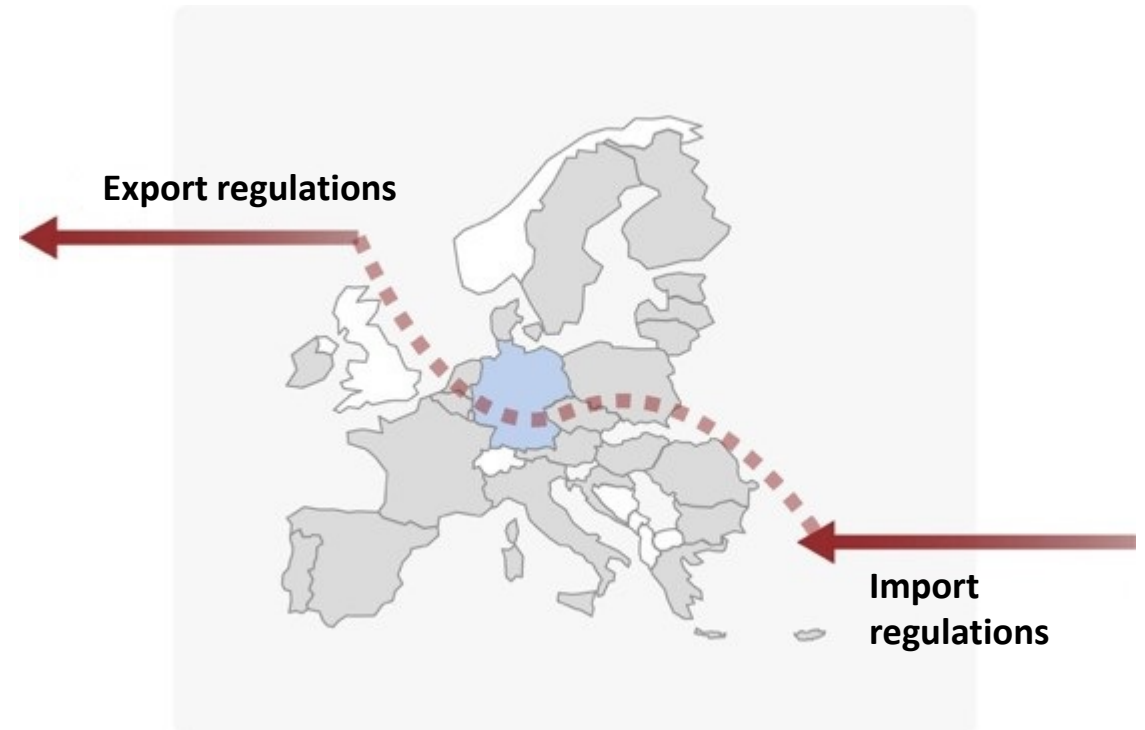




Information Session for Suppliers from
GLOBUS Fachmärkte GmbH & Co. KG
GLOBUS Baumarkt Ost GmbH & Co. KG
GLOBUS Baumarkt Wetzlar GmbH & Co. KG
GLOBUS Baumarkt Losheim GmbH & Co. KG
GLOBUS hitseller GmbH
GLOBUS Lux S.A.
GLOBUS Service Gesellschaft GmbH & Co. KG

Starting point

- **New legal requirements** of the German Supply Chain Due Diligence act are **affecting Globus**
- **Reputational risks** have a completely different impact in times of social media: Consumers as well as banks and authorities expect a clear positioning of companies in the area of human rights and climate/environment.
- The **multitude of international laws** also affects all companies that are exporting their goods.



Introduction

"Sorgfaltspflichtengesetz" - Gesetz über die Sorgfaltspflichten von Unternehmen in Lieferketten, das 2023 in Kraft tritt

- From **01.01.2023** the law will come into force for all companies with more than **3000 employees**, from **2024** from **1000 employees**
- Obliges **German businesses** to fulfil responsibilities
- Purpose: improvement of the **human rights protection** and **environmental issues** in **their supply chains**
- The law sets out clear (and realisable) **due diligence obligations**
- Multiple supply chain compliance laws in other jurisdictions already existing

