

Purpose of this Document

This document is intended to serve as an outline of Globe International’s policies as they relate to social and environmental responsibility, and our accountability as an employer and purchaser of products and services internationally. In particular, it focuses on our commitment to ethical sourcing – whereby all suppliers (and their sub-contractors) are required to meet minimum standards and provide safe working conditions to those they employ.

In addition to outlining our commitment to social and environmental responsibility in our supplier relationships, the policy this document sets out is designed to protect Globe from certain risks – including a loss of reputation due to the unacceptable work and business practices on the part of our suppliers in their partnerships with Globe International.

Categorising Supplier Relationships

To ensure that we are making the most of our position as a global producer and distributor of apparel, footwear, and skateboard hardgoods, we have structured our approach to the development and categorisation of our supplier relationships in tiers. These tiers are designed to account for the nature of our relationship with each supplier – and provide a basis for our decision-making and the action we are to take wherever it is needed.

Tier	Nature of supplier	How does this Policy apply
<p>1 Direct Suppliers</p>	<ul style="list-style-type: none"> • Those suppliers who directly manufacture and supply goods for Globe including; ‘Final Stage’, Cut & sew, Cut-Make-Trim (CMT), cutting, sewing and printing suppliers. • Any sub-contractor used by such a supplier to supplement production. • Agents who coordinate goods from other manufacturers. • Wholesalers who provide goods for distribution by Globe. • Any major international supplier of point of sale and marketing items. • Local suppliers based in Australia, USA and the EU that supply products and services that include Third-party logistics (3PL), warehousing and cleaning services, and providers of IT equipment, office supplies, consumables, point of sale and marketing items for our immediate operations. 	<p>All Tier 1 suppliers must be traced and risk assessed against this policy.</p>
<p>2 Input Suppliers</p>	<ul style="list-style-type: none"> • Suppliers who provide the components for finished materials, such as textiles (including mills and ginning, spinning, knitting, dyeing, embroidery), leather tanning, plastic processing, trims (zips, buttons and labels) and providers of packaging. 	<p>If Globe is directly involved in specifying which Tier 2 supplier should be used, will be treated as Tier 1, otherwise should be traced and risk assessed where possible.</p>

<p>3</p> <p>Raw Materials Suppliers</p>	<ul style="list-style-type: none"> Suppliers who provide the raw materials for both Tier 2 and Tier 1 Suppliers. Includes cotton farms, rawhides, shearing, husbandry, metals and crude oil extraction and processing for synthetic fibres and plastics. 	<p>If Globe is directly involved in specifying which Tier 3 supplier should be used, will be treated as Tier 1, otherwise should be traced and risk assessed where possible.</p>
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Given the leverage of direct relationships, our focus will be on Tier 1 and nominated Tier 2 & 3 suppliers, however Globe is clear in its intent that our expectations around the human rights and environmental focussed principles contained in this policy apply across all of our supply chain.

Ethical Sourcing Procedures and Protocols

We are fortunate to have long-standing relationships with third-party suppliers in China, Mexico and the United States that afford us an informed perspective on local working conditions. Currently, most of our goods are manufactured in eastern China, where working conditions are generally of a good standard. Other items, representing around 30% of overall production, are produced in factories across Mexico, Vietnam, India, Bangladesh, Cambodia, the United States and Australia.

Globe intentionally avoids engaging in manufacturing partnerships in parts of the world where local conditions are conducive to worker exploitation. These areas include the countries North Korea and Myanmar (Burma), but more generally include countries and regions experiencing political turmoil, local conflicts, and population displacement.

Protocols that inform supplier selection. *(Applies to all Tier 1 and others if nominated by Globe)*

Globe International is committed to working with suppliers that maintain satisfactory standards for all their employees. For business purposes, new supplier engagements may become necessary or opportune. Diligence in the selection of new suppliers is essential, and no new direct supplier relationships can be established without the approval of Globe International’s Company Secretary. The protocols that inform this selection and approval are:

- Before any orders are placed, including for initial samples, prospective suppliers are to be provided with Globe’s letter of expectations that set out our general requirements. Ideally this is done in the first or second meeting with prospective suppliers.
- The Company Secretary must be notified of discussions with any new potential supplier.
- In addition to business documentation including the physical address(es) of any proposed production facilities, prospective suppliers are required to provide evidence of any existing social and environmental responsibility documentation such as audit reports, accreditations, or other certifications.
- For suppliers operating in countries identified as being at an elevated risk of modern slavery – a current (within two years) social audit report conducted by a 3rd Party APSCA Member firm or recognised social compliance certification must be provided before any production of Globe goods can take place.

