

MASCOT INTERNATIONAL A/S'S REPORT ON DUE DILIGENCE 2025

THE REPORT APPLIES TO THE PERIOD: 1/1-2025 – 31/12-2025

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Mascot International A/S responsible business conduct

Our goal is to create the world's best workwear.

Our core values are quality and integrity. These values are fundamental to our slogan Tested to Work and reflect our approach to corporate and social responsibility.

Specifically, this involves working purposefully to reduce our production's climate footprint and continuously extending our products' lifetime.



Michael Grosbøl
CEO

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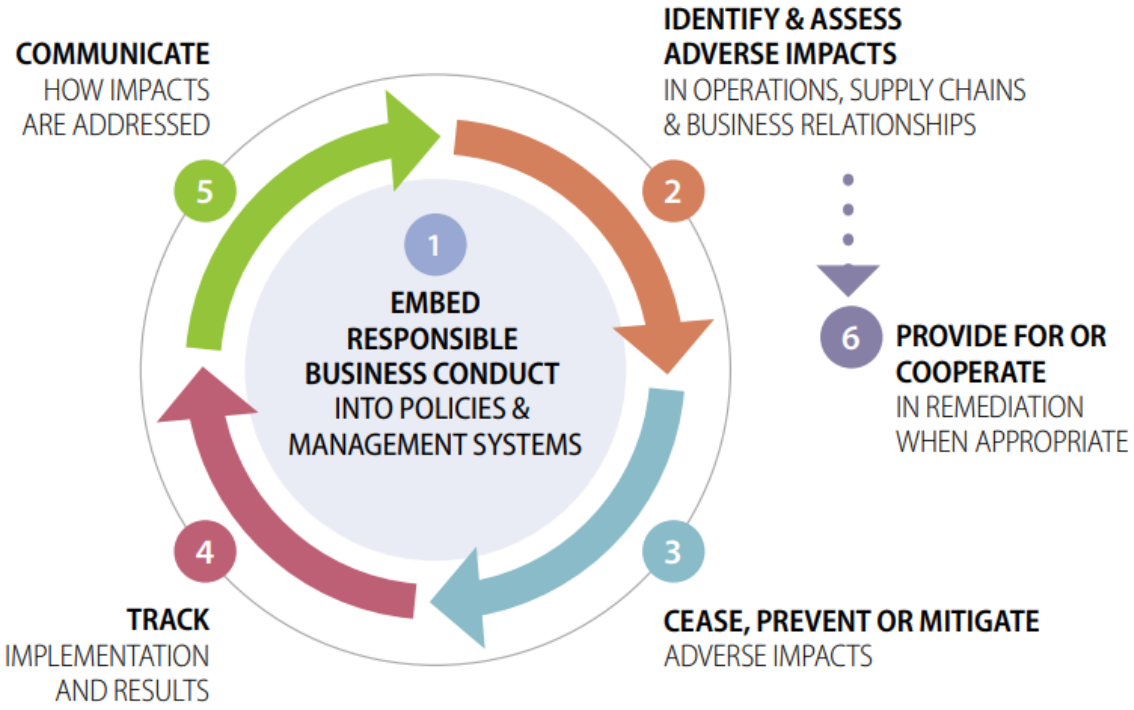
6 Step due diligence framework

We use the OECD's six-step model to conduct the due diligence process.

The model provides a robust framework for the due diligence process and addresses six important steps to identifying, preventing, mitigating and communicating possible negative impacts in the supply chain.[1]

The chapters of this report are organized according to this model.



[1] OECD-Due-Diligence-Guidance-for-Responsible-Business-Conduct.pdf

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Methods and references

The report aligns with following international conventions and frameworks.

We align our policies and practices with:

- The UN Guiding Principles on Business and Human Rights (UNGPs)
- The OECD Guidelines for Multinational Enterprises
- The OECD Due Diligence Guidance for Responsible Business Conduct
- The OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector
- The ILO Declaration on Fundamental Principles and Rights at Work, including the ILO Core Conventions
- The International Bill of Human Rights
- International environmental conventions and anti-corruption frameworks referenced in the OECD Guidelines

Åpenhetsloven

Mascot International Norge A/S and Mascot International A/S are covered by Åpenhetsloven.

Publication and archiving

In accordance with § 4 of the Transparency Act and best practice regarding transparency, this annual report is published on 30 June on MASCOT's website: https://www.mascotworkwear.no/.

Name and title of contact person for the report

Marianne Kirstine Møller, Corporate Responsibility Manager

E-mail for contact person responsible for this report:

responsibility@mascot.dk. Written inquiries are answered within three weeks in line with § 6 of Norway's Transparency Act.

Scope of report

The report applies to all entities under the operational control of Mascot International A/S Group, covering 100% of employees and owned operations globally.

Furthermore, the scope refers to suppliers with whom we have a direct business relationship, in the value chain of MASCOT products as well as their workers.

Tier 1 refers to suppliers and partners whose facilities include processes from cutting to packing. This tier also includes MASCOT's own production facilities in Laos and Vietnam. Products traded with Tier 1 suppliers are workwear, personal protection apparel, leisurewear, safety shoes, boots and sneakers.

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Several Tier 1 suppliers have a vertical setup, which is defined as a production facility that handles all processes from raw materials to spinning, weaving, knitting, dyeing, cutting, packing, embroidery and printing meaning all processes within Tier 1-3.

Tier 2 refers to suppliers and partners of raw materials, fabrics, and accessories used in finished MASCOT products production. Tier 2 suppliers are not included in the audit program or risk assessment in this report. However, they are expected to uphold the principles set out in the MASCOT Code of Conduct and Responsible Procurement Policy via contractual requirements put by MASCOT.

MASCOT memberships, policies and due diligence commitments.

POLICIES AND COMMITMENT APPLY IN OWN OPERATIONS	POLICIES AND COMMITMENT TO BE UPHOLD BY UPSTREAM SUPPLY CHAIN PARTNERS	MEMBERSHIPS AND COMMITMENTS
Anticorruption Policy	Code of conduct	Membership Ethical Trade
Environmental Policy	Sustainable Procurement Policy	Membership UN Global Compact
Labor and Humans Rights Policy		Science Based Target Initiative (SBTi)
Whistleblower Policy		EcoVadis
Anti-Harassment Policy		Carbon Disclosure Project (CDP)
OEKO-TEX® Standard 100		
SA8000		
ISO14001		
ISO9001		

About Mascot International A/S

Mascot International A/S, hereafter referred to as 'MASCOT', is the name of the parent company, which is located in Denmark.

MASCOT has established sales organizations in 15 countries, and own factories with production and sourcing in Laos and Vietnam.

MASCOT is a Danish family-owned business and a leader in B2B sales of workwear. Our products are designed and developed in Denmark.