Insights in the Law



**Art. 1 on corporate due diligence
to prevent human rights
violations in the supply chain**

Section 1
General
Provisions

§1+2

Section 2
Due Diligence

§3-10

Section 3
Civil
Process

§11

Section 4*
Regulatory
Control-
Enforcement

§12 – 21

Section 5
Public-
Procurement

§22

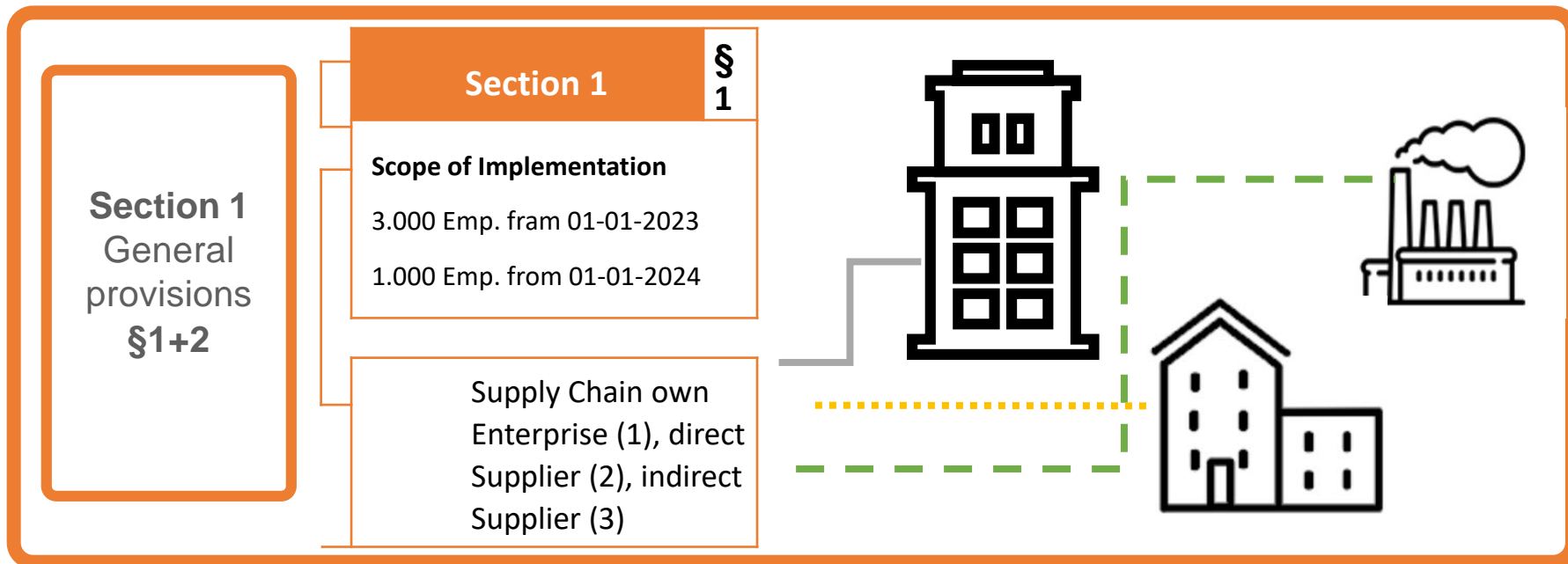
Section 6**
Penalty and
Fine

§23 + 24

In section 1 with §1 and 2 the "who", "when" and "what" are specified



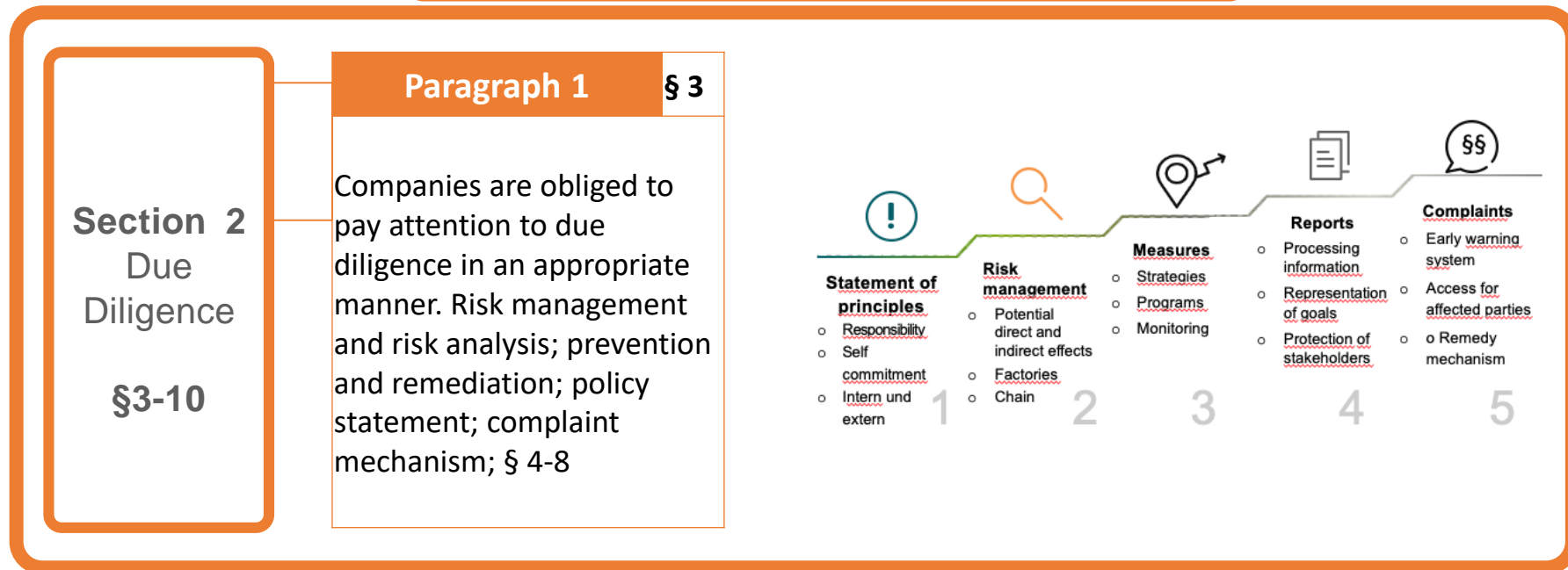
Art. 1 on corporate due diligence to prevent human rights violations in supply chain



