

At Decathlon we maintain lasting relationships with all our suppliers, based on performance management as well as social and environmental responsibility in production. As a matter of facts, the average duration of our relations with our Top 100 suppliers is 10.3 years.

1.a. Are you keeping a list of factories that have closed in your supply chain since March 2020, (including those that you stopped sourcing from during the pandemic) Y/N
Yes

b. Is your company willing to share a list of closed factories, including names and addresses? (Please share list here or as an attachment)
No, we don't provide any consolidated list of our suppliers, only individual answers to our customers in case they want to know more on production conditions : name of supplier, site of fabrication.

c. Are you willing to provide BHRRC with updated lists in the future? Y/N
No, currently Decathlon does not wish to publicly disclose any suppliers list.

Worker wage and severance payments

2.a Have you received reports of non-payment of full salaries for workers in your supply chain? Y/N
Yes, since March 2020, we have a monthly monitoring of salaries payment in the regions most impacted by the COVID19 pandemic. In case our local teams could not access the production facilities of our suppliers due to governmental restrictions, all concerned suppliers received a self-assessment request to provide Decathlon visibility on salaries paiement, working hours, and COVID19 specific hygiene measures. When it was possible, the information received from our suppliers have been cross checked by our local production team with workers representatives and unions (e.g. Bangladesh and India).

b. Is your company actively involved in resolving each of these payment disputes? Y/N
Yes, in case such a situation is identified following a self-assessment or during one of our regular social assessments, our local production teams are actively involved. They engage our supplier into a timed corrective action plan and each action is followed up with its implementation.

3.a. When garment workers lose their jobs, are you monitoring if workers are receiving any outstanding wages, legally mandated severance, and unemployment benefits? Y/N
Yes, during our social assessments, last contract terminations are analyzed to determine if the procedure defined by the local law was respected.

b. Is your company actively involved in ensuring workers are paid outstanding wages, severance, and benefits? Y/N
Yes, if a supplier did not respect the procedure requested by the law during a dismissal or contract termination, it is considered as a non-respect of our requirements as per our Code of Conduct signed by all our Tiers 1 suppliers. Therefore, if such cases are identified during one of our regular social assessments, our local production teams would be actively involved to engage our supplier into a timed corrective action plan. Each action is followed up with its implementation.

Discriminatory dismissals and human rights violations

4.a Have you implemented a pandemic-related policy with your suppliers to ensure vulnerable demographics of workers are not being disproportionately targeted for layoffs (e.g. union members & leaders, pregnant women, migrant workers)? Y/N

We did not change our policy on this topic as it is already addressed in our Code of Conduct for suppliers, and controlled during social assessments. However, we focused our efforts to monitor more closely the population of workers living in dormitories, when provided by suppliers. Following our risk analysis, this population needs more attention during the COVID19 period and it is the responsibility of the supplier to set the necessary measures to guarantee safe and clean living conditions.

b. Are you tracking lay-offs and suspensions by demographic? Y/N
No, we are not tracking lay-offs and suspensions by demographic.

c. If Y can you provide a list of the categories being monitored?
NA

d. If N, what steps are you taking to ensure discriminatory dismissals are not being carried out?
During our social assessments, last dismissals are analyzed to determine if the procedure defined by local law was respected and if it was not subjected to any discrimination.

5.a Are there one or more factories supplying your company where advocates have alleged workers have been criminally charged or imprisoned in violation of their human rights (freedom of expression, freedom of assembly & association, collective bargaining etc.)? Y/N
No

b. In all such cases, have all workers been released from custody with all charges dropped?
Y/N
NA

Purchasing practices

6. a. Have you implemented a policy specifying that your sourcing team must not ask for price reductions/discounts relative to comparable items from last season? Y/N
Our target is to work with industrial prices : pay the right cost including a fair margin for the supplier to ensure the sustainability of their finance. Our prices are validated between suppliers and the local team 6 months before the season and not re-negotiated when production is running.

b. If yes, can you share this policy with BHRRC?
NA

c. If No, have you implemented any pandemic- related policy designed to ensure your sourcing staff do not pressure suppliers on price or production times and can you share this policy? Y/N
Our priorities were to respect our commitment and ship all orders already produced. Sourcing teams have confirmed several times to our local teams and directly to our partner suppliers that all stock related to Decathlon orders would be shipped, and that payment would be done under the initial condition.

7. a. What were your payment times prior to the pandemic (in days)?
Average 65 Days

b. Have you extended these payment times for the current pandemic period? Y/N
No, we paid on time. In some cases, we agreed with suppliers to put reverse factoring in place in order to reinforce their cash balance. Furthermore, for specific cases, Decathlon has covered payment of accessories (Tiers 2) to decrease tension of our Tiers 1 suppliers' cash flow.

c. What are the maximum number of days from invoice date within which you pay your suppliers currently (e.g. 30, 60, 90, 180 days)?

TT 90 Days

8. Have you committed to pay in full for all in-production and completed orders? Y/N

Yes in full

9. Have you requested a discount for any orders? Y/N

No

10. Are you supporting suppliers with access to local finance with a letter of credit or through other means? Y/N

Yes for some suppliers when it is needed we applied the below supporting programs:

- reverse factoring,
- subcontracting,
- advance payment.

These are the main information gathered with our Purchase teams regarding the particular situation of the pandemic.

If you want to know more on our Social and Human Purchase Policies in general, don't hesitate to read the dedicated chapter on our last Extrafinancial Performance Declaration enclosed to this message