

MANGO

SUSTAINABILITY REPORT

2015



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Letter from the chairman and vice-chairmen

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Letter from the Chairman and Vice-Chairmen

Isak Andic
Chairman

I am delighted to present the 2015 MANGO Sustainability Report, detailing the most significant aspects of our activity, as well as our future plans, which has been drafted by our Corporate Social Responsibility Department, adopting the G4 Global Reporting Initiative (GRI) guidelines.

In the last year we have made significant efforts to improve the positioning of our brand, consolidating the collection in all our lines and opening new megastores, which we remain committed to this year. The development of more efficient processes, improvements to the service we offer our franchisees and strengthening our communication have also been key amongst our projects during 2015.

The present document highlights our desire to continue progressing in our CSR, not to disappoint those who trust in MANGO and to continue to offer transparency in all our activities. For this reason, we continue to support the United Nations Global Compact, operating in accordance with its 10 Universal Principles and the Sustainable Development Goals, as well as strengthening relations with our stakeholder groups through dialogue and mutual cooperation.

With the hard work and passion of our workforce, we will face the challenges around us with a desire to continue improving.

Jonathan Andic
Vice-chairman

During 2015 we have continued in our efforts to make MANGO the brand we all want it to be: a more youthful and modern brand, with an attractive image and large, modern stores in which our customers feel at ease. Furthermore, the new Lliçà d'Amunt Logistics Park will help improve distribution efficiency and will satisfy the requirements of all sales channels in less time.

We are very satisfied with the results of the online store, which grew by 27% compared to 2014. All of this is the consequence of our considerable experience in online selling and of our effort to continue improving the service. With our expansion in South America, Asia and Africa, we are now present in 83 countries.

Another area in which we are growing is in our workforce. We want our employees to be committed to the challenges required to grow every day within a highly competitive market and sector. We currently have 16,623 employees worldwide and thanks to the hard work and effort of everyone, we managed to close the 2015 financial year with a turnover of 2,327 million euros, exceeding the forecasts.

We are happy with the route we have taken and we need to continue working on improving the aspects that were not a total success, while continuing to progress with our transformation.

Daniel López
Vice-chairman

Three years ago, in 2013, we proposed a new route map that resulted in a new business plan whose main focus was to improve our value proposal to our customers.

We are conscious of the fact that today's customers are more demanding and know what they want. They want it now, which is why it is vital to be closer to them, commit ourselves to fast fashion both in design and distribution, and guarantee them an excellent shopping experience. This has given rise to the megastore concept, larger and more luminous stores with a renewed image, where all the MANGO Woman, Man, Accessories and Kids lines can be found, with a clear commitment towards omni-channel selling. We currently have 164 megastores, 63 of which opened last year and we will continue along this route in 2016.

We present the latest group report, where we offer an exhaustive analysis of our international expansion and our financial results, but mainly our actions in the social, employment and environmental spheres, as well as the sustainability projects we are carrying out as part of our established CSR Strategic Plan. From this plan, designed for the period 2015-2017, I would like to highlight two projects started last year: one is the launch of collections using organic cotton and the other, still at the pilot stage, is a project for recycling clothes in stores. We hope that the positive initial response these initiatives have received will allow us to expand them and increase our ambition with new challenges in the medium to long term.

As we have the best team, we are convinced that we will succeed in this.



Introduction

MANGO

01 Relevant data



02 Corporate governance

MANGO is a family business whose owners are directly responsible for the day-to-day management of the organisation, therefore communication with the different spheres of the company is total and permanent.

Both the Board Members and those of the Committees occupy executive positions within the organisational structure and have a wealth of experience in their respective fields. The remuneration of the two management bodies has a fixed component and a variable component based on targets reached.

Recently a Management Committee was created, made up of eight members, in order to facilitate communication between the Board of Directors and the Executive Committee. This new governing body is part of the company's goal to continue to increase the professionalism of the management to meet the growth needs and strengthen two key areas of the Group: product and retail.

The MANGO group has an internal auditing department which continually evaluates all spheres of the organisation. Said department reports directly to the directors of the group.

BOARD OF DIRECTORS

Executive Chairman **ISAK ANDIC**
Business lines, Accessories, Interior Design, e-business, Engineering, Social Action

Executive vice-chairman **JONATHAN ANDIC**
Product, Image, Graphic Design, PMD, Hangar Development, Materials, Technology and Services Purchasing, Maintenance and Works

Executive vice-chairman **DANIEL LÓPEZ GARCÍA**
Expansion I, Retail Coordination, Franchise Management, Merchandising, International Retail Directors

Finance Director **TONI RUIZ TUBAU**
Banking Relations, Internal Auditing, Financial Planning, Management Control, Administration

Operations and Strategy Director **CARLOS COSTA ROVIRA**
Import/Export, Logistics, People, Technology, CSR, Strategy

MANAGEMENT COMMITTEE

ISAK ANDIC
Executive Chairman

JONATHAN ANDIC
Executive Vice-chairman

DANIEL LÓPEZ GARCÍA
Executive Vice-chairman

TONI RUIZ TUBAU
Finance Director

CARLOS COSTA ROVIRA
Operations and Strategy Director

ANTONIO BATLLÓ BUZO DULCE
Expansion Director

ELENA CARASSO BATLLE
e-Business/e-Commerce Director

LUIS CASACUBERTA BAUSILI
MANGO Woman Director

EXECUTIVE COMMITTEE

IVÁN ABAD IGLESIAS
International Retail

VIOLETA ANDIC MAYTEK
Violeta by MANGO

CRISTINA BELIL ROGER
MANGO Outlet

ANTONIO BATLLÓ BUZO DULCE
Expansion

ELENA CARASSO BATLLE
e-Business/e-Commerce

MIGUEL DE LA CAPILLA BRUSTENGA
Auditing and Internal Control

LUIS CASACUBERTA BAUSILI
MANGO Woman

JORGE CORBELLÀ SIMÓN
IT Systems

GUILLERMO COROMINAS PALOMAR
Communication

SEZAI EREN
CEO Turkey Subsidiary

MARÍA JESÚS GARCÍA LECUMBERRI
General Services

URUN GURSU
Product Management and Distribution

CECILIO LOZANO ÁLVAREZ
Logistics and Warehouse

LUIS MASERES GHILONI
Accessories

JAIME MUR CAVERO
MANGO Man

EVANGELINA RELLO YUBERO
Woven and Knitwear Production

MIGUEL ROIG SAURET
European Expansion

DAVID SANCHO GRAU
CEO China Subsidiary

ENRIC SOLER MORATA
Personnel

MATTEO SGARBOSSA
International Retail

LORENA SUÁREZ SÁNCHEZ
MANGO Kids

ARIF ZURNACI
Country Manager Turkey

03 History

**1984**

Opening of first store in Passeig de Gràcia (Barcelona)

**1992**

Initial expansion outside Spanish market with the opening of two stores in Portugal

**1993**

Store number 100 opens in Spain

**1995**

International expansion in Asia begins with stores in Singapore and Taiwan

**1997**

For the first time, turnover in foreign markets exceeds turnover in Spain

**2007**

Store number 1000 opens
Turnover exceeds 1 billion euros for the first time

**2006**

MANGO enters the US for the first time
The 12,000m² "EL HANGAR" design centre goes into operation

**2002**

MANGO enters China for the first time
By entering Australia, MANGO is present in all five continents

**2000**

The online selling portal is launched

**2012****2008**

The Dynamic Distribution Centre (CDD) in Pàrets del Vallès (Barcelona) goes into operation
MANGO adds the Barcelona brand to its image
MANGO opens its first H.E. by MANGO menswear store

**2010**

Presence in over 100 countries

**2011**

The corporate image is renewed with a new logo
The site works of the future Logistics Park in Lliçà d'Amunt (Barcelona) begin

**2012**

Start-up of the first phase of our logistics centre in Lliçà d'Amunt, which will occupy a total surface area of 330,000m²

**2015**

The works to enlarge the facilities of the new design centre at Palau-Solità i Plegamans (24,000m²) and the Lliçà d'Amunt logistics park (330,000 m²) are advancing

**2014**

Expansion of e-commerce: 12 new countries are added to bring the total number of countries with online selling to 76

**2013**

MANGO launches the new MANGO Kids and MANGO Sport & Intimates lines and prepares the launch of the Violeta by MANGO line for 2014

04 About the report

The present sustainability report corresponds to the MANGO consolidated group made up of MANGO MNG HOLDING, S.A.U. and subsidiary companies.

It was drafted by the MANGO CSR team with the collaboration of numerous employees from different areas of the company.

The document for the 2015 financial year was drafted in accordance with version G4 of the Guidelines for drafting sustainability reports of the Global Reporting Initiative (GRI) of mandatory compliance and also includes aspects of the sectorial supplement, the Apparel and Footwear Sector Supplement, still at the pilot stage. It also provides a response to the principles of the United Nations Global Compact and many of the actions described in it are in line with the Millennium Development Goals. To make it easier to identify actions that are related to the SDG, the icons representing these goals appear at the beginning of each chapter.

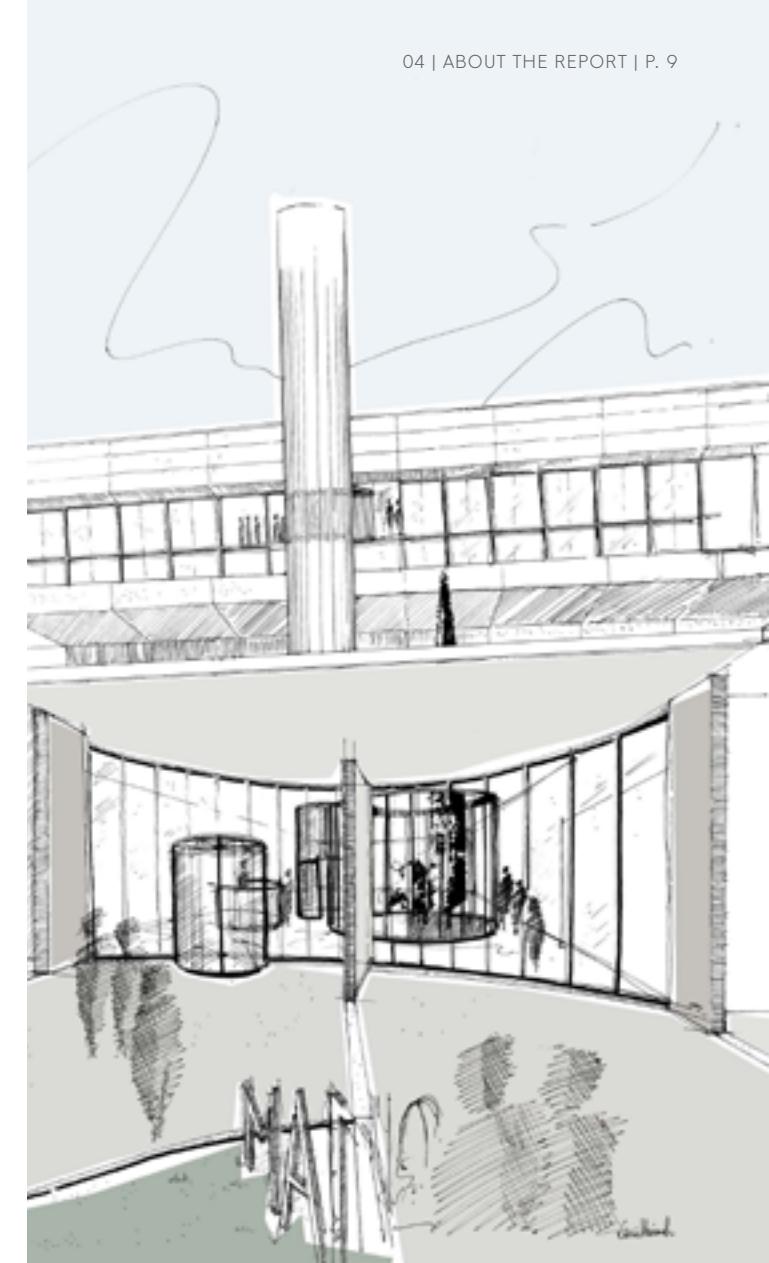
In order to determine which aspects are relevant to Mango, a multi-stage process was carried out, in accordance with the AA1000SES Accountability and the G4 Guide itself. This report contains all material aspects/issues for the sustainability of our organisations, in addition to the indicators established in the aforementioned guide and others that have been developed given the nature of our organisation and the expectations of stakeholders.



The report has been externally verified in accordance with its contents and in accordance with the procedures in the GRI G4 Guide, by TÜV Rheinland Group. The Verification Report may be consulted in chapter 13 of the present document.

Furthermore, for greater consistency and credibility, the contents of the present report has been satisfactorily reviewed by the team of analysts of the Spanish Network of the Global Compact. The report complies with the requirements of the Communication on Progress (COP) Policy of the Global Compact and with the criteria to obtain the Advanced Level, the highest reporting classification granted by the Global Compact.

The date of the last report is May 2015, corresponding to the 2014 financial year. The reports are presented annually.



05 About MANGO

THE GROUP

MANGO MNG HOLDING, S.A.U. is the parent company of a group of companies whose principal corporate purpose is the design, manufacture, distribution and marketing of clothing garments and accessories through the MANGO/MNG fashion distribution chain. It is a family company and a sole trader.

Since 2008, the group has had a menswear collection under the MANGO Man brand. In 2013 it launched two new lines: MANGO Kids and MANGO Sports&Intimates and in 2014 it launched VIOLETA by MANGO with a broader patternmaking and a range of larger sizes. In early 2015, it launched the BABY line from 0-3 years. In addition, Mango markets its products through Mango Online and its network of Mango Outlet stores.

For the 2015 financial year, turnover rose to 2,327,045 thousand euros, 81% of which corresponds to sales in foreign markets. The profit for the same period was 4,615 thousand euros. At 31 December 2015, MANGO was present in 109 countries through 2,730 stores, of which 1,138 were company stores and 1,592 franchises, with a total selling space of 804,515m². The brand created 830 jobs worldwide, 35% of them in the Spanish market. Mango currently has 16,623 employees worldwide.

During 2015, a total of 236 new stores were opened, with an average of three openings per week, entering the market of Bolivia for the first time.

MANGO is Spain's most international textile exporter and the second-largest exporter in the sector, creating more than 6,500 styles per season and producing over 142 million articles a year.

In addition to the commercial activity in our stores, there is a complex logistics activity to distribute our articles and materials, as well as inverse logistics and e-commerce. These activities are principally carried out from facilities located close to Barcelona: the MANGO headquarters, the new Lliçà d'Amunt logistics park, the distribution centres in Parets del Vallès and Palau, and the warehouses in Montcada, Zona Franca, Terrasa, Sabadell, and another one in A Coruña. We also have other warehouses to meet our distribution needs in various regions abroad: in Futian and Shanghai (China), in Istanbul (Turkey), in New Jersey (USA) and in Germany and Russia.

There are also administrative support and quality control at source offices in China and Turkey.



THE MANGO CONCEPT

In 2013 MANGO defined the route map for the next five years, a new business plan aimed at improving both the value proposal to customers and the integral operating model of the company. To achieve it, the governing bodies of the company periodically review the action plan in order to adapt it to the needs of MANGO and the situation in the markets it operates in.

Since it was founded, MANGO has always been characterised for dressing the modern urban woman, following the latest trends with its own quality designs at an affordable price. To achieve this, the company has always been committed to product design and working every day to respond to the demands of its consumers. To meet this demand, MANGO has opted for the fast fashion model, which allows stores to stock fashion products that are renewed more often.

We continue to maintain the company motto: "to be present in every city in the world", conscious that we are competing at the highest level. With a positive attitude, continual self-criticism, continuous improvement and without losing sight of the professional values that prevail in the MANGO environment:



OUR STAKEHOLDERS



CUSTOMERS

Our customers are the raison d'être of our organisation and their satisfaction is our main goal, by offering them a quality product, with safety and guarantees in all aspects of its production and seeking excellence in service at all times.

FRANCHISEES

The trust and contribution of franchisees is key to our organisation's success, and we have different departments to attend to them. The guarantee of specific margins, as well as the ownership of stock by MANGO until the franchisee makes the sale, together with other aspects of support (merchandising, window dressing, etc.), are also key elements in this relationship.

EMPLOYEES

Growth like the one we have experience would not have been possible without the unconditional support of a team with human qualities and with a solid, open and flexible mentality. There are many channels of communication and dialogue which encourage their participation in the day-to-day running of the business.

SUPPLIERS

The relationship with suppliers is a long-term relationship based on mutual trust. Suitable programming, exchange of ideas and technical support make this relationship strengthen over time and creates synergies throughout the value chain.

SOCIETY AND OTHER SOCIAL AGENTS

MANGO's relationship with society is based on responsibility and committed collaboration with all social groups. The relationships with all these groups run smoothly thanks to regular contact, exchange of information and cooperation projects.



The sustainability model and policies



06

THE SUSTAINABILITY MODEL

ANALYSIS OF MATERIAL ASPECTS (G4-18)

The MANGO 2015 Sustainability Report aims to provide a response to issues of interest to groups and individuals it has relations with and which are a priority for the company.