Article 1 in section 2 §3 - 10 describes the due diligence obligations and defines the "how"



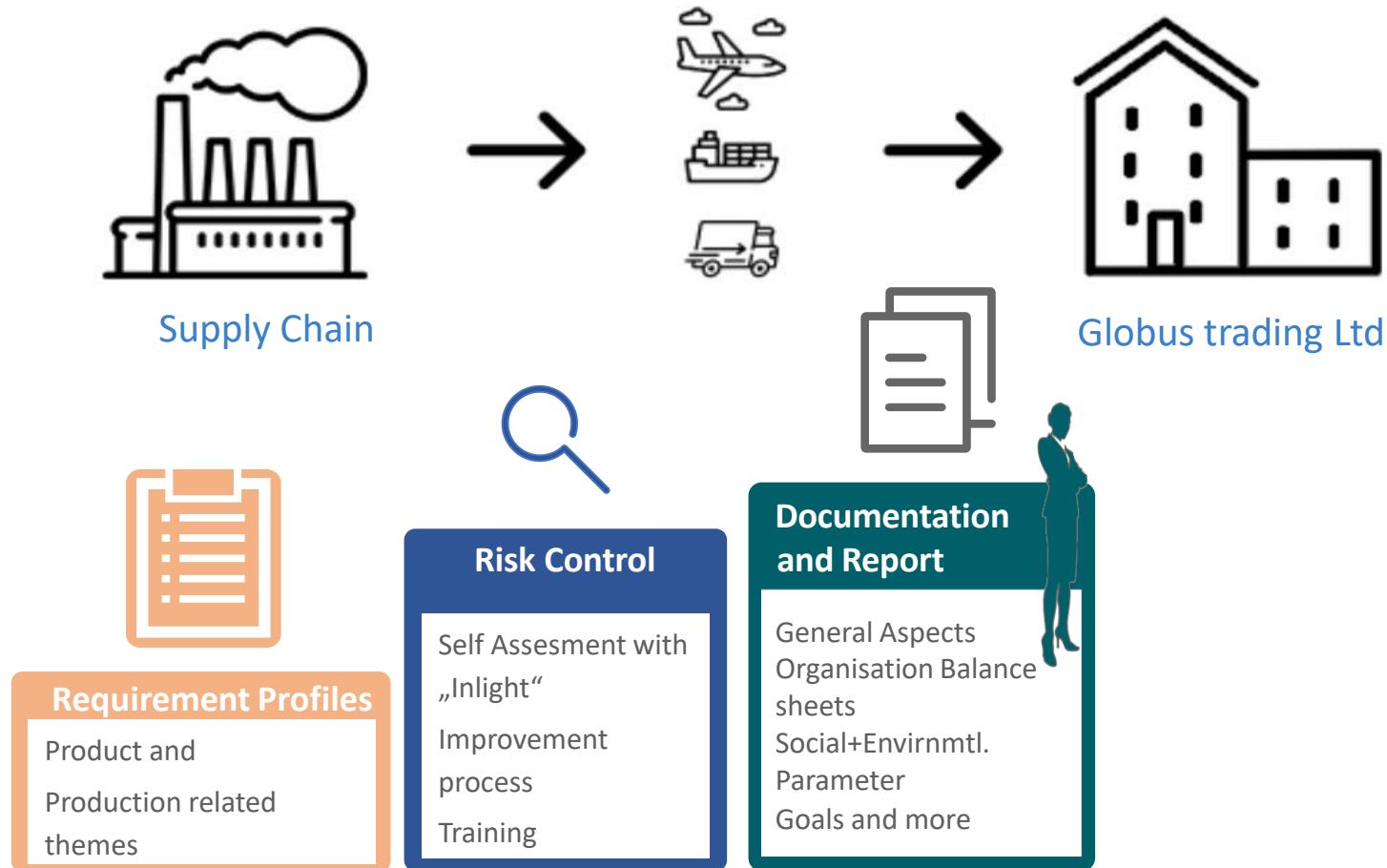
Art. 1 on corporate due diligence to prevent human rights violations in supply chain



Due to the Due Diligence Act, all companies – which are required by law to go through the “Due Diligence Parcours”



The German Due Diligence Act aims to establish supply chains in which good management practices exist and are continuously developed



...on the way to more sustainability...

All items are affected



Supply Chain Definition

Section 2 (5) LkSG

- **Entire supply chain** is covered
- From provision of **raw materials** until delivery of the **final goods** to customer
- Covers own dealings
- Covers suppliers
 - Definition of direct supplier / indirect supplier
 - Subsidiaries?