Our core values are quality and integrity, and these values are reflected in everything we do. This means that our customers and suppliers always receive high-quality products, solutions and agreements, while for us, decency means being thorough and professional, and taking responsibility.

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- The company was founded in 1982 by John Grosbøl
- Production in Vietnam was established in 2008
- Production in Laos was established in 2013
- In 2025 the average number of employees was 3849 divided across 21 countries

Public and private sector supplier

Mascot International is a supplier to both the private and public sectors

Responsible procurement policies

MASCOT's commitments towards responsible business conduct are embedded in our policies with commitments and measures set for active monitoring on risks and progress.

The objectives set on due diligence in our supply chain apply in the MASCOT responsible procurement policy. The Objectives are within following subjects

- Supplier requirements and expectations
- Human and labour rights
- Environmental impacts
- Responsible sourcing and supplier engagement
- Due diligence, compliance and ethical business conduct

Environmental policy

As an international manufacturer of workwear and footwear, we recognize that our products and activities have an environmental impact. MASCOT is committed to preventing environmental pollution, reducing greenhouse gas emissions, and continuously improving environmental performance across our operations and value chain.

To drive continuous improvement, we have defined clear environmental objectives and targets that guide our efforts, support measurable progress and contribute to reducing our impact on the environment. The Objectives are within following subjects

- CO_2 emissions
- Chemistry
- Waste
- Circularity
- Product end-of- life
- Water

MASCOT suppliers in 2025

Tier 1 trading goods suppliers 27

Tier 2 fabric suppliers 48

Tier 2 accessories suppliers 30

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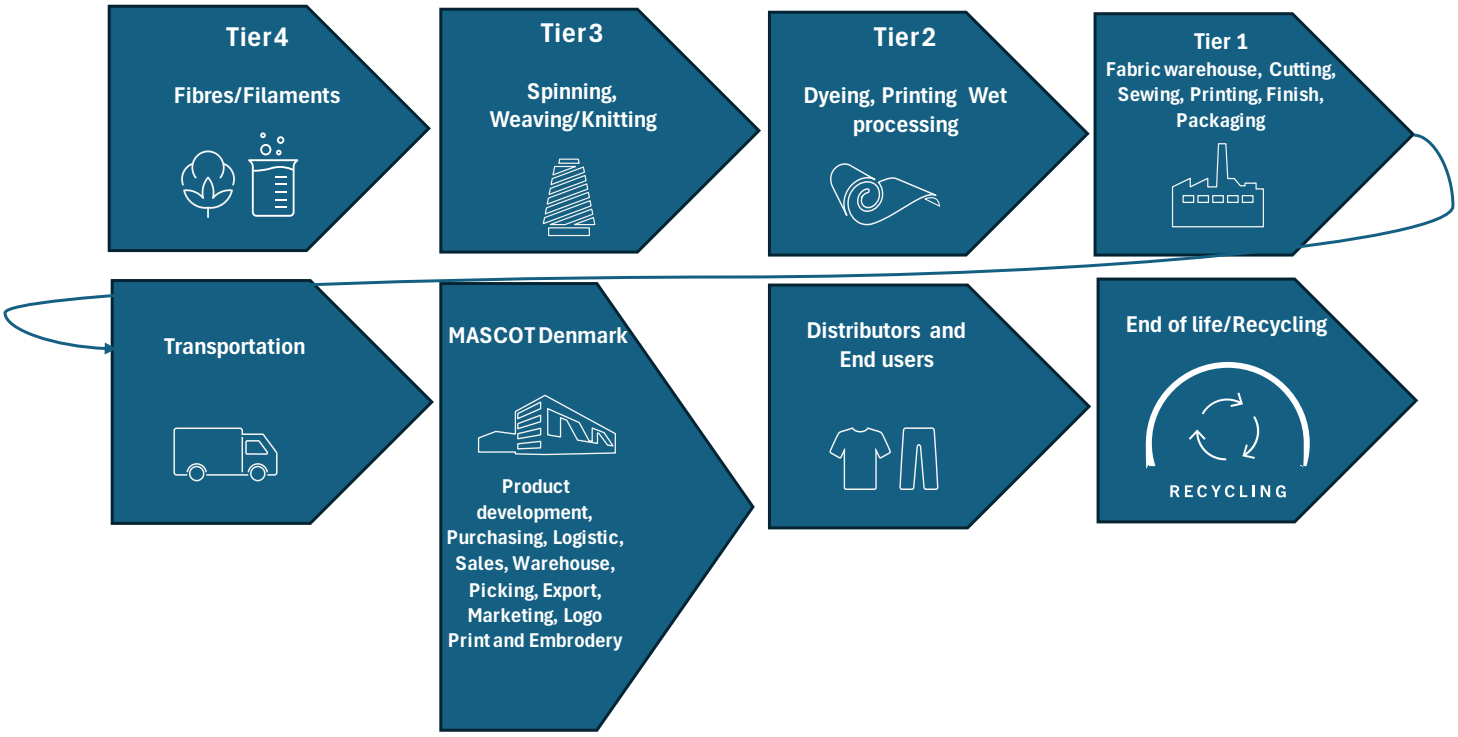
MASCOT Value chain upstream and downstream

The value chain of MASCOT, defined at operation and tier level, is as follows:



Approximately 80% of all MASCOT products are manufactured in our own SA8000-certified factories in Vietnam and Laos, while the remaining 20 % comprises footwear, accessories and garments that are designed, developed and purchased directly by MASCOT. These are referred to as 'trading goods'. The figure below shows our direct supply chain partners. Our own facilities are referred to as Tier 1.

Tier 2 comprises suppliers of fabrics and accessories. These are sourced from Mascot International A/S and delivered to and processed in MASCOT facilities in Laos and Vietnam.

