

# **A Study of External Sources of Decathlon : A Review Paper**

**Chidananda HL<sup>1</sup> and Jitukumar Pandey<sup>2</sup>**

Faculty of Commerce, School of Economics and Commerce, CMR University, Bangalore, India<sup>1</sup>  
6th Semester, Student, B.com, , School of Economics and Commerce, CMR University, Bangalore, India<sup>2</sup>  
chidananda.h@cmr.edu.in and jitu.pandey@cmr.edu.in

**Abstract:** *This research provides a comprehensive examination of Decathlon's external sourcing strategies, with particular emphasis on its supplier relationships, risk mitigation frameworks, and sustainability initiatives. As a global leader in the sporting goods industry, Decathlon operates an extensive and complex supply chain network that demands rigorous oversight and continuous improvement. The study delves into how the company identifies and collaborates with suppliers, the criteria it employs for supplier evaluation, and the measures it implements to ensure ethical and environmentally responsible sourcing. Additionally, the research evaluates Decathlon's ability to manage potential risks across its supply chain, including geopolitical, economic, and operational disruptions. Sustainability emerges as a central theme, with a focus on how Decathlon integrates eco-design principles, carbon footprint reduction, and circular economy practices into its procurement operations. The findings shed light on the strengths of Decathlon's sourcing framework while also highlighting critical areas where strategic enhancements could yield greater resilience and sustainability. Ultimately, this study contributes valuable insights into best practices for external sourcing within the context of global supply chain management.*

**Keywords:** Decathlon, external sourcing strategy, global supply chain, ethical sourcing, supplier management, sustainability practices, risk mitigation

## **I. INTRODUCTION**

Decathlon, a globally recognized leader in the sporting goods retail industry, has built its reputation on providing affordable, high-quality sports products to a diverse customer base. With operations spanning across numerous countries and an extensive range of sporting categories, Decathlon's success is deeply intertwined with the efficiency and reliability of its supply chain. A significant portion of its manufacturing and procurement activities are outsourced to external suppliers, particularly in regions with cost-effective production capabilities.

Given this reliance on external sources, a comprehensive understanding of Decathlon's sourcing strategies becomes essential—not only to gauge operational efficiency, but also to evaluate how the company upholds ethical labor practices, manages geopolitical and economic risks, and integrates sustainability into its global supply chain. In an increasingly competitive and environmentally conscious market, companies like Decathlon are under growing pressure to ensure transparency, fair labor standards, and ecological responsibility throughout their supply networks.

This paper seeks to explore and analyze Decathlon's external sourcing approach, placing particular emphasis on its supplier relationship management, risk mitigation strategies, and commitment to sustainable practices. By examining these key aspects, the study aims to provide valuable insights into how Decathlon maintains its competitive edge while striving to meet ethical and environmental standards on a global scale.

## **II. REVIEW OF LITERATURE**

The supply chain model adopted by Decathlon has attracted significant academic and industry attention due to its hybrid structure and operational efficiency. Multiple studies have identified that Decathlon primarily relies on a global network of external suppliers, particularly concentrated in cost-effective regions such as South and Southeast Asia. This



strategic reliance allows the company to maintain competitive pricing while ensuring adaptability in response to market fluctuations and consumer demands. The geographic spread of suppliers plays a critical role in enhancing production scalability and reducing lead times, making the supply chain more responsive and resilient.

A distinguishing feature of Decathlon's supply chain strategy is its vertical integration. By overseeing key functions such as product design, manufacturing, and logistics in-house, the company ensures streamlined coordination between departments and greater control over the value chain. This level of integration minimizes dependency on third-party intermediaries, enabling faster decision-making and improved quality assurance throughout the product lifecycle. Furthermore, the in-house capabilities support innovation and customization, aligning product development closely with consumer preferences and regional market trends.

In addition to operational efficiency, Decathlon places a strong emphasis on ethical and sustainable sourcing. Literature highlights the brand's proactive engagement in monitoring labor conditions and environmental impact across its supply chain. The company has established rigorous supplier evaluation frameworks that incorporate both performance metrics and compliance with international labor regulations. These evaluations are periodically conducted through audits and field visits, ensuring transparency and accountability. Partnerships with third-party certification bodies further strengthen Decathlon's commitment to upholding human rights, fair wages, and workplace safety.