Supplier Definition

- **Trader:** A trader is a person or company that imports goods from foreign companies into a country for the purpose of trade.
- **(Direct-)Supplier:** A supplier embodies an organization or person through which customers receive one or more products and who supply their customers with factors of production.
→ With agency / without agency
- **Service Provider:** Service providers are natural and legal persons for whom an intangible good, for which the provision of the service is in the foreground, is provided.

What is forbidden? Section 2 LkSG

- **Prohibition of**
 - Child labour / slavery / forced labour / torture
 - Discrimination (race, sex, heritage, colour, religion, political stance, etc.)
 - Land grabbing
 - Environmental pollution



Kinderarbeit für Uelzen

Vorteil durch Ausbeutung

Weil Kinderhände billiger arbeiten, wehrt sich die Kreisverwaltung Uelzen dagegen, die Herkunft ihrer angeschafften Produkte zu achten. Der Verzicht käme nicht unmittelbar den Kreiseinwohnern zugute.



Fertigt vielleicht Produkte für Uelzen: Ein 15-jähriger Junge in einer Aluminiumfabrik in Bangladesch.
Bild: dpa

What is protected?

Section 2 LkSG

- **Protection from**
 - Freedom of association and the right to collective bargaining
 - Health, work safety
 - Security standards at work
 - Adequate salary



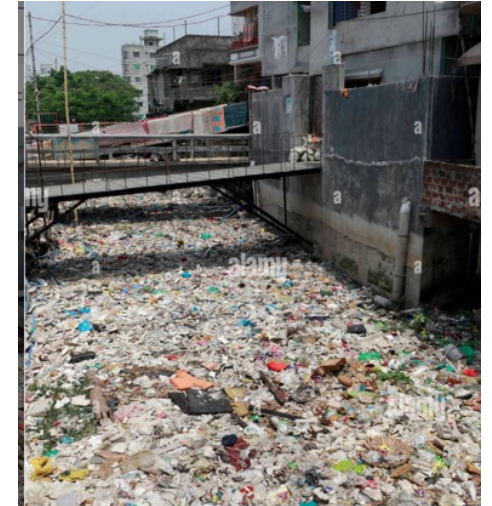
© humphery, Shutterstock



What is protected?

Section 2 LkSG

- **Protection of the environment**
 - Mercury related matters (Minamata Agreement)
 - Chemical related matters (POPs Agreement)
 - Hazardous scrap / garbage (Basel Agreement)



Penalties

- Infringements of the law may result in **fines**
 - Fines against responsible persons
 - Fines against company
 - **Monetary fines up to 2% of annual global revenue**
 - May be **excluded** from public **procurement processes** for up to three years

Penalties

- Individuals affected by human rights violations can file their complaints with German authorities
- Law does not grant civil remedies to individuals
 - But individuals can assign their rights to NGOs and trade unions in Germany
 - But individuals seem to be able to rely on general civil remedies

Required documentation

- **Risk analysis, and risk management** [Section 5 LkSG](#)
 - For own business, subsidiaries and direct suppliers
 - For at least once a year
 - Must be communicated to management and concerned departments (purchase, legal, etc.)
 - Contents:
 - List
 - Evaluate
 - prioritize the associated risks in the supply chain

Pros of Inlight?

- Tool with many years of development
- Intertek is one of the largest social auditor
- Worldwide coverage with internal auditors
- Own Helpdesk



intertek
Total Quality. Assured.

Inlight as a tool for risk management

- Formulas for weighting and the indices used are clearly defined
- Comparability of suppliers through validation of SAQ by auditors

NON-COMPLIANCE OVERVIEW					
SAQ Category	Score	Critical	Major	Moderate	Minor
Common Profile					
Labor and Human Rights	66		6	5	
Health & Safety	42		3	1	
Environment	67		1		
Supply Chain Management	64		1	3	

Costs

- SAQ with desktop review = 350 euros to be paid by the supplier.
- Optional: Corrective Action Plan (CAP) = 200 euros per CAP to be paid by the supplier. (Only required if the result of the SAQ is too poor).

What`s the procedure?

Once we decide from Globus side, that the supplier has to be added to Inlight. We provide Intertek the contact informations and datas about production location and type of products

- Based on these provided informations, every supplier get an Inherent Risk, which is his „starting score“
- The supplier will be invited by Intertek to join Inlight
- Then the supplier will have to fill up an SAQ
- A „Verification“ will be done by an Intertek Auditor
- The result score of the „Verification of the SAQ“ is the relevant for us

Optional: Globus can decide to make an CAP (corrective action plan) if the result is too bad.

