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Modern slavery statement

2024

2024

Modern slavery statement

Organizational structure and business

Our supply chain structure

Due diligence and risk management

Due Diligence process on the supply chain

How do we measure our performance

Further steps to address modern slavery

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Modern slavery statement

Modern slavery statement

This document has been prepared in accordance with Section 54 of the UK Modern Slavery Act (2015). It sets out the steps taken by Mango to control business operations along the supply chain which shows the commitment to tackling modern slavery, to minimize risks and to promote positive impacts. This statement constitutes Mango Group Modern Slavery Statement for the Financial Year 2023 and refers to both Mango MNG Holding SAU and its subsidiaries.

Organizational structure and business

Mango MNG Holding, S.A.U. is the parent company of a group of companies whose principal business purpose is the design, manufacture, distribution and marketing of clothing and accessories, as well as other categories such as decoration and homewear. Mango was founded by Isak Andic in 1984, who opened his first store in Barcelona at Paseo de Gracia, before beginning the international expansion of the company. Today, Isak Andic continues as Non-executive Chairman of Mango, one of the leading European groups in the sector. Although Mango started its business activity focusing on the female target market, over the years it has diversified its activity. In 2008, the company entered the male fashion market with the launch of Mango Man; in 2013 it entered the children's fashion market with Mango Kids and in 2021 launched a line for adolescents, Teen. In 2021, adapting to the new consumption habits caused by the Covid-19 pandemic, the company strengthened with a line of homewear items and extended its product portfolio with cosmetics and perfumery. Mango is a family business whose top executive body is the Steering Committee, made up of ten members who represent key areas of the company and manage and coordinate the day-to-day activity. In 2021 the Sustainability Committee was established, made up of various members of the Steering Committee and other key decision-making areas in the sustainability strategy. Mango sells its products through company stores, franchises, and its online channel. The franchise system is operated in countries where the cultural and administrative characteristics are different to our own and for this reason it is more convenient for the management to be carried out in the same country.

Our supply chain structure

Every year we advance in the construction of both a structure and a solid vision in terms of sustainability and responsible practices considering this vision as an intrinsic part of the organization, that will lead to a solid commitment in terms of sustainable development. This business perception extends throughout our value chain, and it takes shape in a responsible management model that is based on the search for shared value with our stakeholders. There are two different production systems: one, where Mango designs the product, orders its manufacture and purchases the finished garment. In this case, the supplier is responsible for purchasing all the raw materials for production. In the other case, all the raw materials used in the garment are purchased by Mango and later sent to the suppliers for manufacturing. Supplier's characteristics are exactly the same in both production systems. Using one or the other depends, mainly, on geographical (proximity) and technical (specialization on the manufacturing) factors. Suppliers can work with more than one factory for the manufacturing of our collections. Some of them may be used discontinuously depending on the characteristics of the product required. In terms of production volume, the main supplier market for Mango continues to be China, followed by Bangladesh, Vietnam, Turkey, Cambodia, and Morocco. Spain and Portugal are in the top ten production countries. During 2023, Mango advanced in the traceability of its value chain.

In 2023 Mango worked with more than 2000 factories along its supply chain in more than 30 countries. Mango continues its commitment with transparency as it is key to build strong relationships and to continuously improving the performance of the supply chain, by publishing its list of factories each year. This list is available on Mango's website and in the Open Supply Hub (OS Hub) platform.

Due diligence and risk management

As a signatory to the UN Global Compact and following the UN Guiding Principles on Businesses and Human Rights (UNGP's) and the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct, Mango is committed to promote and respect Human Rights and to embed them across its management systems and procedures.

Mango works on an impact, risk and opportunities approach, with the aim of guaranteeing an ethical and responsible conduct within the organization as it is a key issue. Thus, Mango counts with management bodies that continually evaluate the inherent risks related to its operations from a sustainability perspective. Mango is committed to its responsibility to identify and assess actual or potential adverse Human Rights impacts with which it may be involved, as the starting point for determining appropriate action plans to prevent and mitigate adverse Human Rights impacts or remediate, if needed. Furthermore, Mango is aware of the role that it plays as part of the private economy, as the 63% of forced labour happens in this economy

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Group belong to the ILO Global Business Network on Forced Labour.

Since 2023, Mango has adopted the double materiality approach in order to consider the impact that the company has on the environment and the society (impact materiality) and, on the other hand, to understand how external factors and the different stakeholders influence the company's reputation and performance (financial materiality). In the following years, Mango will continue to advance in this double materiality analysis to prioritize the actions that need to be implemented and present, through its sustainability report, the most accurate and relevant information on Mango's material impacts, risks and opportunities. Also, in the following years, Mango will be conducting specific Human Rights impact assessments to identify the salient Human Rights of the value chain.