In order to determine and prioritise relevant issues, MANGO initiated a study on material aspects for the 2014 sustainability report, which has been completed and updated for the present reported period.

The analysis of material aspects carried out sets out the company's priorities and those of its stakeholders. The process is carried out in order to focus content on the relevant issues, adopting the G4 version of the Global Reporting Initiative (GRI) guidelines for drafting sustainability reports.



1

IDENTIFICATION

The process commences with the identification of the aspects and issues of importance to MANGO, considering both its corporate social responsibility approach and the influence they may have on its main stakeholders. In this phase, there have been no changes to the work carried out in the previous analysis of material aspects. The results obtained are considered valid and current, given that there have been no significant changes in the operations and activity, size, ownership structure and supply chain of MANGO. The internal and external tools and information sources used to identify material aspects are: G4 version of the GRI guidelines for drafting sustainability reports, Sustainability Topics for Sectors: What do stakeholders want to know? (Textiles, Apparel, Footwear and Luxury Goods) of the GRI, results of the benchmarking sector analysis and areas of MANGO's commitment to CSR. Consequently, the list of GRI-G4 aspects is completed with relevant issues that may affect the viability of the business, its positioning in the market or its reputation.



2

PRIORITISATION

Once the preliminary list of aspects and issues is drawn up, they are evaluated to determine the relevance of each one. As a new feature, the present reported period counted on the presence of the customer stakeholder group with the holding of two meetings, as a new mechanism of participation. In addition to these meetings, the managers, employees, other social agents (charity sector, academic world, communication media and other bodies) and suppliers were consulted through an online questionnaire. For this year's report, the participation of suppliers has been increased since they are considered a key stakeholder group for MANGO. In the case of managers, those with the maximum decision making capacity in the company participated. In the case of employees and other social agents, there were no changes with regard to the previous analysis of material aspects. Once the process had been completed, and the degree of importance of the aspect and issued determined, it was decided to classify the aspects as being of high-high, high-medium, medium-high and medium-medium importance to both MANGO and its stakeholders, respectively.



3

VALIDATION

Following the participation processes of identification and prioritisation of material aspects and issues, the final result was reviewed by the Director of the MANGO Corporate Social Responsibility Department in order to ensure that the material aspects were reasonable and balanced given the context and the sustainable and socially-responsible performance of MANGO. As a consequence of this review, the following aspects and issues were considered to be material ones: effluent and waste, social action and CSR chair, evaluation of the working practices of suppliers, competitiveness in the market, expansion to new markets and consolidation in existing markets.

The result of this process is the matrix of material aspects on strategic and relevant issues set out below.

MATRIX OF MATERIAL ASPECTS (G4-19)

The material aspects and issues for MANGO are represented below:

		RELEVANCE FOR MANGO	
		MEDIUM	HIGH
RELEVANCE FOR STAKEHOLDERS	HIGH	EMISSIONS STATUTORY COMPLIANCE	EMPLOYMENT OCCUPATIONAL HEALTH AND SAFETY TRAINING AND EDUCATION NON-DISCRIMINATION CHILD LABOUR FORCED LABOUR ASSESSMENT SALARIES AND WORKING HOURS* SUPPLIER HUMAN RIGHTS ASSESSMENT ANTI-CORRUPTION POLICIES ANTI-COMPETITIVE BEHAVIOR CUSTOMER HEALTH AND SAFETY PRODUCT AND SERVICE LABELING
	MEDIUM	ECONOMIC PERFORMANCE STATUTORY COMPLIANCE ANIMAL WELFARE*	DIVERSITY AND EQUAL OPPORTUNITIES EQUAL REMUNERATION FOR WOMEN AND MEN CODE OF CONDUCT* AUDITING PROCESS* NON-COMPLIANCE DETECTION* CORRECTIVE ACTION PLANS* CUSTOMER PRIVACY



The analysis of material aspects carried out sets out the company's priorities and those of its stakeholders.

- Environmental aspects
- Human rights aspects
- Financial aspects
- Labor Practices aspects
- Society aspects
- Product responsibility aspects

*Material issue

MANGO'S SUSTAINABILITY COMMITMENTS

Our goal is to act in a sustainable way in all our areas of influence, both internal and external. In order to achieve this, our organisation has established a series of commitments in financial, social and employment aspects and in those relating to cooperation with society and the safety of our articles, which are contained in the MANGO Code of Ethics.

All these policies and procedures are based on simple and effective management systems, which are independently audited both internally and externally. Said policies and systems are explained in our sustainability reports in all their relevant aspects. They are available to all employees via the company intranet.

The commitments of the MANGO group focus on the following aspects:



The aspects contained in the MANGO Code of Ethics constitute the framework of the Group's social responsibility commitment.

1. ECONOMIC

Our business operations and activities are developed within an ethical framework, with a correct and reasonable attitude.

2. SOCIAL AND EMPLOYMENT

Our employment relations concentrate on equality, defending the basic rights and principles of people.

3. ENVIRONMENTAL

Our business activity is carried out respecting the environment.

4. QUALITY AND SAFETY IN PRODUCTS

Customers are offered a quality product, also guaranteeing that it does not entail risks to their health and safety.

5. COLLABORATION WITH SOCIETY

Collaborations are carried with society in the different spheres in which we carry out our business activity.

All MANGO franchisees and manufacturers also commit to these values, which are extended to all their employees.

DESCRIPTION OF THE MAIN IMPACTS, RISKS AND OPPORTUNITIES OF SUSTAINABILITY

The Board and the committees continually evaluate the risks derived from the various aspects of sustainability in our organisation and adopt the necessary measures for their monitoring and control jointly with the Internal Control, Legal and CSR departments.

The aforementioned departments and governing bodies also analyse the possible risks of corruption, taking the necessary measures to ensure that such situations do not arise.

Recently, the Code of Corporate Compliance, which sets out the responsible practices of the Group in all its spheres of influence, was updated.

ECONOMIC SPHERE

The main risks of our company are those inherent to its business activity and the sector in which we operate.

These risks are continually evaluated by the company management, which establishes the most suitable strategy at any given moment. However, the figures and results of the group assure a sound position and future outlook.

SOCIAL AND EMPLOYMENT SPHERE

The environment and characteristics of some of the manufacturing countries mean that one of the most significant risks in this aspect lies in the production line. For this reason, we established a code of conduct, which must be complied with by suppliers, as well as a series of additional procedures which ensure that said risk is controlled. Control systems exist to monitor said code, both directly by our organisation and jointly with our stakeholders and external auditors.

ENVIRONMENTAL SPHERE

The environmental impact we generate and the potential association risks are diverse. The emission of greenhouse gases derived from our business activity, and the use of chemical products and in the manufacturing and production and distribution process are the main impacts we generate. The control of environmental aspects in factories, the energy adaptation in facilities and in stores and the optimisation of goods transport are some of the actions which have served to identify and control the impacts and risks.

QUALITY AND SAFETY SPHERE

In certain manufacturing processes chemical products whose use and presence limits are regulated according to the legislation of each country. Our policy in this area appropriately controls this risk through providing training to our suppliers, constant updating in accordance with the MANGO Chemical Standard and controls carried out by specialised laboratories. These actions allow us to detect and eliminate from our collection any garments or accessories that do not comply with the established standard.

COOPERATION WITH SOCIETY

Our activity, both in the countries in which we manufacture our products and in the countries in which we market them, causes different impacts on aspects, such as the generation of economic activity and employment and, consequently, on the quality of life and the conditions of our employees, franchisees, manufacturers and other collaborators. The main risk derived from this activity is that of not fulfilling expectations, our own or those of various stakeholders, in such aspects. For this reason, we believe that cooperation and working alongside our stakeholders is fundamental.

The key CSR actions are set out in chronological order below:



▼ 2001

Agreement for the Textile Technology Institute - Aitex to guarantee that our garments and accessories do not contain substances harmful to health.

▼ 2002

Creation of the Corporate Social Responsibility Department.

Signing up to the Global Compact promoted by the United Nations. (www.pactomundial.org).

Drafting of the Mango Code of Ethics and the Code of Conduct for our suppliers.

Start of internal verification audits to ensure compliance with the Code of Conduct on the part of our suppliers and subsequently the external audits.

▼ 2005

First Sustainability Report of the group, drawn up in accordance with the guidelines for the drafting of sustainability reports of the Global Reporting Initiative (GRI) organisation.

▼ 2006

Collaboration with the Comisiones Obreras trade union (CC.OO.), specifically with the Textile and Chemical Federation (FITEQA), in aspects such as the structure and content of our Sustainability Report and on the regular monitoring and auditing of the factories we work with.

Creation of the MANGO Chair for Corporate Social Responsibility with the Higher School of International Trade (ESCI) of the Pompeu Fabra University (Barcelona). (mango.esci.es).

▼ 2007

Participation, since 2007 and 2008, in two masters courses: a course in retail with the Higher School of International Trade (ESCI), and a course in fashion and design industry management with the Higher School of Design (ESDI).

▼ 2008

Cooperation agreement with the Foundation for adoption, sponsorship and defence of animals (FAADA), part of the Fur Free Alliance international coalition (FFA).

▼ 2009

Cooperation agreement with the Ecodes Foundation for auditing of our greenhouse gas emissions.

▼ 2011

In 2011 we signed up to the Transparency Programme, which encourages the involvement of small and medium-sized companies, supporting them so that they can incorporate CSR in their

company management. The programme was headed by the Council of Chambers and the Catalan Regional Government and collaborates with the Global Reporting Initiative (GRI).

Signing up to the *Acords Voluntaris* initiative of the Catalan Office for Climate Change of the Catalan Regional Government. This initiative contains the commitment to carry out an annual inventory of greenhouse gas emissions and establishes measures that will help reduce such emissions.

▼ 2012

We participated in the United Nations Rio+20 conference in Sustainable Development in Rio de Janeiro, which was attended by several world leaders, together with representatives from the private sector, NGOs and other groups. Its aim was to agree a series of measures to reduce poverty, promote social equality and protect the environment.

Signing up to the Detox initiative being promoted by Greenpeace to achieve the

zero dumping of chemical products in the supply chain by 2020.

Members of the Executive Committee of the Spanish Network of the United Nations Global Compact.

▼ 2013

Signing of the Accord on Fire and Building Safety in Bangladesh, in order to improve the safety conditions of workers in clothing factories in this country. (www.bangladeshaccord.org)

▼ 2014

Participation in the Companies and Human Rights Working Group of the Spanish Network of the Global Compact, which has developed some innovative tools to help organisations establish human rights in their value chain. The basis for the creation of such tools are the Ten Principles of the Global Compact, the United Nations Charter of Human Rights and, principle, the Guiding Principles of John Ruggie on companies and human rights ("protect, respect and remedy").

Sign up to the respon.cat company initiative for the development of social responsibility in Catalonia as members of the Motor Group, an executive body whose aim is to develop a plan of action that will help share knowledge and good practices among member companies representing diverse sectors of the Catalan economy. (www.respon.cat)

2015

Launch of a pilot project with Koopera for recycling clothing in stores: collection of unused clothing and footwear to give it a new use and help close the circuit.

A photograph of a Mango store facade. The store has a large blue sign with the word "MANGO" in white capital letters. Below the sign, there's a window display featuring four mannequins dressed in Mango clothing. One mannequin in the foreground wears a bright yellow coat over a patterned dress. Another mannequin to the right wears a brown jacket over a striped jumpsuit. The background shows a city street with other buildings and people.

07

RELATIONS WITH SOCIETY AND CUSTOMERS

83

COUNTRIES
WITH ONLINE
SELLING,
PRESENT IN ALL
5 CONTINENTS

2,730

STORES

63

NEW
MEGASTORES

Our customers are the raison d'être of our organisation and their satisfaction is our main goal, by offering them a quality product, with safety and guarantees in all aspects of its production and seeking excellence in service at all times, through all their design lines.

Our stores are located in prime shopping streets and locations and have been specially designed for the enjoyment and comfort of our customers, with clothing selected to allow simple comparison and matching. This is in addition to a specialised service which makes shopping for our products a pleasant experience. We also have permanent communication channels with our customers, in stores, on social networks and through specialised departments.

Exhaustive quality control of our entire production chain ensures the adequate performance and response of our garments and accessories in any situation.



CUSTOMER SERVICE

This service is provided by specially-trained staff in our stores, since we are very much aware of the daily challenge of offering our customers an excellent service. Said training focuses on customer service, the product, merchandising, trends, etc.

We also seek our customers' opinions on our garments and accessories in order to adapt to their tastes and requirements, translating their suggestions into the designs of our collections. As well as our stores, customers have various channels of communication. At our headquarters we have a specialised department to deal with any query or suggestion.

The requests are attended to in 19 languages: Catalan, Chinese, Czech, Dutch, English, French, German, Hungarian, Italian, Japanese, Korean, Norwegian, Polish, Portuguese, Romanian, Russian, Spanish, Swedish and Turkish.

There were also numerous requests from students requesting information for research projects, particularly for design, marketing, advertising, economics and business studies.

In 2015 a total of 1,200,322 requests were attended to. The main communication channels are listed below:

2% SOCIAL NETWORKS

1% FAX AND LETTERS

45% TELEPHONE CALLS

52% E-MAILS AND FORMS

The main aspects consulted were the following:

1% SUGGESTIONS

1% CONGRATULATIONS

38% COMPLAINTS

60% REQUESTS FOR INFORMATION

MANGO CARD

The MANGO is a completely free of charge card offering a 10% discount on the first purchase. Its benefits include exceptional method of payment in instalments (6 months interest-free without commissions) and the possibility of benefiting from exclusive promotions, gifts and attending brand events, showrooms, etc.

In addition, MANGO collaborates with over twenty beauty and leisure firms, allowing cardholders to enjoy exclusive offers and discounts.

GIFT VOUCHERS

MANGO offers its customers a unique way to give fashion as a gift: the MANGO Gift Voucher, which can be acquired at any MANGO, MANGO Man, MANGO Kids and Violeta by MANGO store. The desired amount may be chosen to suit any occasion. The virtual MANGO Gift Cheque for use in our online store is also available.

PERSONAL DATA PROTECTION

All the information relating to personal data used in our organisation is protected in accordance with the requirements of the different applicable legislation and regulations.

JOB CREATION

The growth of the MANGO organisation has led to the creation of a large number of jobs in recent years, 830 in 2015, providing opportunities and contributing to economic growth. At our organisation, job applications are received through various channels, principally via the MANGO website (38%) and other job search websites (55%).

We also support students by completing their education through work placement schemes in our organisation. During 2015, 252 interns were recruited at our headquarters and in stores in Spain, 14% of which were finally recruited, in collaboration with various schools and universities.



SELLING CHANNELS

Our stores are designed for the comfort and enjoyment of people in a dynamic atmosphere resulting from the harmonisation of space.

MEGASTORES

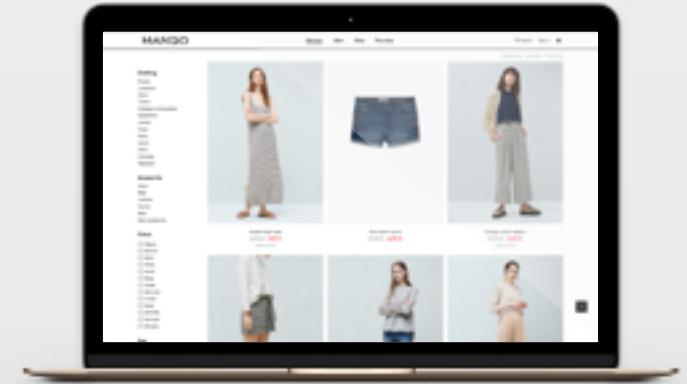
In recent years, with the megastore concept, the image of our stores has changed considerably in order to make the shopping experience even more rewarding: larger and brighter stores, so that collections can be seen, chosen and tried on more easily. The increased space makes it possible to display all the collections offered in each store, significantly improving the customer shopping experience. In 2015, 63 stores under this new MANGO concept of megastore opened.

VISITS TO THE WEBSITE

In 2015 the MANGO website continued to consolidate itself as a point of reference for our customers. In 2015 the MANGO website received 343 million visits, 50% of which were made via a mobile device. The strong flow of traffic via mobile devices has accelerated as a result of the new design and the improvement made to the mobile website, which again this year has evolved with faster browsing, a totally adapted and optimised content for browsing via such devices.

ONLINE SALES

MANGO online sales have continued the trend of recent years with sales totalling 234 million euros, 27% more than last year. The expansion of the online store has continued with the opening of new markets in South America, Asia and Africa, in order to complete the product offer in countries where the brand is already established through physical stores. With the latest openings in Egypt and South Africa, MANGO now sells via its online store in a total of 83 countries in all 5 continents.



MULTI-CHANNEL SHOPPING AND INTEGRATION

During 2015, MANGO has continued its commitment to an omnichannel strategy, based on placing the customer at the centre of all its activities. An example of this is that last year approximately 600,000 customers collected their Internet orders from stores, and more than 540,000 orders were placed from physical stores via iPads and smartphones available in stores.