- All suppliers must demonstrate their understanding of Globe International's Ethical Sourcing Policy as it is outlined in detail below and agree to all terms as they are set out.
- Globe is a member of SEDEX, a global ethical trade member platform, that allows businesses to manage risk, meet compliance and provide transparency across supply chains. All new Tier 1 suppliers and nominated Tier 2 and 3 operating in high risk countries, must be members of, or prepared to join, SEDEX, or must be able to provide a comparable level of social compliance by sharing recent (within 1 year) Self-Assessment Questionnaires, existing social and environmental audits along with any corrective action plans. For suppliers in moderate and low risk countries, membership is highly encouraged.

Protocols to be maintained by all suppliers.

The following is a rendering of the agreement that Globe presents to each Tier 1 supplier and any Globe nominated Tier 2 & 3 supplier. This agreement is comprised of minimum standards that form our baseline expectations for manufacturing and supply partners, sub-contractors, and other business partners involved in the manufacture and distribution of products for Globe International.

1. No business partner shall employ or otherwise utilise child labour in their contracting, sub-contracting, or any other business relationship. The Globe International defines "child", for the purpose of determining child labour, as less than 15 years of age or younger than the age for completing compulsory education in the country of manufacture.
2. Local legal restrictions on work performed by employees, including those restrictions relating to employees under age 18, shall be observed.
3. Employment shall be on a voluntary basis and no prison, convict, slave, indentured, bonded or other forced labour shall be permitted. This is also reflected in Globe's Modern Slavery Statement confirming a zero tolerance of modern slavery in all its forms. This includes the right to freedom of movement for employees to enter and leave employment willingly and voluntarily through the prohibition of withholding employee identity documents.
4. Employees shall be treated with dignity and respect, and no employee shall be subject to corporal punishment, threats of violence or any form of physical, sexual, mental or verbal abuse or coercion.
5. Employees shall be judged on their ability to perform their job, and there shall be no unlawful or otherwise discrimination in hiring or employment practices on the basis of gender, age, disability, sexual orientation, race, religion, ethnic origin or nationality.
6. Work hours shall be reasonable and in compliance with local standards and applicable laws. Where local laws do not exist, a regular work week shall not exceed 48 hours and a total of 60 hours in any 7-day period must not be worked above. Overtime must be voluntary, must not be excessive and must be paid as per local laws at a minimum.
7. Compensation for workers (including piece-rate workers) shall not be less than that required by local laws relating to minimum wages, overtime, and mandated benefits (including sick and

maternity leave), and any deductions from compensation shall be reasonable and in accordance with local and other applicable laws.

8. There shall be no interference in the legal exercise of the right of free association and collective bargaining.
9. Employees shall be provided with a safe, hygienic, and healthy work environment.
10. In order to ensure the quality and safety of Globe products for both customers and those involved in their manufacture and distribution, Suppliers must sign off on our *Restricted Substances List*. This document outlines product safety regulations, including the European Union Registration, Evaluation, Authorisation and Restriction of Chemical Substances (REACH) as well as the United States of America, State of California's Prop 65 that Globe insists are met, particularly in terms of chemical safety.
11. Suppliers must endeavour to use ethically and sustainably sourced manufactured components and raw materials involved in the manufacturing of the Company's product and packaging. This includes having their own Ethical Sourcing Policy that they require their supply chain partners to adhere to. Suppliers must provide this policy to Globe along with details of the suppliers of materials used in Globe related product
 - i. Specifically in this area, Globe has pledged to not knowingly use cotton sourced from the country of Turkmenistan and China's Xinjiang Uyghur Autonomous Region and so expects its suppliers not to source such cotton.
 - ii. Globe is a member of the Leather Working Group (LWG) and so expects any leather material to be sourced from LWG certified suppliers and tanneries. Suppliers must share such details with Globe. Where existing sourcing is not currently done with LWG suppliers, Globe will work with suppliers to move towards LWG certified sourcing.
 - iii. Globe has also pledged to not use animal fur (including angora) and so expects its Suppliers not to source fur for Globe product.
 - iv. Globe is a member of the Australian Packaging Covenant Organisation (APCO) and is under an obligation to comply with APCO regulations and report annually to APCO.
12. Globe encourages an environmentally responsible and sustainable approach to product design, sourcing, manufacturing and distribution. As a bare minimum, suppliers must comply with all applicable local environmental laws and regulations and must be committed to environmental efficiency and improvement over time. Globe expects suppliers to recycle waste where possible and responsibly deal with waste products, including water, along with providing information related to environmental practices including the source of raw materials and components, facility power use, waste disposal and recycling rates. All suppliers are encouraged to complete the Higg Index Facility Environmental Module on an annual basis for each facility, at cost to supplier, and to share the results with Globe.

Compliance with these requirements and all applicable laws, including local and national codes, rules and regulations of the country of manufacture, is a requirement of doing business with Globe International. We reserve the right to inspect any manufacturing facilities used by partners and suppliers



with whom we have an existing relationship. Globe International may take appropriate action, up to and including termination of any business relationship, with suppliers or business partners who are found to be in violation of these terms.

