

**Mascot International A/S report on due diligence in
the supply chain**

Statement of the reporting year 2024

THE REPORT APPLIES TO THE PERIOD: 1/1-2024 – 31/12-2024



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 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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Description of the method

This report is based on the guiding principles of the UN's Framework on Business and Human Rights and the OECD's Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector, as well as the OECD's Due Diligence Guidance for Responsible Business Conduct.

The OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector (hereafter referred to as the 'Guidance') helps enterprises implement the due diligence recommendations contained in the OECD Guidelines for Multinational Enterprises throughout the garment and footwear supply chain, to address and avoid the potential negative impacts of their activities and supply chains. The Guidance supports the aims of the OECD Guidelines, ensuring that enterprises' operations in the garment and footwear sector align with government policies and strengthen mutual confidence between enterprises and their operating societies. The Guidance also assists enterprises in implementing the due diligence recommendations set out in the UN Guiding Principles on Business and Human Rights.

The Guidance aligns with the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work, as well as with relevant ILO Conventions and Recommendations, and the ILO Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy. Along with its modules on due diligence for specific risk areas, the Guidance provides enterprises with all the tools they need to operate and source responsibly in the garment and footwear sector.”¹²

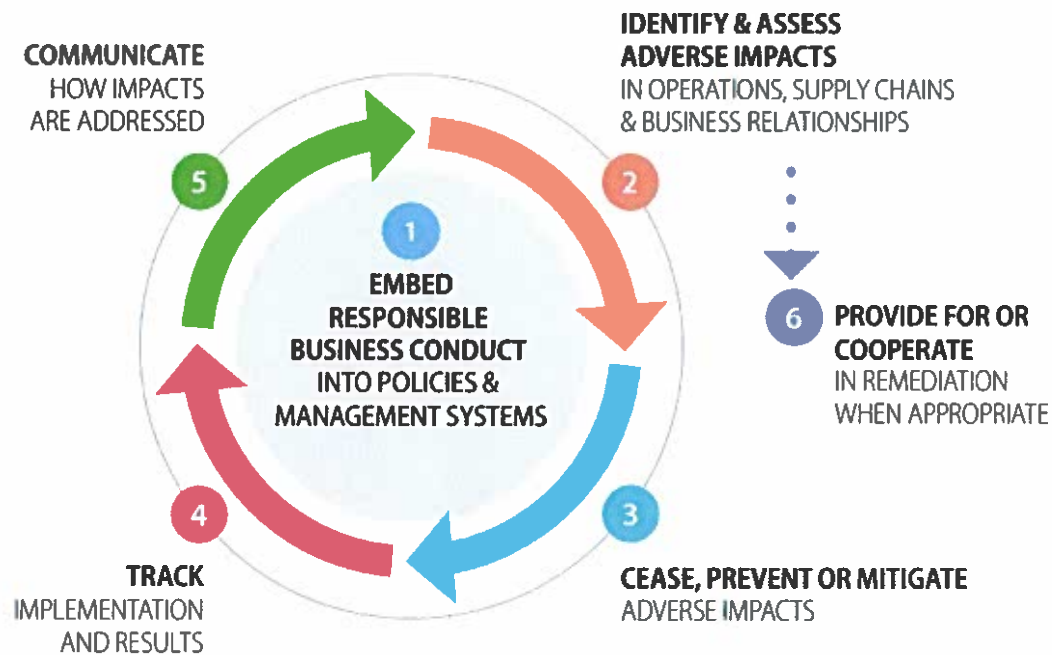
¹ [OECD-Due-Diligence-Guidance-for-Responsible-Supply-Chains-in-the-Garment-and-Footwear-Sector.pdf \(respect.international\)](#)

² [OECD-Due-Diligence-Guidance-for-Responsible-Business-Conduct.pdf](#)