By applying this approach, Mango aims to promote transparency and visibility of Mango's contribution to the potential adverse impacts on Human Rights within its value chain and to consider the expectations and needs of stakeholders.

Mango is setting up the necessary measures to monitor and control through permanent dialogue with stakeholders the risks related to Human Rights. The responsible departments and management bodies also analyze the possible risks of bribery and corruption, taking the necessary measures to ensure that such situations of risk do not arise. In the event of a situation that involves a non-ethical conduct or that breaches Mango's Code of Ethics, there is an ethical channel to properly manage the reports, queries or comments that may arise.

Risk map of the value chain

In 2022, the Mango Chair in CSR (ESCI- UPF) drawn up a map of social and environmental risks that classifies manufacturing countries according to their level of risk. This map has been updated in 2023, it integrates a responsible management perspective of the supply chain. This information is highly valuable for assessing the risk of suppliers located in different countries, supporting due diligence procedures and providing guidance on the necessity and frequency of conducting social audits in supplier factories. The overall classification of the social and environmental risk levels in each country is identified by estimating the level of risk of the areas corresponding to the Mango's Code of Conduct. For each section, there is an indicator that shows the conditions of the country and the wellbeing of people that could put at risk its compliance toward the requirements of the Code of Conduct. The standards of reference used are, among others, statistics and studies of the International Labour Organisation (ILO), Children's Rights & Business Atlas, World Risk Poll and the Global Gender GaD Index.

The social map shows forced labour as one of the most salient risks, which can be a result of modern slavery.

Due Diligence process on the supply chain

Mango is committed to respect human rights, and it expects the same from the suppliers in its supply chain. Mango believes that it is essential to promote the sustainable development and the respect for fundamental rights throughout the whole supply chain. For this reason, Mango strives to establish responsible management of suppliers that consider environmental and social issues. The UNGPs establishes the framework to Protect, Respect and Remedy Human Rights, it sets up the fundamental basis for businesses to integrate the Human Rights Due Diligence approach within its internal management. Mango is part of the Business and Human Rights working group of the Spanish network of the Global Compact since 2014, among many other initiatives related to the due diligence performance, such as the Bilateral Agreement that the company signed with the Spanish trade union CCOO Industry in 2018 which aims to improve the rights of people who work in the manufacturing of the firm's products, and to promote responsibility in global supply chains within the fashion sector.

One of Mango's responsibilities is to guarantee the respect for Human Rights within its area of influence. This is the basis for working in accordance with the United Nations Guiding Principles on Business and Human Rights and Principle 1 of the Global Compact.

Mango is aware that is within its supply chain where the highest risks on Human Rights are. Because of that, Mango is consistently monitoring and reporting on worker related Human Rights' risks. In the following years, Mango will keep carrying out a business-wide risk assessment to identify and prioritize the most significant or salient risk areas the business is facing in relation to Human Rights in order to implement concrete actions plans to prevent, mitigate or remediate those impacts.