The SAQ

Social Activity Questionnary

- Roundabout 100 Questions based on the german „Social Act Law“
 - Common profile, Labor, Health & Safety, Management Systems, Environment
- Important to note:
 - Uploading Documents to prove the answers
 - These documents can be in chinese language

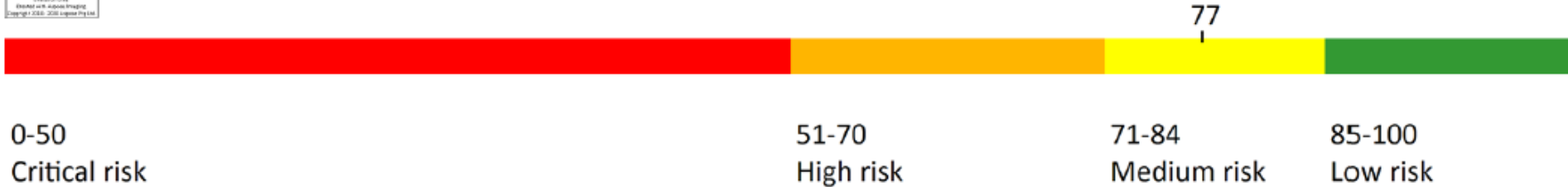
Common Profile	Labor	Health & Safety	Management Systems	Environment
<div></div>				

The SAQ Grading System

PERFORMANCE RESULTS

Self-Assessment Questionnaire (SAQ) Results


7/14/2021 1:19 PM
Created with Adobe Photoshop
Copyright © 2020, 2021 Adobe Inc. All Rights Reserved



- The result shows the „risk of the supplier“ according to the law.
- The goal should be, to get „Yellow“ or „Green“ category

Some impressions Inside the tool

- We from Globus side can follow from your status of assignment


Report: Assignments

Assignment Status Report

This report shows all assignments and their applicable status across the program.

Assignment: Record Type

<input type="checkbox"/> Assignment: Record Type ↑	<input type="checkbox"/> Status Group ↑	Supplier Name	Assignment: Assignment Name	Status	Sub Status	Requested Date	Due Date	Completed Date	Numeric
<input type="checkbox"/> Inherent Risk (4)	Completed (4)		Globus - Inherent Risk 2021	Completed	-	20/01/2022	-	20/01/2022	
			Globus - Inherent Risk 2021	Completed	-	31/08/2021	-	31/08/2021	
			Globus - Inherent Risk 2021	Completed	-	31/08/2021	-	31/08/2021	
			Globus - Inherent Risk 2021	Completed	-	-	-	-	
<input type="checkbox"/> SAQ (3)	Completed (3)		Globus - SAQ - Social Compliance 2.0	Completed	-	01/09/2021	01/10/2021	24/09/2021	
			Globus - SAQ - Social Compliance 2.0	Completed	-	01/09/2021	01/10/2021	26/09/2021	
			Globus - SAQ - Social Compliance 2.0	Completed	-	01/09/2021	01/10/2021	29/09/2021	
<input type="checkbox"/> SAQ CAP (3)	In Progress (2)		Globus - Social Compliance 2.0 - SAQ CAP	In Progress	Rejected (2)	24/11/2021	09/12/2021	-	
			Globus - Social Compliance 2.0 - SAQ CAP	In Progress	-	24/11/2021	09/12/2021	-	
	Completed (1)		Globus - Social Compliance 2.0 - SAQ CAP	Completed	Final Acceptance	24/11/2021	31/01/2022	21/01/2022	
<input type="checkbox"/> Verification (3)	Completed (3)		Globus - Verification - Social Compliance 2.0	Completed	Completed	27/09/2021	12/10/2021	08/10/2021	
			Globus - Verification - Social Compliance 2.0	Completed	Completed	29/09/2021	14/10/2021	13/10/2021	
			Globus - Verification - Social Compliance 2.0	Completed	Completed	08/10/2021	23/10/2021	13/10/2021	

Row Counts ☒
Detail Rows ☒
Subtotals ☐
Grand Total ☐

Some impressions Inside the tool

-but also in detail during you filling up the assigned SAQ

Total Question Answered

100% Complete

Mandatory Question Answered

98 out of 98

Total no of Answers given

108 out of 108

Select Language

English

Filter By

All Questions

Common Profile

Labor

Health & Safety

Management Systems

Environment

* 1) Is a third party completing this questionnaire?

☒ No

☐ Yes

Modified By : Season Kwan
2021-09-07 05:56:32

Some impressions Inside the tool

- ...mapping of the Supply Chain Hierarchy

Country
Alle

Supplier Status
Alle

Product Category
Alle

Supplier Industry
Alle

Supplier Name
Search

Alternate Supplier Name
Search

Suppliers
13

Parent-Child Suppliers

Standalone Suppliers

Parent Supplier

Supplier Name

FOREVER ESTIMES INC. COMPANY LTD

HOANG PHAT CO. LTD

LINHAI TAII CRAFTS CO., LTD

NINGBO YONGJIA AUTO PARTS CO., LTD

Palram

POLISHUR

Textile World

Map by Inherent Risk

Map by Product Category

Activity Result Critical High Medium

Supplier Name	Country	Industry	Product Category	Tier	Supplier Status
	China	Automotive	Automotive Accessories and Maintenance		Active
	China	Personal Accessories	Personal Accessories		Active
Linhai Hongfa Die-casting Factory	China	Personal Accessories	Personal Accessories		Active