COMMUNICATION

ADVERTISING

The Communication Department renews our image each season, while transmitting the values that have distinguished MANGO from the outset: the latest trends in fashion, modernity and design. The Department plans and purchases advertising on a global scale, adapting its global strategy to the characteristics of each country.

Once again in 2015, we launched a striking advertising campaign with the support of two major fashion icons: Kate Moss and Cara Delevingne. This was one of the most striking campaigns in recent years, and another step forward in MANGO's ambition to be a leading innovator in the digital environment. Under the name #somethingincommon a teaser campaign was launched in the digital environment (via a specific app and with the participation of influencers, Cara Delevingne, the co-star of the campaign, being key among them), before being launched via the other channels throughout the season.



Similarly, MAN counted on the world-famous Zinedine Zidane as its brand image throughout the year.

COMMUNICATION WITH THE MEDIA

The Public Relations Department is constantly in touch with the various advertising media, informing them of the company's latest news in order to build, manage and enhance its brand image. To do so, the department uses various communication tools, such as press releases, product launches or press conferences, allowing it to stay in constant touch with its prescribers. Its main goal is to publicise the brand in a positive way to achieve growth and success by managing its communication in an efficient and authentic way.

MANGO ON SOCIAL NETWORKS

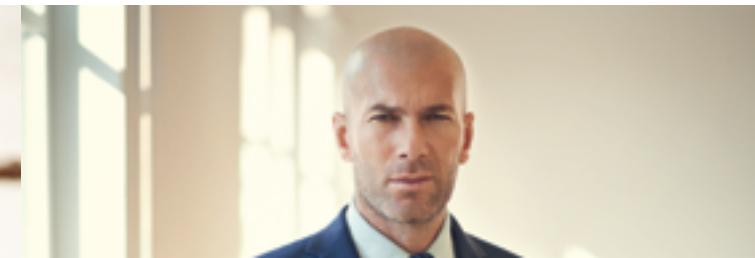
Social networks play a key role in the communication strategy of MANGO. They allow the brand to maintain two-way



communication with millions of its followers throughout the world, and are a key channel for sharing exclusive content which helps connect the brand with its fans on an emotional level. To achieve this, MANGO creates and adapts content to satisfy the expectation of the users of all the social networks on which it has a presence: Facebook, Instagram, YouTube, Twitter, Snapchat, Pinterest and Google+, as well as Weibo and Wechat in China and VKontakte in Russia.

AWARDS AND DISTINCTIONS RECEIVED DURING THE REPORTING PERIOD

Award for the Best Globalisation Project in e-Commerce, 1st edition of the National e-Commerce Awards, organised by the e-Commerce Observatory of the Digital Economic Forum.



SOCIAL ACTION

MANGO, as part of its commitment to society, collaborated with various foundations and NGOs throughout 2015, basically offering financial support, but also through non-financial collaborations, voluntary work and donations of clothing. In the main, these have been initiatives linked to the spheres of development, education, health and integration.

SOCIAL ACTION**FINANCIAL COLLABORATIONS****VICENTE FERRER FOUNDATION**

MANGO financed the construction of 32 family dwellings, 8 dwellings for disabled persons and 2 schools in Anantapur, India. Housing is fundamental in the work of this foundation: it gives people back their dignity, offers them security and guarantees basic sanitary conditions. The school is part of a project to support the children in their future integration in public education.

JUAN BONAL FOUNDATION

MANGO financed a child nutrition programme in an orphanage in Matruchayam in Gujarat. This is a "baby bottle" programme aimed specifically at babies.

MÉDICINS SAN FRONTIÈRES

MANGO is a strategic emergency partner of this NGO. The funds donated are allocated entirely to financing the Emergency Units, their physical premises, materials, transfers, human teams, etc.

ACTIVE AFRICA

MANGO is continuing to support the nutrition campaign in four schools and two orphanages through the Mery's Meals Programme in Malawi, which provides nutritious baby food for the children. It is also funding the construction of living accommodation in a rural secondary school and three classrooms in a primary school.

HOMAC FOUNDATION

MANGO collaborated in two projects in Ethiopia. On the one hand it funded the refurbishment and maintenance of outpatients room of the Sidist Kilo centre, Charity Missionaries, Addis Abeba. It also financed all the maintenance and food budget of a nursery in Dodola.

A.G.H. HUMANITARIAN FOUNDATION

MANGO financed the refurbishment of two primary schools and a nursery, the operation of a training workshop in dressmaking for

women and an education programme in reading, English and maths, all of them in Mang'ola, Tanzania. It also financed an X-ray machine for a rural hospital in Cameroon.

ARED FOUNDATION

MANGO contributed by funding skills scholarships in dressmaking for persons at the risk of social exclusion, principally to women coming out of prison and social services institutions in Barcelona.

BARCELONA FOOD BANK

MANGO collaborated with this organisation, which fights against hunger in the city of Barcelona, by purchasing freezers for their centres for the needy and food for children.

BARRAQUER FOUNDATION

MANGO supports the ophthalmological expeditions of the Foundation in order to perform cataract operations in countries of the Southern Hemisphere.

JOSEP CARRERAS INTERNATIONAL FOUNDATION

MANGO supported the Foundation's programme by financing the Spanish Register of Bone Marrow Donors (REDMO), which aims to create a database of donors and patients. The Foundation allocates 40% of its resources to a programme of scholarships for young researchers and to funding transplant units and umbilical cord banks.

CASIP COJASOR FOUNDATION

MANGO collaborated with this French organisation by supporting its work. The organisation defends the civil and social rights of individuals. Its sphere of operation covers the supply of food, clothing and accommodation, financial support, job-seeking support and legal counselling.

ÖĞRENCİLERE YARDIM DERNEĞİ

MANGO financed training scholarships for marginalised people in Istanbul, giving them the opportunity to access education.



LLEVANT CHARITY ASSOCIATION

MANGO helped fund a children's ward this foundation is building in Shashemane, Ethiopia, which will help speed up and improve the care given to children.

MENSAJEROS DE LA PAZ

MANGO collaborates in the Aula Cuna project, a social and education care programme for children and families in Spain.

RICARDO FISAS FOUNDATION

MANGO is supporting an innovative project in favour of the most commonly-diagnosed pathologies in pupils with learning disorders, namely Dyslexia and Attention Deficit Hyperactivity Disorder (ADHD).

VITA MUNDI FOUNDATION

MANGO is funding a complementary nutrition programme aimed at persons who live in a shanty town in Ganeshnagar, Mumbai. The project provides nutritional support to approximately 300 families. The women in these families also receive classes in reading, writing and counting.



OTHER COLLABORATIONS

During 2015, MANGO donated clothing to various national and international charity organisations. Furthermore, throughout the year, it offered MANGO employees the opportunity to actively participate in various social campaigns, charity events and other forms of collaboration for social purposes, such as: charity markets, TEAMING (voluntary micro-donations of 1€ per month), blood donation campaigns, food and toy collection campaigns at Christmas, etc.



VOLUNTARY WORK

DREAMING AWAKE FOUNDATION

MANGO employees participated in a volunteer's day with the children looked after by this Foundation, who live in shelters subsidised by the Catalan Regional Government.

EXIT FOUNDATION, HOPE FOUNDATION, CASAL DELS INFANTS, RED CROSS

MANGO has collaborated with these organisations by informing and guiding young people at the risk of social exclusion through training sessions adapted to each organisation and given at our headquarters.

MANGO CORPORATE SOCIAL RESPONSIBILITY CHAIR

The Mango Corporate Social Responsibility Chair was created in September 2006, by signing a collaboration agreement with the Higher School of International Trade (ESCI-UPF), in association with Universidad Pompeu Fabra (Barcelona). This initiative is in accordance with the values of both institutions in relation to sustainability and ethical commitment aspects.

Its main goal is to increase the knowledge of corporate social responsibility (RSC) and analyse the sustainability of our economic and business activity, combining academic rigour and practical application. These aims also include generating knowledge, analysis and debate on such issues and, at the same time, translating these considerations to society.

WORKING DOCUMENTS

The research projects consist of analysing key aspects of sustainability and are the principal activity of the Chair. These are carried out by teams specialising in each area and are published in the form of work documents.

Key among the projects carried out in 2015 is the analysis of social value by the Training and Work Foundation, one of the largest job placement organisations in Catalonia. The methodology used to quantify the Integrated Social Value (ISV) makes it possible to understand and communicate the value created by an organisation for all its stakeholders.

CSR CASE STUDIES OF INTERNATIONAL COMPANIES

In parallel to the research projects, every year a case study is conducted on a company and on its sector within the sphere of CSR. Its purpose is to reveal its policy and activities in relation to such aspects, both on an internal and external level, in order to offer its experience and for this to be useful for other organisations too.



Càtedra
MANGO

The projects, activities and other details may be consulted on its webpage (<http://mango.esci.upf.edu>)

NEW ACTIVITIES: SOCIAL AUDITING MANUAL

Last year, the Chair initiated a new project involving the drafting of a social auditing manual applicable to any business sector and size of company, which includes the main aspects to include in such audits. In 2015, as a complement to said manual, the first file corresponding to Morocco was created, containing the applicable legislation and good practices.

ADVISORY COUNCIL

To advise the Mango Chair in its activities, an Advisory Council was recently created. This Council is made up of key individuals within the sphere of CSR linked to organisations which represent the business, administrative, social and academic world. The main role of the Council is to identify relevant issues and current trends in order to feed the work areas promoted by the Chair.

08

EMPLOYEES



MANGO

A large, modern building facade with horizontal grey panels. The word "MANGO" is printed in a white, sans-serif font on a dark rectangular sign attached to the building. In the foreground, there is a field of tall, green grass.

16,623

EMPLOYEES
AT 31/12/2015

830

NEW
EMPLOYMENT
POSTS

+99,000

TRAINING
HOURS



5

GENDER
EQUALITY



8

DECENT WORK AND
ECONOMIC GROWTH



The excellent working environment at MANGO is the result of having a workforce with human qualities, motivation and flexibility which is able to adapt to changes within the context of the company's significant growth. The main aspects that also contribute to establishing this working environment are specified below.



PERMANENT DIALOGUE

Employees maintain permanent dialogue with the management, principally through a series of meetings called "If I Were Chairman" with chosen representatives from each department. The conclusions, changes and improvements agreed are published and communicated to all employees on the company's internal bulletins.

Other channels that contribute to encouraging communication include questionnaires, the employee website, the suggestions box, etc.

In 2008 the Conflict Resolution Service was set up. The aim of this service is to guarantee an independent mechanism to identify, mediate in and resolve interpersonal conflicts wherever necessary.

REMUNERATION POLICY

For the different employee categories, the salaries paid are, on average, above those of the sector. In 2015 the proportion between the initial starting salary established by MANGO and the wage agreement was 52.45% for Spain. In the case of structural personnel, salaries are reviewed according to the performance and personal development of each employee twice a year. In stores, the system is based on a fixed salary and a variable component in accordance with the turnover of the store.

All employees, both full-time and part-time, have the same rights and company benefits. In addition, there is no difference or wage discrimination between men and women.

All MANGO employees are covered by a collective bargaining agreement and the corresponding employment legislation. The minimum notice period in relation to organisational changes, including notifications specified in the collective bargaining agreement, is fifteen days.

PROMOTING AND FACILITATING THE BALANCE OF WORK AND FAMILY LIFE

MATERNITY/PATERNITY

100% of employees exercised their entitlement to maternity, 255 in total. Of these, 249 returned to work after their leave (195 women and 54 men) and twelve months after returning, 186 still remain in their jobs (140 women and 40 men).



WORK FLEXIBILITY

Flexible working hours owing to personal reasons on the part of employees are permitted, in addition to temporary contract suspensions for such reasons, with the employment post being reserved in all such cases. In addition, the length of time to attend to necessary medical visits has been extended.

In the case of structural personnel, it should be noted that, with the mutual agreement of employees, all working days are extended by half an hour in order to finish at midday on Fridays and enjoy a longer weekend. Employees also enjoy intensive working days on the eves of major public holidays.

Other services for employees exist, such as free group transport, which covers different routes and working hours, subsidised canteens, special agreements, discounts, etc.

WORKPLACE STABILITY

At the close of the 2015 financial year, 69.16% of company employees in Spain were permanent, as illustrated below:

	TEMPORARY	PERMANENT
STRUCTURAL PERSONNEL	14.08%	85.92%
STORE PERSONNEL	34.13%	65.87%

In addition, full-time employees in Spain represented 58.66% and part-time employees 41.34%. In the case of foreign employees, these percentages were 64.25% and 35.75% respectively.

Our organisation is characterised by the cultural diversity that results from the international nature of our business. People of 60 different nationalities work at our headquarters and stores in Spain.

PROFILE OF OUR WORKFORCE

Below are the main aspects of the profile of our workforce, made up of 16,623 employees as at 31 December 2015, of which 79.07% are female, and 20.93% male, broken down by gender as follows:

	STRUCTURAL PERSONNEL		STORE PERSONNEL TOTAL		TOTAL	
	NUMBER	%	NUMBER	%	NUMBER	%
MEN	1,128	41.36	2,352	16.93	3,480	20.93
WOMEN	1,599	58.64	11,544	83.07	13,143	79.07

29.5

IS THE **AVERAGE** AGE
OF OUR WORKFORCE



58%

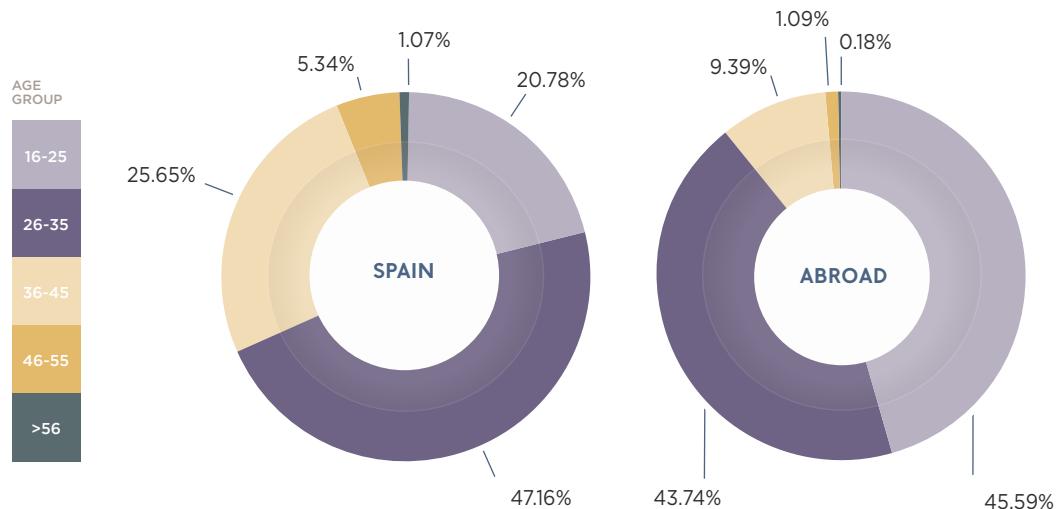
OF MANAGEMENT AND MIDDLE-MANAGEMENT POSITIONS
ARE OCCUPIED BY WOMEN

88%

OF MANAGEMENT AND MIDDLE-MANAGEMENT POSITIONS
IN STORES ARE OCCUPIED BY WOMEN



OVERALL BREAKDOWN OF EMPLOYEES BY AGE GROUP



AGE GROUP

16-25

26-35

36-45

46-55

>56

SIZE OF THE WORKFORCE

AVERAGE WORKFORCE EQUIVALENT	MEN	2,892
	WOMEN	9,905
WORKFORCE AT 31/12/15	MEN	3,480
	WOMEN	13,143

EMPLOYEES BY CONTRACT TYPE AND GENDER

TEMPORARY	MEN	1,041
	WOMEN	4,086
PERMANENT	MEN	2,439
	WOMEN	9,057



AVERAGE WORKFORCE BY COUNTRY

SPAIN	MEN	1,431
	WOMEN	4,186
CHINA	MEN	48
	WOMEN	236
TURKEY	MEN	612
	WOMEN	1,244
UNITED STATES	MEN	29
	WOMEN	54
OTHER COUNTRIES	MEN	1,360
	WOMEN	7,423

EMPLOYEES BY WORKING DAY AND GENDER

FULL-TIME	MEN	2,614
	WOMEN	7,752
PART-TIME	MEN	866
	WOMEN	5,391



MOBILITY IN EMPLOYMENT POSITIONS

The international nature of our organisation facilitates the geographical mobility of any employees who request it. In addition, when new positions to be covered become available, staff are offered the opportunity to request a change of department.

ABSENTEEISM

Absenteeism for Spain is described below:

STRUCTURAL PERSONNEL	2015	STORE PERSONNEL	2015
Sick leave	1.93%	Sick leave	1.43%
Leave owing to industrial accidents	0.08%	Leave owing to industrial accidents	0.17%
Maternity/paternity leave	1.56%	Maternity/paternity leave	2.19%
Marriage leave	0.08%	Marriage leave	0.09%
Other leave	0.59%	Other leave	0.23%
TOTAL	4.24%	TOTAL	4.11%

Total absenteeism during 2015 in company stores outside Spain totalled 4.95%.