Mango Code of Conduct

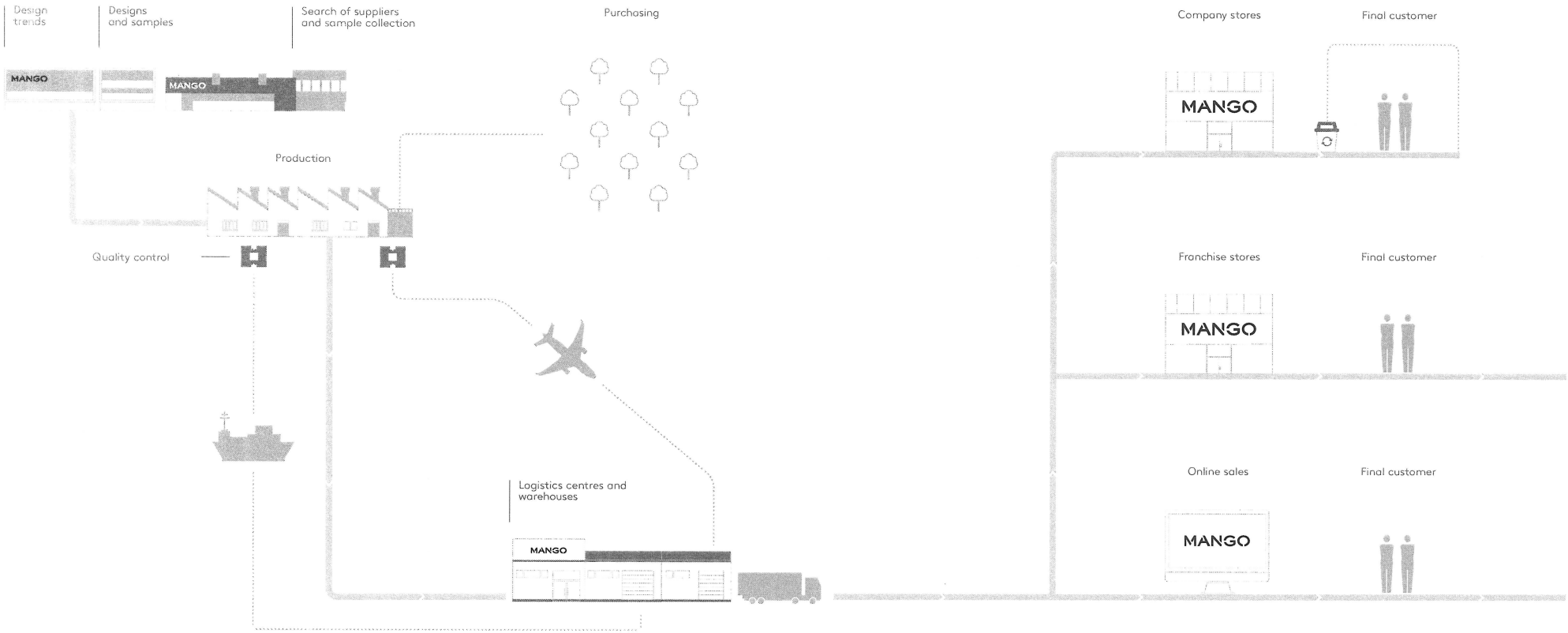
In Mango, Sourcing, Sustainability and Quality departments work together to verify and valuate the production centers proposed by suppliers before any order confirmation. This ensures that all the actors involved in the business activities meet Mango's requirements. All sustainability policies are focused on promoting good practices (related to employment, social, and environmental aspects) throughout the supply chain and on respecting workers' Human Rights in the production sites. As Mango, it is important that the suppliers become our strategic partners and commit with these goals as well. Mango prioritizes consolidating long-term relationships of trust with the suppliers. For this purpose, all suppliers are required to comply with Mango's Code of Conduct (CoC) which is part of the commercial agreement they sign with Mango. Mango's Code of Conduct is based on the principles and philosophy of the United Nations Global Compact, the Universal Declaration of Human Rights, and the United Nations Convention on the Rights of the Child. It also accounts for all the applicable conventions and recommendations of the International Labour Organization (ILO). As Mango joined amfori in 2017, BSCI Code of Conduct is also considered a reference Code for all Mango business partners. This CoC will be reviewed and updated during 2024.

Supply chain auditing process

Mango is aware of the risks within the fashion sector and, therefore, it acknowledges the challenges in achieving full compliance with the requirements of the Code of Conduct in the supply chain. Nonetheless, it is critical for Mango. Because of that, a social audit process has been put in place to carry

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Figure 1. Mango's Value Chain



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...ust external social audits to control and verify the implementation of Mango's Code of Conduct. The external audits are carried out by independent third parties with high level proficiency. On certain occasions, the Sustainability team may also participate in the audits or perform follow up assessments of specific aspects of the Code of Conduct. Audits are always semi-announced. Besides, under the Bilateral Agreement with CCOO, representatives of the International Industrial Division of the CCOO trade union, affiliated with Industrial and Global ...(the international trade union federation), ...ize joint visits to some factories. The risk map of the value chain, drafted by the Mango CSR Chair, has been the key starting point to detecting risk factors by production country and is helping Mango prioritize actions according to requirements. Since 2021, Mango considers several social audit schemes, among there is the Worldly Facility by Cascale and its FSLM assessment for social and labour standards compliance at factory level. With this goal, among others, Mango aims to contribute to the effort of the entire industry to promote significant changes in the social and employment conditions of workers in global supply chains.

Grievance Mechanisms

Access to the appropriate complaints channels is key to guarantee an effective solution for the companies, workers and communities. Solid and reliable complaints procedures enable proactive resolution of issues as soon as they arise. These mechanisms can also help resolve issues before they become more complicated or erode the confidence of workers and the community in the procedure. They are a valuable tool for detecting current and potential problems and to offer good guidance on how to improve commercial operations for all stakeholders.

