# INDEX

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## OUR SUSTAINABILITY POLICY AND MODEL

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INTRODUCTION
## Relevant Data 2011

<table>
<thead>
<tr>
<th>Category</th>
<th>Value</th>
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<tbody>
<tr>
<td>Present in countries</td>
<td>107 countries</td>
</tr>
<tr>
<td>Points of sale</td>
<td>2,401</td>
</tr>
<tr>
<td>Net opening of points of sale at 2011</td>
<td>644</td>
</tr>
<tr>
<td>Employees on 31/12/2011</td>
<td>11,267</td>
</tr>
<tr>
<td>New net jobs</td>
<td>1,492</td>
</tr>
<tr>
<td>Hours of training</td>
<td>63,000</td>
</tr>
<tr>
<td>Collaboration with suppliers of garments and accessories</td>
<td>258</td>
</tr>
<tr>
<td>Factories used</td>
<td>487</td>
</tr>
<tr>
<td>Million units manufactured</td>
<td>105</td>
</tr>
<tr>
<td>Turnover of over million euros</td>
<td>1,408</td>
</tr>
<tr>
<td>Of sales in foreign markets</td>
<td>82%</td>
</tr>
<tr>
<td>Total investment of million euros</td>
<td>135</td>
</tr>
<tr>
<td>Million euros</td>
<td></td>
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2011 has been a year of great change within the company, and this has translated into greater effort and commitment in the day-to-day of all those who are part of Mango.

We are facing an uncertain international economic situation, and have chosen to see this as a challenge and opportunity to be more competitive and efficient. On an internal level, we have improved our organisation and procedures in order to be more flexible and provide better service, especially at our points of sale and to our customers.

Last year we redesigned Mango’s image, something which could be seen from the outside with the change of our logo. We are also investing in new infrastructures and points of sale as the foundations for increasingly significant growth.

We will shortly be expanding our target with new projects: Mango Young, aimed at younger customers and other fashion lines such as a children’s collection and underwear, swimwear and sportswear for women.

All this would be impossible without the dedication and teamwork of all who are part of Mango and is a reflection of the values and philosophy of our company. We believe in people, investing in training and promoting them as opportunities are created.

I would like to thank the entire team for their daily efforts to continue to be a better and more socially responsible company.

ISAK ANDIC
President
Just as in previous years we have drafted this report, which offers a balanced view of our policies and commitments in terms of sustainability. Once again, it has been carried out by our Department of Corporate Social Responsibility in accordance with Guide G3.1 of the Global Reporting Initiative (GRI) and audited externally.

At the end of the 2011 financial year, the group had 11,267 employees in its team, and was present in 107 countries and 2,401 points of sale. Economically, the turnover was 1,408 million euros, an increase of 11% compared to the previous year, with 82% of the sales volume occurring in foreign markets.

Throughout 2011, we continued to increase our points of sale by a total of 644, many of which are corners in department stores. We currently have more than 900 corners, a figure we believe to be optimum in relation to the total number of points of sale and which has constituted a learning process for optimising sales through this channel. In 2012 so far we have been able to see its optimum operation and reap the rewards after over a year of experience.

In order to adapt to the new market situation we have carried out a series of changes in different parts of our organisation in 2011, specifically in design, interior design, advertising, logistics, purchasing and distribution. Equally, since the creation of our company, our philosophy has been to adapt to the new realities and demands of our customers. Our aim is to improve competitiveness, and also to meet the goal set in 2010 to double our turnover over a period of four years. For 2012 there are plans to open approximately 300 points of sale on commercial streets worldwide, until reaching a turnover of 1,900 million euros, which would mean a 35% increase in sales.

We continue to make progress in the different fields of corporate social responsibility in accordance with our sustainability commitments, together with interested parties, and to support the United Nations Global Compact we are part of. In this regard, and for the second time, we have carried out a complete study of greenhouse gases of our organisation and are working on reducing and compensating them. We continue to renew our commitment in all these aspects through the “made in Green” certification which guarantees that none of our garments and accessories contain substances harmful to health and that they have been manufactured in production centres with suitable environmental management and respecting the human rights of workers. We are very proud of this certification, which encourages us daily in our choice of raw materials and in the way we manufacture our garments and accessories, thus contributing to more sustainable processes.
PARTNERS - ADMINISTRATION BOARD

PRESIDENT
Isak Andic

DEPUTY PRESIDENT
Jonathan Andic

EXECUTIVE VICEPRESIDENT
Nahman Andic

MANAGING DIRECTOR
Enric Casi

OTHER BOARD MEMBERS
Isak Halfon
Daniel López
Nic Olivé
Salvador Vallés

MEMBERS OF THE EXECUTIVE COMMITTEE
Puri Campos
Elena Carasso
Miguel de la Capilla
Sezai Eren
Mª Jesús García
Ceci Izozano
Eva Rello
Eduardo Risso
David Sancho
Arif Zurnaci
04

HISTORY OF MANGO
1984
Opening of the first store on Passeig de Gràcia (Barcelona).

1992
First steps taken in the international market with the opening of two points of sale in Portugal.

1993
Point of sale number 100 opens in Spain.

1995
International expansion begins in Asia with points of sale in Singapore and Taiwan.

1997
For the first time ever the turnover generated abroad exceeds that of the domestic market.

2000
Our online sales portal opens.

2002
Mango enters China for the first time.

2006
Mango enters USA for the first time.

2007
Point of sale number 1,000 opens.

2008
The new Dynamic Distribution Centre (CDD) in Parets del Vallès (Barcelona) begins operation.

2010
Presence in over 100 countries.

2011
The expansion of MANGO Touch line of accessories begins.

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The scope and profile of this sustainability report corresponds to the consolidated group formed by MANGO MNG HOLDING, S.L.U. and its subsidiary companies.

The document, for the year 2011, was drafted in agreement with version 3.1 of the G3 Guide for drafting sustainability reports of the Global Reporting Initiative (GRI). The date of the most recent prior report, which analysed the 2010 financial year, is June 2011. Reports are presented annually.

After the external verification of the report, and in accordance with the contents and the aforementioned verification our level of application is: A+, following the specifications of the guide.

This report reflects all the major sustainability aspects of our organisation, as well as a series of indicators that have been selected following the criteria established in the aforementioned guide, the characteristics of our organisation and the expectations of the groups of interest.

All the information has been collected from the annual figures and the different accountancy and management records. Any estimates carried out are calculated on suitable bases which are clearly indicated.

All amounts, unless otherwise stated, are expressed in units of thousand euros.
ABOUT MANGO

6.1 THE GROUP
6.2 THE MANGO CONCEPT
6.3 OUR GROUPS OF INTEREST

RELEVANT DATA:

• MANGO SOCIALIZES THE FASHION AND DRESSES WOMEN WHO WANT TO WEAR THE LATEST FASHION TRENDS, WITH DESIGN AT A GOOD PRICE.

• MANGO VALUES FOCUSED ON ATTITUDE, WORK AND THE BRAND.

• AN ENTREPRENEURIAL DREAM: “TO BE PRESENT IN EVERY CITY IN THE WORLD”.
6.1 THE GROUP

MANGO MNG HOLDING, S.L.U. is the parent company of a group of companies whose main activity is the design, manufacturing and commercialisation of clothing and accessories for women through the MANGO/MNG fashion distribution chain. Since 2008, the group has also had a men’s collection with the brand H.E. by MANGO, and since 2010, a line specifically for accessories, MANGO Touch.

For the 2011 financial year the turnover was 1,408,414 thousand euros, 82% of which was from sales in markets abroad. The profits for the same period were 62,403 thousand euros. On December 31st 2011, Mango was present in 107 countries with 2,401 points of sale, of which 851 were stores and 1,550, franchises, and a total sales surface of 466,805m2. The average number of persons directly employed in 2011 was 10,283, with a total of new jobs for 1,492 people.

During 2011 a total of 644 new points of sale opened, averaging over 12 points opened per week. The forecast of new points of sale for 2012 is approximately 300, opening for the first time in Myanmar and Pakistan.

The organisation’s activity focuses on installations located in areas near Barcelona: central headquarters (warehouse and offices) and the Hangar design centre in Palau-solità i Plegamans, the distribution centre in Parets del Vallés, and our warehouses in Montcada, Sabadell, Sollent and Terrassa. There are also other warehouses in cities abroad: Hong Kong and Shanghai (China), New Jersey (USA) and Turbia (Turkey). In addition, construction work began in February 2011 on our future Logistics Park in Lluç d’Amunt.

6.2 THE MANGO CONCEPT

Since its creation, Mango has clothed the woman who wants to follow the latest trends in fashion with design, style and affordable prices all presented in points of sale whose characteristics make the act of shopping quite an experience. With an entrepreneurial dream: “to be present in every city in the world”, we are aware of the fact that we are competing at the highest of levels, without losing sight of the values present in the Mango environment.

6.3 OUR GROUPS OF INTEREST

CUSTOMERS

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

EMPLOYEES

A growth like that observed would not have been possible without the unconditional support of a team with human qualities and a solid, open and flexible mentality. There are many channels for communication and dialogue which encourage their participation in the day-to-day operation of the business.

SUPPLIERS

The relationship with suppliers is a long-term relationship of mutual trust. Suitable programming, exchange of ideas and technical support make this relationship grow stronger over time, creating synergies throughout our entire manufacturing chain.

SOCIETY

The relationship of Mango with society is based on responsibility and committed collaboration with all social groups. This commitment is particularly present in production, where we work with NGOs and trade unions. The relationships with all the organisations and groups have run smoothly thanks to regular contact and exchange of information.

FRANCHISEES

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

SHAREHOLDERS

Mango is a family group with two main shareholders who are in charge of the day-to-day management of the organization, which means that the communication with the different aspects of the company is complete and permanent.
07 OUR SUSTAINABILITY MODEL

7.1 INTRODUCTION
7.2 MANGO’S COMMITMENT TO SUSTAINABILITY
7.3 DESCRIPTION OF THE MAIN IMPACTS, RISKS AND OPPORTUNITIES FOR SUSTAINABILITY
7.4 CHRONOLOGY AND STAGES OF THE PROCESS

RELEVANT DATA:

• OUR RESPONSIBILITY IS TO BE ABLE TO SATISFY THE EXPECTATIONS OF OUR GROUPS OF INTEREST.

• MANGO HAS ESTABLISHED SPECIFIC SUSTAINABILITY COMMITMENTS WHICH IT HAS USED TO DEVELOP SPECIFIC CODES OF CONDUCT.
7.1 INTRODUCTION

At Mango we are convinced we act responsibly insofar as we are able to satisfy the expectations of our groups of interest: customers, employees, suppliers, society, franchisees and shareholders; working jointly with all of them to define and attain our policies.

Our wish is to act sustainably in all our spheres of influence, both internal and external. In order to do this, our organisation has established a series of commitments from which it has developed a series of specific codes of conduct in social, labour and environmental aspects and in terms of the safety of our products.

All these policies and procedures are based on simple and efficient management systems, verified independently both internally and externally. These are also clearly explained in our sustainability reports, which include all the major aspects and results.

7.2 MANGO’S COMMITMENT TO SUSTAINABILITY

The commitments of the Mango Group focus on the following aspects:

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

2. Social and labour: Labour relations concentrate on equality, defending the fundamental rights and principles of people.

3. Environmental: The activities are 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 health and safety.

5. Collaboration with society: Collaborations will be carried out with society in the different spheres where we develop our activities.

All Mango franchisees and manufacturers will also commit to these values, which will also be extended to all collaborators.

7.3 DESCRIPTION OF THE MAIN IMPACTS, RISKS AND OPPORTUNITIES FOR SUSTAINABILITY

ECONOMIC ASPECTS

Currently, the economic situation is experiencing a time of change and uncertainty which will set the tone in the midterm. In this sense, the main risks of our company are those characteristic of the activity and the sector we operate within.

These risks are evaluated in a permanent manner by the company management, which sets the most suitable strategy at all times. However, the figures and the results of the group that have been described ensure a suitable position and future projection.

SOCIAL AND LABOUR ASPECTS

The surroundings and characteristics of some of the manufacturing countries mean that the most significant risk in this field is to be found in the production chain. For this reason we established a code of conduct and a series of procedures which ensure this risk is controlled.

In parallel, control systems and follow-up of this code have been gradually implemented both internally and externally and directly by our organisation together with our interested parties.

ENVIRONMENTAL ASPECTS

The environmental impact we generate and the possible associated risks are diverse. The emission of greenhouse gases derived from our activity, and the use of chemical products in the manufacturing and production and distribution process are the main impact we generate.

The control of environmental aspects in factories, the energy adaptation of installations and points of sale and the optimisation of the transport of goods are some of the actions that have served to identify and control this impact and risks.

ASPECTS OF COOPERATION WITH SOCIETY

Our activity, both in the countries where we manufacture our products and in the countries where we commercialise 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 workers, franchisees, manufacturers and remaining collaborators.