INTERNAL PROMOTION

The vast majority of managers and heads of departments are the result of internal promotion, thanks to a clear policy in this regard and a workforce that is motivated, flexible and able to take on new responsibilities.

Throughout 2015, 205 employees from our headquarters and 538 store employees were offered the chance of promotion.

CARES FOUNDATION

Since 2008, we have collaborated with the CARES Foundation in the creation of jobs for vulnerable person. In 2015, 141 people worked at our facilities, preparing the e-Commerce orders of the organisation. Over 90% of these positions are occupied by disabled persons or person at risk of social exclusion.

HEALTH AND SAFETY AT WORK

The aims sought in relation to health and safety at work, in accordance with the MANGO Health and Safety Policy, are the development and promotion of strategies to improve the working conditions for the physical, mental and social health of employees, and to encourage and consolidate good working habits.

The management of occupational risk prevention at MANGO are established in the Risk Prevention Plan and form part of the overall system of company management. This plan contains the company's commitment to provide a secure and healthy working environment for employees and collaborators and defines the goals and procedures in order to achieve this.

Listed below are the main activities carried out during 2015.

TRAINING IN OCCUPATIONAL RISK PREVENTION

The number of people trained in occupational risk prevention during 2015

totalled 1,146 for structural personnel and 8,743 for store personnel.

RISK ASSESSMENT

The company identifies and assesses the risks associated with employment positions as a part of the cycle of continuous improvement in the management of the company, making progress in all aspects of the health and safety of employees.

Such assessments are made in offices and warehouses at headquarters and in stores. Similarly, actions plans are drawn up with preventive and/or measures and work inspections, emergency plans and other procedures are managed.

MANGO also seeks to ensure that the services carried out by external companies or personnel, contracted or subcontracted, are executed in accordance with the safety measures established by the legislation and/or our internal regulations.

On a periodic basis, safety visits are carried out at sites to monitor and guarantee optimal working conditions and to encourage safe working practices.

RISK NOTIFICATIONS

In accordance with the policy of active participation among employees, there is a produced whereby they can report any risky situation or make any proposal that improves working conditions. An internal document exists to allow any such incident to the Risk Prevention Department for the same to be eliminated or minimised.

HEALTH MONITORING

Health monitoring is carried out by the company's Medical Service, part of the Occupational Risk Prevention department of MANGO, in accordance with the goals established by said department. In stores they are carried out through a network of healthcare centres. In addition to the required medical care, period check-ups,



vaccination campaigns, etc., they carry out personalised activities to promote health, such as the monitoring of chronic symptoms and advice on healthy habits.

Company personnel also receive First Aid training.

ACCIDENT RATES

The accident rates during 2015 for structural and store personnel in Spain is as follows:

	STRUCTURAL PERSONNEL	STORE PERSONNEL		
	2014	2015	2014	2015
NO. OF ACCIDENTES / NO. OF EMPLOYEES	0.007	0.010	0.015	0.015
AVERAGE DURATION OF SICK LEAVE (DAYS)	13.44	13.55	12.88	13.85

TRAINING AND DEVELOPMENT

In our organisation we have established a policy of continuous training and development in order to achieve the strategic goals of the business. To achieve this we have a Training and Development Department which promotes these essential aspects, both in terms of technical knowledge and professional skills.

Such training actions are carried out worldwide in the Retail and Training area at the company headquarters, which is equipped with several multi-purpose training rooms. The “on-the-job” induction plan “Design your future at MANGO” and annual Appraisal and Development Interviews help managers to appraise and mentor each member of their team on a constant basis.

The role of leaders was consolidated further during 2015 with an Executive Development Plan for promotions to positions of responsibility. In this manner, the company recognises the importance of roles of responsibility as key to professional excellence and to the development of employees. Training events and personalised and mentoring were key to adapting to this new situation.

During 2015, 9,597 participants in training actions received a total of 108,478 training hours, broken down as follows:

PROFESSIONAL CATEGORY	TRAINING HOURS	PARTICIPANTS
Heads of Department	8,949	377
Administrative employees	14,915	628
Technicians	20,880	880
Operators and Skilled Employees	7,158	302
Warehouse personnel	7,756	327
Store personnel	48,820	7,083
TOTAL	108,478	9,597

Noteworthy among the projects aimed at MANGO personnel during 2015 was:

APPRaisal AND DEVELOPMENT PROCESS

During 2015, we designed and implemented a new online appraisal tool which allows us to measure the contribution of value of employees, in order to identify and develop talent in each area. This allows us to improve the management of talent using information obtained in appraisal processes and respond to concerns about development and growth within our teams.



DEVELOPMENT OF INTERNAL TALENT

During 2015, we continued with the Programme for Identifying Internal Talent, in which employees with the potential to occupy key roles for the company are identified and trained in order to take on these new roles in the short term.

“DEVELOP YOUR POTENTIAL” WORKSHOP

A workshop which helps one discover their own behaviour, through analysis of their personal profile, and help direct it positively within the working environment.

YOUNG TALENTS

The Young Talents Programme aims to develop managers within MANGO. The candidates participating in the project are MBA students from the top international business schools and/or internal employees with high potential.

The selected candidates take part in a four-month development course focusing on the stores. This allows them to experience the business from the front line before joining different areas of the organisation. Once in their new employment positions, they continue to work on their development through tailor-made courses and mentoring with the management team.

LEADERSHIP COACHING

In 2015, in order to optimise leadership processes and interaction between individual and teams in MANGO, we implemented a tailor-made development programme for our managers through individual mentoring.

HEADQUARTERS AT THE SERVICE OF THE STORES

An initiative in which department/section managers spend a total immersive week in a store to detect improvement actions that could simplify the work of store personnel.



During 2015 a total of 9,597 employees received training



The young talents programme aims to develop future managers within MANGO

TEAM COHESION

This workshop is based on group work through different participation dynamics. It aims to implement specific action plans to improve group cohesion and increase the sense of belonging to MANGO.

ADDITIONAL BENEFITS FOR OUR EMPLOYEES

Through a policy of discounts, for both clothing and accessories in our stores, and through agreements with various companies (car sales, medical insurance, travel agencies, gyms, shows, etc.). With the organisation of various markets for our employees where garments, accessories, furniture and decorative items are sold, with the granting of interest-free loans subject to personal status and the loan of venues for various activities.



09

THE SUPPLY CHAIN, PRODUCTION SYSTEMS AND SUPPLIERS

513

SUPPLIERS
OF GARMENTS
AND ACCESSORIES

885

FACTORIES
USED

+142

MILLION
UNITS
PRODUCED



PRODUCTION SYSTEMS

There are two differentiated production systems in our organisation:

- The first consists of designing the product, ordering its manufacture and purchasing it once finished. In this case, the supplier is responsible for purchasing all the raw materials for production. The purchasing percentage in 2015 through this system accounted for 68.94% of the total.
- In the second system, unlike the first, all the raw materials used in the garment are purchased by our organisation and subsequently sent to the suppliers for manufacture. The purchasing percentage in 2015 through this system accounted for 31.06% of the total.

The characteristics of the suppliers are exactly the same in both systems. The use of one system or the other basically depends on geographical factors (proximity) and technical factors (specialisation in manufacture).

PRODUCTION PROGRAMMING

If there is a difference with regard to the sales forecast, at the end of the season the surplus is sold through discounting, promotions and our network of Outlet stores.

The volume of garments and accessories manufactured for MANGO during 2015 totalled 142,142,551 units.

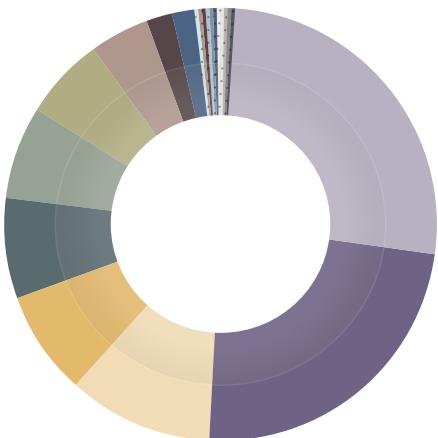
SUPPLY CHAIN

Throughout 2015 we have made a major effort to improve the internal management tools in relation to the information concerning factories and by providing training to suppliers to continue to improve the traceability of the MANGO supply chain. The effective management of the supply chain is a priority for MANGO and a key factor in being able to offer not only a quality product but guarantees that it meets the ethical standards demanded from suppliers.

Collaboration with suppliers is on a long-term basis, with continuous dialogue and joint analysis and planning of all production aspects, in addition to quality control inspections at all factories carried out by our experts. During 2015, the number of suppliers and factories producing garments and accessories was 513 suppliers in 885 factories.

GEOGRAPHICAL DISTRIBUTION OF FACTORIES IN 2015

The number of factories used per country in 2015 is as follows:



COUNTRY		
CHINA	241	BULGARIA
TURKEY	210	EGYPT
INDIA	95	ITALY
VIETNAM	71	MADAGASCAR
MOROCCO	65	SOUTH KOREA
BANGLADESH	61	GEORGIA
PORTUGAL	55	MAURITIUS
PAKISTAN	38	MOLDOVA
CAMBODIA	18	MYANMAR
SPAIN	14	ROMANIA
INDONESIA	3	TOTAL
		885

It should be noted that suppliers may work with more than one factory for the manufacture of their different collections. Equally, some of them may be used in different ways at different points in time, depending on the characteristics of the product. 25% of the total units manufactured originated from countries in close proximity to Spain (Europe, Morocco and Turkey).

MANGO does not have any direct or indirect shareholding in any manufacturer of garments or accessories. Furthermore, none of them works exclusively for our organisation.

Every year, MANGO supplies the national trade union organisations it collaborates with the list of garment and accessories factories it works with.

GEOGRAPHICAL DISTRIBUTION OF PURCHASING IN 2015

The purchasing percentage by country is as follows*:

*includes raw materials



COUNTRY

CHINA	27.53%	VIETNAM	4.60%
TURKEY	13.22%	ITALY	4.34%
INDIA	10.57%	PAKISTAN	4.31%
SPAIN	8.34%	TAIWAN	2.23%
BANGLADESH	6.60%	PORTUGAL	1.93%
SOUTH KOREA	6.02%	UNITED ARAB EMIRATES	1.44%
MOROCCO	5.68%	OTHER	3.18%

LABELLING

All our garments and accessories are labelled, stating the country in which they have been manufactured.



Over 142 million garments and accessories were manufactured for MANGO

SUBCONTRACTING

Our policy of control and the characteristics of production mean that manufacturers cannot subcontract the manufacture of garments and accessories.

By subcontracting we mean the assignment to a third party company, by the supplier, of all or part of the production ordered from it without the knowledge or authorisation of MANGO. All our suppliers have unified the manufacturing process, but at times there are special processes which some suppliers cannot carry out and which are carried out by other specialist companies, such as embroidery, printing, washing, etc. In such cases, MANGO is aware of these productions and authorises them.

CODE OF CONDUCT FOR SUPPLIERS

In order to guarantee appropriate compliance with all employment, social and environmental standards by our manufacturers of garments and accessories, the MANGO Group has established the present Code of Conduct for suppliers. This code is an essential and mandatory requirement, given that it is included in the commercial contract they sign with MANGO.

SOCIAL, EMPLOYMENT AND ENVIRONMENTAL CODE OF CONDUCT FOR MANUFACTURERS OF GARMENTS AND ACCESSORIES FOR THE MANGO GROUP

This code is based on the principles and philosophy of the United Nations Global Compact, as well as the principles established in the Universal Declaration of Human Rights and Convention on the Rights of the Child of the United Nations.

It also includes all the applicable conventions and recommendations of the International Labour Organisation (ILO) are included (in particular conventions 1, 29, 75, 81, 87, 98, 100, 105, 111, 122, 131, 135, 138, 154, 155, 159, 177, 182 and 183, and recommendations 35, 90, 111, 143, 146, 164, 168, 184 and 190).

1. CHILD LABOUR

Adopting the criteria established in the ILO conventions, manufacturers shall not use child labour. In addition, our policy on child labour is based on the United Nations Convention on the Rights of the Child.

2. FORCED AND OBLIGATORY LABOUR

Manufacturers shall not use any form of forced or obligatory labour.

3. HEALTH AND SAFETY AT WORK

Manufacturers shall guarantee their employees a working environment which is secure (fire prevention, machinery, etc.) and healthy (lighting, ventilation, hygienic conditions, etc.) and also comply with all the provisions stipulated in the application legislation in this regard. In addition, they shall guarantee that said conditions are extended, wherever applicable, to all the facilities allocated to their employees. Furthermore, in the case of denim manufacturers, they shall not use the fading technique known as sandblasting, which consists of the use of pressurised sand, given the risk on the health of the employees who perform this process.

4. FREEDOM OF ASSOCIATION

Manufacturers will respect the rights of their employees to associate, organise themselves or negotiate collectively without incurring any form of sanction as a result.

5. DISCRIMINATION

Manufacturers shall not discriminate in employment and recruitment practices based on the grounds of race, nationality, religion, disability, gender, age, sexual orientation, political association or affiliation or any other situation.

6. DISCIPLINARY MEASURES, HARASSMENT AND ABUSE

Manufacturers shall not use corporal punishment, physical or psychological abuse and/or any other type of harassment.

7. WORKING HOURS

Manufacturers shall comply with the applicable legislation and industry regulations with regard to hours worked. Overtime will always be voluntary and appropriately remunerated.

If overtime is worked, a maximum of two hours per day will be accepted. In exceptional circumstances this limit may be

modified in the aforementioned situations if reasonable and logical, and at all times with the mutual agreement of the employee, provided the annual total does not exceed the maximum of two hours of overtime per week envisaged in the legislation.

8. REMUNERATION

Manufacturers will guarantee that salaries strictly comply with the legislation. In addition, the statutory minimum wage will be interpreted as said minimum, and not the recommended level.

9. SUBCONTRACTING

Manufacturers may only carry out production in factories authorised and audited by MANGO.

10. ENVIRONMENT

All manufacturing activity shall be carried out respecting the environment and, at all times, complying with the envisaged legislation and regulations. All manufacturers shall sign the MANGO document committing to restrictions on chemical products.

11. COMPLIANCE WITH THE CURRENT LEGISLATION

Manufacturers must also comply with the applicable legislation for all matters not envisaged in the above points.

OTHER ASPECTS

COMMUNICATION

A copy of the present code must be displayed in the main personnel entrances and exits at the manufacturer's facilities, both in English and in the local language. The aforementioned copy must contain a contact e-mail address of the MANGO CSR department in case any employee requires or wishes to make use of the same.

AREA OF APPLICATION

All the above points are of mandatory compliance for all manufacturers who work with the MANGO Group. In order to achieve this goal, manufacturers shall authorise the MANGO group to carry out, either itself or via third parties, inspections to ensure the application of the present code. In addition, they shall allow the supervisors access to the documentation and all means necessary to achieve said goal. Such audits may be carried out according to schedule or without prior notice.

ACCEPTANCE AND COMMITMENT ON THE PART OF MANUFACTURERS

All manufacturers accept and undertake to comply with all the points specified in the present Code, and any possible subsequent modifications to the same, by signing and stamping all the pages of one copy, which shall always be available at the MANGO organisation.

AUDITING

The Code will be periodically audited at the different factories and facilities of the suppliers, both internally and externally. Said auditing may be carried out jointly with other organisations.

CORRECTIVE ACTION

Any situation which implies non-compliance with the above points shall require corrective action by the manufacturer, within an established period not exceeding six months. It should be noted that MANGO will participate in said corrective action by providing technical support. In cases where the corrective action has not been applied within the aforementioned period or in the event of serious social emergencies or other significant events and the manufacturers have not taken the required corrective measures immediately, the MANGO group will proceed to cancel any relationship with said manufacturer.

CONTACT E-MAIL: lg_rsc@mango.com

PRIOR SELECTION OF SUPPLIERS

The departments responsible for the selection of suppliers carry out prior analysis and auditing of factories in order to ensure compliance with the MANGO requirements in all aspects prior to the confirmation of orders.

TRAINING

New supplies 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. Throughout last year, a total of 118 new suppliers received various training courses at the company headquarters.

In addition, every two years a congress is organised of the external auditors responsible for carrying out the social audits of factories in the different countries in which MANGO garments are produced. The aim of the congress is to share common experiences, update procedures and discuss potential new risks in the supply chain.



QUALITY CONTROL

Given the nature of our production system, we have quality control teams which periodically visit the different factories, carrying out both quality control and any other aspect related to production. While carrying out said monitoring, our experts check whether any aspect of our Code of Conduct is being breached.

AUDITING PROCESS

As explained in the training, there are certain internal management tools which allow quick and up-to-date access to the database of the suppliers' factories. All of them must assign to each confirmed collection the complete list of the factories at which the collection will be produced. This way, all the departments involved in the process have access to this information: Purchasing teams, Quality and CSR, among others. Once the factory has been declared, the social auditing procedure will be carried out by the external auditors.

