MANGO

Sourcing Milestones 2025

SOURCING MILESTONES 2025

In 2025, MANGO strengthened its commitment to an increasingly controlled, consolidated and transparent supply chain. In a complex and rapidly evolving global environment, moving towards a responsible sourcing model involved not only managing risks but also building long-term strategic relationships that delivered stability, resilience and shared value.

During the year, we deepened our understanding of our supply chain, expanding visibility beyond tier-one suppliers and strengthening traceability systems.

At the same time, we consolidated our supplier base, prioritising strategic partnerships with suppliers committed to our sustainability principles.This approach enabled us to foster long-term relationships, promote continuous improvement and work together towards a more responsible, efficient supply chain aligned with our corporate values.

SUPPLIER AND FACTORY CONSOLIDATION

In 2025, we made significant progress in consolidating our supplier and factory base, with the aim of building a stronger, more efficient, and strategic supply chain. This process focused specifically on strengthening partnerships with strategic suppliers, or Plan Partners.

During the year, we carried out a comprehensive review of the Plan Partner Programme to strengthen its strategic focus and enhance its impact on both our supply chain and our business.
The review focused on updating the eligibility criteria by incorporating ESG indicators and traceability metrics in a more structured way, while providing a clearer definition of benefits and expectations. This encouraged long-term relationships based on transparency, continuous improvement and stable production volumes.

This process enabled us to prioritise 21 strategic suppliers, strengthen joint planning and create an environment of greater predictability and mutual trust.

Together with several of our Plan Partners, we carried out the first phase of a dedicated project to assess and develop capacities in key regions of our supply chain.

The project assessed factory production capacity and level of specialisation, identifying opportunities for consolidation and volume optimisation.

This approach enabled us to build a more robust supplier and factory network with greater technical capability and stronger strategic alignment, reducing operational risks and strengthening the long-term resilience of our supply chain.

We integrated a specific ESG (Environmental, Social & Governance) risk analysis as part of pre-due diligence when expanding or entering into new production countries.

This analysis includes an evaluation of the regulatory environment, level of compliance with labour and environmental standards, identification of structural risks (forced labour, freedom of association, climate risks, governance), political context, and corruption, among other factors.

In parallel, the Sourcing area, together with the relevant buying teams, conducts an analysis based on purchasing volume, potential buyer dependency, operational risk, and other business-related factors.

The early integration of these criteria allows us to anticipate risks, define mitigation measures, and ensure that any sourcing decision aligns with our standards of responsibility and transparency.

To strengthen control and improve the efficiency of onboarding new suppliers, we enhanced and automated our supplier onboarding process and Standard Operating Procedures (SOPs), enabling more efficient and better aligned collaboration.

This new approach is more agile, reducing lead times, improving data quality, and ensuring better communication among stakeholders. It also reinforces alignment between commercial decisions and sustainability standards.

The implementation of a new contract including ESG clauses, along with updated SOP guidelines, has strengthened the application of responsible practices across the supplier network. This commitment is complemented by on-site visits and regular training, ensuring compliance with the social and environmental standards that guide MANGO's supply chain management.

STRENGTHENING SUPPLIER RELATIONSHIPS: IMPROVEMENTS IN EVALUATION

In 2025, we consolidated the Supplier Scorecard as a central evaluation and decision-making tool for our teams. This system enables structured and comparable analysis of supplier performance through both quantitative and qualitative indicators, including social and environmental compliance, operational performance (quality, on-time delivery, production capacity), and alignment with our sales plans.

Suppliers are evaluated twice a year, enabling continuous performance monitoring and trend analysis over time. This periodic evaluation allows early identification of risks, underperformance, or recurring non-compliance issues, and facilitates the definition of corrective action plans when needed.

In the same vein, and with a focus on purchasing practices and supplier relationships, we have strengthened internal governance through semi-annual meetings with different business units. These meetings go beyond commercial performance and incorporate sourcing metrics and quality of supplier relationships.

The following aspects are reviewed:

- Scorecard results
- Number of suppliers and factories used during the season
- Level of concentration by country and supplier to identify potential risks

This cross-functional approach ensures that business decisions are aligned with responsible, transparent, and long-term supply chain management.

Additionally, MANGO continues to update its responsible purchasing policy, reflecting its commitment to responsible sourcing processes. To further strengthen this commitment, MANGO has implemented a key questionnaire to analyse purchasing practices and collect direct feedback from suppliers.