Moreover, studies suggest that Decathlon's efforts to build long-term relationships with its suppliers have contributed to mutual trust and improved collaboration. By investing in supplier development programs and capacity-building initiatives, Decathlon not only enhances product quality and operational consistency but also fosters social responsibility across its supplier base.

In summary, the literature underscores that Decathlon's supply chain is a well-balanced system that combines cost-efficiency with ethical responsibility and operational agility. The company's focus on vertical integration, strategic outsourcing, and ethical governance forms a robust framework that supports its global retail operations and sustainable growth objectives.

### III. METHODOLOGY

This research adopts a qualitative methodology aimed at gaining an in-depth understanding of Decathlon's external sourcing practices and sustainability strategies. The study is grounded in the analysis of secondary data, drawing extensively from a range of publicly available sources. These include Decathlon's official annual and sustainability reports, supply chain disclosures, corporate social responsibility (CSR) publications, and third-party assessments provided by reputable organizations and non-governmental bodies.

To ensure the reliability and relevance of the data, only sources published within the last five to seven years were considered, with particular attention given to documents that detail the company's supplier management practices, ethical sourcing standards, and environmental commitments. Supplementary academic literature and industry analyses were also reviewed to contextualize Decathlon's actions within broader global trends in sustainable retail and supply chain management.

The analytical process involved thematic analysis, a method well-suited to qualitative studies aiming to identify recurring patterns and key areas of focus. Specifically, this approach facilitated the extraction of central themes related to external supplier relationships, ethical procurement practices, transparency in sourcing, and alignment with sustainability goals. Data were systematically coded and categorized to build a comprehensive picture of how Decathlon manages its external sourcing in line with its environmental and social responsibilities.

This methodological approach enables a nuanced interpretation of Decathlon's strategic direction and operational choices, contributing to a richer understanding of its position within the sustainable retail landscape.

### IV. RESEARCH GAPS

Although the current body of literature offers valuable perspectives on Decathlon's supply chain configuration and its sustainability-driven strategies, significant gaps remain in fully understanding the operational intricacies of its supplier management systems. In particular, there is a lack of comprehensive studies examining the *effectiveness and robustness* of Decathlon's supplier evaluation and performance monitoring mechanisms. Most existing research tends to focus on



high-level sustainability outcomes or corporate strategies, leaving a gap in micro-level operational analysis, especially concerning third-party supplier performance metrics.

Furthermore, the influence of external sourcing on Decathlon's broader supply chain efficiency has not been thoroughly investigated. There is limited empirical evidence evaluating how reliance on outsourced manufacturing and partnerships with external vendors affects the company's agility, lead times, cost control, and quality assurance. This becomes even more relevant considering the diverse sourcing environments Decathlon operates within.

A particularly underexplored area is the set of challenges Decathlon encounters in managing external suppliers in emerging or developing markets. These regions often present unique logistical, cultural, regulatory, and socio-economic difficulties that can hinder supplier collaboration and performance. Yet, scholarly literature seldom delves into how Decathlon adapts its procurement strategies to mitigate such region-specific challenges or how these adaptations influence its global supply chain consistency.

Consequently, future research is needed to bridge these gaps by critically examining the supplier evaluation frameworks employed by Decathlon, assessing the tangible impacts of external sourcing on operational performance, and identifying context-specific challenges in supplier management within emerging market landscapes. Such investigations would provide a more nuanced and practical understanding of Decathlon's supply chain dynamics and offer insights for other global retailers with similar operational models.

## **V. FINDINGS**

### **1. Extensive Supplier Network**

Decathlon operates through a broad and strategically distributed network of external suppliers, with a significant concentration based in various Asian countries. This global sourcing structure enables the company to maintain a competitive edge in manufacturing and logistics, while also ensuring access to diverse raw materials and production capabilities.