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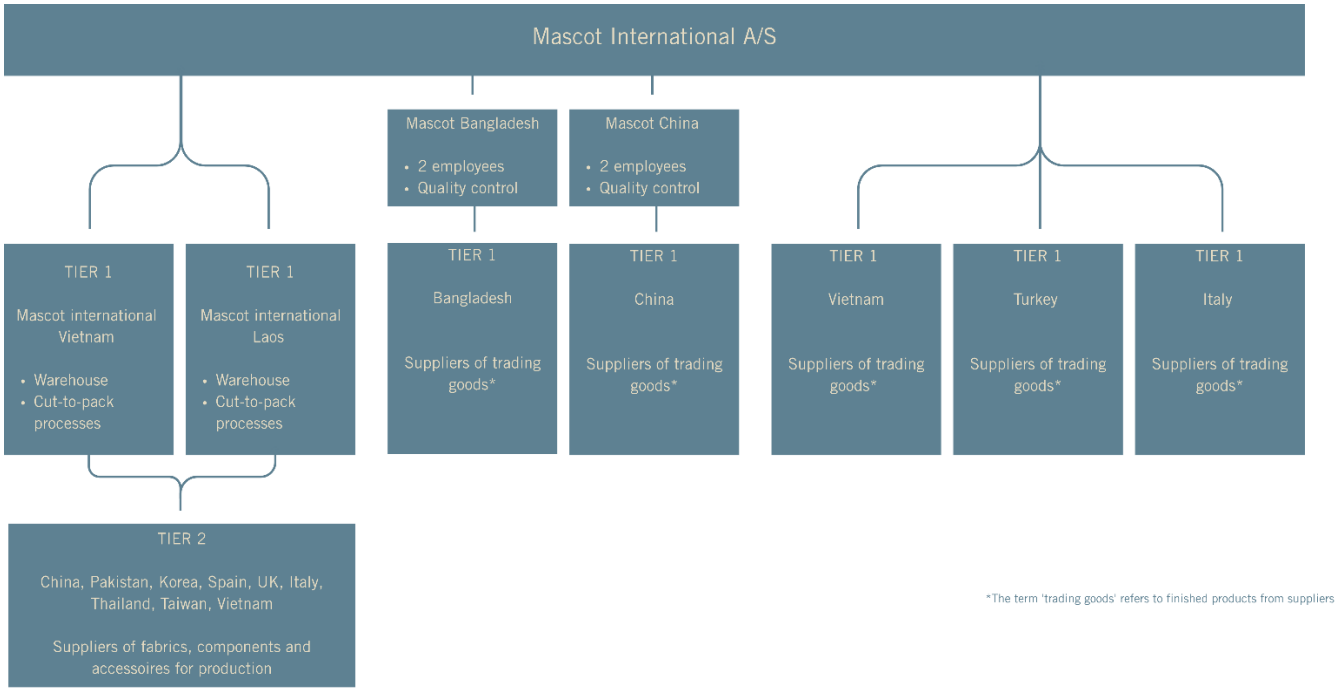

Identify and assess any adverse impacts

Monitoring and risk identification.

We monitor and identify risks via the following channels:

We monitor human and environmental risks via data from UN global compact, Ethical Trade in EU countries and Denmark, from our third-party audit reports and from certification bodies via OEKOTEX 100, ISO9001 and ISO 14001 and SA8000 certification.

We also keep up to date with “Business and Human rights Centre” news stream in this area. If risks or incidents are reported in our production countries, we contact our local colleagues to identify and evaluate, whether they pose a risk to our suppliers. Our local teams in production countries also monitor legal and local updates and implement them in cooperation with the sourcing and quality team and corporate responsibility team in Denmark.

Geographic risk-characteristics

At MASCOT, we carry out risk analyses for each country of production. We assess products and risks using a country and Tier-level approach.

As part of the risk assessment, we visit and audit our Tier 1 suppliers and collect their certificates on social and environmental performance. We also map out the manufacturing processes at each level of the value chain. We prioritize getting information from Tier 1 and Tier 2, where human and environmental risks are high in garment production. For leather shoes, we require the supplier to be a member of the LWG (Leather Working Group) to mitigate human and environmental risks from the tannery. These risk assessments are based

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on countries outside Europe from which MASCOT buys fabrics, accessories and other goods, as well as countries where MASCOT has its own manufacturing facilities.

Tier 2 suppliers of fabrics, accessories and components for production must hold OEKO-TEX 100 and GRS certifications. While both are product certifications, they are prioritized at this tier level, because the GRS certification involves a traceable chain of custody, as well as social and environmental requirements, while the OEKO-TEX 100 certification involves a strong effort against harmful chemicals in the final product.

The purchase of fabrics from Tier 2 suppliers involves technical fabrics, which are often laminated with more than one layer and functional finishes. We also purchase fabrics for use in PPE (personal protective equipment), which functionalities contribute to the certification of products such as flame retardancy, products with electrostatic properties and high visibility. Suppliers of these fabrics have heavy machinery and fewer operational handling processes. Therefore, environmental risk is considered high in terms of the use of fossil recourses and chemicals at this stage.

Climate change is a major concern for us. Our goal is to reduce our climate footprint during production, which requires us to carefully address issues related to negative environmental impact. We systematically monitor greenhouse gas emissions by measuring the environmental impact at MASCOT products at our suppliers and our own production, including environmental permits and policies, land use, waste and water flow.

MASCOT has made a great effort to transition from using virgin man-made fibres to using recycled man-made fibres that are GRS-certified. 75% of the fabric types used in MASCOT products, where man-made fibres are used, have already been converted to using recycled man-made fibres, and further LCA analyses are being created at product level to identify hotspots and adjust our remedies in the supply chain accordingly.

Finished garments and shoes are purchased from Tier 1 suppliers where production requires a high level of operational handling, and the suppliers are located in Asia, which is a high-risk area in terms of social violations.

MASCOT's own factories are SA8000 certified, and all other Tier 1 suppliers are audited by a third-party agency appointed by MASCOT on similar audit parameters, with additional environmental risks considered.

The SA8000 standard is based on internationally recognized decent work standards, such as the Universal Declaration of Human Rights, International Labor Organization (ILO) conventions, and national laws.

SA8000 takes a management system approach to social performance, emphasizing continual improvement rather than a checklist auditing approach. MASCOT’s approach to due diligence at its own operations is described later in this report.

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Risk assessment

The risk assessment covers three countries: Bangladesh, China, and Vietnam. It is based on general issues in the garment and apparel industry. Data are collected from official databases, NGO reports, articles, and, to a large extent, MASCOT's own audit reports and findings[2].

