



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 2024 ("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

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 and 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 Workwear, Impala Skate and It's Now Cool. Its licensed and distributed brands operate under the Hardcore Distribution 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 a small number of branded retail stores.

4. Supply Chain

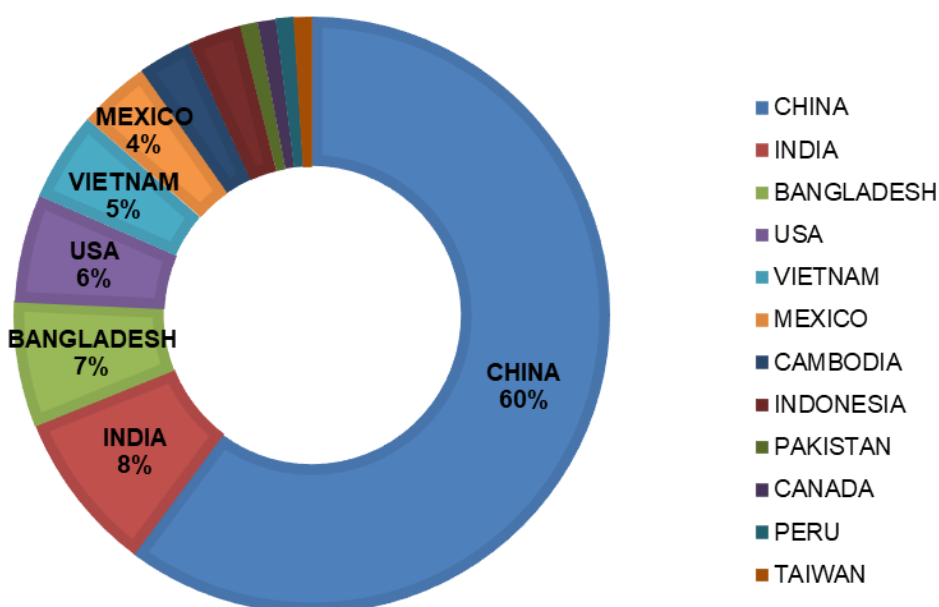
Globe maintains a complex supply chain with over 85 major suppliers, with over 115 factories. Details of these are set out below:

(a) Supplier Factories

The majority of Globe's products are manufactured in China, India, Bangladesh, Vietnam, the USA and Mexico. Other countries representing less than 10% of overall production are produced in factories across a number of other countries.

Globe has a non-controlling interest in a production facility in Shenzhen, China, where all of its skateboards are manufactured. Globe's factory suppliers on a country-by-country basis are set out in the chart below:

FACTORY COMPOSITION BY COUNTRY



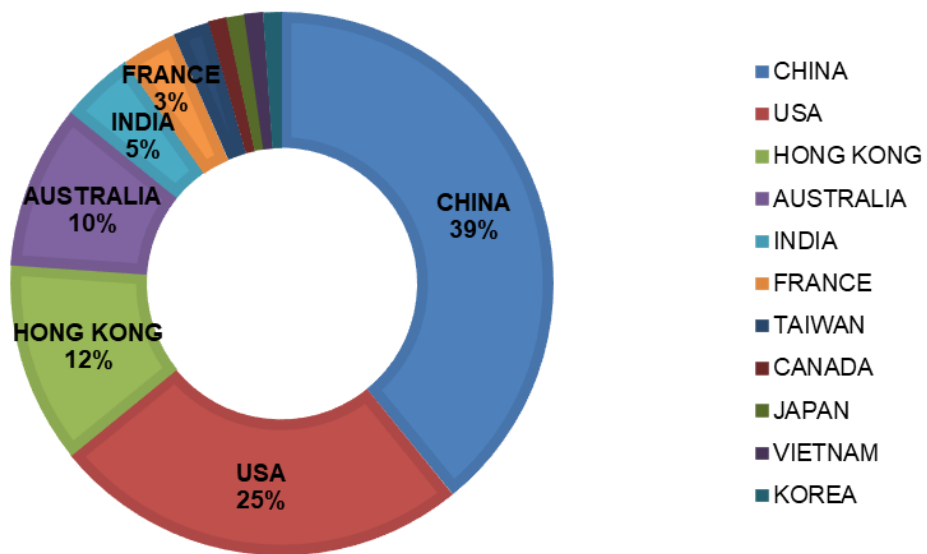
(b) Supplier Composition

Globe categorises the following suppliers as Tier 1 suppliers:

- Suppliers engaged by Globe's sourcing teams, who directly manufacture and supply Globe's proprietary products.
- Suppliers engaged by third parties, who directly manufacture and supply products for Globe's distributed brands. Distributed brands exist under its Australian-based Hardcore Distribution (skateboards and associated hardware) and 4Front (Apparel) divisions.