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.³



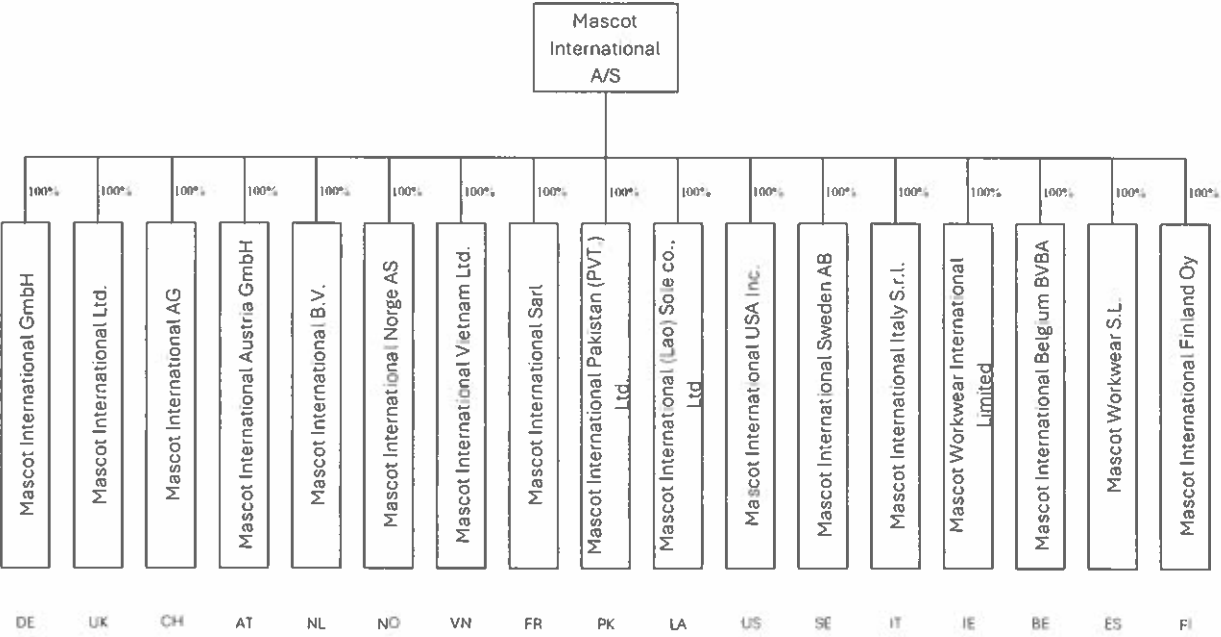
³ [OECD-Due-Diligence-Guidance-for-Responsible-Business-Conduct.pdf](#)

Key information about Mascot International A/S and its supply chain

Name of company

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 14 countries, and own factories with production and sourcing in Laos and Vietnam. The company in Pakistan was inactive in 2024 (and has been closed during 2025).



*Mascot corporate structure

Adress of headquarters and own production

Mascot International A/S

Silkeborgvej 14

7442 Engesvang

Denmark

The production companies

MASCOT INTERNATIONAL VIETNAM LTD

Lot CN 3.1,
Tan Truong, Industrial Zone,
Cam Giang District,
Hai Duong Province,
Vietnam

MASCOT INTERNATIONAL (LAO) SOLE CO., LTD

Lot 44-51, VITA Park, Km 22,
Road 13 South, Noonthong Village,
Saythany District,
Vientiane Capital, 01170
Laos

Products, services and operating areas

Work wear, footwear and related services.

Description of organization

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

80% of all MASCOT products are manufactured in our own SA8000-certified factories in Vietnam and Laos and 20% comprises footwear, accessories and garments which is designed, developed and purchased directly by Mascot. These are referred to as 'trading goods'.

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.

- The company was founded in 1982 by John Grosbøl
- Production in Vietnam was established in 2008
- Production in Laos was established in 2013
- Employees in 18 countries

Turnover (DKK) in 2024

Net revenue 1.982.574 DKK

Number of employees

3804 Mascot employees in 2024

Åpenhetsloven

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

This is the second year with a report and with no significant changes since the previous report.

