

## **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.

## **ORGANIZATIONAL STRUCTURE AND BUSINESS**

MANGO MNG HOLDING S.A.U. is the matrix of an entities group whose main activity is the design, manufacturing, distribution and commercialization of clothing and complements.

The company's founder, Isak Andic, who is actually the president of the brand, founded the company with the name of MANGO on "Paseo de Gracia", in Barcelona at 1984.

In 2015 a Steering Committee was created, made up of eleven members, as part of the company's goal to continue to increase the professionalism of the management to meet the growth needs and strengthen the key areas of the company. They also analyze the potential risks related to corruption and work to prevent situations of this type from arising.

MANGO is the most international Spanish textile group and the second exporter of the sector, creating more than 6.600 models for season and manufacturing more than 136 million of articles for year.

In 2008 we launched the men's collection under the MANGO Man brand, in 2013 MANGO Kids, in 2014 VIOLETA by MANGO with a broader range of designs and larger sizes and in 2015, the BABY line for newborns to three year olds.

We market our products through MANGO Online and the network of stores, which includes MANGO Outlet.

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.

# MANGO

## OUR SUPPLY CHAIN STRUCTURE

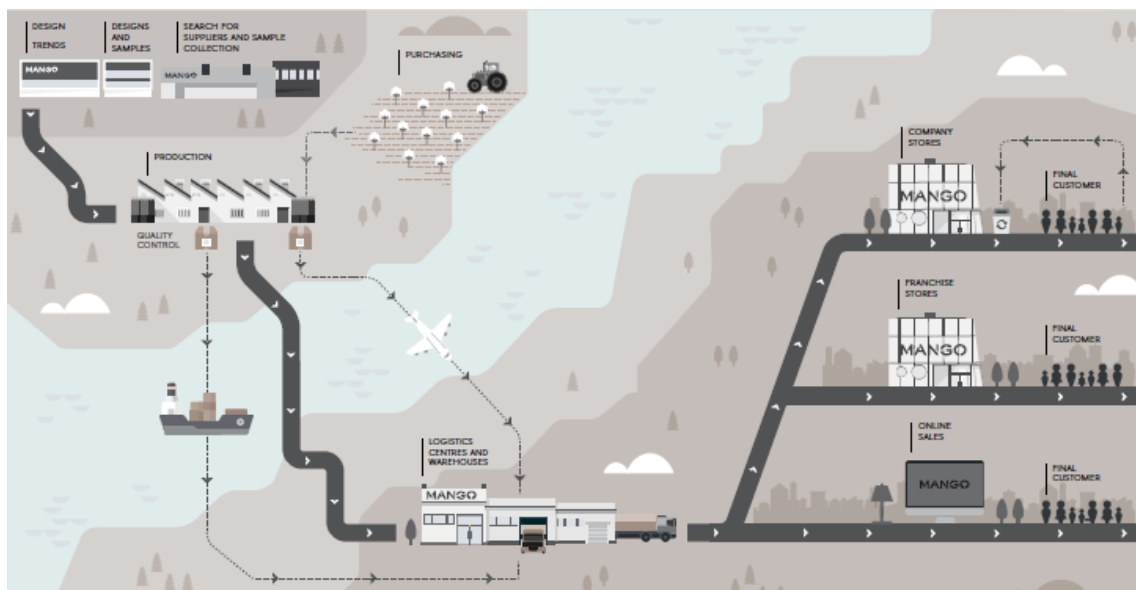
Every year we advance in the construction of both a structure and a solid vision in terms of corporate social responsibility (CSR), viewing this concern as an intrinsic part of the organization, that will lead to a solid commitment in terms of sustainable development.

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 principal supply market remains Asia, mainly China, followed by Turkey and Morocco, as the main African country. This country is fundamental to MANGO, given that we have worked with suppliers in this country for many years and they have been the most stable over the years.