The main risk stemming from this activity is that of not fulfilling expectations, our own or those of the different groups of interest in these aspects. For this reason, we understand that cooperation and joint work with interested parties is key to the present control and assessment of this risk.
QUALITY AND SAFETY ASPECTS

Certain manufacturing processes require the use of chemical products (dye, finishes, etc.) and there are a series of prohibitions and restrictions that regulate their use as well as the permitted limits of authorised substances, which may vary depending on the legislation of each country.

Our policy in this field means that this risk is adequately controlled at all times through instructions to our suppliers, restrictive limits and controls carried out by specialised laboratories. These actions make it possible to detect and eliminate garments and accessories from our collection if they do not meet our standards.

RISK CONTROL, ADMINISTRATION BOARD, EXECUTIVE COMMITTEE, INTERNAL CONTROL DEPARTMENT AND CSR DEPARTMENT

The Administration Board and Executive Committee also permanently evaluate the risks derived from the different sustainability aspects within our organisation, taking all the measures necessary for their follow-ups and control, and doing so jointly with the internal control and CSR departments.

CORRUPTION

The aforementioned departments and bodies analyse the possible risks in terms of corruption, taking the necessary measures to ensure the prevention of these situations. The personnel of these departments is trained to monitor and control all these aspects.

7.4 CHRONOLOGY AND STAGES OF THE PROCESS

Since 1984 we have been acting on CSR. However, since 2001 we have strengthened all these aspects and made them more prominent.

The main events are detailed chronologically below:

- In November 2001 we reached an agreement with a single top European laboratory, the Textile Technology Institute - Aitex, to guarantee that our clothing and accessories contain no substances harmful to health.
- In February 2002 we began contact and dialogue with the interested parties in order to establish a framework of mutual cooperation, signing an agreement with the non-governmental organization Setem, which is in charge of coordinating the Clean Clothes Campaign within Spain. In March 2002 we created the Department of Corporate Social Responsibility, in charge of establishing and coordinating policies and action in CSR within our organisation. In April 2002 we adhered to Global Compact, promoted by the United Nations. This pact calls on companies to adopt ten universal principles in the areas of human rights, labour regulations, environment and corruption.
- In June 2002 we established a series of sustainability commitments in five major areas: economic; social and labour; environmental; cooperation with society; and quality and safety of our products, based on the principles and philosophy of Global Compact.
- A Code of Conduct, which is compulsory for our suppliers and based on the commitments mentioned above, was developed and implemented during June 2002. This code includes, among others, the agreements and recommendations of the International Labour Organisation [ILO] that are applicable.
- Internal audits to check compliance with the Code of Conduct among our providers began in June 2002, and external audits began in December 2003.
- In June 2005 we drew up the first sustainability report for the group, which was for the financial year 2004, and was drafted in accordance with the Global Reporting Initiative [GRI] guide for drawing up sustainability reports.
- Since 2006 we have strengthened our cooperation with the trade union Comisiones Obreras (CCOO), specifically with the Textile and Chemical Federation (FITEGA), in aspects such as the structure and content of our sustainability reports and in the regular monitoring and checks of the factories we work with. These monitoring and checks are carried out directly at production centres jointly with our external auditors.
- In July 2006 we signed an agreement with Greenpeace to work jointly on issues relating to harmful substances and the principle of precaution in the textile sector. The aim of this agreement is to reach higher levels of protection for the health of people and the environment.
- In September 2006 we signed an agreement with the Higher School of International Trade (ESC) of Pompeu Fabra University [UPF], for the creation of the Mango Chair for Corporate Social Responsibility. Its aim is to promote research in different areas of CSR on an international scale, with numerous studies having been carried out in the last few years [mango.esci.es].
In this area of university-business we have also been collaborating with two masters programmes since 2007 and 2008 respectively. The first of these is a programme in retail focused on management at point of sale with the Higher School of International Trade (ESCI) mentioned above. The second is a programme in fashion and design industry management with the Higher School of Design (ESDI) and the Autonomous University of Barcelona (UAB), in aspects relating to the creation of a collection and its management. We believe these provide academic knowledge and professional experience, as executives and directors from Mango are teaching in direct collaboration with the teaching staff of these institutions.

In November 2008 we signed a collaboration agreement with the Foundation for the adoption, sponsorship and defence of animals (FAADA), part of the Fur Free Alliance (FFA) international coalition, which strengthens our policy and commitments regarding the use of animal fur.

In April 2009 we began communications with the Ecodes Foundation to advance in everything relating to the policies, control and follow-up of greenhouse gas emissions. These contacts materialised in 2010 through the verification of the calculation of our emissions carried out by the Foundation.

In June 2010 we obtained the “made in Green” certification. This certification, awarded by the Textile Technology Institute - Aitex, guarantees that none of our garments or accessories contain substances that are harmful to health and that they have been manufactured in production centres with a suitable environmental management system, respecting the human rights of workers.

During 2011 we joined the Transparencia Programme, which encourages the involvement of small and medium-sized companies, supporting them so that they incorporate the RSE in their business management. The programme is headed by the Council of Chambers and the Generalitat de Catalunya and collaborates with the Global Reporting Initiative (GRI).

In 2011 we joined the Acords Voluntaris initiative promoted by the Catalan Office for Climate Change of the Generalitat de Catalunya. This initiative includes the commitment to carrying out an inventory of greenhouse gas emissions and establishing measures to contribute to their reduction.

In early 2012 the business initiative “Sustainable Style Forum” in which Mango participates and which is promoted by the Entorno Foundation was presented. This proposal aims to encourage sustainable lifestyles that take into consideration values such as the environment and social protection among consumers when buying.
08
SOCIETY AND CUSTOMER RELATIONSHIP

RELEVANT DATA:

- Present in 107 countries
- Total of 2,401 points of sale
- Opening of 644 new points of sale at 2011
Our customers are the raison d’être of our organisation and our main goal is their satisfaction and to offer a quality product, with safety and guarantees in all aspects of its production while seeking to provide excellent service at all times through these specific lines: MANGO/MNG, H.E. by MANGO and MANGO Touch.

The points of sale are located in the main commercial areas and are especially designed for the enjoyment and comfort of our clients, with stock selected so that it can be easily compared and matched. All this combined with specialised attention that makes shopping for our products quite the experience.

A thorough quality control throughout our entire production chain ensures suitable performance of garments and accessories which answer to every situation. In addition, we have the “made in Green” certification, which guarantees that our products do not contain chemical substances harmful to health and have been manufactured in production centres that respect the environment and the universal rights of workers. We also have permanent communication channels with our customers, both at points of sale and through social networks and specialised departments.

CUSTOMER SERVICE

This service is carried out at points of sale by our staff, who have been specially trained in this regard, as we are very much aware that we face the daily challenge of offering our customers excellent service. This training is aimed at customer service, the product, merchandising, trends, etc.

In addition, we collect the opinions of customers about our garments and accessories in order to adapt better to their tastes and needs, transmitting these suggestions to the designs of our collections. In addition to the points of sale, customers have several channels of communication with our customers, both at points of sale and through social networks and specialised departments.

DESIGN OF POINTS OF SALE

Our points of sale are designed for the comfort and enjoyment of people and are a projection of the spirit of our staff and customers in a dynamic atmosphere resulting from the harmonisation of space. Selected products are exhibited by collection so that they are easily seen, chosen and tried on at points of sale that are comfortable, spacious and bright, more like a boutique than a chain.

STORE ONLINE

In Spain our organisation was a pioneer in internet shopping, with an online store created in 2000 to offer a better service to all our customers. There are plans for 2012 to continue this expansion through our own website www.mango.com, and opening online concessions to the best sites worldwide.

MANGO CARD

Mango has a store card that can be used to make purchases in establishments throughout Spain. The use of this card offers numerous advantages, most notably, the postponement and payment in instalments, promotions, discounts on trips, hotels and other exclusive services.

GIFT CHEQUE

Mango offers its customers two different ways of gifting fashion: through Mango gift cards, which can be bought at any store for the amount desired, and through virtual gift cheques for different amounts, to be used on our online store.
CREATION OF EMPLOYMENT

The growth of the Mango organisation has enabled the creation of a great number of jobs over the last few years, providing opportunities and contributing to economic development.

Job applications are received at our organisation through different channels:

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<th></th>
<th>Mango website</th>
<th>Other websites</th>
<th>Company staff</th>
<th>Schools and universities</th>
<th>Employment fairs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage</td>
<td>48%</td>
<td>45%</td>
<td>3%</td>
<td>1%</td>
<td>1%</td>
</tr>
</tbody>
</table>

In this sense we also support students, completing their training through placements at our organisation. In 2011 we welcomed 251 interns to central headquarters and to our different points of sale within Spain, in collaboration with different centres and universities. Of these, 8% were hired finally.

COMMUNICATION

PUBLICITY

The Department of Communication renews our image every season and plans the media on a world scale, adapting its global strategy to the characteristics of each country. The model(s) in our different campaigns are selected taking into account that they are fashion icons, with a suitable and healthy image.

In our brand image we transmit a series of values that set us apart: latest trends in fashion, design and style. All this strengthened by the presence in our campaigns of well-known faces from the world of showbusiness, fashion and sport. Some of the latest signings have been Scarlett Johansson, Anja Rubik, Isabeli Fontana, Kate Moss and Gerard Piqué.

COMMUNICATION WITH THE DIFFERENT MEDIA

Our press office maintains a constant flow with the different media. During the 2011 financial year approximately 230 press releases were issued and we provided over 140 interviews to the press.

Also during this period, a total of 88 institutions and schools visited our installations.

During 2011 we took part in 65 conferences and seminars organised by different universities and institutions, particularly on issues relating to our corporate social responsibility policy, logistics system, growth and internationalisation, etc.

VISITS TO WEBSITES

Through our website it is possible to consult all the information on our organisation, organised in a practical and interactive way. On the website it is possible to find the entire collection and different proposals, for example a Fashion Corner where there are style tips and analyses of the brand’s new lines. In 2011 our webpage, www.mango.com, received over 148 million visits.

PERSONAL DATA PROTECTION

It should be noted that all the information on personal data used in our organisation is protected in accordance with the specifications of the different laws and regulations applicable, without there having been any incidents relating to this in the period of reference.

POLICY REGARDING ANIMAL FUR

Any animal skins used in our garments and accessories are from animals destined to the human food chain. Our organisation does not use any rabbit skin or the skin of any exotic animals even though these fall under the category above.

PREMIOS Y DISTINCIONES RECIBIDOS DURANTE EL PERIODO INFORMATIVO

In 2011, the Mango organisation received the Premi Cambra 2011, presented by the President of the Generalitat de Catalunya, Artur Mas, in the category of Urban Planning and Transport. This award was presented by the Chamber of Commerce of Sabadell (Barcelona).

It should be noted that our Managing Director, Enric Casi, won a prize in the category “Special Mention to the Executive of the Most Outstanding Franchise”, within the Franquicia Awards 2011 organised by the magazine Franquicias Hoy.
In November 2006 Mango announced the creation of the first Spanish award aimed at supporting the young talent of international fashion, "El Botón – MANGO Fashion Awards". This prize has the backing, as co-organisers, of five of the most prestigious European design schools: Central Saint Martins School of Art and Design in London, l’Institut Français de la Mode in Paris, the Istituto Marangoni in Milan, the Royal Academy of Fine Arts in Antwerp and the Escola Superior de Disseny in Barcelona.

With these awards Mango wanted to create a project to provide opportunities, stimulate creativity and help to increase and encourage the international projection of young talent in fashion. It must be noted that the monetary prize of 300,000 euros is the largest in the sector throughout the world. These awards are organised every eighteen months so that it is possible to alternate the different spring-summer and autumn-winter seasons.

It should be noted that some of the most important personalities in the world of design and fashion have been presidents of the jury: Valentino, Jean Paul Gaultier, Oscar de la Renta and Carolina Herrera. In May 2012 the winner of the award in its fourth edition was Thai designer Wisharawish Akarasantisook.
Mango participates actively in different social projects, directly or through specialized organisations. At times, we finance projects in different countries, and in other ways, through non-financial projects such as donations of clothing, staff collaborations, etc. Our actions are aimed primarily at financing projects relating to family, health and education. Nevertheless, we also work in other fields we identify with or with which we feel a special connection. Below is a list of the most important projects we collaborated with during the 2011 financial year.

FINANCIAL COLLABORATIONS

VICENTE FERRER FOUNDATION: Mango financed a project for the construction of 30 homes and 2 schools in Amantique, India, aiming to provide suitable housing and facilitate access to education.

ACTIVE AFRICA: Mango collaborated with this foundation in the funding for construction of a kitchen at the Mapungwevi school in the Dowa district, Malawi, which will allow the implementation of a nutritional programme for the children.

HOMAC FOUNDATION: Mango financed the construction of 5 homes in Almata, in the Tigray region (Ethiopia). The homes are for women without means and with a family to support.

