



GLOBE INTERNATIONAL LIMITED

Modern Slavery Statement

1. Reporting Entity

This statement has been prepared in accordance with the Modern Slavery Act 2018 (Cth) (“the Act”) and sets out the actions taken by Globe International Limited ABN 65 007 066 033 (“reporting entity”) to identify, assess and address modern slavery risks across its’ operations and supply chain for the year ended 30 June 2021 (“reporting period”). Globe International Limited is an Australian company listed on the Australian Securities Exchange (ASX Code: GLB) with its principal place of business at 1 Fennell Street, Port Melbourne, VIC 3207, Australia. This Statement covers the reporting entity and its wholly owned subsidiaries worldwide (collectively “Globe”) as set out in **ATTACHMENT A**.

Modern slavery includes:

- human trafficking;
- slavery;
- servitude;
- forced labour;
- deceptive recruiting for labour or services;
- debt bondage;
- forced marriage; and
- the worst forms of child labour

As this Statement will show, Globe has a zero tolerance approach to Modern Slavery in all its forms. For many years prior to the introduction of the Act, Globe has taken a proactive approach to reduce the risk of modern slavery occurring within its operations or its supply chains.

2. Structure

Globe is structured into three regional operating segments - Australasia, North America and Europe, which are headquartered in Melbourne, Los Angeles and Hossegor (France) via wholly owned subsidiaries. Globe’s sourcing teams are centralised, servicing all three operating segments, covering all subsidiaries.

3. Operations

Globe is a global multi-branded producer and distributor specialising in products such as purpose-built apparel, footwear, roller skates and skateboard hardgoods (decks, wheels, trucks, etc.) for the boardsports, street fashion, outdoor and workwear markets. Founded in 1985 by three Australian brothers, the Company’s core business is divided between proprietary, licensed and distributed brands. Globe’s proprietary brands include Globe, Salty Crew, FXD and Impala. Its licensed and distributed brands operate under the Hardcore Distribution, Hardcore Optics and 4Front divisions. Globe’s operations comprise wholesale sales to third party retailers and distributors; and direct to consumer sales through its full suite of online stores and its select number of branded retail stores in specific, strategic neighbourhoods.

4. Supply Chain

The vast majority of Globe's products are manufactured in China, the USA and Mexico with long standing third party supplier partners. Other items representing less than 5% of overall production are produced in factories across Italy, Slovenia, Indonesia, Vietnam, India, Bangladesh and Australia. Globe has a non-controlling interest in a production facility in Shenzhen, China, where all of its skateboards are manufactured.

Globe has categorized these third party supplier partners as Tier 1 suppliers who directly manufacture and supply Globe's products. Statistics of these Tier 1 suppliers by country are set out in the table below:

Tier 1 Supplier Statistics - By Country		
Country	No. of Suppliers	%
China	37	63%
Mexico	5	8%
USA	4	7%
Bangladesh	2	3%
Cambodia	2	3%
Australia	2	3%
Vietnam	2	3%
Belgium	1	2%
India	1	2%
Indonesia	1	2%
Italy	1	2%
Slovenia	1	2%
Total at 30 June 2021	59	100%

In addition to these Tier 1 suppliers, Globe has its Tier 2 suppliers who provide components and finished materials to its Tier 1 suppliers, and Tier 3 suppliers who provide the raw materials for both Tier 2 and Tier 1 suppliers.

Globe also distributes finished product from several Third Party distributed brands, mostly under its Australian-based Hardcore Distribution (skateboards and associated hardware), Hardcore Optics (sunglasses and frames) and 4Front (Apparel) divisions. These will be included as Tier 1 Suppliers in future statements.

Finally there are also a number of local suppliers based in Australia, USA and France that supply products and services that include Third Party Logistics (warehousing), IT equipment and servicing, office supplies, consumables, point of sale and marketing items. Globe recognises that these local suppliers in turn, may source their products from countries that have been identified as high risk from a modern slavery perspective.

5. Modern Slavery risks

(a) Risks in Globe's operations

Globe's core operations are headquartered in Australia, the USA and France where there are comprehensive labour laws in place. Each subsidiary's finance, HR and legal teams are familiar with the relevant laws in each jurisdiction and ensure that its workplace practices and remuneration policies are in line with or above the minimum standards. All workers at Globe's main Australian warehouse are covered under a site-specific Enterprise Agreement with the United Workers Union that has been approved by the Fair Work Commission.

Globe places a high importance on the wellbeing of its employees. It is committed to providing a clean, comfortable and welcoming place of work for all employees, and each of its worldwide locations lives up to these high standards. In addition, it has in place policies and procedures to ensure each workplace is safe and all-inclusive. Each of its subsidiaries has a comprehensive health and safety program and take its policies with regards to equal opportunity and harassment very seriously. In recent years Globe has invested in well-being programs that are designed to support the overall wellbeing of its employees. The well-being programs address physical and mental health, employee development and engagement, work life balance, community involvement and overall culture. Each of the subsidiaries has a range of policies as part of their well-being program, and this is an area of continued focus for the business.

