

Modern Slavery Act Transparency Statement



SPORT FOR ALL | ALL FOR SPORT

In Decathlon, responsibility is one of our core values. It is a key driver to promote Sustainable Development and Human Rights on a daily basis and in all our activities. Therefore, in the factories of our suppliers or subcontractors, we are committed to observe and ensure the application of the Guiding Principles on Business and Human Rights developed by the United Nations under the "Protect, Respect and Remedy" framework, within our Social Charter.

Our Social Charter was created in 2003, based on ILO Conventions and the Universal Declaration of Human Rights. It is a contractual document, signed by our suppliers prior to any business relationship, and setting out our requirements on Safety and Human Rights such as Child Labour, Working Hours, Discrimination etc. One of them is to consider any direct or indirect form of Forced Labour, as a critical issue that leads to production and shipment suspension, until solving the problem.

Indeed, our global risk mapping, our Social Charter and all the procedures and tools relating to our due diligence in the supply chain are evolving, at a regular period, due to the update of various internal and external stakes.

For more information on our approach and initiatives please visit our SD Website:
<http://sustainability.decathlon.com/>

Verification of Supply Chain

Before starting the relationship with a supplier, we ensure the supplier's production site matches our basic social requirements. The supplier commits within its manufacturing and supply agreement, to produce only on declared and verified sites and territories, and any undeclared subcontracting is absolutely forbidden. Once the supplier is active, our local teams continuously accompany them to progress not only on Social, Safety and HR matters but also on Quality, Supply, Production etc. and they seek to build a long term relationship.

Since 2014, we have developed a partnership strategy with suppliers who share our vision and values and we define with them transparent, demanding and sustainable objectives and interests. To evaluate how these suppliers and partners match our requirements and standards, we perform regular assessments of their sites and organisations. These assessments are conducted by our internal social auditors or by external parties, and the frequency is country risk related. Even though the frequency differs from one country to another, the Assessment Grid is the same for all. It is based on our Social Charter and manages Safety Themes such as Fire Safety, Chemical Safety and also Human Rights such as Child Labour, Forced Labour and Wages. In each assessment, the assessors ensure that the supplier is compliant with local laws and if Decathlon's position is more demanding, they ensure to comply with it as well. The nonconformities detected are reported to our locally based production teams who ensure the construction of the Action Plan with the suppliers and ensure its efficiency and implementation.

Accountability

Each assessment conducted with the supplier since the opening gives a rating result from E to A, E being unacceptable and A being exemplary. If a site is awarded an "E", we require the supplier:

- to undertake immediate action to eliminate the risk on the day it is observed; and
- to analyse the problem in order to identify the root cause and draw up a corrective action bringing a sustainable solution.

This action plan will be approved by an internal validated assessor no more than 3 months after the assessment. If the situation can't be resolved that same day, we suspend production and block further shipments of our product. The historical data and follow up of assessments and action plans are recorded on internal supplier database that is accessible by all teammates. From this supplier database, a regular reporting on ABC Level rate of our supplier panel is done to monitor and achieve our target of 80% ABC Level.

More explanations in our SD Report:

<http://sustainability.decathlon.com/media-reports/documents/>

Suppliers' Certification of Materials

In Decathlon, we request our direct suppliers to verify within their own supply chain the compliance of sourced materials to our Restricted Substances List and to our Social Charter requirements and guidelines.

Training

As soon as new teammates join our company, they are given a personal training plan (PTP) relevant to their area of activity, which aims to make them operational as quickly as possible. Thus, our Decathlon teammates in charge of managing a factory whether in purchasing, technical or local production team have a complete training explaining all our Social Charter requirements including Forced Labour.

Our Production teams, who are involved daily in managing the supplier also have a complementary training to schedule and prepare assessments, to co-build corrective action plans (CAP) with their suppliers and to monitor the CAP implementation on the field. As per our continuous improvement approach in Decathlon, we have decided to have, in January 2017, a 2-day training session with "Vérité" on Forced Labour. Vérité is a global, independent and non-profit organisation, that conducts research, advocacy, consulting, trainings, and assessments with a vision that people worldwide work under safe, fair, and legal conditions, and Vérité Team has a recognised expertise on Forced Labour and Human Trafficking. The objective was to reinforce the skills of our Sustainable Development managers in charge of suppliers' assessments, and to update our risk mapping with the emerging risks and draw a new and clear roadmap for the next 5 years.

The 5th June 2017

Thibaut Peeters,
Decathlon UK CEO

Eric DIOT,
Decathlon UK CFO