The procedure for the initial social audits is as follows:

- Interview with the managers and/or owners of the factory to gather all the necessary information on employment, social and environmental aspects, and their procedures and corresponding auditing.
- Exhaustive inspection of the factory installations, taking photographs of aspects which may provide evidence of any non-conformity or good practices.

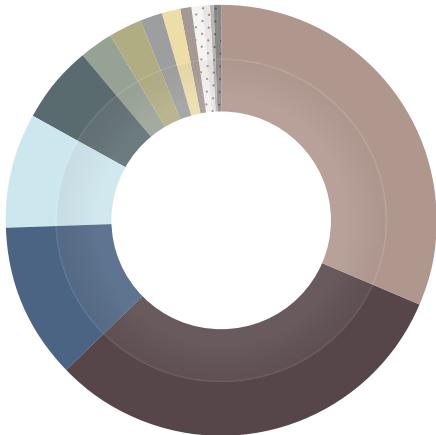
- Selection of a sample of employees included on the personnel lists who work directly on the production line, who will be interviewed on all aspects of our Code of Conduct.
- Finally, after inspecting the pertinent documents, during the closing meeting, the main aspects observed will be commented on, in addition to the conclusions, which will subsequently appear in the audit report. In cases where breach of the Code of Conduct is detected, a plan of action and a calendar will be drawn up for the subsequent inspections in the follow-up audits of the non-conformities. If the appropriate corrective action is not taken for their resolution, MANGO will take the appropriate action in each case with the supplier. It is worth noting that in virtually all cases, suppliers cooperate fully and are totally willing to improve.

Wherever trade union representatives exist in factories, the entire process is carried out jointly with them.

Maintenance audits are also carried out every one or two years, depending on the country of origin.

Throughout 2015 over 396 external audits were carried out, some of which we carried out without prior notice.

The distribution by country of these audits is as follows:



COUNTRY			
TURKEY	31.57%	CAMBODIA	1.77%
CHINA	31.31%	INDIA	1.52%
VIETNAM	11.62%	MADAGASCAR/MAURITIUS	0.76%
PAKISTAN	8.59%	MYANMAR	0.76%
BANGLADESH	6.06%	INDONESIA	0.51%
SPAIN	2.53%	EGYPT	0.25%
MOROCCO	2.27%	OTHER	0.50%

The breaches of the MANGO Code of Conduct detected during the audits carried out during 2015 are described below:

COUNTRY	NO. OF FACTORIES WITH BREACHES	POINTS OF THE CODE BREACHED
Bangladesh	9	3
Camboya	3	3, 10
China	77	1, 3, 7, 8, 10, 11
Egypt	1	3
Spain	5	3, 8, 11
India	6	3, 4, 8
Indonesia	1	7
Madagascar	2	3, 7, 10
Morocco	4	3, 8, 11
Myanmar	3	1, 3, 7, 10
Pakistan	27	3, 7, 8, 10
Turkey	73	3, 7, 8, 10, 11
Vietnam	22	1, 3, 7, 8, 10, 11

As can be observed below, the majority of the breaches encountered were concentrated in points: 3. Health and safety at work, 7. Working hours and 8. Remuneration.

With regard to Child Labour, it is worth noting that no cases were encountered of children working in the factories of MANGO suppliers. The breaches in this point correspond to not having established a policy against child labour, not keeping a copy of the workers' identification documents, overtime of young workers, etc. In all these cases, specific action plans were established with the suppliers to correct the irregularities and these were subsequently monitored.

On many occasions, the breaches detected were due to supplier unawareness, which is why one of the aims of the CSR department is to provide training to suppliers at source.

In the case of incidents notified by a local trade union, the analysis and resolution of the same was carried out jointly with the union and with the organisations involved with which we have signed a CSR agreement.

On occasions, the CSR internal auditing team joins forces with the external auditors or makes its own follow-up of a specific aspect of the code. As in previous years, representatives of the International Industrial Division of the CC.OO trade union 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.

POINTS OF THE CODE OF CONDUCT BREACHED	% BREACHED IN 2015
3. Health and safety at work	37.59%
7. Working hours	31.07%
8. Remuneration	19.28%
10. Environment	7.49%
11. Statutory compliance	3.33%
1. Child labour	1.11%
4. Freedom of association	0.14%
2. Forced and obligatory labour	0.00%
5. Discrimination	0.00%
6. Disciplinary measures, harassment and abuse	0.00%
9. Subcontracting	0.00%

HUMAN RIGHTS AND GUIDING PRINCIPLES

The Ruggie Framework to protect, respect and remedy provides practical recommendations to implement this approach to the human rights that apply within the company. At MANGO we are developing internal management mechanisms that will serve as tools to measure and evaluate the application of human rights in all our spheres of activity, both internal and external. We are also working to improve the channels of communication with our stakeholders.

As part of MANGO's commitment to work towards the defence and observance of universal human rights, in 2014 MANGO joined the Companies and Human Rights Working Group of the Spanish Network of the Global Compact.

ACCORD ON FIRE AND BUILDING SAFETY IN BANGLADESH

MANGO signed up to this accord, which was established in May 2013 for a term of five years and which has been established by numerous textile brands worldwide, trade unions and NGOs. The aim is to join forces and open the way to effective communication with the local government and trade unions in Bangladesh, in order to help improve the working conditions of employees in clothing factories in this country. Representatives of the International Labour Organisation (ILO) are also actively working towards making the agreed aims a reality. Currently, 217 brands have signed up, involving a total of 1,600 factories subject to the inspection procedure and more than 1,450 action plans affecting over two million workers in Bangladesh.



The system of audits established at Mango is the basis for the implementation of the Guiding Principles of the UN on companies and human rights in the supply chain.

10

ENVIRONMENTAL ASPECTS



Since it was founded, MANGO has been aware of the importance of conducting its business activities while adopting environmentally-friendly and sustainable development policies in all its areas of influence.



PRODUCT, CONTAINERS AND PACKAGING

Within our organisation we have a Packaging Waste Prevention Business Plan (PEP), approved by the management, which provides a framework within which certain policies are established for the reduction and optimal use of product packaging.

In addition, MANGO uses 100% recycle materials in its boxes, with paper sealing tape and no metal components. This ensures the correct and complete recycling of boxes once they are no longer fit to be reused.

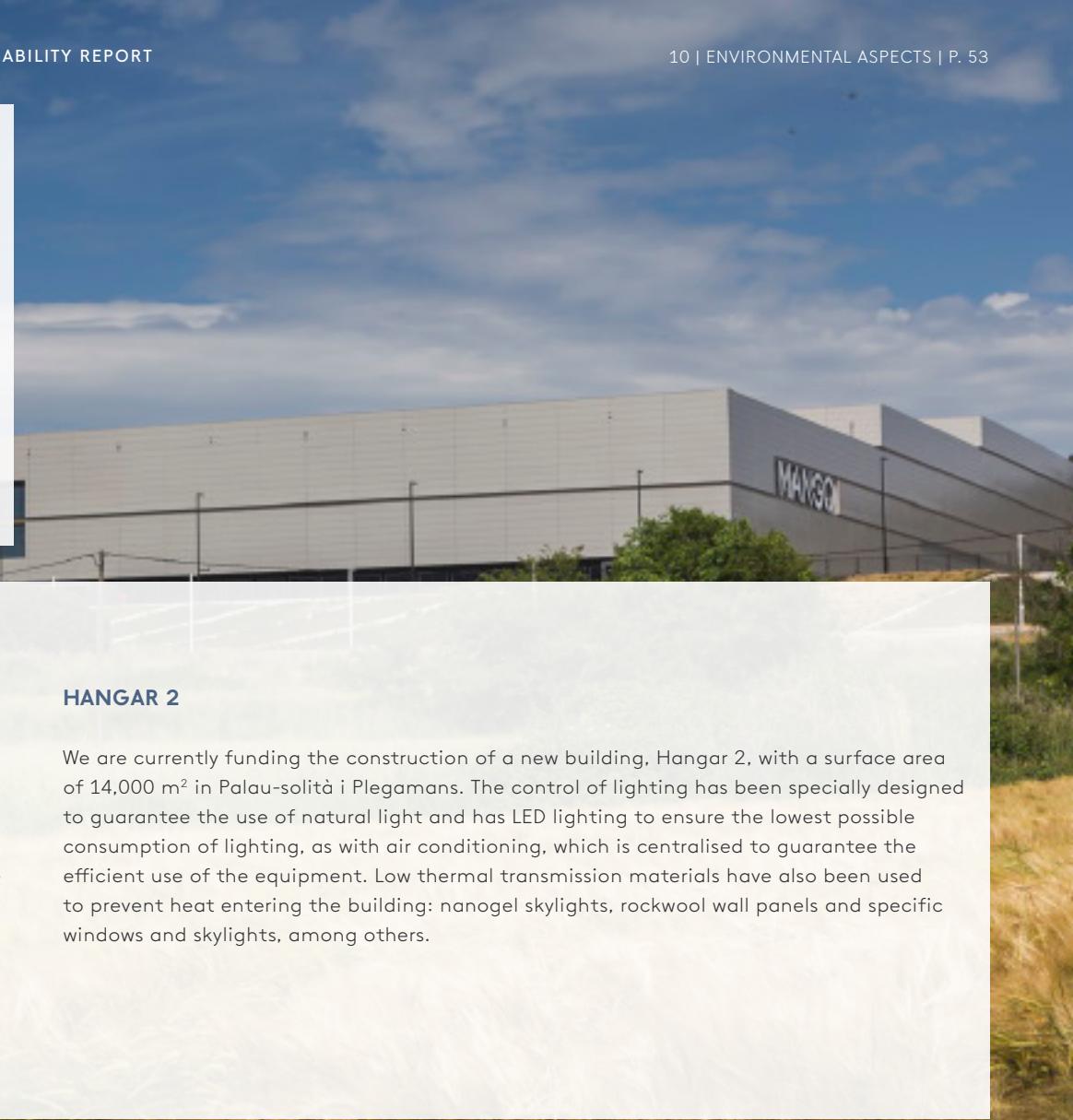
For the initial deliveries to stores, a cross-docking system is used, which consists of pre-established assortments prepared by the supplier. Consequently boxes do not need to be handled when they arrive at the warehouse and are dispatched directly to their destination. This system offers a series of advantages, such as the reduced use of packaging and lower energy consumption. In 2015, approximately 26% of initial deliveries to stores were made adopting this system.



ACTIVITY CENTRES

Our organisation's business activities are carried out at various facilities and stores, which are optimised in terms of energy consumption and efficiency. All of them are equipped with selective waste collection systems to ensure correct and efficient recycling.

The major expansion of the company represents an opportunity to apply sustainability criteria in its new infrastructure. Inspections are periodically carried out at the facilities and stores in which MANGO carries out its activity to ensure that the electricity consumption is as efficient as possible, given the characteristics of the same.



LOGISTICS CENTRES

LLEÇÀ D'AMUNT

Since the commencement of the building works of the new MANGO logistics centre in Lleçà d'Amunt, Barcelona, energy efficiency criteria has been adopted. Key aspects of the optimisation of consumption include the comprehensive lighting management system to ensure the use of natural light, the incorporation of LED lighting, the centralised control of air conditioning and energy recovery of the robots used in the warehouse. These include: the internal use of all excavated earth, the inclusion of a landscaping study with local Mediterranean plants with low water consumption and the use of rain water for the sustainable watering of the site and its fire-fighting system.

The MANGO logistics centre in Lleçà d'Amunt has a surface area of 330,000 m² and is forecast to become fully operative in 2017.

HANGAR 2

We are currently funding the construction of a new building, Hangar 2, with a surface area of 14,000 m² in Palau-solità i Plegamans. The control of lighting has been specially designed to guarantee the use of natural light and has LED lighting to ensure the lowest possible consumption of lighting, as with air conditioning, which is centralised to guarantee the efficient use of the equipment. Low thermal transmission materials have also been used to prevent heat entering the building: nanogel skylights, rockwool wall panels and specific windows and skylights, among others.



STORES

We are part of a sector in which the characteristics of the store and the presentation of the product are key: lighting, space and air conditioning are essential for the sound management of the business. We are committed to managing the activity of stores, whether company or franchise-owned, in a balanced way and with the lowest possible environmental impact.

LIGHTING

For some years now, we have been illuminating all our stores with halide lights.

Furthermore, lighting using Light-emitting Diodes (LEDs) is being installed in all new stores and progressively installed in all other stores. We are also incorporating controlled lighting systems to control the quantity of light outside opening hours and we are reviewing the lighting levels in stores, reducing them in cases where a lighting level in excess of the current one specified by MANGO was installed.

AIR CONDITIONING

Air conditioning equipment is designed to offer high hot and cold performance in order to allow greater refrigeration power with lower energy consumption and therefore improve the energy consumption of the store.

MATERIALS

In stores, we are committed to using materials which are less harmful to the environment, last longer and require lower maintenance. Whenever parquet flooring is used, certification awarded by the *Programme for the Endorsement of Forest Certification Schemes (PEFC)* is requested, which guarantees the sustainable management of silviculture.

REUSE

All transfers of products between stores, as well as returns to central warehouses, are made using re-used cardboard boxes. In addition, part of the furniture used in outlet stores is re-used from other facilities, while the plastic coat hangers used in store deliveries are re-used during the sale period.

BAGS

All our stores issue customers with bags made of recycled paper or paper certified by the *Programme for the Endorsement of Forest Certification Schemes (PEFC)*. Plastic bags are used in outlet stores and during the sale period. Currently, 60% of MANGO carrier bags placed on the market are made of paper.

TEXTILE RECYCLING

At the end of the year (2015), MANGO launched a pilot project to collect clothing in stores in the Barcelona region. In line with the Millennium Development Goals (MDG), MANGO is extending its responsibility as a producer of textile waste and offering its customers the opportunity to give their clothing and footwear, of any brand, a second opportunity and in turn close the textile waste circuit.

All the clothing and footwear collected from stores will be processed at the KOOPERA recovery and recycling sites, where they will be duly classified into categories to be re-used, converted into raw materials or recycled for new uses such as thermal insulation, stuffing for sofas or energy evaluation, among others.

Koopera belongs to the group of social initiative cooperatives and non-profit making work placement organisations being promoted by Cáritas. The textile collection pilot project not only guarantees the correct management and recycling of textile waste, but also helps create jobs by making the social and charity economy a reality.

In 2016, we are planning to roll-out the pilot project in Spain.

TRANSPORT AND DISTRIBUTION

Our goods distribution facilities are equipped with classification and packing systems that use specific software, making it possible to optimise the boxes sent to our stores. The optimisation of content results in the reduced used of packaging and the consequent reduction in waste production.

Hung garments are distributed on coat hangers hung directly in lorries from the supplier to our distribution centres and therefore do not use boxes. This not only results to an optimised use of packaging, but the optimised use of space, making it possible to use fewer transport vehicles and reduce emissions. This system is also used from distribution centres to nearby stores.

All the logistics operations in our organisation are outsourced to third-party companies, which are supervised and monitored from our company headquarters.



At the end of 2015, MANGO launched a pilot project to collect clothing in stores in Barcelona

All points in the distribution chain are optimised in terms of times and loads, in order to guarantee the lowest possible environmental impact.

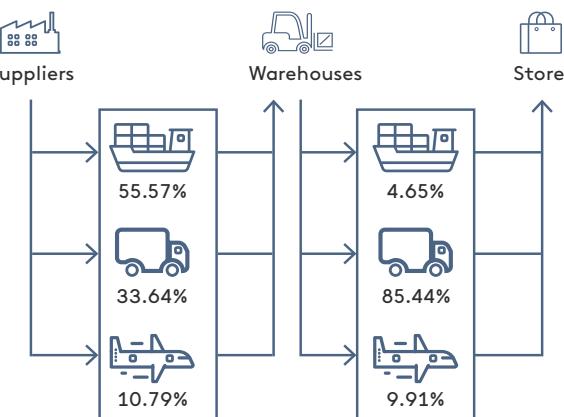
At all times we try to ensure that a single transport company covers a maximum number of destinations in order to optimise deliveries. It is worth noting that all the transport companies we work with are leading organisations with established environmental policies.

DELIVERIES FROM SUPPLIERS

For finished garments and accessories delivered from suppliers, the principal means of transport used, and the one with the lowest environmental impact, is by sea. However, in certain regions and specific cases, road transport and air freight is used.

DELIVERIES TO STORES

MANGO has strategic warehouses to cover all its distribution requirements to stores in the different geographic regions, as specified in chapter 5. This allows us to optimise the distance each order has to cover until it reaches its final destination. In addition, restocking is performed on a periodic basis according to sales.



EMPLOYEE TRANSPORT

With regard to the transit of personnel to the different facilities of the company headquarters, MANGO provides a free transport service from major nearby towns which covers all the shifts and working hours of its employees.

From an environmental perspective, this service results in reduced indirect emissions associated with employee transfers. By means of internal questionnaires, MANGO consults the routes and areas with the greatest demand in order to adapt its transport service to the requirements of its employees. 37% of headquarters employees use this service.

