per m ²	France, China and Brazil
Waste sorting rate	France, China and Brazil
CO ₂ emissions scopes 1 and 2	France, China, Brazil, Italy, Poland, Taiwan, Belgium, Germany, Spain, India and Portugal
Share of sustainable turnover and share of turnover made with eco-designed products	Running, Mountain hiking, Trekking and Cardio
Percentage of circular turnover (second life, workshops, rental) √	Group, France, China and Brazil
Percentage of purchasing volumes produced from suppliers who only use renewable electricity	France, China and Brazil
Percentage of purchasing volumes produced from suppliers who have set their CO ₂ trajectory according to SBTi guidelines	France, China and Brazil
CO ₂ emissions scope 3 (warehouse to warehouse)	France, China and Brazil
CO ₂ emissions scope 3 (international transport)	Group
Quantitative societal information	Entities audited
Percentage of Rank 1 and Rank 2 suppliers rated A, B or C for Human Responsibility in Production	France, China and Brazil
Percentage of Rank 1 and Rank 2 production sites rated 1, B or C in environmental assessments	France, China and Brazil
Percentage of users delighted with DECATHLON products	France, China and Brazil
Return rate per million	France, China and Brazil
Number of alerts received on the internal alert platform Whispli	Group

APPENDICES

GLOSSARY

ABBREVIATIONS

- ADEME** Agence de la transition écologique (The French Agency for Ecological Transition)
- AFIR** Association familiale d'investisseurs responsables (Family Association of Responsible Investors)
- AFM Bn** Association familiale Mulliez (Mulliez family association)
- Bn** Billion
- CDP** Carbon Disclosure Project
- COP** Conference of Parties
- CSR** Corporate Social Responsibility
- CSRD** Corporate Sustainability Reporting Directive
- Ctn** Container
- DTB** Decathlon Teammates Barometer
- EPR SLG** Extended Producer Responsibility for Sports and Leisure Goods
- ESG** Environnement, Social, and Gouvernance
- GBS** Global Biodiversity Score®
- 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
- LGBTQI+** Lesbian, Gay, Bisexual, Transgender, Queer and Intersex
- NFRD** Non-Financial Reporting Declaration
- NZI** Net Zero Initiative
- 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
- PSR** Psychosocial risks
- R&D** Research and development
- RPM** Returns per million
- SBTi** Science Based Target Initiative
- UN** United Nations
- UNFCCC** United Nations Framework Convention on Climate Change
- WCUD** World Clean Up Day
- ZDHC** Zero Discharge of Hazardous Chemicals

DEFINITIONS

- Circularity sales:** turnover realised from the sale of second life and repaired products, and rentals.
- Decathlon:** 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.
- Decathlon own brand:** An own brand is an exclusive brand of Decathlon, distributed throughout its sales network (stores, franchises, B2B, etc.). Own brands are also called "Decathlon brands", "Signed Sports" or "Passion Sports", representing all the products designed, produced and sold by Decathlon. An own brand can also be the "brand name" when the products bear the Decathlon name.
- Ecodesign sales:** turnover realised from the sale of products having benefitted from an ecodesign approach that aims to reduce their environmental impact while maintaining their quality.
- Marketplace:** Decathlon's digital sales site offering products from third-party vendors.
- 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.
- Sports & Processes:** teams responsible for the company's various sports (eg. Quechua for hiking, B'Twin for cycling, Tribord for sailing, etc.) or industrial processes related to the manufacture of Decathlon products (textiles, metals, bikes, etc.).

UNITS OF MEASUREMENT

- €** euro
- CO₂** carbon dioxide
- CO₂e** carbon dioxide equivalent
- g** gramme
- kg** kilogramme
- km** kilometre
- km²** square kilometre
- kWh** kilowatt hour
- m²** square metre
- m³** cubic metre
- t** tonne

PUBLICATIONS ECOSYSTEM



Visit website: sustainability.decathlon.com

*This site contains all of Decathlon's commitments and actions to **make its activities compatible with planetary boundaries.***



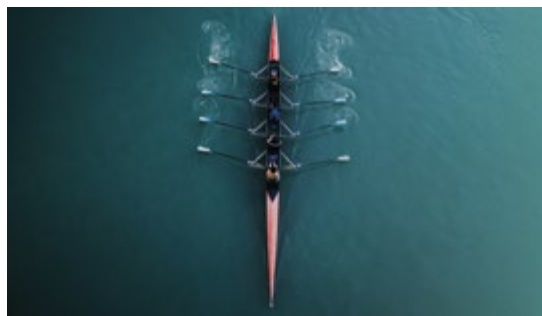
2020-2026 Transition Plan

*Structured around three pillars: **Developing people | Preserving nature | Creating sustainable value;** the Transition Plan can be updated annually based on lessons learnt from the company's experiences and from changes in science, methodologies and issues.*



2022 Non-Financial Reporting Declaration

*This sustainable development report is the annual reflection **of the actions taken by teammates** to contribute to a more sustainable Decathlon.*



2022 Vigilance Plan

This report is public and accessible to all; it covers all of the company's responsibilities along its value chain and towards its third parties. It presents a mapping of environmental and human rights risks, action plans to prevent them and the functioning of the alert system.



Materiality assessment

*This mapping, **based on listening to Decathlon's internal and external stakeholders,** ensures the correct allocation of resources and the prioritisation.*



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A misty landscape with a field of wildflowers in the foreground and mountains in the background. The scene is bathed in soft, golden light, suggesting early morning or late afternoon. The foreground is filled with a dense field of wildflowers, including daisies and other small blooms, in various shades of yellow, white, and purple. The middle ground is dominated by a thick layer of white mist or fog that obscures the details of the terrain. In the background, the silhouettes of mountains are visible against a pale, hazy sky. The overall atmosphere is serene and ethereal.

DECATHLON

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