Statistics of these Tier 1 suppliers by country are set out in the table below. Suppliers are the companies that Globe directly deals with and Factories are the production facilities manufacturing finished product for Globe or its distributed third-party brands:

SUPPLIER COMPOSTION BY COUNTRY



In addition to these Tier 1 suppliers, Globe has 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.

There are also several local suppliers based in Australia, USA and France that supply products and services, including 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 and services 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. 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 country 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 standards. In addition, it has in place policies and procedures to ensure each workplace is safe and inclusive. Each of its subsidiaries has a comprehensive health and safety program and takes its equal opportunity and harassment policies 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 2024 [Global Slavery Index](#) and SEDEX's [Risk Radar](#) have identified the following product categories 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 point of sale material and cotton used in apparel and footwear.

The Global Slavery Index and Risk Radar also identified certain high-risk countries that include China, Vietnam, India, Cambodia, Mexico, Indonesia and Bangladesh that manufacture these products and from where Globe currently sources product.

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

6. Actions taken to address Modern Slavery risks

Overview of policies and procedures in place

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 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 an agreement based on this policy before any bulk 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 publicly pledged to not knowingly use cotton sourced from the cotton industries in Turkmenistan and China's Xinjiang Uyghur Autonomous Region.

In the light of engagement with the Baptist Ethical Fashion Report, the Responsible Sourcing Network and the Association of Professional Social Compliance Auditors, the Policy was reviewed and enhanced to take into account new developments and expectations around supplier codes of conduct.

Globe now has a form letter that sets out our Environmental and Social Responsibility Expectations, directly reflecting the Ethical Sourcing Policy, so all new potential supplier partners will be clear on Globe's requirements at the earliest point of contact and before any onboarding negotiations take place. These include requirements around SEDEX membership, social audits, openness to traceability of materials (secondary and raw) and transparency of factory details.

Additionally, Globe's sourcing employees are reminded of the need to assess workplace practices and overall conditions 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. All sourcing employees are required to sign-off on an agreement that they understand the Company's Policies and practices.

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 and an Anti-Bribery and Corruption 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 and Anti-Bribery and Corruption Policies are available on Globe's website [HERE](#).

Actions taken during the reporting period

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

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

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.

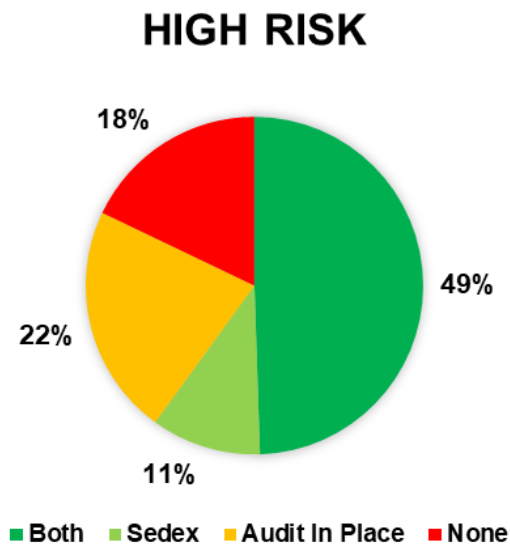
Globe's staff regularly visit its Tier 1 supplier factories. These visits have been focussed on production and Quality Control matters, but opinions on general factory and workforce conditions are also discussed. Globe continues to require third party audits of its major suppliers, particularly those in countries considered at high risk of modern slavery, including China.