G3T PRIVATE FOUNDATION: Mango financed the construction of a technical sewing school in Giteau, a rural area of Burundi. The aim is to provide professional training to younger people without means who have not had the opportunity to study.

MEDICINS SANS FRONTIERES: Through its emergency fund Mango participates in a project in favour of Somali refugees in Liben (Ethiopia).

FAMILIAS UNIDAS: Mango financed the rehabilitation of public rural schools, providing school material for the children in the area of Estelí, Nicaragua. The goal of the foundation is the complete and sustainable development of the area, attending to the basic needs in terms of health and education.

ARED FOUNDATION: Mango collaborated with this organisation in a project for social rehabilitation, particularly for women, through training grants aimed at the clothing sector.

GRUPO ÀGATA: Mango contributes to the rent of their premises in Barcelona, a meeting place for women with breast cancer who can receive support and information there.

JOSEP CARRERAS INTERNATIONAL FOUNDATION: Mango supports the foundation’s programme through funding for the Spanish Register of Bone Marrow Donors (REDHa), which aims to create a database of donors and patients.

ASSOCIATION ACAB: Mango participates in a project of this organisation by funding workshops for support and integration aimed at people who have completed treatment for anorexia and are now outpatients.

MARE DE DÉU DE MONTserrat FOUNDATION: Mango has collaborated with this foundation which aims to promote and encourage the values characteristic of the Monastery of Montserrat.

SOÑAR DESPIERTO FOUNDATION: Mango supports this foundation by collaborating with the funding of summer camps for children from foster homes and centres from Catalonia.

TAITA FOUNDATION: Mango participates in a social integration project for children with special educational needs in a school in the Raval neighbourhood in Barcelona.

BARCELONA FOOD BANK: Mango collaborates with this organisation facilitating the storage of food thanks to the purchase of freezers.

INTERMON C IFAM: Mango has supported the work of this organisation in its actions against the consequences of the severe drought in the region of the Horn of Africa.

RED CRESCENT: Mango provided support to those affected by the earthquake in the province of Van, Turkey, through this organisation.

CHARITY SALES AT POINTS OF SALE

FERO FOUNDATION: Mango collaborated with this foundation within the framework of International Week for the fight against Cancer with the creation of a charity t-shirt designed by Jordi Labanda, and sold at our points of sale in Spain.

VOLUNTEER COLLABORATIONS

SONAR DESPIERTO FOUNDATION: Mango has taken part in leisure days at the Olympic Canal in Castelldefels (Barcelona), with the children from this foundation who live in foster homes approved by the Generalitat de Catalunya.

EXIT FOUNDATION: Mango collaborates with this foundation through the Department of Human Resources, guiding and informing young people currently accessing the labour market on the requirements and characteristics of the different jobs available in the market.

CASAL DELS INFANTS: Mango collaborates with this organisation informing and guiding young people at risk of social exclusion thanks to educational visits made to our installations.

COLLABORATION WITH WORKPLACE INTEGRATION ORGANISATIONS

RAWTEX: This organisation is in charge of garment alterations requested by our customers at the points of sale in Barcelona, and also produce samples for the Public Relations Department.

For this purpose, Mango hires the services of the following special centres of work: GASPAR DE PORTOLÀ PRIVATE FOUNDATION, ICARÀS GRÀFICAS, SIFU GROUP AND PRESIDENT ANAT ROLLENS FOUNDATION (FUPAR).

NON-FINANCIAL COLLABORATIONS

CLOTHING DONATIONS: During the 2011 financial year Mango donated clothes to different charitable organisations, both national and international.

OTHER ACTIONS WITH STAFF: In addition to supporting different charity events, social collaborations were promoted with company employees, as for instance: charity markets, conferences, charity appeals, blood donation campaigns, campaigns for the collection of food and toys at Christmas, etc.

WE COLLABORATE IN DIFFERENT WAYS, NOT ONLY THROUGH FINANCIAL PROJECTS BUT WITH OTHER INITIATIVES

MANGO EMPLOYEES PARTICIPATE ACTIVELY IN MANY VOLUNTEER EVENTS

OUR ACTIONS ARE AIMED PRIMARILY AT FINANCING PROJECTS RELATING TO FAMILY, HEALTH AND EDUCATION

MANGO PARTICIPATES ACTIVELY IN DIFFERENT SOCIAL PROJECTS
09
EMPLOYEES

RELEVANT DATA:

- A TOTAL OF 11,267 PERSONS EMPLOYED ON 31/12
- CREATION OF 1,492 NEW NET JOBS
- OVER 63,000 HOURS OF TRAINING
The work environment within the Mango organisation is set by a team with human qualities, motivation and flexibility and able to adapt to changes within the framework of major growth of the company. The main aspects which also contribute to establishing this climate are specified below:

**PERMANENT DIALOGUE**

Employees maintain permanent dialogue with the management, mainly through a series of meetings called “if I were president” with chosen representatives from each of the departments.

The conclusions, changes and improvements agreed are published and communicated to all employees on the company’s internal bulletins.

Other channels that contribute to improving communication are carried out through surveys, employees’ portal, suggestion box, etc.

**SERVICE FOR CONFLICT RESOLUTION**

In 2008 the Service for Conflict Resolution was set up. The purpose of this service is to guarantee an independent mechanism for the identification, intervention and resolution of interpersonal conflicts in the event of them being necessary.

**WELL-BEING PROGRAMME**

The aim of this programme is to improve the wellbeing of our staff at Mango headquarters, mainly through workshops and conferences.

**SALARY POLICY**

In the case of structure personnel, salaries are reviewed according to professional performance and development of each employee twice a year. As regards the teams from points of sale, the system is based on a fixed salary plus another variable one depending on the turnover of the point of sale.

For the different employee categories salaries paid are, on average, higher than the salaries of the sector. For 2011 the proportion between standard starting salary established by Mango and the salary according to the wage agreement was 57% for Spain. Salaries are subsequently increased with bonuses and promotions which increase this difference substantially.

All workers, both full- and part-time, have the same rights and social benefits. Equally, there is no wage difference or discrimination between men and women.

All Mango workers are covered by a collective agreement and the respective labour law.

**PROMOTING AND FACILITATING FAMILY LIFE WITH WORK**

**MATERNITY/PATERNITY**

After maternity, the company allows parents to modify their work timetable without needing to request reduced hours, for one year and under certain circumstances. The company also provides the full complementary wages during the time off.

**PROFESSIONAL FLEXIBILITY**

Flexible timetables due to personal reasons on the part of the employee are facilitated, as are temporary suspensions of a contract for the same reasons, with the position being reserved for the employee in all these cases. In addition, time for attending necessary medical visits is increased.

In the case of structural staff, it must be noted that, with the workers’ mutual agreement, every day work timetables are extended by half an hour in order to leave at midday on Fridays and enjoy a longer weekend.

Employees also have continuous working days on the eve of major holidays. It must also be noted that in the departments or sections where this is possible in terms of operation, this timetable is followed throughout the year.
FREE COLLECTIVE TRANSPORT

There is a transport system in place covering the main cities and routes from which our staff travel. This transport covers the different start and finish timetables, with the added advantages of not using individual vehicles.

CANTEEN SUBSIDIES

There is a high-quality catering system at our own kitchens. Employees pay 41.29% of the price and approximately 650 meals are served daily.
In addition, there are different dining areas equipped with the necessary services for employees who prefer to bring their own food.

STABILITY AT THE WORKPLACE

At the end of the 2011 financial year, an average 66.68% of employees of the organisation in Spain had permanent contracts, as illustrated in the following data:

<table>
<thead>
<tr>
<th></th>
<th>Structural personnel</th>
<th>Point of sales personnel</th>
</tr>
</thead>
<tbody>
<tr>
<td>Temp</td>
<td>6.09%</td>
<td>33.03%</td>
</tr>
<tr>
<td>Perm</td>
<td>93.91%</td>
<td>66.97%</td>
</tr>
</tbody>
</table>

On December 31st 2011 the total amount of permanent staff abroad totalled 59.97%, with 40.03% of temporary staff. Equally, full-time employees in Spain represented 59.88% and part-time employees 40.12%. In the case of employees abroad these percentages stood at 67.64% and 32.06% respectively.

PROFILE OF OUR TEAM

Below are the major aspects of the profile of our team, which consists of 11,267 people on December 31st 2011, 82% are women and 18% are men.
The percentage of workers according to gender in Spain is described below:

<table>
<thead>
<tr>
<th></th>
<th>Structural personnel</th>
<th>Point of sales personnel</th>
</tr>
</thead>
<tbody>
<tr>
<td>Men</td>
<td>36.96%</td>
<td>9.34%</td>
</tr>
<tr>
<td>Women</td>
<td>63.04%</td>
<td>90.66%</td>
</tr>
</tbody>
</table>

It should be noted that 50% of management positions within our organisation are held by women. In addition, the average age of our staff is 28.88 years.
The breakdown of the staff according to age group is as follows:

<table>
<thead>
<tr>
<th></th>
<th>Spain</th>
<th>Abroad</th>
</tr>
</thead>
<tbody>
<tr>
<td>[16-25]</td>
<td>20.10%</td>
<td>52.35%</td>
</tr>
<tr>
<td>[26-35]</td>
<td>54.57%</td>
<td>39.94%</td>
</tr>
<tr>
<td>[36-45]</td>
<td>20.61%</td>
<td>6.76%</td>
</tr>
<tr>
<td>[46-55]</td>
<td>3.88%</td>
<td>0.80%</td>
</tr>
<tr>
<td>[56 and over]</td>
<td>0.84%</td>
<td>0.15%</td>
</tr>
</tbody>
</table>

CULTURAL DIVERSITY

Our organisation is characterised by the cultural diversity resulting from the internationalisation of our business. Our central headquarters have staff from 25 different countries: Albania, Andorra, Belgium, Bulgaria, Chile, Colombia, Cuba, Czech Republic, Dominican Republic, France, Germany, Honduras, Ireland, Italy, Japan, Mexico, Netherlands, Peru, Portugal, Romania, Spain, Sweden, Ukraine, United Kingdom and USA.

MOBILITY IN JOB POSITIONS

The international nature of our organisation facilitates the geographical mobility of any workers who request it. In addition, when new internal positions to be covered become available, staff are offered the possibility to request a change of department.
ABSENTEEISM AND ROTATION IN POSITIONS

Absenteeism in the case of Spain is described below:

**STRUCTURAL PERSONNEL**

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sick leave</td>
<td>2.43%</td>
<td>2.26%</td>
</tr>
<tr>
<td>Leave due to workplace accidents</td>
<td>0.20%</td>
<td>0.12%</td>
</tr>
<tr>
<td>Maternity / paternity leave</td>
<td>1.46%</td>
<td>1.36%</td>
</tr>
<tr>
<td>Marriage leave</td>
<td>0.11%</td>
<td>0.13%</td>
</tr>
<tr>
<td>Other reasons</td>
<td>1.02%</td>
<td>0.28%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>5.22%</td>
<td>5.15%</td>
</tr>
</tbody>
</table>

**PERSONNEL OF POINTS OF SALE IN SPAIN**

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sick leave</td>
<td>2.25%</td>
<td>2.04%</td>
</tr>
<tr>
<td>Leave due to workplace accidents</td>
<td>0.16%</td>
<td>0.24%</td>
</tr>
<tr>
<td>Maternity / paternity leave</td>
<td>2.92%</td>
<td>2.97%</td>
</tr>
<tr>
<td>Marriage leave</td>
<td>0.10%</td>
<td>0.07%</td>
</tr>
<tr>
<td>Other reasons</td>
<td>0.37%</td>
<td>0.36%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>5.80%</td>
<td>5.68%</td>
</tr>
</tbody>
</table>

Total absenteeism during 2011 at company-owned stores abroad was 8.74%.

In addition, the average rotation of employees for 2011 was 4.88% for staff at central headquarters, 2.20% for warehouse staff and 14.60% for staff at points of sale.

INTERNAL PROMOTION

Almost all the directors and heads of teams are the result of internal promotion, thanks to a decisive policy in this regard and a motivated and flexible team that is able to take on new responsibilities.

6.59% of employees of central headquarters and 21.28% of those from points of sale were eligible for positions of greater responsibility during last year.

ACTIVE POLICY AND PERMANENT DIALOGUE FOR PROFESSIONAL HEALTH

The development and promotion of strategies and actions that improve conditions in the workplace is the desired goal in the field of professional health. The management of workplace risk prevention is established in the Prevention Plan and included in the general system for company management.

Below are the main activities carried out during 2011:

**TRAINING FOR PREVENTION OF RISKS IN THE WORKPLACE**

The number of people trained in workplace risk prevention during 2011 was 896 for structural personnel and 1,339 for staff in points of sale in Spain.

**RISK ASSESSMENT**

The organisation identifies and assesses the risks associated with job positions as part of the cycle of continued improvement in management of the company, making progress in all aspects of health and safety of the workers.