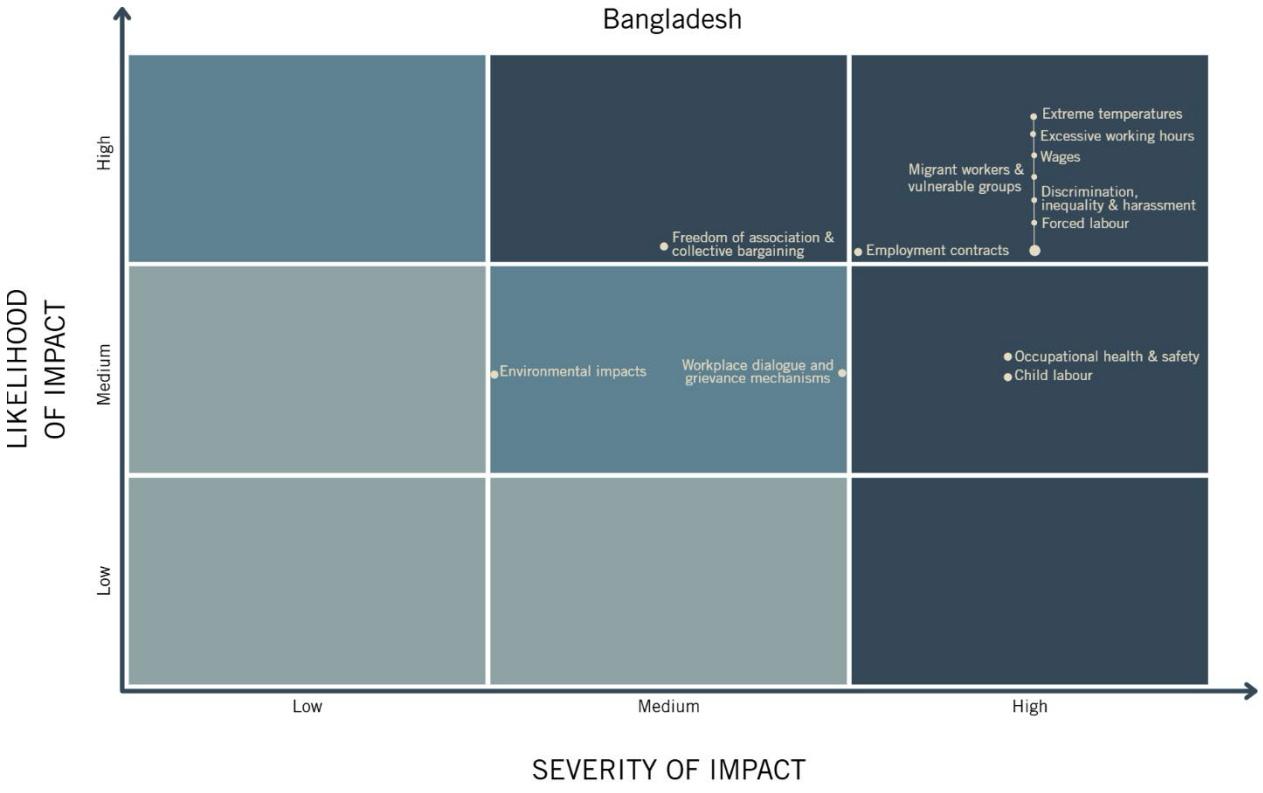
Turkey is not yet represented, because it falls under the purchasing volume limit of the Tier 1 supplier definition and is therefore assessed on the basis of third part validated social and environmental certifications.

Italy falls under European law, and therefore, also assessed based on social and environmental certifications.

Tier 2 suppliers are not included in the general risk assessment.

In the event of human risk, severity is prioritized over likelihood.

'Likelihood' is the probability of harm occurring within MASCOT's own supply chain.



[2] Walk free -Global Slavery Index https://www.walkfree.org/global-slavery-index/map/#mode=data:region=:dimension=p
ITUC Gobal rights Index https://www.ituc-csi.org/global-rights-index
Amnesty International – yearly reports https://www.amnesty.org.uk/knowledge-hub/all-resources/annual-report-2026/?utm_source=chatgpt.com
OECD: "Due Diligence Guidance for Responsible Business Conduct" https://mneguidelines.oecd.org/responsible-business-conduct-guidance.htm
Mascot Internal audit reports from SGS

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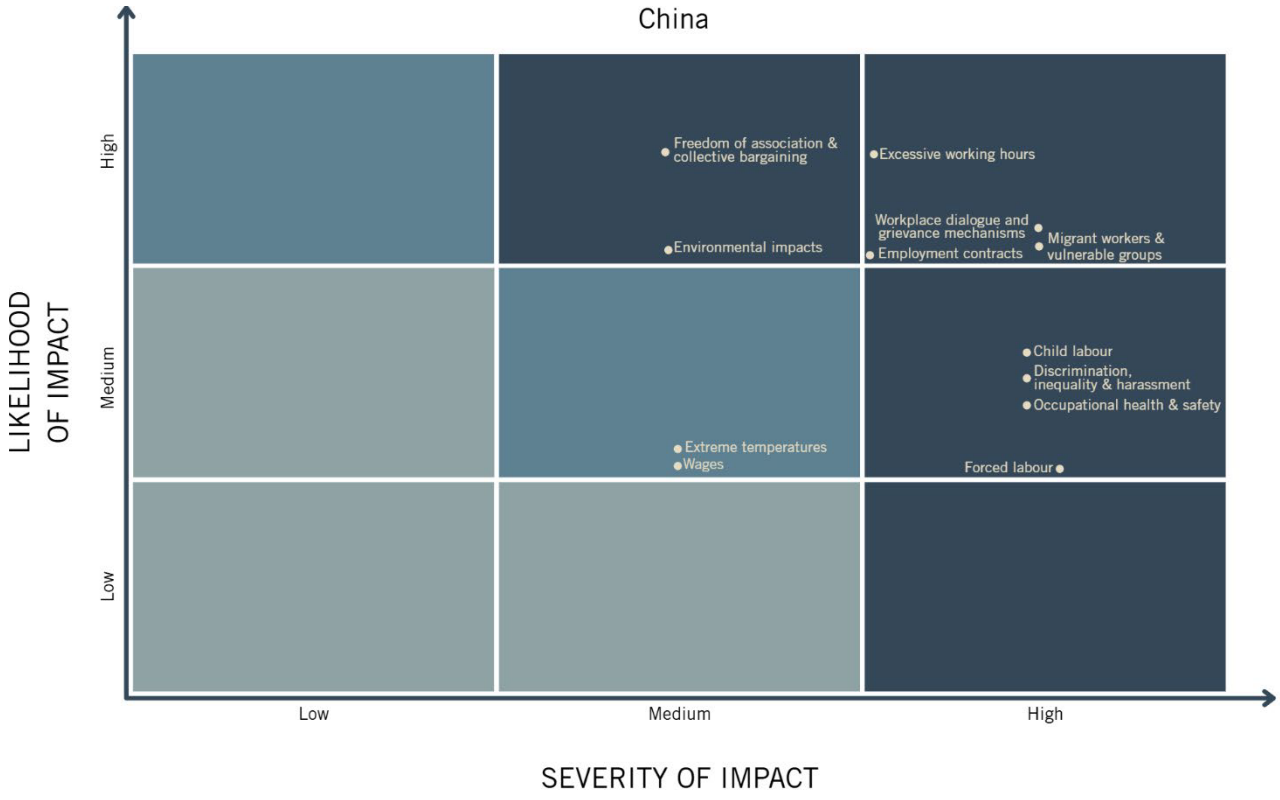