## EFFICIENT AND RESPONSIBLE MANAGEMENT OF THE SUPPLY CHAIN

### MANGO Code of Conduct

Within MANGO, Sourcing departments work together with CSR and Quality departments for prior verification of the production centers proposed by suppliers and for valuation before any order confirmation. This ensures that MANGO requirements are met in all areas.

All CSR policies are focused to promote good practices (employment, social and environmental) along the supply chain and the respect of workers' human rights in the production sites. We need the suppliers to become our strategic partners who commit with these goals.

We prioritize consolidating the relationships of trust with suppliers at long term basis.

For this purpose, all suppliers are required to comply with MANGO Code of Conduct (CoC) which is part of the commercial agreement they sign with MANGO. Our CoC 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 includes all the applicable conventions and recommendations of the International Labour Organisation (ILO). MANGO joined Amfori in 2017 so that, BSCI Code of Conduct can be considered as a reference code for all MANGO business partners.

### Due diligence & Auditing process

We are conscious of the risks within the textile sector and therefore, in our supply chain and recognizes that it can be challenging to achieve full compliance with the requirements of the CoC, but we believe it is critical.

We use external social audits as the control basis for the implementation of MANGO Code of Conduct. The external audits carried out in the production centers are undertaken by different first level auditing companies. On certain occasions, the internal CSR audit team may also participate in the audits or perform the follow-up of a specific aspect of the Code of Conduct.

Audits are always semi announced.

Besides, representatives of the International Industrial Division of the CC.OO trade union, affiliated with IndustriAll and Global Union (international trade union federation), make joint visits to some factories in Asia. The main aim of such visits is to check the progression of the employees' situation in textile factories and to learn at first-hand about the role of the trade union representation in the same.

Disclosure of the results of the audits can be found in the annual sustainability reports of the company.

## Modern Slavery Training & Capacity building

Conscious of the limitations of auditing system, during the last years we have developed additional procedures to prevent and/or minimize the risks of Modern Slavery. For that purpose, we have developed a training plan focused in improving the capacity building along the supply chain. All the suppliers and factory managers (Tier 1) of our main production countries are invited. These workshops have been successfully held in India (Delhi and Bangalore), in China (Shanghai and Guangzhou), in Turkey (Istanbul) and Bangladesh (Dacca) and in Spain and Portugal so far. The goal is to continue working on the same direction and go deeper into the most common issues detected as main non conformities during the audits as an approach to mitigate modern slavery risks.

On the other hand, new suppliers visit the MANGO headquarters where they receive training from the all the departments involved in the manufacturing process of collections. The CSR department offers direct training on the implantation and monitoring of the Code.

Apart from the auditing procedure, we inform them about Zero Tolerance non conformities which are not acceptable for MANGO, importance of the follow-up and corrective actions plans for continuous improvement.

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

We recognize the extreme complexity of Modern Slavery management in the industry; that is the reason why we involve suppliers as partners to work together in the detection and prevention of any modern slavery risk also along their own supply chain (cascade effect).

At present, we continue improving our grievance mechanisms to enforce awareness in case of modern slavery situations.

## **FURTHER STEPS TO ADDRESS MODERN SLAVERY**

### Global partnerships (SDG 17)

To support and achieve this ambitious target, we promote the creation of alliances with key organizations in order to ensure an efficient and responsible management of our supply chain. Through these connections we intend to align our company and policies with those Sustainable Development Goals we identify the most (SDG8 & SDG12).





Details about the partnerships can be found in the annual sustainability reports released in the corporate website.

#### Commitments for future

MANGO is aware of emerging risks in the garment industry. We need to be alert to the impacts of our operations in sourcing regions and communities. We will therefore continue to develop and extend our approach to modern slavery along Tier 2 suppliers and also, to go on working in collaboration with industry partners and stakeholders to embed respect for human rights across the business.

This statement was prepared by MANGO and was approved by the Board of Directors.

More information about economic performance indicators, key figures, expansion and CSR performance of the company can be found in the Sustainability Report released on the website.