**REPORTS ON RISKS**

Following the policy on active participation of workers, there is a procedure to inform of any situation that may entail risks or any proposal that improves work conditions.

**SAFETY VISITS AND OBSERVATION OF THE WORKPLACE**

Safety visits are carried out periodically in certain departments to control and guarantee optimum work conditions and to favour safe behaviour.
VIGILANCE OF HEALTH

During 2011 the company’s medical service carried out a total of 737 medical check-ups on staff. Accident rates for 2011 were as follows:

<table>
<thead>
<tr>
<th>ACCIDENTS AMONG STRUCTURAL PERSONNEL</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. Accidents / No. Workers</td>
<td>0.022</td>
<td>0.013</td>
</tr>
<tr>
<td>Average duration of leave (in days)</td>
<td>15.32</td>
<td>12.54</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ACCIDENTS AMONG POINT OF SALE STAFF IN SPAIN</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. Accidents / No. Workers</td>
<td>0.018</td>
<td>0.026</td>
</tr>
<tr>
<td>Average duration of leave (in days)</td>
<td>16.30</td>
<td>12.69</td>
</tr>
</tbody>
</table>

RISK PREVENTION IN SUBSIDIARIES

In 2011 risk assessments were carried out in a total of 575 points of sale and 584 persons were trained.

TRAINING AND DEVELOPMENT

In our organisation we have established a policy of permanent training and development in order to support the attainment of the strategic goals of the business. For this we have a Training and Development department that encourages these essential aspects, both in terms of technical knowledge and professional skills. Most of these training actions are carried out in training rooms at central headquarters. The on the job recruitment plan Design your future in Mango and annual development interviews help heads of department develop and constantly accompany every member of their team.

In 2011 training was carried out during 63,305 hours, with the participation of 4,764 persons, as follows:

<table>
<thead>
<tr>
<th>PROFESSIONAL CATEGORY</th>
<th>Hours of training</th>
<th>No. of people trained</th>
</tr>
</thead>
<tbody>
<tr>
<td>Head of department</td>
<td>5,297</td>
<td>278</td>
</tr>
<tr>
<td>Administration assistant</td>
<td>8,828</td>
<td>464</td>
</tr>
<tr>
<td>Technician</td>
<td>12,359</td>
<td>650</td>
</tr>
<tr>
<td>Operators and skilled workers</td>
<td>4,237</td>
<td>223</td>
</tr>
<tr>
<td>Warehouse personnel</td>
<td>4,591</td>
<td>241</td>
</tr>
<tr>
<td>Point of sale staff</td>
<td>27,994</td>
<td>2,908</td>
</tr>
<tr>
<td>TOTAL</td>
<td>63,305</td>
<td>4,764</td>
</tr>
</tbody>
</table>

ADDITIONAL ADVANTAGES FOR OUR EMPLOYEES

Through a policy of discounts, both for clothing and accessories purchases at our points of sale, and through agreements with different companies (car sales, medical insurance, travel, gyms, shows, etc.).

With the organization of different fairs for our employees where garments, accessories, furniture and decoration objects are sold with, the concession of interest-free loans in certain personal circumstances, and the provision of venues for numerous activities.

IN TOTAL, 4,764 PEOPLE WERE TRAINED IN 2011
THE SUPPLY CHAIN
AND SUPPLIERS

RELEVANT DATA:

- Collaboration with 258 suppliers
- A total of 487 factories used
- Over 105M units produced
CHARACTERISTICS OF THE PRODUCT AND PRODUCTION SYSTEMS

There are two differentiated production systems in our organisation:

The first consists in designing the product, ordering its production and acquiring it once it is finished. In this case, the supplier is in charge of buying all the raw materials for production. Through this system the percentage of purchase for the 2011 financial year was 74.68% of the total.

The second system also consists in designing the product, but unlike the first, all the raw materials used in the garment are acquired by our organisation and subsequently sent to these suppliers for their production. The percentage of purchase value for this system for the year 2011 was 25.32% of the total.

The characteristics of the suppliers are exactly the same regardless of the system. The use of one system or another depends mainly on geographical factors (proximity) and technical factors (specialisation in production).

The volume of garments and accessories manufactured during 2011 was 105,177,058 million.

OWNERSHIP AND EXCLUSIVITY

The Mango organisation does not have direct or indirect participation in any garment or accessory manufacturer. Equally, none of them work exclusively for our organisation.

CHARACTERISTICS OF THE PRODUCT

Our garments and accessories are good quality and always maintain the same standard of manufacture. For this reason the entire production of a model is always carried out with the same manufacturer, except on the odd occasion where legislation imposes limits for matters relating to origin and quotas.

PRODUCTION PROGRAMMING

Our manufacturing period lasts about three to four months from the time the order is placed to when the stock is received.

Prior to each season we programme dispatches to points of sale, requesting production according to this criterion. If finally there is a difference with regard to the sales forecast, the regulation of deliveries or changes between points of sale is carried out from our warehouse and central services. In the event of there being excess stock at the end of the season this is sold through discounts and promotions.

LIST AND NUMBER OF SUPPLIERS

The collaboration with our suppliers is long-term, and there is a permanent dialogue, analysis and joint planning of all aspects of manufacturing as well as of the quality control carried out by our technicians in all factories. During the 2011 financial year the number of suppliers and factories which carried out production of garments and accessories was:

<table>
<thead>
<tr>
<th>Suppliers</th>
<th>Factories</th>
</tr>
</thead>
<tbody>
<tr>
<td>Garments</td>
<td>181</td>
</tr>
<tr>
<td>Accessories</td>
<td>77</td>
</tr>
<tr>
<td>384</td>
<td>103</td>
</tr>
</tbody>
</table>

It should be noted that suppliers can work with more than one factory to produce the different collections. Equally, some of these factories can be used in different ways at different points in time, depending on the characteristics of the product.

GEOGRAPHICAL DISTRIBUTION

Purchases, in percentages of units per country, are as follows:

- China: 40%
- Vietnam: 17%
- Morocco: 11%
- Bangladesh: 4%
- Indonesia: 4%
- Turkey: 11%
- India: 7%
- Pakistan: 2%
- Others: 4%
LABELLING

All our garments and accessories are labelled, stating the country in which they have been manufactured. In 2011 there was no non-compliance in terms of the regulation relating to information and labelling of our products.

SUBCONTRACTING

Our policy of control and the characteristics of production mean that subcontracting cannot be carried out by manufacturers for the production of garments and accessories.

By subcontracting we understand the referral to a third party on the part of the supplier of all or part of the production ordered from it without the knowledge or authorisation of Mango. Although all our suppliers have unified the manufacturing process, at times there are special processes some suppliers cannot carry out and which are carried out by other specialised companies, such as embroidery. In these cases Mango is aware of these productions and authorises them.

CODE OF CONDUCT FOR MANUFACTURERS

To ensure the adequate compliance with all labour, social and environmental standards on the part of our manufacturers of garments and accessories (hereafter manufacturers), the MANGO Group establishes this compulsory Code of Conduct.

1. CHILD LABOUR

Following the criteria observed in ILO conventions manufacturers will not use child labour. Our policy on underage workers is based on the United Nations Convention on the Rights of Children.

2. FORCED AND OBLIGATORY LABOUR

Manufacturers will not use any sort of forced or obligatory labour.

3. HEALTH AND SAFETY IN THE WORKPLACE

Manufacturers will guarantee their employees a workplace that is safe (fire prevention, machinery, etc.) and healthy (light, ventilation, hygienic conditions, etc.) also complying with any legislations applicable in this regard. They will also guarantee that these conditions extend, if applicable, to all installations for employees.

In addition, in the case of denim manufacturers, the fading technique known as sandblasting which consists in the use of pressurised sand, will not be used given the risk it poses to the health of the workers carrying it out.

4. FREEDOM OF ASSOCIATION

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

5. DISCRIMINATION

Manufacturers will not discriminate in labour and hiring practices as a result of race, nationality, religion, disability, gender, age, sexual orientation, political association or affiliation or any other situation.
6. DISCIPLINARY MEASURES, HARASSMENT AND ABUSE

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

7. WORK TIMETABLE

Manufacturers will comply with the applicable legislation and regulations of their industry regarding hours worked. Overtime will always be voluntary and suitably compensated.

8. SALARIES

Manufacturers will guarantee that salaries comply strictly with all legislation. Equally the minimum legal wage will be considered the legal minimum, but not a recommended wage level.

9. SUBCONTRACTING

Manufacturers may only carry out production in factories authorised and checked by Mango.

10. ENVIRONMENT

All manufacturing activity will be carried out respecting the environment and complying with the planned legislation and regulation. All manufacturers must agree to the document committing to the restrictions on chemical products by Mango.

11. COMPLIANCE WITH CURRENT LEGISLATION

Manufacturers must also comply with applicable legislation in everything not included in the points above.

COMMUNICATION

A copy of this code will be displayed at the main personnel entrances and exits in the installations of the manufacturer, both in English and the local language. The copy mentioned will include a contact e-mail address at Mango in case any worker wishes or needs to make use of it.

SCOPE OF APPLICATION

All the points mentioned are compulsory for all manufacturers working with the Mango Group.

In order to attain this objective, manufacturers will authorise the Mango Group to carry out checks, either by itself or through a third party, for the monitoring of the application of this code. In addition they shall allow supervisors access to documentation and to all the necessary means to do so. These audits may be carried out either according to schedule or without prior warning.

ACCEPTANCE AND COMMITMENT ON THE PART OF MANUFACTURERS

All manufacturers will accept and commit to compliance with all the points specified in this Code, and possible subsequent action, by signing and stamping all the pages of a copy which will always be available at the Mango organisation.

VERIFICATION

The application of the Code in the different factories and installations of the manufacturers will be checked regularly, internally and externally; this verification may be carried out jointly with other organisations (NGOs, etc.).

CORRECTIVE ACTIONS

Any situation which implies the non-compliance with the points mentioned above should be corrected by the manufacturer, in under six months. It should be stated that Mango will take part in these actions providing technical support.

In the event of these corrections not having been applied within the period stated or in the case of serious situations involving social emergencies or other major aspects and the manufacturer not taking the necessary measures for their immediate correction, the Mango Group will cancel any relationship with the manufacturer in question.
MONITORING OF THE CODE

To ensure adequate compliance with the Code, we will carry out a series of actions and checks on garment and accessories factories at different times:

PRIOR SELECTION OF SUPPLIERS:

The departments in charge of selecting suppliers will carry out an analysis and previous checks to ensure these suppliers meet all the points stipulated in our Code of Conduct.

QUALITY CONTROL:

Given the characteristics of our production system, we have quality control teams who regularly visit the different factories, carrying out controls on quality and all other aspects relating to manufacturing. In addition to carrying out this follow-up, these technicians ensure there is no breach of our Code of Conduct.

TRAINING:

The department of Corporate Social Responsibility is in charge of the direct training in this field (implementation and follow-up of the Code, etc.), both internally and externally.

INTERNAL AUDITING:

This department is also in charge of carrying out follow-up controls and audits to check compliance with the Code of Conduct on the part of suppliers. The following steps are carried out in these audits:

- Interview with the supervisors and/or owners of the factories to gather all the necessary information on labour, social and environmental aspects and their procedures.
- Thorough review of the factory installations, filming and photographing them completely.
- Selection of a sample of employees from the supplier’s personnel files and directly from the chain of production for interviews which include all aspects of our Code of Conduct and procedures, placing special emphasis on the review of pay conditions (salaries, payment of overtime, etc.).
- In the event of the existence of trade unions, this entire process is carried out jointly with their representatives.
- Finally, a report is drawn up on the compliance with our Code of Conduct as well as a document which includes a series of recommendations to be applied in all these aspects. In the event of corrective action being necessary a timeline is established for its application.

EXTERNAL AUDITING:

External auditing of our Code of Conduct among our suppliers is carried out by Auren Auditors - Consultors Barcelona S.A., which came recommended by the nongovernmental organisation Setem. The procedure followed in the external audit is basically the same as that followed in the internal audit.

Finally, the external auditors issue a certificate of compliance with our Code of Conduct, as well as a document including recommendations on these issues should they be necessary.

SITUATION OF INTERNAL AND EXTERNAL AUDITS:

The factories audited externally in 2011, as of the date of this report, totalled 100% both for garments and accessories.

Once the factories had been reviewed and the start of production authorised, external audits were carried out in a period no longer than three months. The audits mentioned also focus on the regular maintenance of those which have already been audited.

To obtain the “made in Green” certification, 50% of our direct suppliers of raw materials and trimmings were also audited, in keeping with the system stipulated by the certification (in order of importance for the amounts purchased).

The Mango organisation provides the organisations it collaborates with in the supply chain with a list of the garment and accessories factories it works with.

