

Introduction

The Norwegian Transparency Act came into force 2022-07-01 (July 1st 2022). It introduces that companies have to perform minimum yearly evaluations to ensure that the company is managed to eliminate breaches of basic human rights and decent working conditions for its own business, supply chain and business partners.

This includes the following:

- Mapping the supply chain
- Evaluate risk of possible negative impact of human rights and decent working conditions
- Initiate actions to prevent and stop such impact
- Follow up and monitor risks
- Communicate the affecting parts of the risks and the handling of these

According to the law, these evaluations shall be published yearly, and the company has to answer all requests for insights regarding this work.

The Mascot Group complies with laws, rules & regulations applicable to our business. We adhere to international principles and guidelines such as the United Nations (UN) Global Compact's 10 principles.

Compliance with the Transparency Act will be ensured in the following way:

1. Anchor the accountability with the Board of Directors
2. Anchor the Transparency Act in our Management & Quality system
3. Inform and build employee awareness
4. Update requirements to suppliers and business partners
5. Map suppliers & business partners
6. Perform supplier risk assessment
7. Perform supplier audits & evaluations
8. Initiate appropriate actions in order to stop, prevent or reduce negative impact or damage
9. Monitor implementations and results
10. Annual report

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2022 Annual report – Transparency Act

Accountability

The accountability for complying with the Transparency Act lies with the Mascot AS Board of directors, as well as the top management of the operating companies. This is ensured by information in meetings as well as internal and external audits.

Transparency Act in our Management & Quality system

We have defined procedures and forms in place in order to assess and evaluate our compliance with the Transparency Act.

Inform and build employee awareness

This work is documented through meeting minutes and information to all employees.

Update requirements to suppliers & business partners

This work is ensured by updating and continuous revisions of current procedures, forms & evaluations.

Suppliers & business partners mapping

We have for 2022 mapped our 20 biggest suppliers and we identified 5 suppliers with “RED” risk score.

Possible negative impact on business		Date:	2023-06-23	
1	Financial	None		
2	Reputation	None	Remark! Possible consequences if trading with Russia/Belarus	
3				
4				

Supplier Risk Assessment 2022															
Company name	Sector	Purchase volume (EUR)	Balance equity (MEUR)	Market place	No. of empl.	Country	Relative size	Human rights	Work Conditions	Environment	Anti-bribery	RISK SCORE	Distribution date	RESULT	Comment
Supplier 1	Electronic manufacturing	XXX		Not public	80	China	30 %	6	5	28,4	45	RED			
Supplier 2	Component distributor	XXX		Not public		Finland	10 %	100	1	76,5	87	GREEN			
Supplier 3	Agent of electronic comp.	XXX		Not public		Taiwan	9 %	94	2	45,3	68	RED	2023-05-15	OK	Supplier Code of Conduct signed
Supplier 4	Component distributor	XXX		Not public		Germany	7 %	94	1	64,4	79	GREEN			
Supplier 5	Component distributor	XXX		Not public		Norway	3 %	100	1	59,3	84	GREEN			
Supplier 6	Component maker & distributor	XXX		Not public		Germany	3 %	94	1	64,4	79	GREEN			
Supplier 7	Component distributor	XXX		Not public		Norway (Canada)	2 %	100	1	59,3	84	GREEN			
Supplier 8	PCB manufacturer	XXX		Not public		China	2 %	6	5	28,4	45	RED	2023-05-15	OK	Supplier Code of Conduct signed
Supplier 9	Component distributor	XXX		Public		Norway (USA)	2 %	100	1	59,3	84	GREEN			
Supplier 10	PCB manufacturer	XXX		Not public		China	2 %	6	5	28,4	45	RED	2023-05-15	OK	Supplier Code of Conduct signed
Supplier 11	Capacitors manufacturer	XXX		Not public		China	2 %	6	5	28,4	45	RED	2023-05-15	OK	Supplier Code of Conduct signed
Supplier 12	Component distributor	XXX		Not public		Lithuania	2 %	89	2	55,9	62	GREEN			
Supplier 13	µC maker & distributor	XXX		Public		Ireland	2 %	97	1	57,4	77	GREEN			
Supplier 14	Metal distributor	XXX		Not public		Estonia	1 %	94	2	61,4	74	GREEN			
Supplier 15	Cable maker & distributor	XXX		Not public		Norway	1 %	100	1	59,3	84	GREEN			
Supplier 16	Component maker & distributor	XXX		Public		Germany	1 %	94	1	64,4	79	GREEN			
Supplier 17	Plastic moulding	XXX		Not public		Norway	1 %	100	1	59,3	84	GREEN			
Supplier 18	Printed matters	XXX		Not public		Norway	1 %	100	1	59,3	84	GREEN			
Supplier 19	Component distributor	XXX		Public		Germany	1 %	94	1	64,4	79	GREEN			
Supplier 20	Component distributor	XXX		Public		Sweden	1 %	100	1	72,7	83	GREEN			
Totals		XXX					84 %								
Total purchase volume (EUR) 2022:		XXX													

Supplier audits & evaluations

During 2022 we performed 0 number of audits of our 20 biggest suppliers, and we found no non-conformities. The reason for 0 audits is due to the worldwide Covid situation and travel restrictions.

We also performed 22 evaluations, where all “RED” risk suppliers stated that there are no breaches regarding the 4 elements in the Transparency Act:

- Human rights
- Decent work conditions
- Environment
- Anti-bribery

Actions

As a result of the 2022 evaluations, no actions were required from either Mascot side or suppliers' side.

CONCLUSION

The process of implementing and working with the requirements of the Transparency Act, has improved both the Mascot Group's and our supplier's awareness of the issues it addresses. The Mascot Group will continue to work hard to eliminate all negative impact and consequences regarding the 4 elements in the Transparency Act in the future.

Fredrikstad, June 28th 2023.

Jan Kristiansen

Chairman of the board

Grete Kristiansen

Board member

Jon Kristiansen

Board member

André Nilsen

Managing director & Board member

This document is electronically signed