Additional documentation

➤ For our own detailed documentation, we require the following information by law and also for your correct entry into Inlight:

- Filled „Import Template“

To process into Inlight

- Drawn supply chain

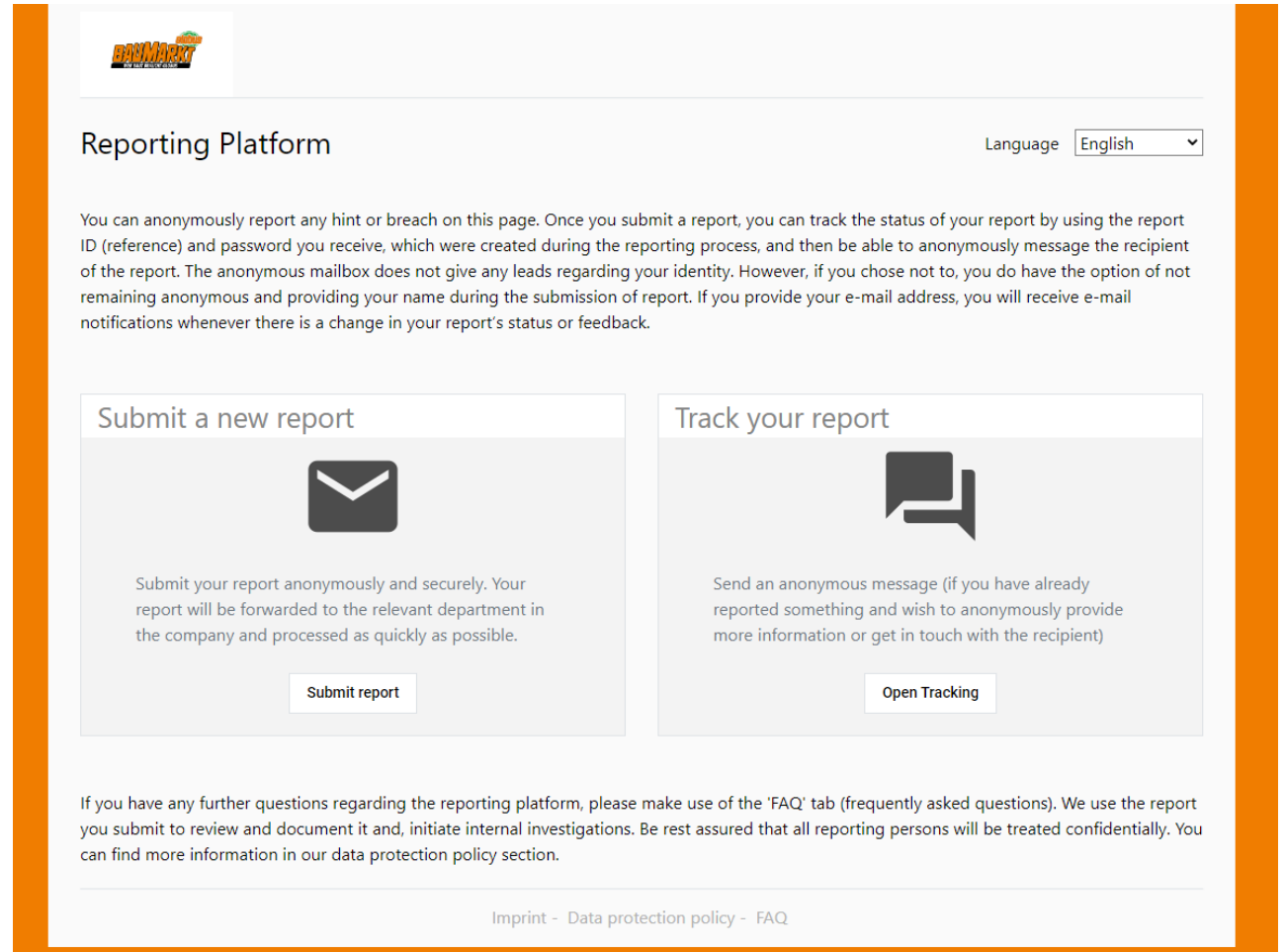
Accurate presentation of the supply structure

- A detailed Bom list (to be able to trace the origin of the parts)

Will be aligned with supply structure

Required actions Section 3 LkSG


- Preventive measures Section 6 LkSG
 - Establish a **grievance mechanism** Section 8 LkSG
 - Appoint grievance manager
 - Independent mechanism

A screenshot of the "Reporting Platform" interface. At the top left is the Baumarkt Globus logo. The title "Reporting Platform" is centered, with a language dropdown menu set to "English" on the right. A paragraph explains that users can anonymously report hints or breaches, track their reports using a report ID and password, and optionally provide an email address for notifications. Below this are two main sections: "Submit a new report" with an envelope icon and a "Submit report" button, and "Track your report" with a speech bubble icon and an "Open Tracking" button. A footer section provides information about the reporting process and confidentiality, with links for "Imprint", "Data protection policy", and "FAQ".