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The Mango organisation provides the organisations it collaborates with in the supply chain with a list of the garment and accessories factories it works with.
AUDIT RESULTS:

The breaches of our Code which have been identified in the different audits carried out in factories during the period in question are described below:

<table>
<thead>
<tr>
<th>COUNTRY</th>
<th>Number of breaches</th>
<th>Points of code breached</th>
</tr>
</thead>
<tbody>
<tr>
<td>CHINA</td>
<td>4</td>
<td>7, 10</td>
</tr>
<tr>
<td>MOROCCO</td>
<td>2</td>
<td>3, 10</td>
</tr>
<tr>
<td>TURKEY</td>
<td>10</td>
<td>3, 7, 8, 10</td>
</tr>
<tr>
<td>VIETNAM</td>
<td>7</td>
<td>7, 8, 10</td>
</tr>
</tbody>
</table>

In the case of incidents reported by local trade unions, their analysis and resolution were carried out jointly with the said unions and with the organisations involved with which we have a CSR agreement.

OBJECTIVES

The main objective for the year 2012 is to maintain the criteria and percentages reached in the 2011 audits, both for garment and accessories factories, as well as the volumes from audits carried out on raw material and trimmings factories stipulated by the “made in Green” certification.
ENVIRONMENTAL ASPECTS

RELEVANT DATA:

• Annual inventory of greenhouse gas emissions

• Adherence to the Acords Voluntaris Initiative on greenhouse gases.

• Annual compensation of emissions from offices, warehouses and staff transport.
**ENVIRONMENTAL POLICY AND MANAGEMENT SYSTEM IN MANGO**

The starting point of Mango in this area was in 1999 with the creation of a manual for good environmental practices, which identified the most important aspects, and the application of prevention measures. A few years ago Mango implemented its Environmental Management System (SGAM), which aims to carry out a detailed monitoring of all the environmental aspects.

The characteristics of our activity involve two clearly differentiated spheres in environmental management, an internal one and an external one.

**INTERNAL SPHERE**

**PRODUCT, CONTAINERS AND PACKAGING**

Within our organisation we have a Packaging Waste Prevention Business Plan (PEP) approved by the administration and which provides the framework for the following actions:

- Reduction and optimisation of the use of packaging in relation to the product ($K_v/K_p = 0.379$).
- Use of 100% recycled material in all boxes, use of paper tape without any sort of metallic elements.

For the first dispatches to points of sale we use the cross-docking system, which consists in selection pre-established and prepared from suppliers. In this way, boxes do not need to be manipulated when they reach warehouses and are sent directly to destination. This system presents advantages such as less use of packaging and lower energy consumption.

**INSTALLATIONS AND LOGISTICS CENTRES**

**CENTRES OF ACTIVITY**

Our organisational activity is carried out in different centres, which are optimised in terms of energy consumption and efficiency.

**CLASSIFICATION, BOXING AND DELIVERY**

Our centres for the distribution of goods have classification and boxing systems with specific software that makes it possible to optimise the content of the boxes sent to points of sale.

No boxes are used in transport to our distribution centres for garments which are distributed on hangers from the supplier according to their characteristics. Equally, the same system is followed from these centres to the closer points of sale.

**POINTS OF SALE**

We are part of a sector where the characteristics of the point of sale and the presentation of the product are key factors. Lighting, space and climatisation are essential to the correct management of our business.

As regards franchises, these are organised from within the group as the management system and operation are centralised from our central headquarters.

We are committed to managing this sphere in the most balanced manner and with the least possible environmental impact. For this reason we have taken a series of measures that are detailed below:

**LIGHTING**

We continue to place great emphasis on the reduction of electric consumption, on the duration of materials and their environmental impact.

For years we have been lighting our stores with halide lights, which provide better lighting with lower consumption, manage to save over 45% energy and are more durable in comparison to other technologies.

LED (light-emitting Diode) lighting is being tested out in some of our stores but will not be fully implemented until its chromatic reproduction can be optimised.

**MATERIALS USED IN POINTS OF SALE**

Here we use materials that are less aggressive to the environment and more natural, such as basalt for flooring.

We are gradually replacing wood in points of sale for other types of elements that are longer lasting and require less maintenance. However, parquet flooring has been used with the certification awarded by the organisation Programme for the Endorsement of Forest Certification Schemes (PEFC) which ensures sustainable silviculture.

Finally, it should be noted that anti-graffiti liquid protectants applied to the façades of points of sale are composed of 100% natural wax.

**REUSE**

As regards reuse, it should be noted that all returns of clothing and accessories at the end of the season are made in reused boxes, as are all dispatches of stock between the different points of sale. In addition, some of the furniture of outlets is from other points of sale and installations.

Hangers used in points of sale are made of high quality durable wood; the plastic hangers with which the clothes arrive are reused for sales.
BAGS
All the paper used in the production of the bags handed to clients has the certification of sustainable forest management issued by the Forest Stewardship Council (FSC) or is recycled paper. In addition, many of our plastic bags are also made with recycled material and are biodegradable.

SUSTAINABLE POINT OF SALE
In 2011 we took part in a project developed by the MangoESCI Chair to draw up a guide of practical recommendations for energy efficiency in points of sale. For this purpose a points system and classification was created depending on the technical characteristics of the installations.

INTERNAL TRANSPORT
Regarding the movement of our staff to the different installations, we have a free collective transport system from the most important cities nearby with the ecological advantages this entails. In addition, we have other internal modes of transport in the organisation: fleet of vehicles, etc.

THE EXTERNAL SPHERE
DISTRIBUTION AND SUPPLY
All the logistic activities of our organisation are contracted out to third parties and controlled and monitored from our central headquarters.

All the points of the distribution chain are optimised in terms of time and load volumes, generating the least environmental impact possible.

PURCHASE AND RECEIPT OF GOODS
The main means of transport used by Mango, and also that with the least environmental impact, is maritime transport. However, for some areas and specific circumstances road, and very occasionally air, transport are also used.

DISPATCHES TO POINTS OF SALE
The first deliveries to points of sale are made, almost entirely, by preparing selections with the crossdocking system described above. In addition, restocking is carried out periodically, and dispatched speedily depending on sales.

TRANSPORT COMPANIES
Whenever possible single carriers deliver to the greatest number possible of destinations, thus optimising dispatches. It should be noted that all the transport companies we collaborate with are top organisations with established environmental policies.

MANUFACTURERS, SUPPLIERS AND PRODUCT
The entire manufacturing activity is carried out through third-party companies located in different companies. One of our priorities in this regard is the implementation of practices that respect the environment through different types of actions:

- The direct verification of their environmental policies and practices through audits of factories;
- The application of our instructions on the use of chemical products in the manufacture of raw materials and rest of processes.

GREENHOUSE GAS EMISSIONS
CALCULATING EMISSIONS
For the last two years a complete study and calculation of greenhouse gas emissions has been carried out. This study includes all the categories of emissions carried out following international protocols, that is to say: scope 1 (direct emissions), scope 2 (indirect emissions associated with electricity) and scope 3 (other indirect emissions).

This study, carried out by the Environmental Management Research Group (GIGA), of the Pompeu Fabra University, has two objectives. The first is to show what this impact is and what possible measures and actions for improvement can be adopted; the second is what reductions can be derived from these improvements.

The Ecodes Foundation verifies these studies annually, awarding Mango the Cero-Co2 label for production and logistics (calculated and verified).
RESULTS OF THE STUDY

The total of greenhouse gas emissions for 2011 is 236,909 Tn Co2 Eq.

The distribution of these emissions is as follows:

- Electricity points of sale: 44%
- Transport of goods: 27%
- Production of raw materials: 12%
- Electricity from production of goods: 9%
- Staff transport: 4%
- Electricity from offices and warehouses: 3%
- Transport of raw materials: 1%

In addition, since 2009 Mango has been compensating for the emissions from its production centres, offices and staff transport through a project for the installation of wind energy in India, carried out by the Ecodes Foundation.

ACCORDS VOLUNTARIS

Since 2010 Mango has been part of the Acords Voluntaris programme, promoted by the Generalitat de Catalunya, as part of its actions on greenhouse gases.

This programme entails establishing an inventory of the gases emitted as well as a policy for the reduction and, if necessary, compensation of emissions.

REDUCTION OF EMISSIONS

In the remodelling and openings of the new company-owned stores a series of criteria are taken into account in order to reduce energy consumption. The summary of this reduction is as follows:

<table>
<thead>
<tr>
<th>Period</th>
<th>Reduction of energy consumption*</th>
<th>Reduction of greenhouse gases</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Percentage over total of emissions from points of sale</td>
<td>Percentage over total of emissions from points of sale</td>
</tr>
<tr>
<td>2008-2011</td>
<td>11,076,53 GWh</td>
<td>2.28%</td>
</tr>
</tbody>
</table>

*In remodeled company-owned stores.

The forecast for energy consumption reduction in remodeled company-owned stores for the period 2012-2015 is 8,895.13 GWh. It should be noted that franchisees follow their own remodelling policy for installations and are not included in the information above for this reason.

WASTE INDICATORS

A selective collection of waste generated is carried out in all Mango installations so that it can be assessed and recycled. It should also be pointed out that we comply with the integrated systems for waste management established in certain countries (green point systems).

The amounts of waste generated in our installations in the year 2011 are described below:

<table>
<thead>
<tr>
<th>Material</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paper</td>
<td>1,942.41 Tn</td>
</tr>
<tr>
<td>Ordinary</td>
<td>418.55 Tn</td>
</tr>
<tr>
<td>Wood</td>
<td>88.08 Tn</td>
</tr>
<tr>
<td>Scrap metal</td>
<td>28.31 Tn</td>
</tr>
<tr>
<td>Plastic</td>
<td>14.20 Tn</td>
</tr>
<tr>
<td>Fabrics</td>
<td>10.84 Tn</td>
</tr>
<tr>
<td>Electronic equipment</td>
<td>6.24 Tn</td>
</tr>
<tr>
<td>Trimmings</td>
<td>0.87 Tn</td>
</tr>
<tr>
<td>Fluorescent lights</td>
<td>0.55 Tn</td>
</tr>
<tr>
<td>Furniture</td>
<td>0.28 Tn</td>
</tr>
<tr>
<td>Toners</td>
<td>0.21 Tn</td>
</tr>
<tr>
<td>Aerosols</td>
<td>0.11 Tn</td>
</tr>
<tr>
<td>Special waste packaging</td>
<td>0.10 Tn</td>
</tr>
<tr>
<td>Paints and varnishes</td>
<td>0.000103 Tn</td>
</tr>
</tbody>
</table>

TOTAL                | 2,510.76 Tn |
ENERGY CONSUMPTION INDICATORS

CONSUMPTION IN POINTS OF SALE

The electric consumption of company-owned points of sale and an estimation for franchise-holders in Spain for 2011 is 27.51 GWh and 8.93 GWh, respectively. In addition, for points of sale outside Spain it is 68.46 GWh and 74.46 GWh, respectively.

OFFICES AND DISTRIBUTION CENTRES

The detail of the electricity, water and gas consumption for the central headquarters and other distribution centres is as follows:

ELECTRICITY

The electricity consumption for our offices and distribution centres worldwide is 14.50 GWh.

WATER

The consumption of running water for non-industrial use in our central headquarters and warehouses in Spain is 22,250 m³. All our installations have the necessary runoff authorisation and the destination can be direct or indirect.

GAS

We currently have seventeen boilers in our installations at “El Hangar”, Montcada, Palau, Parets and Terrassa, where the gas consumption for 2011 was 3.15 GWh.

CONSUMPTION OF MATERIALS

FABRIC

The consumption of fibres used in our fabrics for garments in 2011 totalled 97,475,728.82 m². 61% of these fibres are natural, 19.70% are artificial chemical fibres and 19.30% synthetic chemical fibres.
ECONOMIC DATA

12.1 Preparation of Annual Accounts and External Verification
12.2 Basic Figures
12.3 National and International Expansion
12.4 Economic Performance Indicators

RELEVANT DATA:

TURNOVER OF 1,408 MILLION EUROS
82% OF SALES IN FOREIGN MARKETS
TOTAL INVESTMENT OF 135 MILLION EUROS
12.1 PREPARATION OF ANNUAL ACCOUNTS AND EXTERNAL VERIFICATION

The annual accounts of the different individual companies and the Mango Group have been prepared in accordance with Generally Accepted Accounting Principles and Norms, in order to offer a faithful representation.

These annual accounts have been prepared in accordance with the International Financial Reporting Standards (IFRS), following the applicable legislation.

All the companies within the requisites stipulated in the legislation were audited externally.

In addition, the group of companies formed by MANGO MNG HOLDING, S.L.U. and subsidiaries was co-audited by two auditing companies, in order to show greater transparency. The companies carrying out this co-audit were PricewaterhouseCoopers Auditores, S.L. and Auren Consultants-auditors Barcelona S.A.

12.2 BASIC FIGURES

Below is a description of the main figures and indicators of economic performance. The data shown is from consolidated financial statements and other accounting and management records of the group.