Name and title of contact person for the report

Marianne Kirstine Møller, Corporate Responsibility Manager

E-mail for contact person responsible for this report

mkm@mascot.dk

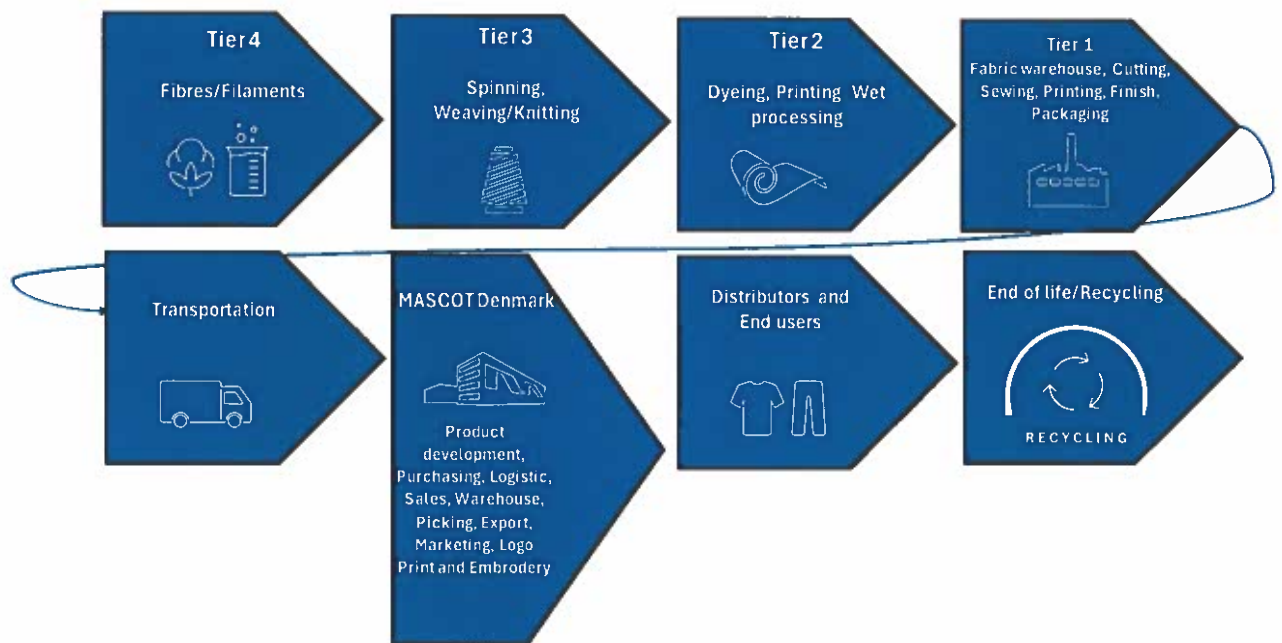
Information about Mascot's supply chain

All tier 1 suppliers of product, materials and components for MASCOT products with an annual purchase volume of at least 100.000 USD will be audited before signing a cooperation agreement. These audits are based on SA8000 qualifications, as Mascot's own production facilities in Laos and Vietnam are SA8000 certified.

Responsibility is one of Mascot's core values, and sustainability is a key focus of the management system. Mascot is ISO 14001 and ISO 9001 certified, and our own production is

SA8000 certified. Furthermore, Mascot is EcoVadis rated and uses the assessment internally to analyse areas for improvement. The UN Sustainable Development Goals also guide Mascot's activities and approach to working

The value chain of Mascot



Type of purchase

Fabrics: Developed and tested by Mascot in Denmark in cooperation with tier 2-4 and sent to own production sites for further processing.

Accessories trim for garments – purchased from Mascot Denmark and sent to Tier 1 for further processing.

Trading goods are designed, developed and purchased directly from Tier 1 and shipped to Mascot in Denmark after quality inspection.

Number of suppliers in 2024

29 trading goods suppliers

41 fabric suppliers

27 accessories suppliers

2 own production sites

Mascot International A/S is a supplier to the public sector

List of production countries

Trading goods	Mascot Production sites	Fabric purchase	Accessories purchase
China Bangladesh Turkey Vietnam Italy Poland	Mascot International Vietnam Ltd. Mascot International Laos (LAO) Sole co., Ltd.	Vietnam Pakistan China Taiwan Austria Korea Sweden Spain Thailand	China Denmark Taiwan Vietnam Netherland Germany Vietnam Laos



* The world map shows the location of all Mascot's suppliers.

Identify and assess any adverse impacts

Geographic risk-characteristics

At Mascot, we carry out risk analyses for each country of production.