MANUFACTURERS, SUPPLIERS AND PRODUCT

All MANGO's manufacturing activity is carried out by third-party companies located in different countries. One of the priorities in this area is the implementation of environmentally-friendly practices, through different types of actions:

- Compliance with our Code of Conduct on environmental issues on the part of all suppliers.
- Auditing compliance with these environmental commitments using environmental management systems and their correction implementation through external audits in factories.
- The creation of a chemical substances standard, of mandatory compliance by suppliers, during the manufacture of different products and the external auditing of their implementation through a leading laboratory. For more information on quality and safety in our products, see chapter 11.

DETOX AGREEMENT

In December 2012 MANGO signed up to Greenpeace and its DETOX initiative. MANGO not only recognises the importance of guaranteeing that its garments are 100% free of hazardous substances, but also recognises the urgent need to control industrial dumping and eliminate all chemicals hazardous to the environment and achieve the category of "clean production" throughout the supply chain.

The aim of the DETOX initiative is to challenge the leading clothing brands to make the required changes, together with their suppliers, to eliminate hazardous substances throughout the supply chain of products by 1 January 2020. MANGO's commitment and dedication to the DETOX project has been positively evaluated by Greenpeace, which last year considered MANGO one of the leading 16 clothing companies in the project.

MANGO is aware that, in order to achieve this aim, the relevance and transparency of information is both important and necessary, in accordance with the "Right to know". To fulfil this aim, MANGO makes available to the general public on its website follow-up and progress reports on the project, lists of banned substances, both in products and manufacture, and the detection methodology.

In a more advanced stage of the project, and adopting the same selection criteria and guidelines as in the initial stage, in 2015 MANGO collected water samples of the wet processes of suppliers in Bangladesh and once again in Turkey and China. This second stage of analysing wet processes in total represents an additional 26.2% to the 38.53% of the production analysed in 2014. In the next stage of the project, MANGO will analyse the waters of factories in South Korea and India.

At the beginning year, MANGO reviewed its list of restricted substances (MRSL) and expanded the restricted toxic substances beyond the initial 11 groups of chemicals. In line with the "clean production" approach and the Principle of Precaution, MANGO recognises that the standards for restricted toxic substances should be applied throughout the supply chain of the textile industry and serve as guidelines to establish permanent measures to prevent the contamination of water in all production processes.

For more information on the project and its progress:
http://shop.mango.com/iframe.faces?state=she_001_ES



GREENHOUSE GAS EMISSIONS

CALCULATION OF EMISSIONS

For the last six years, a comprehensive study and calculation of greenhouse gas emissions has been carried out. MANGO conducted the study internally using a calculation tool designed in-house to consider all the key factors associated with the company's emissions. The calculation presented in this report covers the emissions associated with the company during 2015.

This study includes all the categories of emissions and has been produced in accordance with international protocols, namely: scope 1 (direct emissions), scope 2 (indirect emissions associated with electricity) and scope 3 (other indirect emissions such as employee travel). The calculation includes CO₂ emissions from the production of raw materials and the manufacture of garments and direct logistics, covering emissions from the manufacture of garments and their storage in warehouses to their final destination in the store. Consequently, MANGO adopts an operational control approach in calculating its emissions.

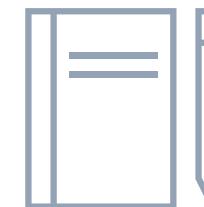
To standardise the individual impact of each gas on climate change, emissions of different greenhouse gases have been converted into a "single currency": the CO₂ equivalent. This conversion is based on the Kyoto "warming potential" of greenhouse gases. Equivalent CO₂ emissions are calculated using conversions factors annually updated by the Ecology and Development Foundation (ECODES), which has verified this analysis and awarded MANGO the ZeroCO₂ label for production and logistics. All the emissions factors applied are taken from published international databases (Ecovent 3.2 and IEA).

Furthermore, since 2010, MANGO has participated in the Voluntary Agreements scheme promoted by the Catalan Regional Government, as part of its greenhouse gas commitments. The aim of this scheme is to produce an inventory of greenhouse gases emissions and to draft a reduction policy and, wherever applicable, to offset emissions.

RESULTS OF THE STUDY

The updating of the electricity factors applied has had a greater impact on the reduction of the emissions recorded. Consequently, the total greenhouse gas emissions for 2015 is 261,552 Tn CO₂ eq.

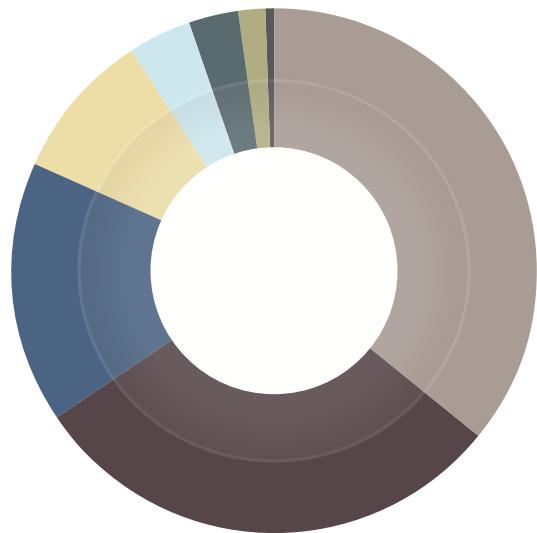
TN OF CO ₂ EQUIVALENT			
SCOPE 1	SCOPE 2	SCOPE 3	TOTAL
124,808	126,028	10,716	261,552





The Ecodes Foundation has awarded MANGO the ZeroCO₂ label for production and logistics

The distribution of these emissions is as follows:



Electricity in stores	35.88%
Transport of goods	29.88%
Production of raw materials	16.06%
Electricity in production of goods	9.03%
Employee transport	4.10%
Electricity in offices and warehouses	2.92%
Transport of raw materials	1.78%
Natural gas in offices in Spanish offices and warehouses	0.35%



OFFSETTING OF EMISSIONS

In addition, since 2009 MANGO has also offset the emissions of its offices and employee transport. MANGO selects offsetting projects close to its manufacturing regions in order to stimulate sustainable development in its areas of influence. The latest offset emissions correspond to 2014 and total 17,630.74 Tn CO₂ eq. These offsets were achieved by collaborating in the following projects:

PROJECT 1 WIND POWER IN BANDIRMA, TURKEY

The project involves the installation of 10 2.5 MW wind turbines in the Bandirma region in north-western Turkey, which helped reduce CO₂ emissions by replacing the consumption of electricity from non-renewable energy sources, principally fossil fuels, with clean and renewable wind power. It is certified by the "Gold Standard", a certificate which accredits not only the positive environmental impact of the project, but also its social benefits for the local communities close to the region in which the project was executed. MANGO has contributed to this project for two years and in 2015 carried out a follow-up visit to Bandirma to verify its effectiveness.

PROJECT 2 WIND POWER IN EDINCIK, TURKEY

The project involves the installation of five 3 MW wind turbines in the region of Edincik, Turkey. The aim of the project is to contribute to the local economy by generating renewable energy. This will help reduce CO₂ emissions principally associated with producing electricity from fossil fuels.

PROJECT 3 MINI-HYDROELECTRIC POWER STATIONS IN RURAL AREAS OF VIETNAM

The project, located in Kon Plong (Vietnam), consists of two small hydroelectric power stations which provide the region with clean, sustainable and stable energy, replacing the use of diesel generators and the burning of firewood for heating and lighting. By reducing the burning of fossil fuels and firewood, the project improves the air quality both in the region and inside homes. Furthermore, the promoters of the project allocate part of the funding obtained for carbon credits to support sustainable development in communities in the region through projects such as the building of canals for water, roads and bridges and the construction of a school.

All the projects have been awarded the Clean CO₂ offsetting certificate.

REDUCTION IN EMISSIONS

In the refurbishments and openings of new company and franchise stores, a series of policies and actions are taken into account, which updated, in order to reduce energy consumption. Although the overall consumption of stores has increased owing to the opening of new stores, we can observe greater energy efficiency in stores in terms of average consumption per square metre. In 2015, we achieved a saving of 7.8% per m² in stores in Spain.

MANGO supported the decision of the Spanish Government to align itself with the package of measures proposed by the European Commission defining the climate and energy targets for 2030 in favour of a competitive, secure and low-carbon economy within the EU. The reduction target for greenhouse gas emissions is at least 40% for 2030.

STATUTORY COMPLIANCE

At the date of the present report, MANGO has not been identified or penalised for breach of the environmental legislation and regulations.

A MILLION CLIMATE COMMITMENTS

In line with the aims of the Paris Climate Summit (COP21), MANGO gave its support to the initiative "1 million climate commitments" being promoted by ECODAES and the Ministry of Agriculture, Food and Environment.

<http://www.unmillionporeclima.es/>

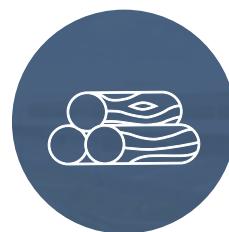
WASTE INDICATORS

All MANGO sites carry out selective collection of waste generated in order for it to be evaluated and recycled (cardboard, plastic, wood, glass, benign, etc.).

The waste generated by the company is treated by specialised external companies. MANGO does generate hazardous waste. The only special waste products are those associated with

technology and office maintenance (toner, fluorescent lamps, batteries, aerosols, halide-free solvent), which account for less than 1% of the total waste generated by the company. These special waste products are correctly treated according to the characteristics. It is also worth noting that MANGO is signed up to the comprehensive waste management systems established in certain countries (green point systems).

The quantities of waste generated at our company headquarters and warehouses, and the corresponding type of management, during 2015 is described below:



70.7%

CARDBOARD/PAPER
2,781.62TN
RECYCLING (V11)

10.8%

BENIGN
425.29TN
MANAGED BY A WASTE
COLLECTION CENTRE (T62)

14.6%

WOOD
576.63TN
RECYCLING
AND REUSE (V15)

3.3%

RECOVERABLE
MIXTURES
131.32TN
RECOVERY (V99)

0.6%

OTHER
21.76TN
RECYCLING AND RECOVERY
(V14, V41, V44)

ENERGY CONSUMPTION FIGURES

ENERGY CONSUMPTION IN STORES

The energy consumption in company stores and the estimate for franchises in Spain in 2015 totalled 34,916 GWh and 6,714 GWh respectively. In addition, the estimated consumption for company and franchise stores outside Spain totalled 88,510 GWh and 79,977 GWh respectively.

ENERGY CONSUMPTION IN OFFICES AND DISTRIBUTION CENTRES

Below, we set out the electricity, water, gas and fossil fuel consumption of the headquarters and distribution centres:



ELECTRICITY

The electricity consumption of our offices and distribution centres worldwide totalled 21,488 GWh.



GAS

We currently have seventeen gas boilers at our El Hangar, Montcada, Palau, Parets and Terrassa facilities, whose gas consumption in 2015 was 4,557 GWh.



WATER

The consumption of running water for non-industrial use at our headquarters and warehouses in Spain totals 25,124 m³.



FOSSIL FUELS

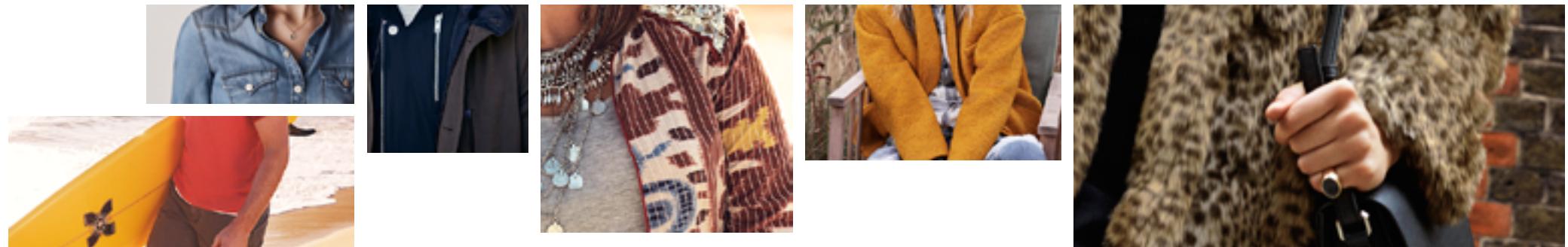
2,598 litres of diesel are consumed annually to maintain the generating equipment of our facilities.

CONSUMPTION OF MATERIALS: FABRICS

The consumption of fibres used in our fabrics for garments for 2015 totalled 147,476,959 m².

44% of these fibres were of natural origin, and 56% were synthetic fibres.

In 2015 MANGO started to offer sustainable garments by introducing organic cotton in its MANGO and MANGO Baby collections. The brand is committed to using this fibre as a raw material and plans to extend its use in all its lines in the coming seasons. Furthermore, MANGO will start to work with sustainable recycled fibres.



11

QUALITY AND SAFETY IN OUR PRODUCTS



Our commitment to our customers requires maximum rigour in terms of the health and safety of our products.



PROCEDURES FOR CONTROLLING HAZARDOUS SUBSTANCES

At the MANGO organisation we have always ensured compliance with all legislation which, with regard to hazardous substances, is applicable in the different countries in which we market our products: garments, footwear and all types of accessories.

Since 2001, we have implanted a system of controlling hazardous substances which places high quality standards on our suppliers and their factories, which is reflected in the end product.

All suppliers sign a document, as part of the commercial contract, on the MANGO regulation concerning the use of hazardous products and substances during manufacture. Once production has begun and prior to its shipment, a sample of each model/colour is taken in accordance with established criteria and sent to a laboratory for exhaustive analysis. 100% of our collections are analysed adopting this criteria.

Since the commencement of this project, we have used an internationally-acclaimed Spanish laboratory, the Textile Technology Institute – Aitex (www.aitex.org), which is the only laboratory in Spain that is part of the Swiss Oeko-Tex organisation. Analysing all our production in a single laboratory guarantees the uniformity of testing methods and permits the supervision and management of the results.

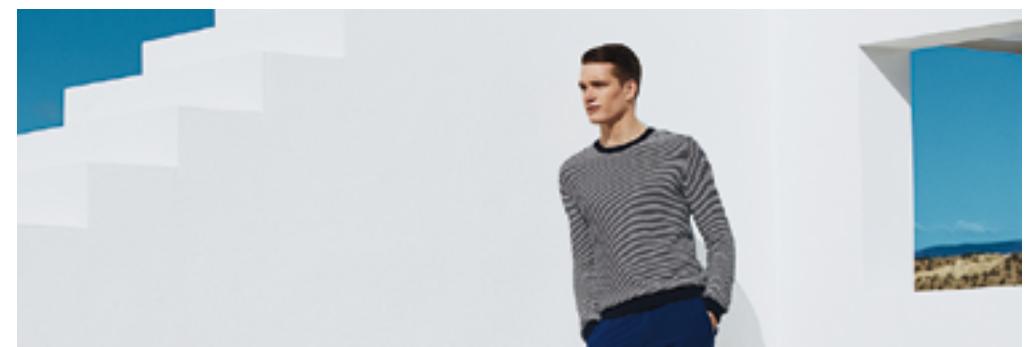
Compliance with all of the above requirements is a pre-requisite in order to be able to work with the MANGO group as a supplier.

MANGO HEALTH AND SAFETY STANDARD IN PRODUCTS

The MANGO product health and safety standard is reviewed twice-yearly and updated in accordance with changes in the legislation and other MANGO recommendations concerning chemical substances. The applied limits are stricter than the current legislation.

It is drawn up by the CSR team in collaboration with Aitex experts in the field and is published on the company website. The aforementioned document is a detailed manual on every substance analysed in the product, in addition to the applicable legislation, testing methods, toxicology, etc.

Prior to commencement of a new season, all our suppliers receive an updated version of the standard to take into consideration when purchasing the materials for the final production, therefore guaranteeing the product at source. There is also a training plan for new suppliers on the key aspects of this policy.



MANGO PRODUCT SAFETY STANDARD

PARAMETERS	APPLICABLE LIMITS	AREA OF APPLICATION
ALKYLPHENOLS (1)	100 ppm	Textiles and leather
ANTIMONY	5 ppm	Polyester textiles
ARSENIC	Not detected (0.06 ppm)	All products
BENZENES AND TOLUENES-CARRIERS (2)	1.0 ppm	Polyester textiles, silk and wool
BIOCIDES (3)	Not detected (1.0 ppm)	Natural fibres
CADMIUM	5 ppm 75 ppm	Textiles Synthetic and natural leather, metal fittings
AZOIC DYES (ARYLAMINES) (4)	20 ppm	All products
ALLERGENIC DISPERSED DYES (5)	50 ppm	Synthetic fibres
PHENOLS (PCP, TECP)	0.05 ppm 0.5 ppm	Textiles and leather for babies Textiles and leather > 3 years
ORGANIC TIN COMPOUNDS (TBT , DBT , TPHT, DOT)	Not detected (0.5 ppm)	Textiles
CHROME (VI)	3 ppm	Leather products
DIMETHYLFUMARATE (DMFU)	Not detected (0.1 ppm)	Textiles and leather
FORMALDEHYDE	16 ppm 75 ppm 300 ppm	All textiles and leather for babies All textile products that come into direct contact with the skin All textile and leather products that come into direct contact with the skin
PHTHALATES (6)	Not detecte (0,3 ppm) One: 500 ppm Sum ≤ 1000 ppm	PVC, flexible plastic and plastisol prints
MERCURY	Not detected (0.006 ppm)	All products
NICKEL	Not detected (0.2 µg/cm²/week) 0.5 µg/cm²/week	Metals which may be ingested in the human body Other metal items
SHORT-CHAIN CHLORINATED PARAFFIN	Not detected (100 ppm)	Textiles and leather
PESTICIDES (7)	Not detected (0.05 ppm)	Natural fibres and leather
PFCS (8)) (PERFLUOROCARBONS)	1 µg/m² PFOS Otros: 0.1 ppm	Textile products
LEAD	5 ppm 90 ppm	Textile products excluding synthetic leather Synthetic leather, natural leather and metals

(1) OP, NP, OP(EO)1-2, NP(EO)1-9.