Reporting Platform Language

You can anonymously report any hint or breach on this page. Once you submit a report, you can track the status of your report by using the report ID (reference) and password you receive, which were created during the reporting process, and then be able to anonymously message the recipient of the report. The anonymous mailbox does not give any leads regarding your identity. However, if you chose not to, you do have the option of not remaining anonymous and providing your name during the submission of report. If you provide your e-mail address, you will receive e-mail notifications whenever there is a change in your report's status or feedback.


Submit a new report



Submit your report anonymously and securely. Your report will be forwarded to the relevant department in the company and processed as quickly as possible.

[Submit report](#)

Track your report



Send an anonymous message (if you have already reported something and wish to anonymously provide more information or get in touch with the recipient)

[Open Tracking](#)

If you have any further questions regarding the reporting platform, please make use of the 'FAQ' tab (frequently asked questions). We use the report you submit to review and document it and, initiate internal investigations. Be rest assured that all reporting persons will be treated confidentially. You can find more information in our data protection policy section.

[Imprint](#) - [Data protection policy](#) - [FAQ](#)

Instructions for use Otris

[Compliance | GLOBUS BAUMARKT \(globus-baumarkt.de\)](https://globus-baumarkt.de)

1



Choose your language



Compliance at Globus Fachmärkte

Business Partners

Our business partners to comply with these rules and principles that we have imposed on ourselves. We therefore ensure that we only enter into business relationships with business partners who share these values.

[Code of Conduct for Business Partners - PDF](#)

Transparency

To ensure compliance with these principles, it is necessary to uncover and clarify irregular behavior. It is therefore important for us that any reports of such irregularities reach us directly. For this reason, we have set up a whistleblower system in which you as an employee, business partner or outsider can pass on your information to us.

[Open whistleblower system](#)

2



Click on „Open Whistleblower system“

Information on submitting a report

You have the option to report your information anonymously. However, you are free to submit the report under your name. Please make sure that your report is always comprehensible and contains accurate information. If we still have questions after your report, we can contact you (anonymously).

How the whistleblower system works

[Whistleblower system - User manual](#)



Reporting Platform

Language English ▼

3

Choose your language

You can anonymously report any hint or breach on this page. Once you submit a report, you can track the status of your report. You will receive an ID (reference) and password you receive, which were created during the reporting process, and then be able to anonymously track the status of the report. The anonymous mailbox does not give any leads regarding your identity. However, if you chose not to, you do have the option of not remaining anonymous and providing your name during the submission of report. If you provide your e-mail address, you will receive e-mail notifications whenever there is a change in your report's status or feedback.

Submit a new report



Submit your report anonymously and securely. Your report will be forwarded to the relevant department in the company and processed as quickly as possible.

Submit report

4

„Submit report“ if you want to report something

Track your report



Send an anonymous message (if you have already reported something and wish to anonymously provide more information or get in touch with the recipient)

Open Tracking

If you have any further questions regarding the reporting platform, please make use of the 'FAQ' tab (frequently asked questions). We use the report you submit to review and document it and, initiate internal investigations. Be rest assured that all reporting persons will be treated confidentially. You can find more information in our data protection policy section.



Anonymous report to Globus Fachmärkte GmbH & Co. KG

Please select a suitable topic and fill in the subject and message text fields. Optionally you can add files to your message. If you wish to disclose your identity, please click on 'Remove anonymity' and enter your name and e-mail address. Once you have entered your message in the text box, click 'Next'. Before your data is transferred, you must choose a password to secure your anonymous mailbox.

Topic *

Please select a suitable topic ▼

Your message will be assigned to the specified topic.

5

Choose the topic of your report

Environment, health and safety

Breaches of environmental regulations as well as occupational health and safety regulations

Misappropriation of corporate assets or services

Theft of company property, working time fraud

Business integrity

Competition and antitrust law, bribery, corruption and fraud

Human resources

Discrimination, harassment and bullying

Supply chain

Irregularities within the supply chain

Human rights issues

Child labor

Others

Other breaches of regulations, laws and guidelines

7 different topics can be chosen

Topic *

Environment, health and safety ▼

Your message will be assigned to the specified topic.

Subject *

Example

Please enter a relevant subject for your message here.

Message *

Example

Please formulate your report as detailed as possible.

You can add attachments to your report. You can upload up to 5 files in '.pdf' format. Please make sure that you do not disclose any personal data about yourself (e.g. name, address, phone number, email address, etc.).

Attach file

You can add attachments that support your complaint

In which role do you report the current note

Date of the incident *

tt.mm.jjjj

If possible, please include the time of the incident.

6 Now enter the "Subject/Title" of your complaint manually

7 In the "Message" field you can now describe your complaint in detail

8 You can add attachments that support your complaint

Message as *

Please select an entry ▾

In which role do you report the current note

Select in which role you want to submit the message

Date of the incident *

tt.mm.jjjj

If possible, please include the t

Select the date of the incident

Incident location *

Information such as country, address or coordin

Provide information on the "location of the incident

☐ Remove anonymity and consent to the processing of my personal data

12

To submit a personalized report, please activate the corresponding selection option 'Remove anonymity' at the end of the form.