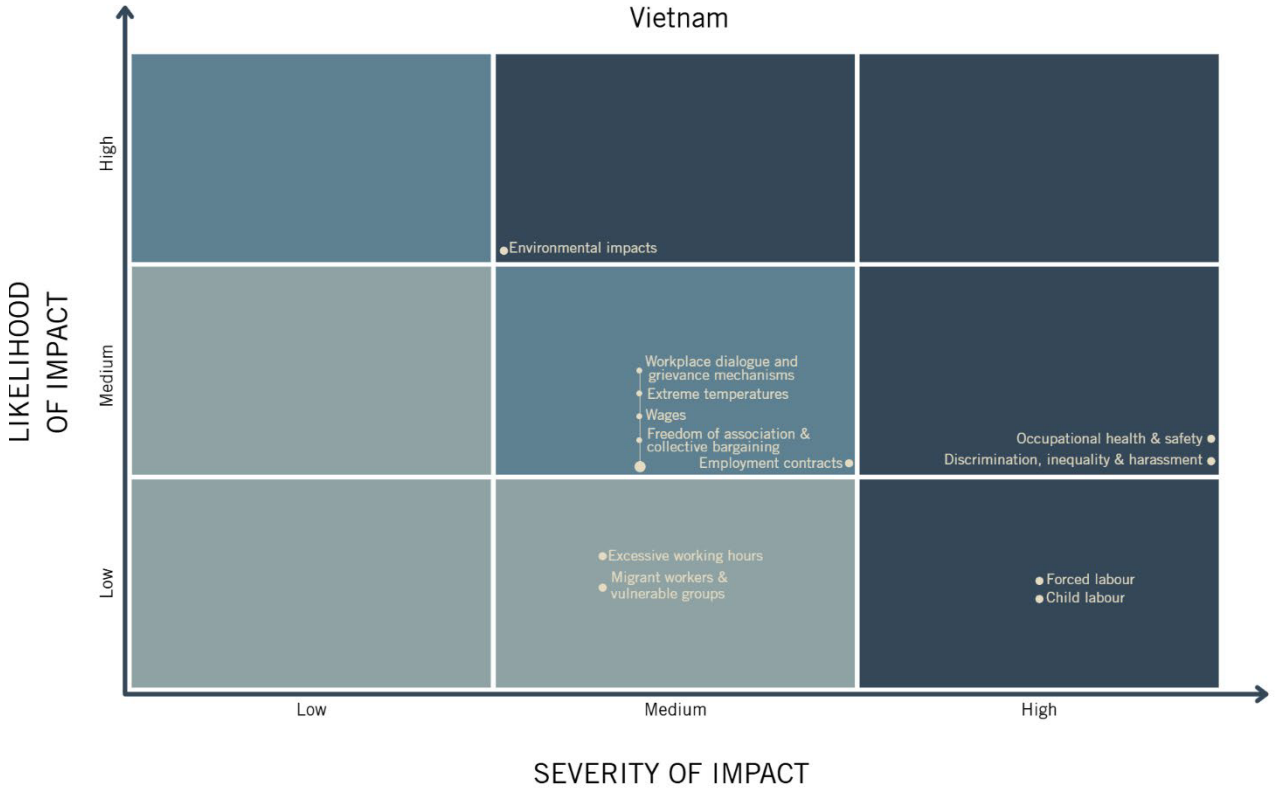

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Cease, prevent or mitigate adverse impacts

Based on risk assessment and impacts related to MASCOT's procurement activities in the sourcing countries, the overall sustainability themes have been identified as most material to MASCOT's responsible procurement practices: subjects within human and labour rights, environmental impacts and ethical business conduct.

MASCOT has an established due diligence team throughout the organization that identifies risks and manages their remediation. The team is also responsible for measuring and reporting on the annual reduction in environmental impact and human rights risks within our supply chain. Audits are conducted at the sites of trading goods suppliers every year.

Suppliers are audited by SGS according to a MASCOT standard that was developed in line with the SA8000®:2014 standard. Environmental criteria were added to the audit in 2024 due to the significant risk to workers and environmental impact.

MASCOT's principles when on boarding new suppliers:

- Social and environmental audit arranged by MASCOT's selected 3rd party
- Signature of MASCOT's supplier code of conduct
- Signature of MASCOT contract with REACH declaration
- OEKOTEX 100 certificate provided
- GRS certificate provided

Before a collaboration can begin, suppliers of MASCOT products or components to MASCOT products, all suppliers (100%) must sign a contract incorporating the Code of Conduct and REACH declaration. They will also be required to provide a valid OEKO-TEX certificate. A trial order will be made and quality tested in MASCOT's own laboratories before proceeding with a bulk order.

Once the audit has been conducted, the supplier receives a score. If the score is 90% or more, the supplier only needs to be audited again in two years' time. If the score is under 90%, however, the supplier needs to be audited again the following year.

The audit score reflects how well the supplier adheres to MASCOT's social and environmental requirements. During the audit, the team takes notes on any non-compliance issues or complaints, as well as the extent to which the supplier is compliant. These findings are categorized as Minor, Major or Critical.

The auditor creates a report containing suggestions for corrective actions for the supplier. MASCOT is then provided with a CAP (Corrective Action Plan) for each category of finding.

The noncompliance findings are categorized into four levels A-B-C-D.

A=Compliant

B= Minor

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C= Major

D= Critical

These are graded according to the risk of harm to human health and safety, or of a breach of ethical standards. They also represent the quantity of findings. Each group of findings is defined below.

A-Compliant

Type 1: No finding of non-compliance.

Type 2: Fully compliant with MASCOT's Code of Conduct and local legislation.

B-Minor findings

Type 1 indicates a single area that does not meet minimum standards, requiring a single corrective action to be conducted by the supplier.

Type 2: The methods and records observed during the audit highlight one or more areas that do not meet minimum standards, for which one or more corrective actions must be conducted by the supplier.

The correction action plan deadline is 6 months.

C-Major findings

Type 1: Several Minor non-compliances against one requirement can represent a Major non-compliance.

Type 2: The audit highlighted significant and Major non-compliances. The improvements needed are either multiple or important to minimize risks for people and the environment.

Type 3: A non-compliance that poses an imminent and immediate but not life-threatening threat to the health and safety of workers or environment (in which case a Critical finding SHALL be raised).

The correction action plan deadline is 3 months.

D-Critical findings

A grievous breach of legislation and/or standards resulting in a severe impact on individual rights, life, safety and/or the reputation of MASCOT. This includes:

1. A breach of ethical standards.

2. Imminent threats to the life, health and safety of workers or the environment.

3. Grievous and intentional violations of human rights.

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A D rating is used for profoundly serious cases. If the rating is D, 'containment' action must be taken immediately to avoid further damage, and MASCOT must be informed within 24 hours.