Mango has an ...through which anyone related to Mango can file a complaint about possible misconduct that violates Mango's Code of Ethics or the legislation in force in each country. The channel guarantees anonymity, as well as confidential treatment and no retaliation for any complaint made in good faith. The regulation of the Code of Ethics specifies the procedure, as well as the different phases of the investigations that are carried out as a result of the complaints received. Mango guarantees confidential and fluid communication with the company's compliance department once the facts have been reported.

Furthermore, Mango's Code of Conduct provides an e-mail address to serve as a communication channel for anyone -specially workers from the supply chain- to submit complaints or queries from any of company locations.

Mango is also part of other grievance initiatives such as the International Accord or the amfori Speak for Change (S4C) program of amfori, which provides workers in the supply chain with a platform to submit their complaints and access to remedy.

Modern slavery training & capacity building

During the last years Mango has developed additional procedures to prevent and/or minimize the risks of Modern Slavery and human trafficking, among other risks detected in the industry. For that purpose, it has developed a training plan focused in improving the capacity building along the supply chain. All suppliers and factory managers of the facilities located in our main production countries are invited to the trainings. In 2023, these workshops have been successfully held in China, Turkey, Spain and Morocco.

The goal is to continue working on the same direction and further analyze the most common issues identified in the non-conformities found during the audits as an approach to mitigate modern slavery risks. Training the suppliers in the supply chain helps to promote due diligence and reduce the number of breaches detected in the social audits, thus it reinforces Mango's commitment to improve the social and labor conditions in the production centers. Besides, Mango informs its suppliers about Zero Tolerance non-conformities and highlights the importance of the follow-up and corrective actions plans for continuous improvement.

In line with its commitment, Mango held in early 2023 the Vendor Summit, a hybrid event (online and face-to-face) to inform all suppliers about the ongoing internal projects. This meeting also helped them to understand the role each actor will play in those projects. It also enabled the discussion of several compliance, human rights and decent working conditions topics and the importance of transparency. Mango recognizes the extreme complexity of managing these issues in the industry; that is the reason why Mango sees suppliers as partners and fosters a proactive collaboration to work together in the detection and prevention of any modern slavery risk, also in their supply chains (cascade effect).

Zero tolerance level

- Child labour
- Any form of forced or obligatory labour
- Serious risk to employee health and safety
- Refugee exploitation

How do we measure our performance

To ensure that Mango complies with the highest ethical and sustainability standards, the Sustainability department presents a periodically report to the Sustainability Committee. The strategic plan is reviewed periodically, internally, and externally through third party auditing bodies. Mango performance on environment and on human rights is reported in the Sustainability Report 2023. Mango uses tools such as the amfori Insights, the Higg Brand & Retail Module (Higg BRM) created by Cascale or the SEDEX platform to identify strengths and opportunities for improvement throughout its value chain. Mango is a member of Cascale (previously called Sustainable Apparel Coalition) since 2020 and is subjected to its yearly evaluation. The results are published in the Sustainability Report 2023, available on Mango's corporative website. Furthermore in 2023, Mango obtained a result of 73.4% environmental performance in the Higg BRM (2021: 65.8%) and 79.6% social performance (2021: 75.5%) and also, participated in other ratings such S&P CSA or Fashion

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Transparency index to keep assessing its performance on sustainability and improving it.

Further steps to address modern slavery

Global partnerships (SDG 17)

To support and achieve the Global Agenda 2030, Mango promotes the creation of alliances with key organizations that foster an efficient and responsible management of the supply chain. Through these partnerships Mango intends to align the company and its policies with the Sustainable Development Goals (specially SDG8 & SDG12 & SDG17). Details about the partnerships can be found in the annual sustainability reports published in the corporative website.

Commitment for future

Mango is aware of the emerging risks and adverse impacts on Human Rights and on the environment in the fashion industry. Therefore, it is key to pay special attention to the impacts of its own operations and the operations of its supply chain in workers and communities' Human Rights. In this sense, Mango will continue to develop and extend its approach to respecting fundamental Human Rights and decent working conditions by improving its Human Rights risk and impact assessments along Mango's value chain, as well as collaborating with industry partners and other stakeholders. Mango will carry out additional, more granular risk assessments in order to identify and assess specific actual and potential adverse impacts, such as those related to modern slavery. In addition to the identified risks and impacts, Mango aim to set targets for other people-related priorities that go over and beyond the law and/or international regulation to continuously improve its own and its supply chain performance.

This statement was prepared by Mango and was approved by the Board of Directors as of June 28, 2024.

More details

More details and information about Mango sustainable performance indicators, key figures, expansion, and financial status of the company can be found in the Sustainability Report 2022 released on the website: www.mangofashiongroup.com



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