These analyses are based on countries outside Europe from which Mascot buys fabrics, accessories and other goods, as well as countries where Mascot has its own manufacturing facilities.

The parameters in the risk analyses are based on the SA8000 standard and include additional environmental risks, as well as core values and focus areas for Mascot.

These include human rights and ethics in the country of production, as well as an examination of the risks of government influence, conflict, security and land use and property rights.

We also consider the risk of corruption and bribery, which can undermine fair business practices.

Workplace health and safety, and the availability of accommodation and childcare nearby, are important factors in creating a healthy and safe working environment.

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. For a more in-depth analysis of trading and production countries, the MVO Risk Country Checker is used.⁴

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 of our suppliers and our own production, including environmental permits and policies, land use, waste and water flow.

High-risk categorized areas relate to human health and safety.

Considerable risks are associated with environmental risk factors and a lack of data, both of which are categorized as such.

⁴ /www.mvorisicochecker.nl/

High Risk
Considerable Risk
Low Risk

Risk Analysis	China	Bangladesh	Turkey	Vietnam	Laos	Pakistan	Thailand	Korea	Taiwan
Human Rights and ethics									
General management and building safety									
Corruption and bribery									
Employment contracts									
Child Labor and young workers									
Forced Labor									
Freedom of Association & Collective Bargaining									
Wages, living wage and payment									
Working hours and overtime									
Accommodation & Childcare									
Disciplinary rules									
Harassment and complaints									
Occupational Health and safety									
Fire safety									
Chemical handling personal protection									
Environmental permits									
Water use									
Wastewater flow									
Waste handling and disposal									
Biodiversity & deforestation									
Greenhouse gas emissions									
Land use									

Cease, prevent or mitigate adverse impacts

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 the SA8000 standard and environmental criteria. For example, there is zero tolerance of child labour involving children under the age of 16. This differs from the SA8000 policy, which states 15 years.

Other additional audit criteria include building safety, accommodation, childcare and environmental impact.

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 over 90%, the supplier only needs to be audited again in two years' time. However, if the score is under 90%, 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

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.

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.

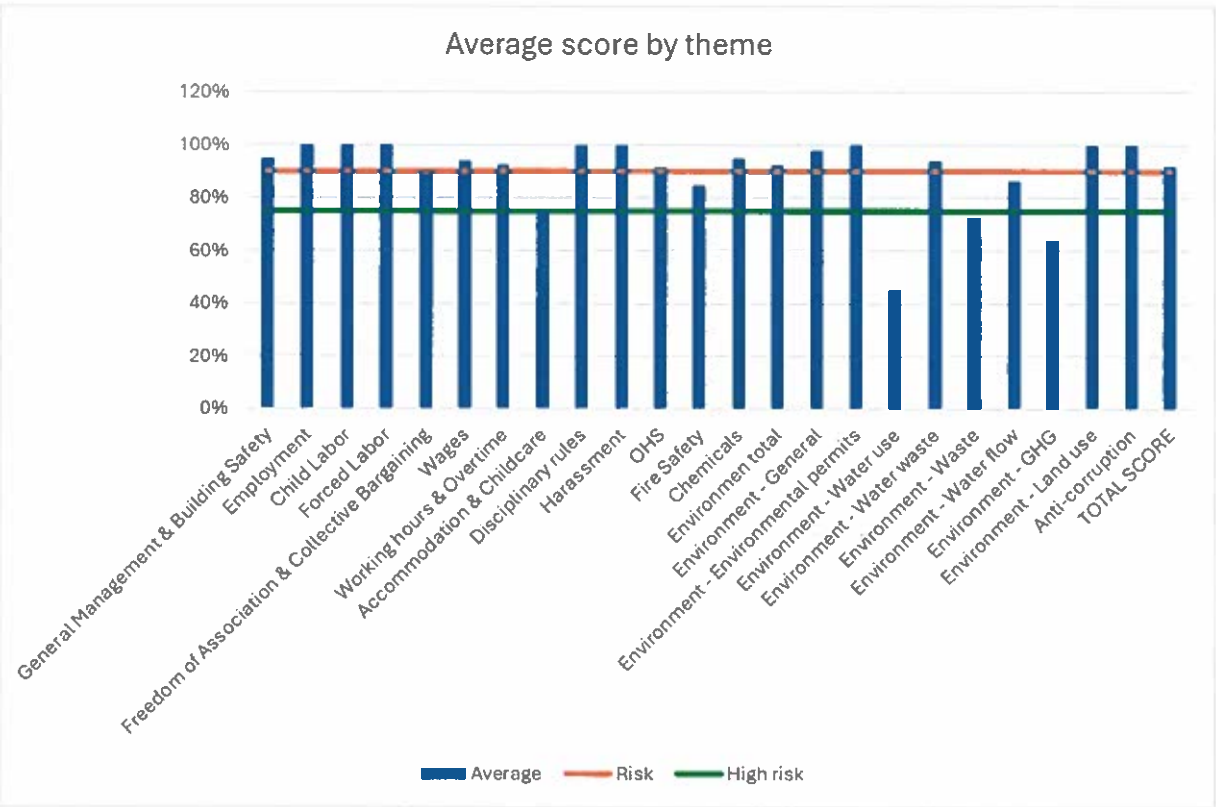
The correction action plan deadline is < 1 month.