Although D is only listed for some of the questions, it is always possible to score a D if the audit has highlighted extreme and critical non-compliance, meaning that the situation is so dangerous and unstable that it cannot continue.

The correction action plan deadline is < 1 month.

Track implementation and results

There are ongoing follow-ups to the suppliers' correction action plan deadlines. At the end of every year the due diligence team across the organization identifies the risks for the individual supplier and country. If there is a finding that contravenes MASCOT's Code of Conduct repeatedly from year to year, it is assessed whether the cooperation shall continue.

Supplier performance and finding

Finding per subject assessment per country:

Bangladesh	A	B	C	D	
Audit subjects	Number	Number	Number	Number	**Total assessments within the subject**
Accommodation & Childcare	70	1	1		**72**
Anti-corruption	30				**30**
Chemicals	40		2		**42**
Child Labor	36				**36**
Disciplinary Rules	24				**24**
Employment	30				**30**
Environment	177	3	13		**193**
Fire Safety	34		2		**36**
Forced Labor	24				**24**
Freedom of Association & Collective Bargaining	42				**42**
General Management & Building Safety	47	1	1	3	**52**
Harassment	24				**24**
OHS	52	5	19		**76**
Wages	71				**71**
Working Hours & Overtime	67		5		**72**
Total	**768**	**10**	**43**	**3**	**824**
Percentage share	93,2%	1,2%	5,2%	0,4%	100,0%

Minor findings Bangladesh

The MASCOT team in Vietnam follows up on Minor findings. When the report from third party is provided, the team follows up. 50% of the 1,2% of Minor topics in Bangladesh in 2025 were related to risk management at production facilities. Examples of risk management include storing boxes at a safe height, ensuring an even floor surface, and testing drinking water facilities. This area shows whether the facility has management systems in place, including risk management and safety check routines.

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Major findings Bangladesh

5.2% of Major findings apply, and 76% of these are related to topics such as the environment and occupational health and safety (OHS).

In these cases, the issues concerned the safety of eye and needle guards on machines that had been installed incorrectly, and the use of safety equipment by employees. Examples include the use of face masks when working with chemicals, protective equipment when working in damp or dusty areas, and ear protection and gloves when working with machinery or hot environments such as printing. MASCOT requires documentation that corrective actions are carried out and that employees are instructed and provided with safety equipment.

With regard to environmental issues, it was found that boiler or power generator permits had expired and not been renewed in due time, or that no permit had been obtained from the authorities. MASCOT requires evidence that applications for permission have been submitted to the relevant authorities.

Two findings related to the handling and labelling of chemicals. According to Bangladesh labour law, suppliers must label their storage of additives and chemicals according to strict rules to protect workers. They must also always provide functioning eyewash equipment. An obligation that was found to have been neglected in one case. The supplier installed a fully functioning eyewash and provided photographic evidence to MASCOT. Similarly, the chemical handling was clearly labelled, confirmed and documented with photographs provided.

Safety of the workers is a Major concern to MASCOT, and it was found that fire safety obligations had been neglected in two cases. One case was related to licenses that had not been renewed in time, and the other was a sewing operation that partially obstructed the fire emergency route.

The supplier took immediately action and removed unnecessary fabrics from around the machines to avoid blocking any emergency way out and fire licenses were renewed in due time to uphold the corrective action deadline.

Another Major concern was a missing building approval from the government. The main buildings had valid construction permission, but some were missing, and it violated the Bangladesh Building Construction Act 1952 Section 3 and MASCOT's Code of Conduct.

In this case the facility management team collected the building construction approval plan from the relevant authority and sent photographic evidence of this.

Five cases of non-compliance with working hours were identified. Although these were voluntary and compensated for with days off during the Eid festival, overtime payments and were agreed with the workers' representative, this still constitutes a violation of the MASCOT Code of Conduct and the Bangladesh Labour Law.

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Therefore, a follow-up action plan is required. It poses great risk to workers' health, safety and wellbeing when working too many hours. The suppliers provided MASCOT with evidence that the working hours had been adjusted in accordance with Bangladeshi labour law and MASCOT's Code of Conduct by providing attendance reports and reports from face or fingerprint scanner.

MASCOT is aware that, ultimately, suppliers and their workers decide how many hours they want to work. What MASCOT can do is audit and require corrective action to promote the safest possible workplace for workers. MASCOT also ensures that products are sourced and developed responsibly, with the aim of promoting decent working hours that pose less risk to workers.

Critical findings Bangladesh

The 3 critical findings require immediate action.

The two cases were missing trade licenses, which poses a risk to other contracts, such as those relating to occupational health and safety (OHS) and employment. Both licenses were obtained and brought into order within CAP deadline.

In the last case the plant layout did not match the areas of operation, which can put great risk and danger on the affected operations and workers in case of emergency. The layout plan for the factory was afterwards updated and approved by the authorities.

All licenses and plant layout provided by the suppliers and CAPs therefore closed.

China	A	B	C	D	
Audit subjects	Number	Number	Number	Number	**Total assessments within the subject**
Accommodation & Childcare	28	28	12		**68**
Anti-corruption	45				**45**
Chemicals	41	5	5		**51**
Child Labor	54				**54**
Disciplinary Rules	36				**36**
Employment	45				**45**
Environment	267	4	17		**288**
Fire Safety	49	3	2		**54**
Forced Labor	36				**36**
Freedom of Association & Collective Bargaining	57	4			**61**
General Management & Building Safety	79		1		**80**
Harassment	36				**36**
OHS	106	3	7		**116**
Wages	91	7	2		**100**
Working Hours & Overtime	94	2	11		**107**
Total	**1064**	**56**	**57**	**0**	**1177**
Percentage share	90,4%	4,8%	4,8%	0%	100,0%

Minor findings China

50% of the Minor findings relate to suppliers not offering childcare to their workers' children, which is also not required by law. The findings are recorded and treated as recommendations for the supplier by MASCOT.

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Minor corrective action is required for the subject of chemicals due to the unavailability of a material safety data sheet (MSDS) for sewing lube oil. Other Minor findings were related to missing procedures, as none of the factories handled the storage and handling of chemicals, and therefore, no procedures were available.

On the environment, the Minor findings related to waste management and the lack of renewable energy use at the suppliers. More management within these areas is requested by MASCOT and cooperation and improvement are subject to ongoing dialogue.

Fire safety poses a risk when electric boxes in factories are unlocked and not protected by a cover. According to Chinese law, factories must lock and protect these boxes as a preventive measure against fire and electric shock, and therefore, MASCOT requires that this is repaired within the deadline. It was done by the supplier and evidence received.

Findings on freedom of association and collective bargaining were recorded, because the supplier does not have a local collective bargaining agreement in place and relies solely on Chinese labour law. Although MASCOT does not mandate the supplier to create such an agreement as a corrective action, we continue to promote workers' fundamental right to organise and to enter collective agreements.

