The Moscow Times
30 YEARS
INDEPENDENT NEWS FROM RUSSIA

French Sports Retailer Decathlon Secretly Supplying Russia – Disclose

By AFP

December 19, 2023



A Desport storefront in Moscow. **Moskva News Agency**

French sports retail giant Decathlon has secretly continued selling sportswear in Russia despite officially pulling out in protest at Russia's war in Ukraine, a media report published Tuesday said.

The multinational retailer, which posted sales of 15.4 billion euros ($16.9 billion) last year, announced within weeks of Russia's invasion of Ukraine that it would withdraw from the Russian market.

In October of this year, it sold its 60 local Russian outlets to Desport, the report in investigative media site Disclose said, a move that was presented as marking the end of its Russian presence.

"Except it wasn't," the report said.

Related article: EU Adopts New Round of Sanctions on Russia

In recent weeks, "very discreetly," Decathlon had continued to supply Desport with products carrying its flagship brands Quechua, Wedze and Kalenji, Disclose said.

Citing internal documents, open-source videos and statements from former staff, Disclose said that Decathlon had put in place "a vast system to conceal its exports as part of a supply agreement with Desport" which it said was worth at least $12 million, using a shell company in Dubai and a Singapore-based subsidiary.

The operation, Disclose said, took Decathlon "to the limits of legality."

"I learned in the summer of 2023 that Decathlon wanted to continue selling its products in Russia," the media quoted an unnamed source who recently left the company as saying. "I immediately understood that it was a secret project."

To meet Russian demand, Decathlon diverted part of its production originally earmarked for EU markets, and boosted output at Asian production sites, the report said.

EU sanctions following Russia's attack on Ukraine on Feb. 24, 2022, made it illegal to deliver weapons, luxury goods or equipment that could strengthen industrial capacity to Russia.

Sports articles are not on the list.

Asked for comment by AFP, Decathlon said that it "operates no stores in the Russian Federation, employs no staff and owns no stakes in active companies in the country."

But it later acknowledged that it had supplied the clothes, saying that one of its priorities while exiting Russia was to ensure the continued employment of its staff.

"In order to finalise the transaction it was agreed, in accordance with local and international regulations in force, to continue for a limited duration to supply a limited amount of products so the new owner can launch its operation and preserve jobs," said Decathlon.

Original url:
https://www.themoscowtimes.com/2023/12/19/french-sports-retailer-decathlon-secretly-supplying-russia-disclose-a83481