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.

General performance per theme and country

The following table shows the risk level and average audit score of Mascot’s Tier 1 trading suppliers in China and Bangladesh, as determined by audits conducted in 2024.



Average score by theme

When analysing the specific risk themes, the audit scores are lowest for environmental subjects.

One possible reason is that these parameters are a new area on which to evaluate suppliers. We introduced them in 2024. This coincided with us being ISO14001 certified in 2023 and started to conduct LCAs for our garments.

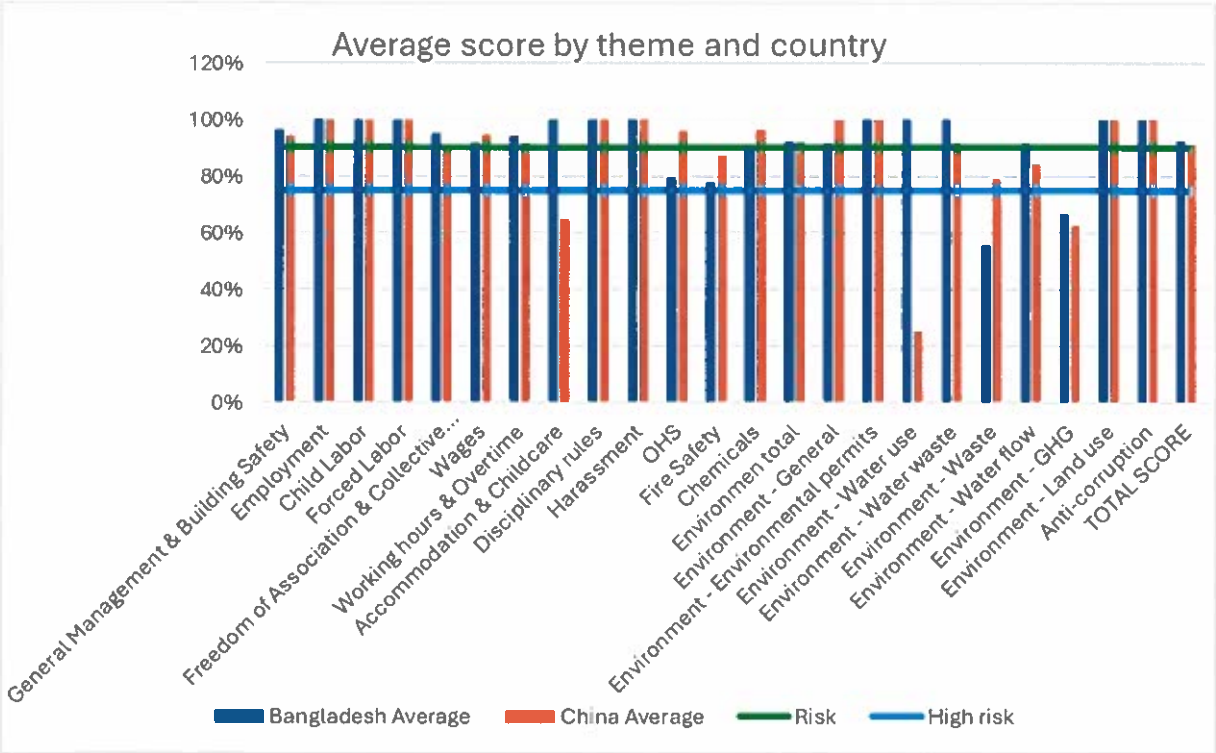
Subjects such as fire safety and occupational health and safety receive low scores, which are unacceptable given that they are high-risk areas.