During the current reporting period Globe has remained a member of [SEDEX](#) to improve our ethical and sustainable sourcing practices. SEDEX is a global ethical trade member platform that allows businesses to manage risk, meet compliance and provide transparency across supply chains. Globe was able to link its supplier partners who were already SEDEX members and also invited its other supplier partners to join. Any new major suppliers in high-risk countries are now required to join SEDEX as a prerequisite of working with Globe or provide a comparable level of social compliance by directly sharing recent (within 1 year) audit results. For suppliers in moderate and low risk countries, membership is highly encouraged.

Suppliers operating in countries identified at being in a high risk of modern slavery, must have a current (within two years) social compliance audit, conducted third-party member firms of the Association of Professional Social Compliance Auditors (APSCA) to ensure their auditors have professional and appropriate training. Existing suppliers now have one year to comply with this requirement.

Globe also continued a project to review and update its due diligence practices to improve tracing of our supply chain beyond Tier 1 suppliers. The project has included the purchase of Our Supply Chain (OSC) software which is offered by a third-party provider DNDP Pty Ltd to help document and track Globe's supply chain. OSC provides a solution to streamline our data management practices and enhance our due diligence and audit related processes as well as providing real-time updates to enable us to gain prompt insights into our Suppliers. To date all Tier 1 suppliers' details have been collected and imported into the OSC database and in future we plan to continue to include key Tier 2 suppliers and further leverage the functionalities of OSC to enhance our approach to modern slavery.

Reviewing the status of each Tier 1 Factory, currently located in an identified 'high risk' country, there were 18% that had neither SEDEX membership nor a current social audit that could be used to review the current conditions for workers in those factories. This remains unchanged from the prior reporting period and will continue to be a focus for next year. This is depicted in the chart below:



Globe recognises that there is still much more to be done to enhance our controls and awareness around the mitigation and remediation of modern slavery risks in our supply chain.

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 2023 in the last reporting period. The status of achievement on 30th June 2024 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, i.e. 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.			
Introduce a standardised 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 (RSL) of chemicals, to a Manufacturing Restricted Substances List (MRSL) 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.			
Annual reminders for all sourcing staff around modern slavery risks.			
Research and investigation into a more accessible complaints site/whistle blower platform.			
Include both existing and new suppliers of distributed product as Tier 1 suppliers.			
Onboard details of our Tier 1 suppliers into OSC.			
Onboard key Tier 2 Suppliers into OSC			
Finalise compliance with our protocols for all suppliers of distributed products			
Enhance the existing monitoring and compliance protocols to include the likelihood that issues of non-compliance will be identified and rectified in a timely manner			
Research current expectations and practices around assessment of 'living wage' for workers in the supply chain.			

Status ----->	Not yet started	In progress	Completed & ongoing
Undertake a pilot project to trace and document mills (Tier 2) involved in the production of textiles used in our products.			
Undertake a review of responsible buying practices (tracking payments and changes to orders)			
Offer more specialised training to key sourcing staff members			

Goals for the next reporting period

The Company has decided to focus on completing these existing goals during the next reporting period. As the Australian Modern Slavery Act has undergone a review by the Australian Government, which sets out a list of recommendations, along with legislative developments in North America and Europe, Globe expects there will be new requirements and guidelines issued in this area and intends on updating its goals and processes in line with any legislative developments.

7. Assessing the effectiveness of actions to address the risks

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 (RMF) that is regularly reviewed and updated and presented to the Board annually, or more regularly as required. As part of the RMF, the task of assessing the effectiveness of Globe's actions to address modern slavery risks is delegated to the Environment and Social Responsibility Manager (ESR Manager), who does so under the guidance of Globe's senior management.

It is the responsibility of the ESR Manager to identify the social and ethical risks within the supply chain, and to implement a system of controls designed to mitigate those risks. These controls form part of the Ethical Sourcing Policy. The ESR Manager is also responsible for monitoring compliance with the relevant policies, and ensuring remedial action is taken where non-compliance occurs. Where remedial action is not taken, the ESR Manager is responsible for alerting the CEO of the issue.

The ESR Manager achieves this by staying abreast of global ethical sourcing developments, and through working closely on a day-to-day basis with the global sourcing teams.

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, as well as alerting senior management to upcoming changes in compliance obligations.

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 19th December 2024.

Signed on behalf of the Board by,

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

Harry Hodge,

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