Based on this, Globe assesses the risk of modern slavery within its direct operations as being low. This includes long-term cleaning staff and other sub-contracted services.

(b) Risks in Supply Chain

Of the products that Globe sells, the 2018 [Global Slavery Index](#) has identified the following products as being exposed to a high risk of modern slavery:

- apparel,
- clothing accessories and footwear
- raw material products such as timber [used in skateboards] and cotton [used in apparel and footwear].

The Index also identified certain high-risk countries that include China, Uzbekistan, Turkmenistan and Bangladesh that manufacture these products.

In addition to Globe's core product suppliers based in the countries identified in the Index, many of Globe's local suppliers based in Australia for IT equipment, office supplies, consumables, point of sale and marketing items source from those countries so identified.

6. Actions taken to address modern slavery risks

Overview of policies and procedures in place

In 2017, Globe appointed an ESR Manager, whose role includes overseeing Globe's sourcing from an ethical and environmental perspective. For many years now, Globe has proactively engaged with its Tier 1 supply chain worldwide to ensure that there are no instances of modern slavery within in its suppliers'

operations. This includes an Ethical Sourcing Policy that specifically address Globe's zero tolerance for these issues.

A copy of Globe's current Ethical Sourcing Policy is available [HERE](#) (The Policy). The Policy sets out the minimum standards expected from its suppliers, and they are required to sign-off on this policy before any trade commences. The Policy explicitly addresses modern slavery, stating that "Employment shall be on a voluntary basis and no prison, convict, slave, indentured, bonded or other forced labour shall be permitted". The policy has also been translated into local supplier languages including Chinese and Vietnamese.

The Policy currently prohibits any sourcing in Myanmar (Burma) and North Korea due to unacceptable risk profiles that Globe is not confident in dealing with. Also, due to continuing grave and systematic labour rights violations, Globe has pledged to not knowingly use cotton sourced from the cotton industries in Uzbekistan, Turkmenistan, and China's Xingiang Uyghur Autonomous Region.

Additionally, Globe's sourcing employees are required to assess workplace practices during any visits to supplier factories and report back to Globe's management if they observe any work-practices which do not meet the expected minimum standards. Globe's employees receive regular communication and relevant training to ensure they understand the risks involved. All sourcing employees are required to sign-off that they understand the Company's Policy in this regard.

Globe's sourcing employees and suppliers are reminded annually of the Policy's minimum standards and their obligations in this area, particularly in relation to policies around banning both forced and child labour along with the requirement to provide a safe workplace for all.

Globe also has in place a Whistle blower policy which applies to internal staff reporting issues around modern slavery and to workers and others within our supply chain. A copy of Globe's Whistle Blower policy is available on Globe's website at www.globecorporate.com

Actions taken during the reporting period

During the current reporting period, the Company conducted increased research into its supply chain, including verifying the master list of suppliers, gathering any existing social compliance certifications and audits and asking any new Tier 1 supplier for its proprietary and licensed brands to sign off on the Globe's Ethical Sourcing Policy to confirm their compliance. Any proprietary or licensed Tier 1 supplier not signing this new Policy was put on payment halt for any future purchase orders until any issues were resolved and agreement on the Policy indicated.

Globe has focused on the suppliers of its proprietary and licensed products classified as Tier 1 during the current period as they make up most of our business. Globe believes it will have more immediate impact by working with its direct suppliers of proprietary and licensed branded products due to increased leverage with those parties.

Regular updates have been provided by the ESR manager to the sourcing teams, alerting them to issues raised by NGOs and media reporting around the issue of modern slavery.

Due to COVID-19 related travel restrictions, which started to take effect from around February 2020, Globe's staff were unable to directly visit any of its Tier 1 supplier factories during the reporting period. It was also noted that COVID-19 related factory closures also impacted the regular audit cycle for many suppliers. For several suppliers of significance, our sourcing teams have engaged local representatives with relevant language, cultural and industry experience to visit factories on our behalf several times a year. These visits have been focussed on production and Quality Control matters, but opinions on general factory and workforce conditions have also been discussed and reviewed, along with photographic and video footage of the factories provided. For future periods, Globe is considering more alternatives to staff visits to observe conditions and work practices at the factories.

Globe recognizes that there is more to be done to enhance our controls and awareness around the mitigation and remediation of modern slavery risks in our supply chain. During the period Globe commenced a project to review and update its due diligence practices to enhance its supplier code of conduct and improve tracing of our supply chain beyond Tier 1 suppliers. The project remains in its early stages and has included reviewing software options to help document and track risk amongst Globe's supply chain.

Due to concerns raised around modern slavery in China's Xingiang Uyghur Autonomous Region, a specific review of Tier 1 apparel and footwear suppliers was undertaken to the confirm cotton sourcing practices of each supplier.

Goals from the last reporting period

As part of Globe's continuous improvement approach to dealing with modern slavery, the Company had set out the following goals for 2021 in the last reporting period. The status of achievement on 30th June 2021 against each of these goals is depicted in the table below.