<table>
<thead>
<tr>
<th>RESULTS</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net turnover (thousand euros)</td>
<td>1,020,356</td>
<td>1,100,705</td>
<td>1,145,156</td>
<td>1,269,523</td>
<td>1,408,414</td>
</tr>
<tr>
<td>Interannual variation (%)</td>
<td>8.28%</td>
<td>7.87%</td>
<td>4.04%</td>
<td>10.85%</td>
<td>10.04%</td>
</tr>
<tr>
<td>EBITDA (thousand euros)</td>
<td>229,212</td>
<td>191,848</td>
<td>192,821</td>
<td>186,904</td>
<td>148,382</td>
</tr>
<tr>
<td>Interannual variation (%)</td>
<td>16.32%</td>
<td>16.30%</td>
<td>(0.51)%</td>
<td>(3.07)%</td>
<td>(20.61)%</td>
</tr>
<tr>
<td>EBIT (thousand euros)</td>
<td>190,629</td>
<td>143,433</td>
<td>132,119</td>
<td>119,971</td>
<td>74,958</td>
</tr>
<tr>
<td>Interannual variation (%)</td>
<td>15.42%</td>
<td>(24.76)%</td>
<td>(7.89)%</td>
<td>(9.19)%</td>
<td>(37.52)%</td>
</tr>
<tr>
<td>Net profit (thousand euros)</td>
<td>129,139</td>
<td>143,258</td>
<td>148,016</td>
<td>101,164</td>
<td>62,403</td>
</tr>
<tr>
<td>Interannual variation (%)</td>
<td>4.11%</td>
<td>10.93%</td>
<td>8.32%</td>
<td>(32.65)%</td>
<td>(38.32)%</td>
</tr>
</tbody>
</table>

## BALANCE

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net worth (thousand euros)</td>
<td>532,688</td>
<td>561,248</td>
<td>623,385</td>
<td>657,385</td>
<td>700,958</td>
</tr>
<tr>
<td>Interannual variation</td>
<td>5.08%</td>
<td>5.36%</td>
<td>11.07%</td>
<td>5.52%</td>
<td>7.47%</td>
</tr>
<tr>
<td>Total balance (thousand euros)</td>
<td>1,755,742</td>
<td>1,913,063</td>
<td>1,975,821</td>
<td>2,160,483</td>
<td>2,169,220</td>
</tr>
<tr>
<td>Interannual variation</td>
<td>23.73%</td>
<td>10.10%</td>
<td>2.21%</td>
<td>(9.35)%</td>
<td>0.40%</td>
</tr>
<tr>
<td>Net worth percentage of total balance</td>
<td>30.34%</td>
<td>29.03%</td>
<td>31.55%</td>
<td>30.45%</td>
<td>32.59%</td>
</tr>
</tbody>
</table>

## POINTS OF SALE

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total no. of points of sale at end of financial year</td>
<td>1,094</td>
<td>1,228</td>
<td>1,390</td>
<td>1,757</td>
<td>2,401</td>
</tr>
<tr>
<td>No. of company-owned points of sale</td>
<td>381</td>
<td>489</td>
<td>583</td>
<td>707</td>
<td>851</td>
</tr>
<tr>
<td>No. of franchised points of sale</td>
<td>713</td>
<td>739</td>
<td>807</td>
<td>1,050</td>
<td>1,550</td>
</tr>
<tr>
<td>No. of countries with open points of sale</td>
<td>89</td>
<td>90</td>
<td>97</td>
<td>102</td>
<td>107</td>
</tr>
</tbody>
</table>

## OTHER INFORMATION

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage of sales in foreign markets</td>
<td>76%</td>
<td>77%</td>
<td>79%</td>
<td>81%</td>
<td>82%</td>
</tr>
<tr>
<td>No. of employees on 31/12</td>
<td>7,786</td>
<td>8,425</td>
<td>8,662</td>
<td>9,775</td>
<td>11,267</td>
</tr>
</tbody>
</table>

The investment made by the group in the year 2011 was 135 million euros, destined to new openings, renovations of stores, logistics systems and information. Planned investment for 2012 is 140 million euros.
12.3 NATIONAL AND INTERNATIONAL EXPANSION

The expansion of the Mango Group continued during the 2011 financial year thanks to the opening of 644 new points of sale, with a presence in 107 countries.

The franchise system is followed in countries where cultural and administrative characteristics are different to ours, and makes it more suitable for people from these countries to be in charge of management. Equally, this management system is also applied in cases where a good location is provided and market characteristics make it more appropriate.

MANGO IN THE WORLD

The following map shows the countries in which we are present and have openings planned for 2012.

- **2011**
- **Forecast 2012-2013**
A detailed evolution of the last five years and the total points of sale by country are offered below:

<table>
<thead>
<tr>
<th>COUNTRIES</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Albania</td>
<td>2</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Andorra</td>
<td>5</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Algeria</td>
<td>2</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Argentina</td>
<td>4</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Armenia</td>
<td>2</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Austria</td>
<td>2</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Azerbaijan</td>
<td>20</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bahamas</td>
<td>4</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Belgium</td>
<td>23</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bermuda</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bolivia</td>
<td>6</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brazil</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bulgaria</td>
<td>9</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cambodia</td>
<td>5</td>
<td></td>
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<td>Cyprus</td>
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<tr>
<td>Colombia</td>
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<td>Costa Rica</td>
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<tr>
<td>Croatia</td>
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<tr>
<td>Cuba</td>
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<td>Czech Republic</td>
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<td>El Salvador</td>
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<td>Estonia</td>
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<td>Finland</td>
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<td>France</td>
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<tr>
<td>Georgia</td>
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<td>Germany</td>
<td>103</td>
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<td>Greece</td>
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<td>Guatemala</td>
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<td>Holland</td>
<td>2</td>
<td></td>
<td></td>
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<tr>
<td>Honduras</td>
<td>5</td>
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</tr>
<tr>
<td>Hong Kong (China)</td>
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</tr>
<tr>
<td>Hungary</td>
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<td></td>
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<tr>
<td>India</td>
<td>18</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Indonesia</td>
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<tr>
<td>Iraq</td>
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</tr>
<tr>
<td>Iran</td>
<td>1</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Ireland</td>
<td>6</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Israel</td>
<td>25</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Italy</td>
<td>66</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ivory Coast</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Japan</td>
<td>8</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jordan</td>
<td>3</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kazakhstan</td>
<td>12</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The company structure (subsidiaries abroad) which supports the commercial and logistic network of the Mango Group on December 31st 2011, is described below:

<table>
<thead>
<tr>
<th>SUBSIDIARY COMPANY</th>
<th>DATE OF CONSTRUCTION</th>
<th>ACTIVITY</th>
<th>COUNTRY</th>
<th>% PARTICIPATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mango Deutschland GmbH</td>
<td>13/06/1996</td>
<td>Sale of clothing</td>
<td>Germany</td>
<td>100</td>
</tr>
<tr>
<td>Meg Mango UK Ltd</td>
<td>22/04/1997</td>
<td>Sale of clothing</td>
<td>United Kingdom</td>
<td>100</td>
</tr>
<tr>
<td>Mango Tr. Tekstilic d.d. Srb.</td>
<td>21/07/1997</td>
<td>Sale of clothing</td>
<td>Turkey</td>
<td>99.83</td>
</tr>
<tr>
<td>Mango Nederland B.V.</td>
<td>13/11/1997</td>
<td>Sale of clothing</td>
<td>Holland</td>
<td>100</td>
</tr>
<tr>
<td>Mango Brasil Comercial Ltd</td>
<td>16/12/1997</td>
<td>Sale of clothing</td>
<td>Brazil</td>
<td>99.99</td>
</tr>
<tr>
<td>Mango Marwell S.A.</td>
<td>19/06/1998</td>
<td>Sale of clothing</td>
<td>Andorra</td>
<td>32</td>
</tr>
<tr>
<td>Meg Mango Belguique Sp.</td>
<td>29/01/1999</td>
<td>Sale of clothing</td>
<td>Belgium</td>
<td>99.99</td>
</tr>
<tr>
<td>Mango Suisse S.A.</td>
<td>10/06/1999</td>
<td>Sale of clothing</td>
<td>Switzerland</td>
<td>100</td>
</tr>
<tr>
<td>Mango Österreich Handels GmbH</td>
<td>31/08/1999</td>
<td>Sale of clothing</td>
<td>Austria</td>
<td>100</td>
</tr>
<tr>
<td>Mango Hungary Kft</td>
<td>11/01/1999</td>
<td>Sale of clothing</td>
<td>Hungary</td>
<td>100</td>
</tr>
<tr>
<td>Mango Polako Sp. Z.O.O.</td>
<td>08/11/1999</td>
<td>Sale of clothing</td>
<td>Poland</td>
<td>100</td>
</tr>
<tr>
<td>Mango (Cz) S.R.O.</td>
<td>29/12/1999</td>
<td>Sale of clothing</td>
<td>Czech Rep.</td>
<td>99.91</td>
</tr>
<tr>
<td>Mango Danmark Aps</td>
<td>28/02/2000</td>
<td>Sale of clothing</td>
<td>Denmark</td>
<td>100</td>
</tr>
<tr>
<td>Mango Norge, As</td>
<td>11/05/2000</td>
<td>Sale of clothing</td>
<td>Norway</td>
<td>100</td>
</tr>
<tr>
<td>Mango Hong Kong Limited S.A.</td>
<td>29/10/2003</td>
<td>Logistics</td>
<td>Hong Kong (China)</td>
<td>99</td>
</tr>
<tr>
<td>Mango Sverige Ab</td>
<td>02/07/2004</td>
<td>Sale of clothing</td>
<td>Sweden</td>
<td>100</td>
</tr>
<tr>
<td>Diexel Usa Inc.</td>
<td>03/03/2005</td>
<td>Logistics</td>
<td>United States</td>
<td>100</td>
</tr>
<tr>
<td>Mango N.Y. Inc.</td>
<td>09/03/2005</td>
<td>Sale of clothing</td>
<td>United States</td>
<td>100</td>
</tr>
<tr>
<td>Mango Italia S.R.L.</td>
<td>26/06/2005</td>
<td>Sale of clothing</td>
<td>Italy</td>
<td>100</td>
</tr>
<tr>
<td>Mango Online Inc.</td>
<td>25/10/2005</td>
<td>Sale of clothing</td>
<td>United States</td>
<td>100</td>
</tr>
<tr>
<td>Mango Garments And Accessories Trading Ltd.</td>
<td>29/06/2006</td>
<td>Logistics</td>
<td>China</td>
<td>100</td>
</tr>
<tr>
<td>Mango Japan Ltd</td>
<td>27/07/2006</td>
<td>Sale of clothing</td>
<td>Japan</td>
<td>100</td>
</tr>
<tr>
<td>Meg Mango Canada Corporation</td>
<td>11/09/2006</td>
<td>Sale of clothing</td>
<td>Canada</td>
<td>100</td>
</tr>
<tr>
<td>Mangoor Comercio De Vestuario S.A.</td>
<td>20/12/2007</td>
<td>Sale of clothing</td>
<td>Portugal</td>
<td>100</td>
</tr>
<tr>
<td>Mango Garments Hellas, S.A.</td>
<td>26/02/2007</td>
<td>Sale of clothing</td>
<td>Greece</td>
<td>100</td>
</tr>
<tr>
<td>Mango Ruxia</td>
<td>15/05/2007</td>
<td>Sale of clothing</td>
<td>Russia</td>
<td>100</td>
</tr>
<tr>
<td>S.A.S Mango Hausman</td>
<td>23/03/2007</td>
<td>Sale of clothing</td>
<td>France</td>
<td>99.99</td>
</tr>
<tr>
<td>Mango Suomy Oy</td>
<td>25/04/2007</td>
<td>Sale of clothing</td>
<td>Finland</td>
<td>100</td>
</tr>
<tr>
<td>Meg Mango Ireland, Irl</td>
<td>26/11/2007</td>
<td>Sale of clothing</td>
<td>Ireland</td>
<td>100</td>
</tr>
<tr>
<td>Il Canotto S.R.L.</td>
<td>19/12/2007</td>
<td>Sale of clothing</td>
<td>Italy</td>
<td>100</td>
</tr>
<tr>
<td>Mango Garments Romania S.R.L.</td>
<td>17/07/2008</td>
<td>Sale of clothing</td>
<td>Romania</td>
<td>100</td>
</tr>
<tr>
<td>Mango Garments And Accessory (China)</td>
<td>12/01/2011</td>
<td>Sale of clothing</td>
<td>China</td>
<td>100</td>
</tr>
<tr>
<td>Mango (Moscow) Limitada</td>
<td>13/05/2011</td>
<td>Sale of clothing</td>
<td>Moscow</td>
<td>99.99</td>
</tr>
</tbody>
</table>
COMMERCIAL NETWORK

On December 31st 2011 the group had 2,401 points of sale, of which 851 were company-owned stores and 1,550 franchises. The total sales surface of the group is 466,805 m², of which 242,128 m² correspond to company-owned stores (51.87%) and 224,677 m² to franchises (48.13%).