MANGO collaborates with Better Buying, a global non-profit organisation, to assess purchasing practices in an anonymous and reliable way. Using the Better Buying Purchasing Practices Index (BBPPI), MANGO gathers objective data from finished goods suppliers. In 2025, MANGO participated for the third consecutive year in this evaluation, covering seven key categories including planning, costing, sourcing, and order management. The results provide a confidential report identifying areas for improvement to optimise supplier relationships. The Better Buying methodology is based on five key principles: visibility, stability, time, financials, and shared responsibility. These principles ensure suppliers have the information needed to act, that the business is stable and predictable, and that timelines, standards, and codes of conduct are met. They also promote fair financial practices and improvements in working conditions and environmental performance throughout the supply chain.

TRACEABILITY

Traceability is one of MANGO's strategic pillars. In 2025, we made significant progress towards a more transparent supply chain by expanding visibility beyond tier-one suppliers and strengthening the reliability of the data supporting our decisions.

During the year, we reinforced the implementation of specific technological solutions to ensure traceability of raw materials and key processes. Notably, the use of the Textile Genesis platform has enabled MANGO to achieve more accurate and comprehensive traceability, increasing control and improving monitoring of material origins.

We have also continued to align with industry transparency standards through collaboration with Open Supply Hub, a global platform that promotes standardised identification and mapping of production facilities. Mango also uses this platform internally to efficiently manage its supplier database.

QUALITY

Last year, MANGO carried out a record 24,600 inspections, representing more than an 11% increase compared to the previous year, and implemented more rigorous processes. In addition to periodic supplier evaluations, MANGO conducts technical audits in factories based on its own criteria, allowing the selection of the most suitable factories depending on product type and required capabilities. Performance measurement tools developed in previous years have driven significant improvements in quality and productivity, while also supporting the company's digital transformation through new initiatives aligned with its strategic objectives.

In line with the company's commitment to continuous improvement, we have continued to strengthen and expand evaluation mechanisms. This progress is reflected both in the evolution of the methodological framework and in the sustained increase in on-site visits.

The evaluation framework has been expanded from 65 to 69 control points, reinforcing the depth and robustness of the criteria applied and aligning the process with the evolution of the required standards.

Our auditors conduct on-site factory visits to perform comprehensive assessments of production processes, internal control systems, and compliance with technical specifications. This direct supervision model strengthens traceability and reinforces the consistency of the results.

In 2025, 145 factory audits were conducted, complemented by more than 140 additional visits focused on evaluation and capability development. This level of activity highlights not only the operational scale of the model but also an active presence in the supply chain, key to driving continuous improvement and generating sustained positive impact in the sector.

In line with quality inspections and increasing regulatory complexity and product safety expectations, we have made progress in implementing a dedicated platform for managing and analysing chemical testing.

The Sourcing and Quality teams have made progress in exploring new suppliers and factories, as well as in evaluating ongoing production in order to support the adjustments needed to help improve garment quality. These visits also make it possible to gain a better understanding of the factories the company works with and to strengthen closer relationships that foster more effective collaboration with suppliers and manufacturers.

Overall, these advances build a more robust, demanding, and excellence-oriented quality model, where technical control, digitalisation, and strategic collaboration are key drivers for strengthening the supply chain.

LABELS

In 2025, MANGO strengthened its label management strategy with a clear focus on efficiency, control, and operational simplification, moving towards a more standardised and sustainable model.

Reducing the number of label references has been established as a key priority, combining internal efforts with a comprehensive review of the existing catalogue. This process has enabled us to reduce operational complexity, identify opportunities for improvement in standardisation, and optimise production costs.

Simplification not only improves economic efficiency but also contributes to a more streamlined supply chain and supports sustainability by reducing the number of labels produced and stored.

At the same time, we advanced in developing internal tracking tools, incorporating greater automation in validation, control, and monitoring processes. This reduces production issues, minimises urgent shipments, and lowers environmental impact.
These improvements also provide real-time visibility of label development and approval status, reduce manual interventions and administrative errors, and enhance communication and alignment across teams.

To balance costs and ensure supply stability, we expanded our base of nominated label suppliers from three to five strategic partners. This measure allows us to reduce risks and respond more quickly and efficiently to the company's needs, while prioritising stable, long-term relationships aligned with our quality, sustainability and compliance standards.

Overall, these advances create a more efficient, transparent, and resilient label management model, contributing to a more streamlined and strategically managed supply chain.

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