The occupational health and safety (OHS) findings refer to the protection of workers, who are exposed to noise. According to Chinese law, before employment and annually, the supplier must ensure that employees' health is checked by authorized medical institutions. This was not done systematically, and therefore, represents a Minor finding. The supplier arranged an examination of new employees and obtained occupational examination report.

Findings on wage and working hours are considered Major findings, and therefore, described in Major chapter.

Finding on missing social insurances occurred. The suppliers have provided actions plan to improve the findings and documentation for improvement within deadline. It is crucial to MASCOT that these issues are brought into order immediately and effectively within the given deadline. It is a general issue with several suppliers in China that employees are not willing to pay their shares of social insurance due to different policies in different regions of China, rendering the insurance ineffective for workers. Therefore, they request that their employer cancel the insurance. This creates a bias, because it violates both the law and the MASCOT Code of Conduct, and it also limits employees' freedom to sign up for insurance in provinces, where it would benefit them.

Major findings China

The proportion of Major findings in China is 4.8%. The areas of findings are very similar to those of Minor findings. However, there is more serious neglect on the part of the suppliers with regard to the risk posed to workers. This also results in a shorter deadline for remedial action of three months.

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The findings were related to occupational health and safety (OHS), accommodation and childcare, environmental non-compliance and working hours and overtime.

The OHS findings included the use of safety equipment such as earplugs and gloves for lamination machines.

No Critical findings were observed during auditing in China.

It was found that there is a lack of needle and eye guards installed on sewing machines, or they are found in a misplaced condition, it can be due to a lack of awareness among workers regarding how to use them it. It is the responsibility of the supplier to arrange supervision and learning on safety issues, and MASCOT received documentation that issues were improved.

On the subject chemicals, one supplier with in-house printing facilities did not label 10% of their chemicals correctly and did not store them in accordance with Chinese Labour Protection Law. This poses a risk of using or discharging the wrong chemical, which can be dangerous and affect the health of workers. Therefore, this issue must be corrected, which was done within the deadline. The remaining remarks on chemicals were made because the supplier did not use any chemicals in their operations, so lack of management in this area was indicated as the finding.

Working hours are a widely debated and subjective topic. By law, suppliers are permitted to offer workers additional hours and overtime, provided this has been agreed with the worker and their representative, and provided overtime is paid at a rate of between 150% and 300%, depending on the situation. The total extension of working hours in a month may not exceed 36 hours. Findings show that this limit is often exceeded. To prevent workers from working excessive hours MASCOT requires corrective actions in the form of adjustments of the hours worked supplemented by electronic fingerprint registration and working schedule checks.

Wages refer to suppliers, who do not provide their full staff with the legal package, for example, insurance, wages, legal overtime payments, holiday planning and refunds, in accordance with Chinese law and the MASCOT Code of Conduct. This is unacceptable and must therefore be rectified within three months by providing documentation to MASCOT.

Findings regarding accommodation and childcare are due to the fact that these facilities are not offered by the suppliers. Therefore, MASCOT recommends that these family-friendly facilities be created for the workers.

Fire safety findings are very serious and a key focus area, so they must be brought into order as soon as possible. MASCOT found that one supplier's lighted emergency exit signs were not installed properly, and that the emergency door was a sliding door instead of a side-hung door. Both issues can delay evacuation and are therefore considered Major findings, which require action and documentation of improvement within 3 months. Suppliers prioritize safety, too, and cooperate and act quickly in these cases.

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Building safety is of the utmost importance, and the report highlights the absence of a building safety certificate issued by the relevant authorities. While this is a formal issue, it creates a significant risk in the event of any incidents or emergencies. The certificate was obtained within 3 months.

The findings in the environmental area relate to water usage and waste. MASCOT requests that suppliers calculate and deliver data based on MASCOT's production, consumption and waste, in order to evaluate how the environmental impact can be reduced in cooperation with the supplier. During the audit, all relevant permissions are checked, as well as the facility's inputs and outputs. No missing permits, safety risks or violations of the law were found, but the inability to measure and share data resulted in significant findings in the environmental area, which is a high priority for MASCOT in terms of reducing its impact.

Vietnam	A	B	C	D	
Audit subjects	Number	Number	Number	Number	**Total assessments within the subject**
Accommodation & Childcare	1				**1**
Anti-corruption	5				**5**
Chemicals	1				**1**
Child Labor	5		1		**6**
Disciplinary Rules	3				**3**
Employment	5				**5**
Environment	29	3	1		**33**
Fire Safety	6				**6**
Forced Labor	4				**4**
Freedom of Association & Collective Bargaining	7				**7**
General Management & Building Safety	8				**8**
Harassment	4				**4**
OHS	13				**13**
Wages	11				**11**
Working Hours & Overtime	10		2		**12**
Total	**112**	**3**	**4**	**0**	**119**
Percentage share	94,10%	2,5%	3,4%	0%	100%

Minor findings Vietnam

MASCOT works with one supplier, in addition to own operations in Vietnam.

All Minor findings in Vietnam relate to environmental issues and indicate a lack of management or information regarding waste, energy use and recycling. These are areas of focus, and MASCOT is working with all suppliers to provide more information and upgrade their knowledge in this area.

Major findings Vietnam

Two cases were found where employees worked more than 18 consecutive days without a day off, and one case where a young worker exceeded the maximum number of hours a young worker can work in one week (40 hours according to Vietnamese labour law). This violated both the labour law and MASCOT's Code of Conduct, and immediate action was taken. The supplier provided proof that they had reduced overtime for their employees.

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With regard to handling chemicals, periodic training is required, but this has not been carried out in a timely manner (the last training session took place in 2022). Mishandling chemicals poses a risk, so the supplier immediately sent the workers on a safety training course.

Cooperation and remediation

Grievances

At MASCOT, we are committed to fostering a workplace culture built on dialogue, trust and openness, where all employees feel safe to express their views, raise concerns and report grievances without fear of retaliation.

In Denmark and across Europe, employees can raise concerns through several channels, including direct dialogue with management, their designated HR Business Partner, or – for hourly paid employees – through their trade union representative. Employees may also report concerns via MASCOT's independent whistleblower hotline, which is operated by a third party, as well as through anonymous feedback submitted via employee satisfaction surveys.

MASCOT guarantees non-retaliation for any individual raising concern. All reports are handled confidentially, ensuring that sensitive information and the identity of the whistleblower are protected. Anonymous reporting is available through dedicated channels. The whistleblower system is in 2025 being expanded to include English and all relevant local languages, including Vietnamese and Laotian.

Employees, suppliers and external stakeholders may also submit inquiries or complaints via MASCOT's central email address and website contact form. All inquiries are processed in accordance with applicable data protection laws and handled by the relevant department.