AGREEMENTS WITH FOREIGN COMPANIES

Our policy has always been to maintain independence in our decision-making powers, so we have no local partners in any of the countries we operate in.

INDICATORS OF ECONOMIC PERFORMANCE

Below is a description of the main indicators of economic performance of consolidated group MANGO MNG HOLDING, S.L.U. and subsidiaries in the last few financial years:

SALES ACCORDING TO GEOGRAPHICAL AREAS

The detailed breakdown of sales according to geographical area of the last few financial years is described below:

<table>
<thead>
<tr>
<th>GEOGRAPHICAL AREA</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spain</td>
<td>287,246</td>
<td>253,162</td>
<td>255,965</td>
<td>258,113</td>
<td>270,402</td>
</tr>
<tr>
<td>Rest of EU</td>
<td>364,493</td>
<td>446,388</td>
<td>430,956</td>
<td>457,767</td>
<td>628,646</td>
</tr>
<tr>
<td>Rest of the world</td>
<td>368,617</td>
<td>401,155</td>
<td>458,233</td>
<td>553,643</td>
<td>509,366</td>
</tr>
<tr>
<td>Total net turnover</td>
<td>1,020,356</td>
<td>1,100,705</td>
<td>1,145,155</td>
<td>1,269,523</td>
<td>1,408,414</td>
</tr>
</tbody>
</table>

SALES ACCORDING TO TYPE OF BUSINESS

The detailed breakdown according to type of business in the last few financial years is described below:

<table>
<thead>
<tr>
<th>SALES BY BUSINESS TYPE</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales in company-owned stores</td>
<td>552,049</td>
<td>647,326</td>
<td>684,727</td>
<td>753,962</td>
<td>885,518</td>
</tr>
<tr>
<td>Sale to franchises</td>
<td>467,407</td>
<td>453,379</td>
<td>460,428</td>
<td>515,561</td>
<td>522,896</td>
</tr>
<tr>
<td>Total net turnover</td>
<td>1,020,356</td>
<td>1,100,705</td>
<td>1,145,155</td>
<td>1,269,523</td>
<td>1,408,414</td>
</tr>
</tbody>
</table>

COST OF SALES AND GROSS PROFIT MARGIN

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

<table>
<thead>
<tr>
<th>Year</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross profit margin (%)</td>
<td>62.18</td>
<td>61.65</td>
<td>61.15</td>
<td>59.75</td>
<td>57.23</td>
</tr>
</tbody>
</table>

PERSONNEL COSTS

The personnel costs for the last few financial years are described below:

<table>
<thead>
<tr>
<th>Year</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries</td>
<td>143,374</td>
<td>165,807</td>
<td>171,098</td>
<td>195,546</td>
<td>226,440</td>
</tr>
<tr>
<td>Social Security</td>
<td>38,871</td>
<td>42,308</td>
<td>41,034</td>
<td>45,216</td>
<td>52,351</td>
</tr>
<tr>
<td>TOTAL</td>
<td>182,245</td>
<td>208,115</td>
<td>212,138</td>
<td>240,762</td>
<td>278,791</td>
</tr>
</tbody>
</table>
GEOGRAPHICAL DISTRIBUTION OF PERSONNEL COSTS

The geographical distribution of the personnel costs of the last few financial years is as follows:

<table>
<thead>
<tr>
<th>GEOGRAPHICAL AREA</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spain</td>
<td>108,992</td>
<td>118,511</td>
<td>116,379</td>
<td>125,456</td>
<td>138,540</td>
</tr>
<tr>
<td>Rest of EU</td>
<td>54,875</td>
<td>65,790</td>
<td>67,414</td>
<td>76,981</td>
<td>93,114</td>
</tr>
<tr>
<td>Rest of the world</td>
<td>18,378</td>
<td>23,814</td>
<td>28,345</td>
<td>38,325</td>
<td>47,137</td>
</tr>
<tr>
<td>TOTAL</td>
<td>182,245</td>
<td>208,115</td>
<td>212,138</td>
<td>240,762</td>
<td>278,791</td>
</tr>
</tbody>
</table>

CAPITAL PROVIDERS

The evolution of the debts with providers of outside capital and their relationship with the total amount of the balance in the last few financial years is described below:

<table>
<thead>
<tr>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short-term debts with financial entities</td>
<td>83,475</td>
<td>328,578</td>
<td>425,739</td>
<td>550,242</td>
</tr>
<tr>
<td>Long-term debts with financial entities</td>
<td>867,532</td>
<td>785,966</td>
<td>706,488</td>
<td>652,423</td>
</tr>
<tr>
<td>TOTAL Debt</td>
<td>951,007</td>
<td>1,114,544</td>
<td>1,132,227</td>
<td>1,202,665</td>
</tr>
<tr>
<td>Treasury and short-term financial investments</td>
<td>686,914</td>
<td>806,582</td>
<td>930,670</td>
<td>906,766</td>
</tr>
<tr>
<td>TOTAL Net Debt</td>
<td>(264,093)</td>
<td>(207,962)</td>
<td>(201,557)</td>
<td>(295,899)</td>
</tr>
<tr>
<td>TOTAL Balance</td>
<td>1,755,742</td>
<td>1,933,063</td>
<td>1,975,821</td>
<td>2,160,483</td>
</tr>
<tr>
<td>Debt / Balance (%)</td>
<td>(15.04%)</td>
<td>(15.93%)</td>
<td>(10.20%)</td>
<td>(13.60%)</td>
</tr>
</tbody>
</table>

VARIATIONS IN RESERVES

Below is a detailed account of the variations in reserves for the 2011 financial year:

<table>
<thead>
<tr>
<th>STATUS OF OWN FUNDS MOVEMENTS</th>
<th>Share capital</th>
<th>Share premium</th>
<th>Reserves of parent company</th>
<th>Reserves of consolidated society</th>
<th>Differences in conversion</th>
<th>Result of financial year</th>
<th>Minority interests</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at beginning of year 2011</td>
<td>22,233</td>
<td>139,778</td>
<td>4,447</td>
<td>418,360</td>
<td>(28,172)</td>
<td>101,164</td>
<td>16,176</td>
<td>673,986</td>
</tr>
<tr>
<td>Distribution in 2011</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>101,164</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Results of financial year 2011</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>62,403</td>
<td>950</td>
<td>63,353</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Income and costs recognised directly in equity</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>19,450</td>
<td>0</td>
<td>0</td>
<td>(19,450)</td>
<td>0</td>
</tr>
<tr>
<td>Variation owing to change in the consolidation perimeter</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>6,195</td>
<td>0</td>
<td>0</td>
<td>(6,195)</td>
<td>0</td>
</tr>
<tr>
<td>Others</td>
<td>0</td>
<td>(7)</td>
<td>0</td>
<td>5,044</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Balance at end of financial year 2011</td>
<td>22,233</td>
<td>139,778</td>
<td>4,447</td>
<td>520,675</td>
<td>(42,578)</td>
<td>62,403</td>
<td>10,767</td>
<td>717,725</td>
</tr>
</tbody>
</table>

TAXES ON PROFITS

The detailed breakdown of the taxes on profits of the last few financial years is specified below:

<table>
<thead>
<tr>
<th>GEOGRAPHICAL AREA</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spain</td>
<td>28,616</td>
<td>(34,734)</td>
<td>(28,986)</td>
<td>7,379</td>
<td>2,601</td>
</tr>
<tr>
<td>Rest of EU</td>
<td>2,226</td>
<td>3,563</td>
<td>2,121</td>
<td>287</td>
<td>(1,328)</td>
</tr>
<tr>
<td>Rest of the world</td>
<td>954</td>
<td>451</td>
<td>392</td>
<td>1,617</td>
<td>248</td>
</tr>
<tr>
<td>TOTAL</td>
<td>31,796</td>
<td>(30,720)</td>
<td>(26,473)</td>
<td>9,283</td>
<td>1,521</td>
</tr>
</tbody>
</table>
13

QUALITY AND SAFETY IN OUR PRODUCTS

RELEVANT DATA:

• QUALITY CONTROLS AT ORIGIN.

• “MADE IN GREEN” CERTIFICATION.

• CONTROL OF HARMFUL SUBSTANCES IN ALL OUR GARMENTS AND ACCESSORIES.
Since 2001 we have implemented a quality system that affects all the departments with a direct relationship with the product in any of its phases. This system establishes high quality standards for our providers and their factories and these are reflected in the final product.

CONTROL OF HARMFUL SUBSTANCES

SPHERE OF APPLICATION

At Mango we have always ensured the compliance with all legislation on harmful substances applicable in the different countries in which we commercialise our products. In this sense we include all the harmful substances identified as dangerous which Mango monitors and controls.

CONTROL PROCEDURE

All suppliers receive and sign a document with written instructions about the use of products and substances in manufacturing. Once production begins we control these substances by checking them in all our articles.

This monitoring is carried out by quality control teams selecting a sample from each collection in accordance with the criteria in place and sending them to the laboratory for their full analysis. The laboratory then issues a certificate on all our products. This way the selection of samples is always carried out on the final product.

In addition, when manufacturers provide the Oeko-Tex certification for the fabrics they are using to manufacture garments and/or accessories, the analyses described above are not carried out since the organisation Oeko-Tex is a point of reference on an international scale in the demands and control of harmful substances in textiles (www.oeko-tex.org).

Compliance with all the specifications above is a key requirement to be able to work as a supplier of the Mango group.

Since the start of this project we have worked jointly with the prestigious Spanish laboratory, the Textile Research Institute – Aitex (www.aitex.org), which has been in charge of controlling the presence of substances in our garments and accessories and is also the only laboratory in Spain that is a member of the Swiss organisation Oeko-Tex.

CONTROL STANDARD FOR CHEMICAL SUBSTANCES AT MANGO

The control standard of harmful chemical substances on garments and accessories is detailed below:

<table>
<thead>
<tr>
<th>PARAMETERS</th>
<th>LIMITS APPLIED</th>
<th>AREA OF APPLICATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Azo colorants (azilamines)</td>
<td>No detection (20 ppm)</td>
<td>In textiles/leather</td>
</tr>
<tr>
<td>Formaldehyde</td>
<td>75 ppm</td>
<td>In textiles/leather</td>
</tr>
<tr>
<td>Phenols (PCP, TCPP, COPP)</td>
<td>No detection (0.02 ppm)</td>
<td>In textiles/leather</td>
</tr>
<tr>
<td>Chrome (VI)</td>
<td>3 ppm</td>
<td>In textiles/leather</td>
</tr>
<tr>
<td>Allergenic disperse dyes</td>
<td>50 ppm</td>
<td>In polyester, acetate and viscose textiles</td>
</tr>
<tr>
<td>Shortchain chlorinated paraffins</td>
<td>10,000 ppm</td>
<td>In textiles/leather</td>
</tr>
<tr>
<td>Cadmium</td>
<td>100 ppm</td>
<td>In textiles/leather and metal fittings/accessories</td>
</tr>
<tr>
<td>Lead</td>
<td>100 ppm</td>
<td>In textiles/leather and metal fittings/accessories</td>
</tr>
<tr>
<td>Arsenic</td>
<td>No detection (0.06 ppm)</td>
<td>In textiles/leather and metal fittings/accessories</td>
</tr>
<tr>
<td>Mercury</td>
<td>No detection (0.006 ppm)</td>
<td>In textiles/leather and metal fittings/accessories</td>
</tr>
<tr>
<td>Nickel</td>
<td>0.5mg/cm2/week</td>
<td>In metal fittings/accessories</td>
</tr>
<tr>
<td>Bis(2-chloroethyl)ether</td>
<td>10 ppm</td>
<td>In textiles/leather</td>
</tr>
<tr>
<td>Antimony trioxide</td>
<td>50 ppm</td>
<td>In polyester textiles</td>
</tr>
<tr>
<td>Organochlorinated compounds (TBT, DBT)</td>
<td>1.0 ppm</td>
<td>In textiles/leather</td>
</tr>
<tr>
<td>Pesticides (1)</td>
<td>No detection (0.05 ppm)</td>
<td>In natural fibre textiles</td>
</tr>
<tr>
<td>Organochlorinated compounds</td>
<td>1.0 ppm</td>
<td>In polyester, silk and wool textiles</td>
</tr>
<tr>
<td>Nonylphenol ethoxylates (3)</td>
<td>No detection (10 ppm)</td>
<td>In textiles/leather</td>
</tr>
<tr>
<td>Dimethylfumarate</td>
<td>No detection (1.1 ppm)</td>
<td>In textiles/leather</td>
</tr>
<tr>
<td>Phthalates</td>
<td>DEHP: 0.1% total weight, DBP: 0.1% total weight</td>
<td>In textile prints with plastisol, flexible plastics and plastic coatings</td>
</tr>
<tr>
<td>PFA, PFA</td>
<td>1µg/m2</td>
<td>In textiles</td>
</tr>
</tbody>
</table>

(1) According to the list this includes: triclosan, BHT, TRH, PBC, DDTB.
(2) According to the list this includes: 2,4,5-T, 2,4-D, Azinophosmethyl, Azinophosethyl, Aldrine, Romphos-ethyl, Captafol, Carbaryl, Chlor dane, Chlordimeform, Chlorfenvinphos, Coumaphos, Cyfluthrin, Cyhalothrin, Cypermethrin, DEF, Deltamethrin, DDD, DDE, DDT, Dieldrine, Dimethoate, Dinoseb and salts. Endosulfan, Endrin, Esfenvalerate, Fenvalerate, Heptachlor, Heptachloro epoxide, Hexachlorobenzene, Hexachlorocyclohexane, Ibrame, Malathion, Mirex, Mirex, Mirex, Monocrotophos, Parathion, Parathion-methyl, Phosdrin/Mevinphos, Propoxaphos, Phoxaphos, Quinophos, Tetrachlor. Trifluralin.