Although childcare and accommodation are less critical in terms of human health and safety, concerns in these areas will be addressed with suppliers at the same level as other subjects.

Average score by country

The following table illustrates the performance of suppliers on specific risks by country.

China as export country receives the lowest average score, just below 90%. This means that most of China's suppliers must be audited every year, with close follow-up and improvement work undertaken to minimize risks and enhance conditions.



Communication on how impacts are addressed

The handling of actual negative consequences in 2024.

The names of Mascot suppliers are confidential; therefore, named supplier 1,2,3,4

Supplier 1

Based on a site observation, a penetrating crack was found in the first-floor wall of building C, which violates Article 60 of the Construction Law of the People's Republic of China (2019 Amendment). This article states that the quality of foundation engineering and main structure must be ensured within a reasonable service life of buildings.

Once the construction project is complete, the roof and walls must be free from defects such as leakage and cracking. The construction enterprise shall repair any quality defects that have been discovered.

While the findings were being corrected, all purchases from Supplier 1 were temporarily blocked.

The findings had to be corrected by 11 May 2024 at the latest. Mascot received documentation for the corrected findings on Monday, 3 June 2024. Purchases from supplier 1 reopened on 10 June.

Supplier 2

The supplier's findings regarding missing filters on chimneys and exhausts from boilers and generators were not resolved, and they did not implement controls on the devices/abatement processes installed for air pollutants (point source pollutants) before the deadline for corrective action.

Furthermore, there is a finding from 2023 regarding middle management salaries that must be settled monthly. Mascot has been reminding supplier 2 about this for a year because the salary is not being consistently paid.

Supplier 2 has until the end of January 2025 to correct the finding; otherwise, Mascot may have to terminate the partnership.

Supplier 3

The factory is still not able to arrange the audit. This presents a risk to Mascot as we are unable to conduct an audit to ensure social responsibility. Therefore, the supplier must undergo an audit in 2025.

The new audit date is 2–3 July 2025.

Supplier 4

Due to objective circumstances, Supplier 4 was forced to relocate the production plant.

The audit has been postponed until 2025 due to the factory changing location.

We conducted the audit at Supplier 4 in May 2024, achieving a score of 99%. The non-conforming finding was an overtime issue.

Therefore, they have not completed the correction deadline for our 2024 assessment, and the audit report is no longer valid, as the factory has moved to a new location and the relevant licenses will also change.

Mascot's own production

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 therefor find:



- No child labour



- 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.



*Apartment in Laos for workers far from home



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 shall be compensated for overtime at a premium rate.

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

Mascot also offers a 'performance bonus' equalling the piece rate.

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 '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.



*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 doctor provides continuous training to the company's own first aid team.

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.

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.

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 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.



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

Cooperation and remediation

Complaints

Any complaints raised by Mascot suppliers must be submitted via the Mascot Code of Conduct. Suppliers sign this code as part of the contract before placing a production order, and it encourages them to use the online complaints mechanism to report any issues to Mascot in Denmark.

Mascot acknowledges that factory employees are unlikely to raise complaints via the Code of Conduct. Therefore, posters are being developed to enable employees to raise a complaint directly with the company's headquarters in Denmark. We expect all tier 1 suppliers to have the posters in place by the end of 2025.

Previous complaints from employees at the suppliers' factories have been raised via third-party audits and subsequently resolved by Mascot in Denmark in cooperation with the relevant supplier.

No complaints were raised in 2024.

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've 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's most 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 globe⁵.

⁵ Mascot International A/S Sustainable Procurement Policies