Cancel

Continue

Topic *

Environment, health and safety ▼

Your message will be assigned to the specified topic.

Subject *

Example

Please enter a relevant subject for your message here.

Message *

Example

Please formulate your report as detailed as possible.
You can add attachments to your report. You can upload up to 5 files in '.png', '.jpg' or '.pdf' format. The maximum file size is 5 MB. If you wish to remain anonymous to the recipient, please make sure that you do not disclose any personal data about yourself (e.g. author of the document) even in your attached files.


Attach file

Message as *

Please select an entry ▼

In which role do you report the current note

Date of the incident *

tt.mm.jjjj 


If possible, please include the time of the incident.

Incident location *

Example

Information such as country, address or coordinates

☐ Remove anonymity and consent to the processing of my personal data

13 

Cancel Continue

Imprint - Data protection policy - FAQ

By clicking on "Continue" you can finalize your complaint



Password for anonymous mailbox

Please create a password to secure your anonymous mailbox. The password must consist of at least 12 characters. Alternatively, you can have the system generate a password. In order to do this please click the button 'Generate password'. After you have created a password, confirm it with the security question. Please keep your password safe (a click on the eye symbol shows the password). Without the password, you will not be able to access your mailbox to recall your message, check the processing status or communicate with the recipient.

Now choose a password to secure your mailbox

14

password

  Generate password

Please create a secure password.

Repeat password

Please enter your password again.

Cancel Send report

By clicking on "Send report" your message is completed and goes to us

15

- Website Website of the Agency for Business & Development / Helpdesk Business & Human Rights
<https://wirtschaft-entwicklung.de/wirtschaft-menschenrechte/>
- Offer, among other things, individual training



The screenshot shows the website of the Agency for Business & Economic Development. The header includes the agency's logo, navigation links for 'Advisory Services', 'Business & Human Rights', 'Contact', and language options 'DE / EN'. A red 'Topics' button and a search icon are also present. The breadcrumb trail reads: 'Homepage > Helpdesk on Business & Human Rights > Training Offer'. The main content area is titled 'Our Training Portfolio' and states: 'We provide support as you create your own training materials and offer individual training sessions for companies on human rights due diligence.' It includes an introductory paragraph and a list of services. A sidebar on the left lists 'Business and Human Rights' with sub-links: 'Advisory Services', 'Training Offer' (highlighted), 'Current Developments', and 'Our Event Formats'. A yellow banner at the bottom of the main content area reads 'NEW: Online Course - Business and Human Rights'.

Agency for Business & Economic Development

Advisory Services Business & Human Rights Contact DE / EN Topics

Homepage > Helpdesk on Business & Human Rights > Training Offer

Our Training Portfolio

We provide support as you create your own training materials and offer individual training sessions for companies on human rights due diligence.

Would you like to provide training to your employees or suppliers on human rights due diligence? Or are you looking for a sparring partner as you set up your own training programmes? You have come to the right place!

The Helpdesk on Business & Human Rights offers companies a free and customised training package that helps to actively establish human rights due diligence processes in core business processes. Our training offer includes:

NEW: Online Course - Business and Human Rights

Agency for Business & Economic Development

Helpdesk
Business & Human Rights

Business and Human Rights

- Advisory Services >
- Training Offer** >
- Current Developments >
- Our Event Formats >

Further training/information opportunities

➤ Online courses regarding "Sustainability" by KFW and financed by BMZ

<https://kfwdeg.sustainability.training/>

■ Offer free e-learnings on various topics

Bsp.: HUMAN RIGHTS AND BUSINESS – WHY, WHAT AND HOW

HUMAN RIGHTS AND BUSINESS – WHY, WHAT AND HOW



Course Info

• Estimated duration: 1 hour 30 minutes

[Enroll into Course](#)

Course Overview

Course Description

Course Outline

This course will introduce participants to the fundamentals of human rights, their relevance to business, what is involved in human rights due diligence and where to start.

Contact for sustainability issues

- At any time you can contact us at the following mail:
Nachhaltigkeit@globus-fachmaerkte.de
- Human Rights Officer of Globus Fachmärkte GmbH & Co. KG
Frau Sabrina Beckmann,
Head of Quality and Sustainability Management Department

Sources:

- Pages 2, 5, 6, 7, 8, 14: Presentation from Consulting Service International (CSI)
- Page 12: Kinderarbeit für Uelzen: Vorteil durch Ausbeutung - taz.de (Newspaper report);
<https://taz.de/Kinderarbeit-fuer-Uelzen/!5146211/>
- Page 13: Die Arbeitnehmerrechte in China und Sie | Chinese Labour Project | Results in brief | H2020 | CORDIS | European Commission (europa.eu)
<https://cordis.europa.eu/article/id/314284-chinese-worker-rights-affect-you/de>

Thank you for your attention!

Any questions