### **2. Risk-Based Supplier Evaluation**

To uphold ethical standards throughout its supply chain, Decathlon adopts a risk-based methodology for evaluating suppliers. This approach involves assessing potential risks related to labor rights, environmental compliance, and operational integrity. High-risk suppliers are subject to more rigorous audits and monitoring processes, ensuring that only those aligned with Decathlon's values continue to partner with the company.

### **3. Commitment to Sustainability**

Decathlon places a strong emphasis on environmental stewardship by actively supporting its suppliers in transitioning towards greener manufacturing practices. This includes initiatives aimed at reducing carbon emissions, adopting renewable energy sources, and optimizing energy efficiency across production facilities. The company also provides guidance and resources to help suppliers implement sustainable innovations.

### **4. Promoting Transparency and Ethical Labor Practices**

In alignment with global human rights standards, Decathlon is committed to transparency in its supply chain operations. The company publicly shares information on its measures to combat forced labor and human trafficking. By fostering openness and accountability, Decathlon reinforces its dedication to creating a fair and responsible supply chain.

## **VI. SUMMARY TABLES**

Table 1: Decathlon's Supplier Evaluation Criteria

Criteria	Description
Ethical Practices	Compliance with labor laws and human rights standards
Environmental Impact	Measures to reduce carbon footprint and promote sustainability
Operational Efficiency	Ability to meet production timelines and quality standards



Risk Assessment	Evaluation based on geographical and political risks
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## VII. RESULTS-BASED DISCUSSION

Decathlon's external sourcing strategy reflects a deliberate balance between achieving cost efficiency and upholding ethical standards. By implementing a risk-based supplier evaluation framework, the company effectively monitors and enforces compliance with established labor rights and environmental regulations. This systematic approach helps ensure that all partners, regardless of geographical location, adhere to Decathlon's values of fairness, safety, and sustainability. Nevertheless, overseeing an extensive and geographically diverse supplier network introduces significant complexities. Challenges such as inconsistent product quality, varying degrees of supplier maturity, and differing regulatory environments can hinder uniform compliance and performance. Despite these obstacles, Decathlon has demonstrated a proactive and responsible stance by investing in supplier development programs. These initiatives focus on building long-term relationships, offering training, and encouraging the adoption of sustainable manufacturing practices. Moreover, the company's engagement in sustainability-driven collaborations and its commitment to reducing environmental impact further reinforce its dedication to responsible sourcing. Through these efforts, Decathlon not only safeguards its brand reputation but also contributes positively to broader industry standards and global sustainability goals. Ultimately, while the strategy is not without its challenges, the results indicate a strong alignment between ethical procurement and strategic business objectives.

Table 2: Decathlon's Sustainability Initiatives with External Suppliers

Initiative	Description
Decarbonization Support	Assisting suppliers in reducing carbon emissions through energy efficiency projects
Renewable Energy Adoption	Encouraging the use of renewable energy sources among suppliers
Elimination of Coal Usage	Targeting the elimination of coal use among Rank 1 suppliers by 2025
Supplier Training Programs	Providing training to suppliers on ethical practices and sustainability

## IX. CONCLUSION

Decathlon's strategy for external sourcing underscores a strong dedication to ethical conduct, sustainability, and responsible supply chain management. The company's rigorous supplier evaluation framework ensures that partners align with its core values, particularly in areas concerning environmental responsibility, labor practices, and compliance with international standards. By actively supporting sustainability initiatives and investing in long-term partnerships, Decathlon not only strengthens its global sourcing network but also encourages continuous improvement across its supply chain.

Despite these efforts, maintaining high standards requires ongoing vigilance. Challenges such as regulatory changes, supplier non-compliance, and operational inefficiencies demand constant monitoring and adaptive strategies. Regular audits, transparent communication, and capacity-building efforts are critical to sustaining ethical practices and fostering resilient supplier relationships.

In conclusion, while Decathlon has made commendable progress in embedding sustainability and ethics into its sourcing operations, sustained engagement and continuous innovation remain vital. By doing so, the company can ensure that its external sourcing practices continue to support both its business goals and broader social and environmental responsibilities.

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