Procedures in place to ensure compliance with protocols.

- All Tier 1 and nominated Tier 2 and 3 suppliers must sign off on their commitment to these conditions, using Globe's *Supplier Ethical Conduct and Relationship Agreement* and *Restricted Substances List – RSL* documents.
- All Tier 1 and nominated Tier 2 and 3 suppliers will be reminded at least annually of these commitments, and from time to time, as deemed appropriate, may be required to provide an updated sign-off by both a main principal (company owner, director or senior manager) and if needed, senior management of the actual production facility.
- SEDEX membership is a requirement for all Tier 1 suppliers and nominated Tier 2 and 3 (including for all sites actively providing Globe product) operating in high-risk countries. Or, must be able to provide a comparable level of social compliance by sharing recent (within 1 year) For suppliers in moderate and low risk countries, SEDEX membership will be highly encouraged.
- All Tier 1 suppliers and nominated Tier 2 and 3 suppliers must notify Globe of the names and current addresses of production facilities used for Globe product and of any changes to addresses. Subject to prior agreement, as part of efforts around supply chain transparency, Globe may publicly publish the name and address of any Tier 1 production facilities, including any sub-contractors working on Globe product. Upon request, Suppliers must also share information with Globe on Tier 2 and Tier 3 supply partners. Particularly for any cotton, paper and timber products, including packaging materials, suppliers must provide agreed chain of custody documentation for the source of materials or evidence of recycled product or certification.
- All suppliers must notify Globe of any use of sub-contractors in the production of Company product, including cutting and sewing. There is to be no subcontracting without prior notification, provision of full details of the sub-contractor, along with their sign-off on this Policy.
- Any audits that we commission or accept from suppliers as part of our due diligence on risk assessment, will need to be from Association of Professional Social Compliance Auditors (APSCA) Member Firms (listed [here](#)) to ensure their Auditors have professional & appropriate training.
- Compliance by supplier factories and other business partners will be monitored by Globe management through factory visits and a general awareness of conditions at the factory, particularly for those suppliers from which Globe buys a material value of product.
- All sourcing staff are required to report any activities at suppliers they work with and/or visit that do not appear to be in accordance with these minimum conditions.
- All sourcing staff are to sign-off on this policy and will be reminded annually of that commitment.
- Relevant Globe managers and sourcing staff to meet annually to review this Policy along with recent factory visits and audit reports.

- This policy will be displayed publicly on our website and provided to all suppliers along with local language versions where appropriate, such as Chinese (Mandarin), Vietnamese and Spanish.

Implications for non-compliance

- For all new suppliers, compliance with our existing terms and conditions is compulsory at the commencement of the relationship. Production will not commence until all conditions are met.
- For all existing suppliers, where Globe introduces new conditions into its Sourcing Policy, a grace period of 2 years will be afforded to allow the supplier time to reach compliance with the terms and conditions, as long as they indicate a willingness to do so. There may be exceptions to this where immediate compliance is required for certain terms and conditions.
- For all existing suppliers, where Globe becomes aware of a breach of an existing condition, the supplier will be afforded a 6-month grace period to rectify the situation.
- A report will be provided to Globe's CEO by the Company Secretary on an annual basis that identifies any suppliers that are not in compliance with the existing terms and conditions. Globe's CEO will need consider whether:
 - reasonable circumstances exist to warrant an exception to be made to the specific terms and conditions that are in breach. In this case, the CEO will determine whether a permanent exception can be made or will provide the sourcing team with a specific rectification date.
 - the breach is not in line with our expectations of our suppliers. The CEO will advise the sourcing team to look for an alternative sourcing partner and effect the transition within a specified timeframe (Should be <12 months).
 - On an annual basis, as part of the annual Risk Management and Compliance review, the Board will be provided an update in relation to the level of compliance with this policy.

Annual review and confirmation of procedures.

A continual process of review is an important feature of our efforts to address the challenges of ensuring that we are meeting our environmental and social responsibilities – along with the goals that we set for ourselves as a global producer and distributor of apparel, footwear, and skateboard hardgoods. Management at Globe International will meet at least annually to review this policy, and our progress as an organisation toward our goals in the areas of environmental and social responsibility.

Findings from recent visits to supplier manufacturing and distribution facilities, and matters discussed with business partners, will factor heavily in these reviews. Up-to-date audit reports, certifications and details of any corrective action plans provided to Globe International by suppliers will also be explored in detail. Relevant external training undertaken by staff will be incorporated in the form of reports, and this training will be used to help generate informed discussions about the evolving landscape of ethical sourcing.

Any changes to Globe International's Environmental and Social Responsibility Framework will be reflected in updated editions of this policy – and supporting documentation such as supplier and



sourcing staff agreements, online links and vendor manuals will be reviewed in tandem to ensure adequate detail is provided to the relevant stakeholders.