At MASCOT's production sites in Vietnam and Laos, employees have access to multiple grievance channels, including direct contact with management, worker representatives and trade union representatives. In addition, physical complaint boxes are placed in visible and accessible locations across the factories, including the canteen, locker rooms and production exits, enabling employees to submit complaints anonymously.

These mechanisms ensure that all employees, regardless of location, have access to appropriate and effective channels for raising concerns.

During the 2025 reporting year, MASCOT recorded no cases of discrimination or harassment.

No other employee complaints were submitted through the grievance channels, and no severe human rights incidents were submitted within the workforce or supply chain.

Questions or operational requests from employees that were resolved immediately by supervisors or HR on an informal, day-to-day basis, are not counted as grievances unless

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they were formally registered as a complaint, case of discrimination/harassment, or human rights incident.

Any complaints raised by MASCOT suppliers can be submitted via the MASCOT Code of Conduct. Suppliers sign this code as part of the contract, before a production order is placed, and it encourages the suppliers to report any issues to MASCOT using the online complaints mechanism.

MASCOT's own workforce

Labour and human rights, Anticorruption and Whistleblower policies.

Based on an assessment of risks and impacts related to MASCOT's production activities, the following overall themes and commitments have been identified as most material to the company's own operations.

- Employee health and safety
- Working conditions
- Social dialogue and grievances
- Child and forced labour
- Diversity and inclusion

All subjects are embedded in the MASCOT Labour and Human Rights Policy, which also serves as a guide and contains commitments within labour and human rights and safety measures for the MASCOT workforce.

MASCOT's whistleblowing and anti-corruption policy sets out measures and guidance on grievances, anti-corruption and bribery within its own operations. Staff in Vietnam and Laos are also trained in anti-corruption upon employment.

MASCOT's own production facilities in Laos and Vietnam are SA8000 certified, meaning they adhere to SA8000 standards and local regulations. The SA8000 standard is the world's leading certification program for social responsibility, based on the following principles:

ILO conventions

UN Universal Declaration of Human Rights

UN Declaration on the Rights of the Child

At MASCOT's own production in Laos and Vietnam you will therefore find:

 - No child labour

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 - No discrimination

 - Fair disciplinary practice

 - No forced or compulsory labour

 - Health and safety

 - Working hours in accordance with SA8000 and living wage remuneration.

 - Control of working conditions of subcontractors

 - Freedom of associations and the right to collective bargaining

This certification proves fair and decent business operations towards workers and demonstrates adherence to the highest social standards. The certificate is renewed every three years by BSI. Four audits of MASCOT's own production are conducted each year. The SA8000 certification is subject to external audits by the international certification agency BSI twice a year, while our social performance teams in Vietnam and Laos also conduct two audits annually.

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MASCOT's apartment building in Laos for foreign workers

Living wage

MASCOT's production facilities in Laos and Vietnam adjust staff salaries to match inflation, ensuring a living wage. Salaries are reviewed at least every six months, or more frequently during periods of high inflation. MASCOT uses a formula from SAI to calculate a person's needs by checking the local markets for prices to help determine a living wage. The employees also have the opportunity to earn various bonuses. In addition, employees are compensated for overtime at a premium rate.

For example, workers can obtain an 'attendance bonus', whereby employees are rewarded for attending work every day.

MASCOT also offers a 'performance bonus' based on the output.

Everyone receives an additional month's salary to celebrate the Vietnamese New Year (Tet) and the Lao New Year (Pi Mai). Finally, employees can earn bonuses at the awards ceremony 'employee of the month' and 'employee of the year'.

Health and safety principles

Safety training and education

At MASCOT's own facilities in Laos and Vietnam, employee safety is a top priority. All employees receive safety training from day one and undergo continuous training throughout their employment. MASCOT also conducts daily safety inspections and employs security supervisors in all departments. All safety incidents are recorded and evaluated by the health and safety committee.

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*Safety training at MASCOT's production

First aid and fire training

MASCOT has an agreement with the local fire department, and together we train employees in firefighting. This involves regular test evacuations of the factories. Additionally, MASCOT's doctors provides continuous training to the company's own first aid teams.

MASCOT conducts planned evacuation drills with all employees, so that everyone knows where to be and what to do in the event of a fire or other critical situation.

Traffic safety

In collaboration with the local traffic police, MASCOT has organized traffic safety training to help reduce the high number of traffic accidents in Vietnam. As part of this initiative, all employees have been provided with safety helmets to ensure their safe travel to and from work. MASCOT is financially responsible for up to three years' salary, if an employee is injured or becomes partially or fully disabled in a road accident to and from work.

Due to the poor infrastructure and lack of public transport, the majority of our colleagues in Laos are transported to and from work by MASCOT every day.

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Medical clinics at MASCOT

MASCOT has its own officially registered and state-certified medical clinics at its factories in Vietnam and Laos.

The clinics employ full-time doctors and nurses, who are responsible for the health of the employees. The clinics are responsible for daily health management among MASCOT's employees in Vietnam and Laos. They devote a lot of time to preventive health work and information campaigns. Through these campaigns, MASCOT aims to educate employees on how to maintain their health, including proper eating habits, good personal hygiene, and information on contagious diseases and epidemics.



*Medical clinic at MASCOT INTERNATIONAL (LAO) SOLE CO., LTD

Free lunch

MASCOT provides all its employees with a free, nutritious lunch. MASCOT's doctors and nurses supervise the canteen daily, taking samples of the food to ensure high quality, the right number of calories, and prevent food poisoning.

A healthy, nutritious lunch has many benefits. It strengthens employees' immune systems, ensuring greater productivity throughout the working day, and enables MASCOT's employees to socialise over a meal at work.

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*Canteen at MASCOT INTERNATIONAL (LAO) SOLE CO., LTD

Final remarks from the CEO

MASCOT has the competencies and resources to maintain our social and environmental efforts.

We have a responsibility to each other – a responsibility, we happily accept. We invest in people and the environment within our supply chain, and we are aware of the fact that we are part of an industry that makes a big climate impact and has a reputation for human rights violations. This needs to change. For several years, we have initiated and implemented certifications and terms to ensure our employees and the employees of our suppliers. We view the environmental and climate impacts holistically throughout our supply- and value-chain. We consider the entire value chain when making decisions, both to reduce consumption where it is optimal, as well as to reduce consumption without negative side effects somewhere else in production.

At MASCOT, we wish to continue our focus on high quality and decency in our products, solutions, and collaborations. For many years that has been the foundation for development and innovation, and it will remain so going forward. We will continually develop and improve, to create a positive effect on people and lower the environmental impact across the globe[3].

[3] Mascot International A/S Sustainable Procurement Policies

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