Status ----->	Not yet started	In progress	Completed & ongoing
Goal			
Commence the process of asking all third party and suppliers of distributed product to review and sign-off on the Company's Ethical Sourcing Policy.			
Research and investigation of Tier 2 suppliers, ie those making the components for our Tier 1 suppliers.			
Research and investigation into the supply of raw materials from Tier 3 suppliers, particularly for products of significance, including cotton and wood, to better map suppliers in those areas. This includes further investigation around modern slavery risks associated with cotton sourced from the Xinjiang Uyghur Autonomous Region in China.			
Introduce a more systematic approach to obtaining or commissioning social & environmental audits of supplier facilities along with follow up corrective action plans, particularly in light of likely travel restrictions for the time being.			
Introduce a standardized on-boarding system across the Company to ensure compliance with the Ethical Sourcing Policy upfront.			
Begin to work on transferring from a Restricted Substances List of chemicals, to a Manufacturing Restricted Substances List in order to increase the safety of workers in our supply chain around hazardous chemicals.			
Introduce a formal policy and action plan for remedial steps when any modern slavery incidences are reported or identified within the Company's supply chain.			
Continue training for all sourcing staff around modern slavery risks along with annual reminders.			
Research and investigation into a more accessible complaints site/whistle blower platform.			

Goals for the next reporting period

As part of Globe's continuous improvement approach to dealing with modern slavery, the Company has set out the following goals for the next reporting period;

- Complete the process of asking all third party and suppliers of distributed product to review and sign-off on the Company's Ethical Sourcing Policy.
- Include both existing and new suppliers of distributed product as Tier 1 suppliers.
- Continue to research and investigate Tier 2 suppliers, ie those making the components for our Tier 1 suppliers of significance.
- Continue to research and investigate the supply of raw materials from Tier 3 suppliers, particularly for products of significance, including cotton and wood, to better map suppliers in those areas. This includes continued investigation around modern slavery risks associated with cotton sourced from the Xinjiang Uyghur Autonomous Region in China.
- Complete the establishment of a more systematic approach to obtaining or commissioning social & environmental audits of existing supplier facilities along with follow up corrective action plans, particularly in light of continued travel restrictions for the time being.
- Where audits are not conducted, have sourcing teams consider other ways to verify that there are no obvious breaches of Modern Slavery requirements at their factories.
- Introduce a standardized on-boarding system across the Company to ensure compliance with the Ethical Sourcing Policy upfront
- Begin to work on transferring from a Restricted Substances List of chemicals, to a Manufacturing Restricted Substances List in order to increase the safety of workers in our supply chain around hazardous chemicals.
- Introduce a formal policy and action plan for remedial steps when any modern slavery incidences are reported or identified within the Company's supply chain.
- Continue training for all sourcing staff around modern slavery risks along with annual reminders.
- Research and investigate a more accessible complaints site/whistle blower platform.

7. Assessing the effectiveness of actions to address the risks

Globe's Environmental and Social Responsibility ("ESR") Manager has been designated the task of assessing the effectiveness of Globe's actions to address modern slavery risks under the oversight of Globe's senior management including the CEO, COO and CFO. The ESR Manager regularly reports to senior management on the progress made on the future goals that Globe has set in relation to modern slavery.

Globe's Board is ultimately responsible for considering, approving and monitoring risk management strategies and policies, and for ensuring the Company meets its social and ethical responsibilities. To enable them to do this, Globe's management maintains a Risk Management Framework that is regularly reviewed and updated and presented to the Board annually, or more regularly as required. The measures in place to seek, assess and mitigate risks around modern slavery have been included in recent Risk Management discussions at a Board level.

8. Consultation process with subsidiaries

Globe maintains centralised sourcing teams to service all three of its regional operating segments and these sourcing teams report into the COO and/or the President – Global products. These centralised sourcing teams have been directed to work closely with the ESR Manager to engage in the extensive consultation process undertaken to seek, assess and mitigate the risks of modern slavery in its supply chain. Accordingly, the process of consultation with the sourcing teams covered all of Globe’s subsidiaries.

Approved by the Board of Globe International Limited on 20th December 2021

Signed on behalf of the Board by,

A handwritten signature in black ink, appearing to read 'William Crothers', written in a cursive style.

William Crothers,

Chairman

ATTACHMENT A

Reporting entity and ultimate parent company

Globe International Limited

Wholly owned subsidiaries of Globe International Limited

Australia

Hardcore Enterprises Pty Ltd
Globe International Nominees Pty Ltd
WINT Enterprises Pty Ltd
KIDD Consolidated Pty Ltd
CASE Enterprises Pty Ltd
PSC Skateboarding Pty Ltd

USA

Osata Enterprises, Inc.
Diaxis LLC
Chomp Inc
Project Snack, Inc.

France

Globe Europe SAS

New Zealand

Globe International (NZ) Ltd

Hong Kong

Globe International (Asia) Limited