(2) Chlorotoluenes, Dichlorotoluenes, Trichlorotoluenes, Tetrachlorotoluenes, Pentachlorotoluenes.

(3) Includes: triclosan, BIT, Kathon, IPBC, DTTB.

(4) 4-Aminobiphenyl, Benzidine, 4-Chloro-o-toluidine, 2-Naphthylamine, o-Aminoazotoluene, 2-Amino-4-nitrotoluene, p-Chloraniline, 2,4-Diaminoisoazole, o-Anisidine, 3,3'-Dichlorobenzidine, 2,4,5'-Trimethylaniline, 3,3'-Dimethoxybenzidine, 2,4-Toluylenediamine, 3,3'-Dimethylbenzidine, 3,3'-Dimethyl-4,4'-diaminodiphenylmethane,

(5) p-Cresidine, 4,4'-Methylene-bis-2-chloraniline, 4,4'-Oxydianiline, 4,4'-Thiodianiline, o-Tolididine, 2,4-Xyldidine, 2,6-Xyldidine, 4,4'-Diaminodiphenylmethane, 4-Aminoozobenzen.

(6) Dispersed: Blue1, Blue2, Blue7, Blue26, Blue25, Blue102, Blue106, Blue124, Brown1, Orange1, Orange3, Orange37, Orange76, Red1, Red11, Red17, Yellow1, Yellow3, Yellow9, Yellow39, Yellow49.

(7) DEHP, BBP, DBP, DIBP, DNOP, DINP.

(8) Includes: 2,4,5-T, 2,4-D, Azinophosmethyl, Azinophosethyl, Aldrine, Bromophos-ethyl, Captafol, Carbaryl, Chlordane, Chlordimeform,

Chlorfenvinphos, Coumaphos, Cyfluthrin, Cyhalothrin, Cypermethrin, DEF, Deltamethrin, DDD, DDE, DDT, Diazinon, Dichlorprop, Dicrotophos, Dieldrine, Dimethoate, Disulfoton, Endosulfan, Endrine, Efenvalerate, Fenvalerate, Heptachlor, Heptachloroepoxide, Hexachlorobenzene, Hexachlorocyclohexane, Lindane, Malathion, MCPA, MCPB, Mecoprop, Metamidophos, Methoxychlor, Mirex, Monocrotophos, Parathion, Parathion-methyl, Phosdrin/Mevinphos, Propethophos, Profenophos, Quinalphos, Toxaphene, Trifluralin.

(8) PFOA, PFNA, PFBS, PFOS, 4:2 FTOH, 6:2 FTOH, 8:2 FTOH, 10:2 FTOH, POSE, FOSA, PFHxS, PFHxA..

Brominated and chlorinated flame retardants and chlorinated solvents cannot be used during the production process.

During 2015, from the total collections of garments and accessories produced, the following incidents were detected:

All of them were managed individually, taking the appropriate measures in each case.

We are aware that the use of chemical substances begins in the production of raw materials and continues throughout the production process, which is why supervision from source is essential. For

this reason, in December 2012 MANGO signed a collaboration agreement with the Greenpeace organisation in its DETOX project, which aims to eliminate all hazardous substances used in manufacturing processes until achieving the "zero dumping" of hazardous substances by 2020. (More information in chapter 10, Environmental

aspects). In addition, an internal "re-check" of substances procedure has been developed. This consists of taking random production samples as soon as they arrive at our warehouses.

TYPE OF SUBSTANCE	NO. OF CASES	PVC	ANIMAL WELFARE	SANDBLASTING	LABELLING
ALKYLPHENOLS	1				
ARYLAMINES	5	All our fabrics are PVC free. However, a small percentage of accessories (certain bags, wallets and belts) still use it, owing to fashion trends. Furthermore, certain garment prints, for technical reasons, are also manufactured using this material.	All the hides we use in our garments and accessories are sourced from animals destined for the human food chain.	As stated in the MANGO Code of Conduct, sandblasting, a practice used to produce a used look in denim garments, is banned, owing to the risk it entails to the health of workers performing this task.	In compliance with the current legislation, all our garments and accessories are labelled, indicating the country of manufacture, composition, wash and care guidelines, etc.
CADMIUM	5				
CHROME (VI)	5				
FORMALDEHYDE	3				
LEAD	7				
NICKEL	3				
PHENOLS	2				
PHTHALATES	87				No complaints with regard to labelling were received during the period of reference of this report.

12

ECONOMIC DATA



2,327

MILLION
EUROS
OF TURNOVER

109

COUNTRIES

81%

OF SALES
IN FOREIGN
MARKETS

KEY FIGURES

The annual accounts of the MANGO group (Consolidated Group) have been drafted in accordance with Generally Accepted Accounting Principles and have been drafted in accordance with the regulations stipulated in the International Financial Reporting Standards (IFRS), pursuant to the current legislation.

All companies subject to the requirements in the legislation have been externally audited.

In addition, the group of companies that make up MANGO MNG HOLDING, S.A.U. and subsidiary companies have been jointly audited by two auditing companies, for the purpose of providing greater transparency. The companies which conducted said joint auditing were: PricewaterhouseCoopers Auditores, S.L. and Auren Auditors Barcelona S.L.P.

Below we set out the key figures and indicators of our economic performance. The figures shown are taken from consolidated financial statements and other accounting registers and the group management.

All amounts, unless otherwise stated, are expressed in thousands of euros.

RESULTS	2012	2013	2014	2015
Net turnover	1,690,982	1,845,782	2,017,131	2,327,045
EBITDA	209,192	229,939	223,255	170,662
Profit	110,490	120,598	107,648	4,615
Net profit	113,447	91,181	77,876	11,874

BALANCE	2012	2013	2014	2015
Equity	718,377	740,266	754,814	749,232
Total balance	2,117,795	2,110,758	2,367,198	2,273,090
Percentage of equity out of total balance	33.92%	35.07%	31.88%	32.96%

DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED	2012	2013	2014	2015
Economic Value Created	1,766,529	1,901,801	2,114,159	2,442,479
Economic Value Distributed	1,576,369	1,724,804	1,935,414	2,299,573
Economic Value Retained	190,160	176,997	178,745	142,906

NATIONAL AND INTERNATIONAL EXPANSION

The MANGO group has continued to expand during the 2015 financial year, with a presence in 109 countries and a total of 2,730 stores with a total surface area of 804,515m². 59.6% corresponds to company stores (479,849m² and 40.4% to franchises (324,666m²).

It is also worth noting that the percentage of sale in foreign markets was 81%.

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. In addition, this management system is applied in cases where there is a prime location and when the nature of market makes it more appropriate, even in countries where company stores exist.



MANGO WORLDWIDE BY GEOGRAPHICAL REGIONS

AMERICA

	Company stores:	Franchises:	Total stores:
Argentina	0	3	3
Aruba	0	1	1
Bermudas	0	1	1
Bolivia	0	2	2
Canada	0	1	1
Chile	0	45	45
Colombia	0	39	39
Costa Rica	0	3	3
Cuba	0	1	1
Dominican Republic	0	2	2
Ecuador	0	8	8
El Salvador	0	1	1
Guatemala	0	3	3
Honduras	0	2	2
Mexico	4	31	35
Netherlands Antilles	0	1	1
Nicaragua	0	1	1
Panama	0	2	2
Paraguay	0	1	1
Peru	0	36	36
United States	3	441	444
Venezuela	0	5	5

AFRICA

	Company stores:	Franchises:	Total stores:
Algeria	0	4	4
Cameroon	0	1	1
Egypt	0	7	7
Equatorial Guinea	0	1	1
Ghana	0	1	1
Ivory Coast	0	2	2
Morocco	0	5	5
Namibia	0	3	3
Nigeria	0	3	3
Rep. Benin	0	1	1
Rep. of Mauritius	0	5	5
Senegal	0	1	1
South Africa	0	45	45
Tunisia	0	4	4

EUROPE

	Company stores:	Franchises:	Total stores:
Albania	0	2	2
Andorra	3	5	8
Armenia	0	3	3
Austria	15	6	21
Azerbaijan	0	5	5
Belarus	0	5	5
Belgium	14	18	32
Bosnia and Herz.	0	3	3
Bulgaria	2	0	2
Croatia	12	1	13
Cyprus	0	6	6
Czech Rep.	10	0	10
Denmark	2	0	2
Estonia	0	3	3
Finland	7	0	7
France	143	62	205
Georgia	0	2	2
Germany	96	48	144
Gibraltar (RU)	0	1	1
Greece	7	5	12
Hungary	9	0	9
Ireland	7	0	7
Italy	65	17	82
Kosovo	0	2	2
Latvia	0	4	4
Lithuania	0	5	5
Luxembourg	1	0	1
Macedonia	0	2	2
Malta	0	3	3
Moldova	0	1	1
Netherlands	46	11	57
Ukraine	4	13	17
United Kingdom	59	2	61

● Company stores: 1,138
● Franchises: 1,592
● Total stores: 2,730

ASIA

	Company stores:	Franchises:	Total stores:
Bahrain	0	4	4
Cambodia	0	3	3
Hong Kong (China)	7	0	7
India	0	17	17
Indonesia	0	17	17
Iran	0	7	7
Iraq	0	1	1
Israel	0	38	38
Japan	6	0	6
Jordan	0	4	4
Kazakhstan	0	21	21
Kuwait	0	7	7
Kyrgyzstan	0	2	2
Lebanon	0	8	8
Libya	0	3	3
Malaysia	0	34	34
Mongolia	0	2	2
Myanmar	0	1	1
Oman	0	1	1
Pakistan	0	3	3
People's Rep. of China	28	42	70
Qatar	0	6	6
Saudi Arabia	0	61	61
Singapore	1	16	17
South Korea	7	0	7
Sri Lanka	0	1	1
Syria	0	2	2
Taiwan	0	25	25
Thailand	0	20	20
The Philippines	0	34	34
United Arab Emirates	0	22	22
Vietnam	0	14	14

INFORMATION ON FOREIGN SUBSIDIARIES

The company structure (foreign subsidiaries) at 31 December 2015 which supports the commercial and logistics network of the MANGO group is described below:

AGREEMENTS WITH FOREIGN COMPANIES

Our policy has always been to maintain an independent decision making capacity, which is why we do not have local partners in any country in which we operate.

SUBSIDIARY COMPANY	DATE OF INCORPORATION	ACTIVITY	COUNTRY	% HOLDING	SUBSIDIARY COMPANY	DATE OF INCORPORATION	ACTIVITY	COUNTRY	% HOLDING
MANGO France S.A.R.L.	15/11/1995	Fashion Retail	France	99.99	Mng MANGO Canada Corporation	11/09/2006	Fashion Retail	Canada	100
MANGO Deutschland GmbH	13/09/1996	Fashion Retail	Germany	100	MANGONor Comercio De Vestuario S.A.	20/12/2007	Fashion Retail	Portugal	100
Mng MANGO Uk Ltd.	22/04/1997	Fashion Retail	United Kingdom	100	MANGO Slovensko S.R.O.	26/02/2007	Fashion Retail	Slovakia	99.91
MANGO Tr. Tekstilic Lt. Sti.	21/07/1997	Fashion Retail	Turkey	99.91	MANGO Garments Hellas, S.A.	28/02/2007	Fashion Retail	Greece	100
MANGO Nederland B. V.	13/11/1997	Fashion Retail	The Netherlands	100	MANGO Russia	15/03/2007	Fashion Retail	Russia	100
MANGO Brasil Comercial Ltd.	16/12/1997	Fashion Retail	Brazil	99.99	S.A.S. MANGO Haussman	23/03/2007	Fashion Retail	France	100
MANGO Meritxell S.L.	19/06/1998	Fashion Retail	Andorra	100	MANGO Suomy Oy	25/04/2007	Fashion Retail	Finland	100
Mng MANGO Belgique Sprl	29/01/1999	Fashion Retail	Belgium	99.99	Mng MANGO Ireland, Ltd.	26/11/2007	Fashion Retail	Ireland	100
MANGO Suisse S.A.	10/06/1999	Fashion Retail	Switzerland	100	MANGO Garments Rumania S.R.L.	17/07/2008	Fashion Retail	Romania	100
MANGO Österreich Handels GmbH	31/08/1999	Fashion Retail	Austria	100	MANGO Garments and Accessory (China) Ltd.	12/01/2011	Fashion Retail	China	100
MANGO Hungary Kft	11/10/1999	Fashion Retail	Hungary	100	MANGO Korea Ltd.	03/04/2012	Fashion Retail	South Korea	100
MANGO Polska Sp. Z.O.O.	08/11/1999	Fashion Retail	Poland	100	MANGO Moda D.O.O.	24/01/2013	Fashion Retail	Croatia	100
MANGO (Cz) S.R.O.	29/12/1999	Fashion Retail	Czech Rep.	99.91	MANGO SRB D.O.O. Beograd	30/04/2013	Fashion Retail	Serbia	100
MANGO Danmark Aps	28/02/2000	Fashion Retail	Denmark	100	MANGO Luxembourg S.A.R.L.	13/05/2013	Fashion Retail	Luxembourg	100
MANGO Norge, As	11/05/2000	Fashion Retail	Norway	100	MANGO Ukraine TOV	06/08/2013	Fashion Retail	Ukraine	100
MANGO Hong Kong Limited	29/10/2003	Fashion Retail	Hong Kong (China)	99	Laura Filia M Moda d.o.o.	08/01/2014	Fashion Retail	Croatia	100
MANGO Sverige Ab	02/07/2004	Fashion Retail	Sweden	100	MANGO Operaciones Mexico S de RL de CV	06/02/2014	Fashion Retail	Mexico	99.99
Distex Inc.	03/03/2005	Fashion Retail	United States	100	VLT Moda Tekstil IC VE DIS TIC	10/02/2014	Fashion Retail	Turkey	100
MANGO Ny Inc.	09/03/2005	Fashion Retail	United States	100	MANGO Bulgaria EOOD	19/02/2014	Fashion Retail	Bulgaria	100
MANGO Italia S.R.L.	26/09/2005	Fashion Retail	Italy	100	MEXDIC Servicios de gestión de RL de CV	26/02/2014	Fashion Retail	Mexico	99.99
MANGO Online Inc.	25/10/2005	Fashion Retail	United States	100	MANGO Cannes S.A.S.	05/02/2015	Fashion Retail	France	100
MANGO Garments and Accessories Trading Ltd.	29/06/2006	Fashion Retail	China	100					
MNG Japan Ltd.	27/07/2006	Fashion Retail	Japan	100					

ECONOMIC PERFORMANCE INDICATORS

The main economic performance indicators of the consolidated group MANGO MNG HOLDING, S.A.U. and subsidiary companies for the last few financial years is described below:

SALES BY GEOGRAPHICAL REGIONS

The breakdown of the sales by geographical regions in the last few financial years is described below:

GEOGRAPHICAL REGION	2012	2013	2014	2015
Spain	291,604	323,285	375,716	454,796
EU	766,738	812,148	843,924	972,136
Rest of the World	632,639	710,349	797,489	900,111
Net turnover	1,690,981	1,845,782	2,017,131	2,327,045

SALES BY TYPE OF BUSINESS

The breakdown of the sales by type of business in the last few financial years is described below:

	2012	2013	2014	2015
Sales in company stores	1,088,249	1,234,574	1,438,647	1,693,992
Sales to franchises	602,732	611,208	578,484	633,052
Net turnover	1,690,981	1,845,782	2,017,131	2,327,045

COST OF SALES AND GROSS PROFIT

The gross profit for the last few financial years is described below:

	2012	2013	2014	2015
Gross profit (%)	56.4%	58.4%	59.4%	55.6%

STAFF COSTS

The staff costs for the last few years is described below:

	2012	2013	2014	2015
Salaries	252,174	270,288	304,649	343,077
Social Security and other social costs	58,252	62,587	72,162	81,160
TOTAL	310,426	332,875	376,811	424,238

DISTRIBUTION OF STAFF COSTS

The geographical distribution of staff costs for the last few years is as follows:

GEOGRAPHICAL REGION	2012	2013	2014	2015
Spain	142,436	153,359	169,338	183,320
EU	106,930	115,899	141,277	170,225
Rest of the World	61,060	63,581	66,197	70,691
TOTAL	310,426	332,839	376,811	424,238



SUPPLIERS OF CAPITAL

The evolution of the debts with suppliers of external capital and their proportion of the total balance for the last few years is described below:

	2012	2013	2014	2015
Short-term debts with financial institution	(298,989)	(260,742)	(355,787)	(76,911)
Long-term debts with financial institutions	(769,208)	(708,112)	(809,991)	(897,993)
TOTAL debt	(1,068,197)	(968,854)	(1,165,778)	(974,904)
Equity and short-term investments	648,490	560,319	733,271	446,428
TOTAL Net Debt	(419,707)	(408,535)	(432,507)	(528,476)
TOTAL Balance	2,117,795	2,110,758	2,367,198	2,273,090
Net Debt/Balance (%)	(19.82%)	(19.35%)	(18.27%)	(23.24%)

CHANGES IN RESERVES

The changes in reserves for the 2015 financial year is set out below:

STATEMENT OF CHANGES IN EQUITY	SHARE CAPITAL	ISSUE PREMIUM	OTHER RESERVES	FINANCIAL YEAR PROFIT	DIVIDENDS	TOTAL
Balance at start of financial year 2014	22,233	139,778	564,927	77,876	(50,000)	754,814
Distribution 2014 financial year	0	0	27,876	(77,876)	50,000	0
Profit 2015 financial year	0	0	0	11,874	0	11,874
Dividends	0	0	0	0	0	0
Other overall profit	0	0	(16,180)	0	0	16,180
Variation due to changes in consolidation perimeter	0	0	(1,276)	0	0	1,276
Balance at close of 2015 financial year	22,233	139,778	575,347	11,874	0	749,232

PROFIT ON TAX

The breakdown of the profit on tax for the last few financial years is set out below:

GEOGRAPHICAL REGION	2012	2013	2014	2015
Spain	(6,355)	28,947	29,525	(9,604)
EU	(946)	945	(1,373)	1,061
Rest of the World	4,344	(475)	1,620	1,238
TOTAL	(2,957)	29,417	29,772	(7,259)





Other information of interest

13 Auditing of the report

Informe de Verificación

TÜV Rheinland®

Cliente	Norma(s)	Certificación N° (s)	Acreditación	Período de verificación
MANGO	GRI G4	-	-	2016

Sobre la Autocertificación

TÜV Rheinland Inspection, Certification & Testing, S.A.
declara que:

Se ha efectuado la verificación de la Memoria de Sostenibilidad,
en lo que respecta a su estructura, contenido y fiabilidad de la información de
MANGO MNG HOLDING SAU.

Como resultado de este proceso de verificación TÜV Rheinland expresa que:

- El contenido de la información está basado y soportado por datos y registros comprobados como ciertos. Asimismo la información, su tratamiento, los cálculos, gráficos, etc., han sido oportunamente comprobados y verificados.
- La trazabilidad y relevancia entre información de base y contenido de la memoria es adecuada.
- Es conforme con los requisitos y principios establecidos en la Guía para elaboración de Memorias de Sostenibilidad en su versión G4, opción esencial, elaborada por Global Reporting Initiative (GRI).

Conforme a esto TÜV Rheinland establece para la
Memoria de Sostenibilidad de MANGO MNG HOLDING SAU
la calificación de conforme a GRI G4, opción esencial.

Fecha de emisión 29/06/2016.


Foto: Eva Morales López

Verificador Jefe
Responsabilidad Social Corporativa
TÜV Rheinland Group.

14 Contact details

We hope the information contained in the report meets the expectations of the various stakeholders of our organisation.

The present sustainability report is available on the MANGO website (www.mango.com).

Any suggestion, contribution or comment by users or stakeholders of MANGO on the content of the same, or on aspects relating to our corporate social responsibility, can be made at lg_rsc@mango.com or directly at our company headquarters:

MANGO MNG HOLDING, S.A.U.

c/ Mercaders 9-11, Polígon
Industrial Riera de Caldes
E- 08184 Palau-solità i
Plegamans, Barcelona,
España

June 2016, MANGO





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INDEX OF GRI CONTENT

GENERAL STANDARD DISCLOSURES	INDICATORS	DESCRIPTION	PAGE	OMISSION/REMARKS	EXTERNAL AUDITING
STRATEGY AND ANALYSIS	G4-1	Declaration of the principal decision maker of the organisation on the importance of sustainability for the organisation and its strategy.	4		✓
	G4-2	Main impacts, risks and opportunities of the organisation.	17-18		✓
PROFILE OF THE ORGANISATION	G4-3	Name of the organisation.	10		✓
	G4-4	Main brands, products and services.	10-11		✓
	G4-5	Location of the headquarters of the organisation.	78		✓
	G4-6	Number of countries in which the organisation operates and number of countries in which it carries out significant activities.	10, 25, 27-29, 43-44, 60, 71		✓
	G4-7	Nature of ownership and legal form.	7, 10		✓
	G4-8	Markets served.	71		✓
	G4-9	Size of the organisation.	6, 10, 69, 74		✓
	G4-10	Profile of the workforce of the organisation.	33-35		✓
	G4-11	Percentage of employees covered by collective bargaining agreements.	32		✓
	G4-12	Description of the supply chain of the organisation.	42-50		✓
	G4-13	Significant changes during the period covered by the report on the size, structure and ownership of the organisation.	-	There were no significant changes to the size, share structure or ownership or supply chain of the organisation, resulting in a change in the strategic model of the company.	✓

GENERAL STANDARD DISCLOSURES	INDICATORS	DESCRIPTION	PAGE	OMISSION / REMARKS	EXTERNAL AUDITING
	G4-14	Description of how the organisation has adopted a precautionary approach or principle.	57		✓
	G4-15	Social, environmental and economic principles or programmes conducted externally, in addition to any other initiative which the organisation has signed up to or approved.	19-20, 27-30, 50, 57		✓
	G4-16	Main associations the organisation belongs to and/or national and international bodies it supports.	19-20		✓
IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES	G4-17	Organisations which figure in the consolidated financial statements of the organisation.	69, 72		✓
	G4-18	Description of the process to determine the content of the report and the coverage of each aspect.	9, 15-16	In the next edition of the report, it is planned to consult the franchisee stakeholder group	✓
	G4-19	Material aspects identified.	15-16		✓
	G4-20	Coverage of each material aspect within the organisation.	15-16		✓
	G4-21	Scope of each material aspect outside the organisation.	15-16		✓
	G4-22	Consequences of the re-expression of information of previous reports and their causes.	9	There is no re-expression of information of previous reports.	✓
	G4-23	Significant changes to the scope of the coverage of each aspect with regard to previous reports.	9	There are no significant changes in the coverage of each aspect. We have chosen the indicators that best explain each aspect.	✓
STAKEHOLDER ENGAGEMENT	G4-24	List of stakeholders associated with the organisation.	12		✓
	G4-25	Basis for the selection of stakeholders the organisation works with.	12, 15		✓

GENERAL STANDARD DISCLOSURES	INDICATORS	DESCRIPTION	PAGE	OMISSION / REMARKS	EXTERNAL AUDITING
	G4-26	Approach of the organisation to the Participation of stakeholders.	12	In the main, the relationship with stakeholder groups is based on periodic contact throughout the year, allowing open and transparent dialogue on the monitoring of joint issues and projects.	✓
	G4-27	Key issues and problems arising from the participation of stakeholders and an evaluation carried out by the organisation, among other aspects, in its report. Specify which stakeholder group raised each key issue and problem.	12, 15		✓
PROFILE OF THE REPORT	G4-28	Reporting period of the report.	9		✓
	G4-29	Date of the last report.	9		✓
	G4-30	Frequency of presentation of reports.	9		✓
	G4-31	Point of contact to resolve any queries that may arise from the content of the report.	78		✓
	G4-32	Conformity option of the Guide chosen and its GRI Index.	9, 77, 80-89		✓
	G4-33	Policies and practices regarding the external auditing of the report.	9, 77		✓
GOVERNANCE	G4-34	Structure of the governance of the organisation.	7		✓
ETHICS AND INTEGRITY	G4-56	Values, principles, standards and regulations of the organisation, such as codes of conduct or ethical codes.	11, 17-18, 45-46, 66		✓

SPECIFIC STANDARD DISCLOSURES	INDICATORS	DESCRIPTION	PAGE	OMISSION / REMARKS	EXTERNAL AUDITING
CATEGORY: ECONOMY					
ECONOMIC PERFORMANCE	EDG	Management approach.	69-75		✓
	G4-EC1	Economic value generated.	69		✓
COMPETITIVENESS IN THE MARKET	EDG	Management approach.	69-75		✓
	OWN INDICATOR	Key figures.	69		✓
EXPANSION IN NEW MARKETS AND CONSOLIDATION IN EXISTING MARKETS	EDG	Management approach.	70-72		✓
	OWN INDICATOR	Geographical distribution.	70-72		✓
CATEGORY: ENVIRONMENT					
EMISSIONS	EDG	Management approach.	58-60		✓
	G4-EN15	Direct greenhouse gas emissions (Scope 1).	58	Biogenic CO ₂ emissions in metric tonnes of CO ₂ equivalent: N/A.	✓
	G4-EN16	Direct greenhouse gas emissions (Scope 2).	58		✓
	G4-EN17	Direct greenhouse gas emissions (Scope 3).	58	Biogenic CO ₂ emissions in metric tonnes of CO ₂ equivalent: N/A.	✓
EFFLUENT AND WASTE	EDG	Management approach.	61		✓
	G4-EN23	Total proportion of waste generated by type.	61		✓
STATUTORY COMPLIANCE	EDG	Management approach.	60		✓
	G4-EN29	Fines and breaches of environmental legislation.	60		✓

SPECIFIC STANDARD DISCLOSURES	INDICATORS	DESCRIPTION	PAGE	OMISSION / REMARKS	EXTERNAL AUDITING
CATEGORY: SOCIAL					
SUBCATEGORY: LABOR PRACTICES AND DECENT WORK					
EMPLOYMENT	EDG	Management approach.	32-39		✓
	G4-LA3	Levels of returning to the workplace following maternity or paternity leave.	33	Return to work index: women 97%, men 100% Retention index: women 74.9%, men 74.1%	✓
	AF22	Policies and practices regarding temporary and part-time workers.	32		✓
	AF24	Policy relating to the use and selection of recruitment agencies.	24		✓
OCCUPATIONAL HEALTH AND SAFETY	EDG	Management approach.	37-38		✓
	G4-LA7	Employees with high incidence or elevated risk of illness due to their professional activity.	37	No company employees undertake any activity that incurs the risk of serious illness.	✓
	AF31	Initiatives and programmes to respond to, reduce and prevent muscular and spinal complaints.	37		✓
TRAINING AND EDUCATION	EDG	Management approach.	37-39		✓
	G4-LA10	Skills management and continuous training courses.	38-39		✓
	AF5	Strategy and scope of efforts to increase the skills of managers, employees and other members of the workforce in order to improve social and environmental performance.	39,47		✓

SPECIFIC STANDARD DISCLOSURES	INDICATORS	DESCRIPTION	PAGE	OMISSION / REMARKS	EXTERNAL AUDITING
DIVERSITY AND EQUAL OPPORTUNITIES	EDG	Management approach.	32-33		✓
	G4-LA12	Composition of management bodies and breakdown of workforce by professional category, gender and age.	7, 34-35		✓
	AF32	Actions to tackle gender-based discrimination.	17, 32, 34, 45		✓
EQUAL REMUNERATION FOR WOMEN AND MEN	EDG	Management approach.	32		✓
	G4-LA13	Relationship between the basic salary for men and the one for women.	32		✓
SUPPLIER ASSESSMENT FOR LABOUR PRACTICES	EDG	Management approach.	42-50		✓
	G4-LA15	Significant impacts of employment practices on the supply chain and measures to address this.	47-49	The percentage of suppliers with breaches in terms of employment practices with whom improvements were agreed following the evaluation is 58.8%. The relationship was terminated in 0.25% of cases due to serious breaches of the MANGO Code of Conduct.	✓
SUBCATEGORY: HUMAN RIGHTS					
NON-DISCRIMINATION	EDG	Management approach.	45		✓
	G4-HR3	Number of cases of discrimination and corrective measures adopted.	47-49		✓
CHILD LABOUR	EDG	Management approach.	45		✓
	G4-HR5	Identification of suppliers at risk of cases of child labour, and measures adopted to address this.	49		✓
FORCED OR COMPULSORY LABOUR	EDG	Management approach.	45		✓

SPECIFIC STANDARD DISCLOSURES	INDICATORS	DESCRIPTION	PAGE	OMISSION / REMARKS	EXTERNAL AUDITING
	G4-HR6	Identification of suppliers at risk of being a source of cases of forced labour, and measures adopted to address this.	49		✓
ASSESSMENT	EDG	Management approach.	42-50		✓
	G4-HR9	Number of sites that have been subjected to inspections or impact evaluations in relation to human rights.	48	396 factories audited/44.7%	✓
SUPPLIER HUMAN RIGHTS ASSESSMENT	EDG	Management approach.	12, 42-50		✓
	G4-HR11	Significant negative impact in terms of human rights, real or potential, on the supply chain and measures adopted to address this.	47-49	The percentage of suppliers with breaches in terms of human rights with whom improvements were agreed following the evaluation is 58.8%. The relationship was terminated in 0.25% of cases due to serious breaches of the MANGO Code of Conduct.	✓
SALARIES AND WORKING HOURS	EDG	Management approach.	45-46		✓
	AF26	Policy relating to working hours.	33, 45-46		✓
SUBCATEGORY: SOCIETY					
ANTI-CORRUPTION	EDG	Management approach.	17-18		✓
	G4-SO4	Communication and capture policies on fighting corruption.	4, 7, 17-18		✓
ANTI-COMPETITIVE BEHAVIOR	EDG	Management approach.	17-18		✓

SPECIFIC STANDARD DISCLOSURES	INDICATORS	DESCRIPTION	PAGE	OMISSION / REMARKS	EXTERNAL AUDITING
	G4-SO7	Number of lawsuits for claims relating to monopolistic practices and against free competition and their outcomes.	-	In the period of reference of this report there were no cases of monopolistic practices and against free competition.	✓
SOCIAL ACTION AND CSR CHAIR	EDG	Management approach.	27-30		✓
	OWN INDICATOR	Projects and actions.	27-30		✓
CODE OF CONDUCT	EDG	Management approach.	42-50		✓
	AF1	Content and coverage of the code of conduct.	45-46		✓
	AF7	Number and location of workplaces covered by the code of conduct.	43		✓
AUDITING PROCESS	EDG	Management approach.	42-50		✓
	AF8	Number of audits conducted and percentage of workplaces audited.	43	396 factories audited/44.7%	✓
DETECTION OF NON-COMPLIANCE	EDG	Management approach.	42-50		✓
	AF4	Policy and procedures for receiving, investigating and responding to complaints and reports.	46		✓
	AF10	Incidents relating to breaches of laws relating to overtime.	49		✓
	AF12	Incidents relating to use of child labour.	49		✓
	AF13	Incidents relating to non-compliance with gender discrimination standards.	49		✓
	AF14	Incidents relating to breaches of the code of conduct.	46-49		✓

SPECIFIC STANDARD DISCLOSURES	INDICATORS	DESCRIPTION	PAGE	OMISSION / REMARKS	EXTERNAL AUDITING
CORRECTIVE ACTION PLANS	EDG	Management approach.	46-49		✓
	AF16	Remediation practices to deal with breaches or non-conformities detected.	46-49		
SUBCATEGORY: PRODUCT RESPONSIBILITY					
CUSTOMER HEALTH AND SAFETY	EDG	Management approach.	65-67		✓
	G4-PR1	Percentage of significant products and service categories for which the impact on the health and safety of customers is evaluated.	65		✓
PRODUCT AND SERVICE LABELING	EDG	Management approach.	44, 67		✓
	GR-PR4	Number of breaches of the regulations and voluntary codes relating to information and labelling of products and services.	44, 67		
CUSTOMER PRIVACY	EDG	Management approach.	12, 24		✓
	G4-PR8	In the period of reference of this report, no claims were received in relation to the breach of privacy or leakage of data of customer data.	24	In the period of reference of this report, no claims were received in relation to the breach of privacy or leakage of data of customer data.	✓
STATUTORY COMPLIANCE	EDG	Management approach.	17-18		✓
	G4-PR9	In the period of reference of this report, no claims were received in relation to the breach of privacy or leakage of data of customer data.		In the period of reference of this report, no claims were received in relation to the breach of privacy or leakage of data of customer data.	✓

SPECIFIC STANDARD DISCLOSURES	INDICATORS	DESCRIPTION	PAGE	OMISSION / REMARKS	EXTERNAL AUDITING
ANIMAL WELFARE	EDG	Management approach.	67		✓
	OWN INDICATOR	Fur policy.	67		✓

Design and modelling
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