(3) These types of soaps will not be used in the production (wash) of our garments.
During the last year, 2011, out of all the collections of garments and accessories produced, the following incidents were detected:

<table>
<thead>
<tr>
<th>TYPE OF SUBSTANCE</th>
<th>No. of cases</th>
</tr>
</thead>
<tbody>
<tr>
<td>Azo colorants (arylamines)</td>
<td>42</td>
</tr>
<tr>
<td>Phenols</td>
<td>15</td>
</tr>
<tr>
<td>Chrome (VI)</td>
<td>11</td>
</tr>
<tr>
<td>Formaldehyde</td>
<td>38</td>
</tr>
<tr>
<td>Lead</td>
<td>134</td>
</tr>
</tbody>
</table>

OSPAR+ LIST

The checks we carry out on our garments and accessories include all the substances of the OSPAR+ list established by Greenpeace which are applicable. However, our controls also include other substances apart from those covered in this list.

PVC

All our fabrics are free of PVC. However, there is a percentage of accessories (some bags, wallets and belts) which are still manufactured with this material given the fashion trends. In addition, for technical reasons some serigraphies are also carried out with this material.

AGREEMENT WITH GREENPEACE ORGANISATION

In July 2006 we signed an agreement with Greenpeace aimed at working jointly on matters relating to harmful substances as well as the principle of precaution within the textile sector. The aim of this agreement is to reach higher levels of protection for the health of persons and the environment.

We also gave Greenpeace our support in defence of higher standards in European regulation REACH, specifically, among other actions, with the design and production of a scarf which Greenpeace gifted to all the members of the European Parliament. In addition, in April 2011 we provided our support to the Greenpeace initiative requesting that the European Union reach a commitment on the reduction of greenhouse gases by 30% for 2020.

MANUAL SPECIFYING HARMFUL SUBSTANCES

Mango has drafted a manual on specifications of these substances which provides additional information on their characteristics. This manual is available on our webpage.

“MADE IN GREEN” CERTIFICATION

In June 2010 Mango obtained the “made in Green” certification awarded by the Textile Research Institute -Aitex, which guarantees that our garments and accessories do not contain substances harmful to health and are in accordance with the strictest standards of the international market, manufactured in production centres with a suitable environmental management system and respecting the universal human rights of workers.

COMMITMENT TO THE FUTURE

The Mango organisation will continue to work on the line described above on the control and monitoring of harmful substances and on improving safety conditions, as well as environmental impact, advancing in all aspects possible, and always informing of the results obtained and the actions initiated.
CORPORATE GOVERNANCE
SHAREHOLDERS AND GOVERNING BODIES

As mentioned before, Mango is a family-owned company whose owner are directly involved in its dairy management, so that the communication with all business areas is complete and permanent.

ADMINISTRATION BOARD

The Administration Board is made up of the President: Isak Andic; the Deputy President: Jonathan Andic; the Vice-president: Nahman Andic; the Managing Director: Enric Casi and four more people: Isak Halfon, Daniel López, Nicolás Olivé and Salvador Vallés.

EXECUTIVE COMMITTEE

The Executive Committee is formed by all the members of the Administration Board and the following: Puri Campos, Elena Carasso, Miguel de la Capilla, Sezai Eren, María Jesús García, Ceci Lozano, Eva Rello, Eduardo Risso, David Sancho and Arif Zurnaci.

The members of the Board and those of the Committee hold executive positions within the organisation and are highly experienced in the different fields. The salaries of both bodies of government have a fixed part and another variable one depending on the objectives achieved.

INTERNAL AUDITING

The Mango Group has a department for internal audits which carries out continuous assessment of all aspects of the organisation. This department depends directly on the administrators of the group.

ORGANISATIONAL STRUCTURE / AREAS OF RESPONSIBILITY

The structure of the organisation is shown in the following chart:
We hope the information included in this report provides answers for the different groups of interest of our organisation.

This sustainability report is available on the Mango website (www.mango.com).

Any suggestion, contribution or comment on the part of Mango users or groups of interest regarding the report contexts or aspects relating to our corporate social responsibility can be made through rsc@mango.com or directly at our central headquarters:

MANGO MNG HOLDING, S.L.U.
c/ Mercaders 9-11, Polígono Industrial Riera de Caldes
Apartado de correos 280
E-08184 Palau-solità i Plegamans, Barcelona, España

July 2012, Mango Group
To the Management of MANGO MNG HOLDING, S.L.U. and subsidiaries (Mango Group):

This document contains the results of the review carried out by AUREN on the information included in the Sustainability Report of MANGO MNG HOLDING, S.L.U. and subsidiaries (Mango Group) for the year 2011. This report is a verification report within the scope detailed by GRI version 3.1 (G3.1) [hereafter GRI3.1] and based on the procedures established by GRI3.1.

SCOPE

The verification carried out has taken into account the following aspects:

2. That qualitative information relating to indicators GRI-G3.1 has been suitably corroborated with internal information or information from third parties.
3. The information and results produced by MANGO MNG HOLDING, S.L.U. and subsidiaries (Mango Group) in compliance with the goals set out for the year in question in the 2010 Report.

It is the responsibility of MANGO MNG HOLDING, S.L.U. and subsidiaries (Mango Group) to draw up the Sustainability Report for MANGO and its contents, as well as to maintain and adapt the management and internal control systems from which the information included in the Report is obtained. It is the responsibility of AUREN to issue an independent report, based on the verification standards and processes defined in accordance with the criteria specified in this report.

This report has been produced exclusively in the interest of MANGO MNG HOLDING, S.L.U. and subsidiaries (Mango Group) as per our letter of engagement.

VERIFICATION STANDARDS AND PROCESSES

AUREN has carried out a detailed study and analysis of all the information contained in the report, checking its veracity and correspondence with the indicators of the GRI-G3.1. Data analysis carried out has used the following norms for auditing and verifying reports and management systems as points of reference: International Standard on Assurance Engagements (ISAE 3000), Accountability 1000 Assurance Standard (AA1000), Own Methodology established by AUREN Auditores and the Guide of Action for the Review of Corporate Responsibility Reports issued by the Instituto de Censores Jurados de España.
The methodology applied included the following actions:

- Meeting with the Departments of Corporate Social Responsibility at MANGO MNG HOLDING, S.L.U. and subsidiaries (Mango Group) to establish the scope of the company’s activity in the field, a detailed description of the organisation’s Social Responsibility Plan and its execution in the entire structure of the organisation.

- Meetings with company employees which provide basic information to verify compliance with the indicators.

- Review of documents on systems for information management, analysis, collection and assessment in terms of materials and relevance in drawing up the Report. This included the review of documents and internal policies of the company and its comparison with the actual application.

- Analysis of the actions carried out by MANGO MNG HOLDING, S.L.U. and subsidiaries (Mango Group) in relation to its groups of interest, validity of maps of the relationship with these groups, communication means used in dialogue with them and concrete activities developed in relation to them.

- Audit visit of the company work centres, paying special attention to those with the highest numbers of employees, to check compliance with workplace regulations affecting their health and wellbeing, and linked to the indicators included in the Report.

- Assessment of the relevance and integrity of the information included in the Report.

Thorough check of the information included in the Report in relation to each of the GRI-G3.1 indicators, through samples analysed with statistical tools for the qualitative and quantitative analysis of information.

INDEPENDENCE

This report was produced in compliance with the independent regulations established by the Ethics Code of the International Federation of Accountants (IFAC).

CONCLUSIONS

Based on this, the following conclusions were reached:

- The internal systems, procedures and processes aimed at the preparation, collection and drafting of the Report completing the indicators established by GRI-G3.1 have been reviewed and are in agreement with and suited to this purpose.

- The reference indicators have been prepared in accordance with the bases and criteria established in the Guide. The information supporting each indicator is accurate and there are no deviations from veracity or consistency.

There are no indications to make us believe that the Report contains mistakes or has not been prepared, in all its significant aspects, in accordance with the GRI-G3.1 guide. If in addition to the processes described in the report, others had been applied, we would have informed you about other issues which might have become apparent.

Barcelona, 25th of July 2012

Antoni Gómez Valverde
Partner
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ECONOMIC PERFORMANCE INDICATORS

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EN.7 (A) Initiatives for the reduction of the indirect consumption of energy and the reductions achieved with these initiatives. 70-76

ASPECT: WATER

EN.8 (P) Total collection of water according to source. N/A

EN.9 (A) Sources of water that have been affected significantly by water collection. N/A

EN.10 (A) Total percentage and volume of recycled and reused water. N/A

ASPECT: BIODIVERSITY

EN.11 (P) Description of land adjoining or located within protected natural areas or unprotected high biodiversity areas. It is necessary to indicate the location and extent of land which is highly valuable in terms of biodiversity and owned, leased, or managed in areas other than protected areas. N/A

EN.12 (P) Description of the most important impacts on biodiversity in protected natural spaces or in unprotected high biodiversity areas, derived from the activities, products and services in protected areas and in areas highly valuable in terms of biodiversity other than those in protected areas. N/A

EN.13 (A) Protected or restored habitats. N/A

EN.14 (A) Strategies and actions implemented and planned for the management of impacts on biodiversity. N/A

EN.15 (A) Number of species, broken down according to their danger of extinction, included in the IUCN red list and on national lists, whose habitats are in areas affected by the operations depending how endangered the species are. N/A

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HR.9 (P) Total number of incidents relating to violations of the rights of indigenous populations and measures adopted. N/A
ASPECT: CORRECTIVE MEASURES
HR.11 (P) Number of complaints relating to human rights which have been presented, dealt with and resolved using formal conciliatory mechanisms. 61-66
SOCIETY
INDICATORS OF SOCIETY PERFORMANCE
ASPECT: LOCAL COMMUNITIES
SO.1 (P) Percentage of operations where development programmes and assessment and participation of the local community have been implemented. 43, 45, 61-66
SO.09 (P) Operations with possible or real significant negative impacts on local communities. N/A
SO.10 (P) Prevention and mitigation measures implemented in operations with possible or real significant negative impacts on local communities. N/A
ASPECT: CORRUPTION
SO.2 (P) Percentage and total number of business units analysed in connection with corruption-related risks. 32, 61-66
SO.3 (P) Percentage of employees trained in the anti-corruption policies and procedures of the organisation. 32

SO.4 (P) Measures taken in response to corruption incidents. N/A

ASPECT: PUBLIC POLICY

SO.5 (P) Position in public policies and participation in their development and that of lobbying activities. N/A

SO.6 (A) Total values of financial contributions and contributions in kind to political parties or related institutions, listed by country. N/A

ASPECT: UNFAIR COMPETITION

SO.7 (A) Total number of actions for causes related to monoplastic practices and practices against free competition, and their results. N/A

SO.8 (P) Monetary value of major sanctions and fines and total number of nonmonetary sanctions derived from noncompliance with laws and regulations. N/A

RESPONSIBILITY REGARDING PRODUCTS

INDICATORS OF RESPONSIBILITY PERFORMANCE ON PRODUCTS

ASPECT: HEALTH AND SAFETY OF CUSTOMERS

PR.1 (P) Phases of the life cycle of the products and services in which the impact for the health and safety of customers is evaluated for improvement, and the percentage of categories of significant products and services subject to these evaluation procedures. 92-95

PR.2 (A) Total number of incidents derived from noncompliance with legal regulations or voluntary codes relating to the impacts of products and services on health and safety during their life cycle, distributed according to the type of result of these incidents. 94

ASPECT: LABELLING OF PRODUCTS AND SERVICES

PR.3 (P) Types of information on products and services, required by procedures and regulations in place, and percentage of products and services subject to these information requirements. 60

PR.4 (A) Total number of breaches of the regulations and the voluntary codes relating to the information and labelling of products and services, distributed in accordance to the type of result of these incidents. 60

PR.5 (A) Practices regarding customer satisfaction, including the results of customer satisfaction studies. 38

ASPECT: MARKETING COMMUNICATIONS

PR.6 (P) Programmes for the compliance with laws or adherence to voluntary codes and standards mentioned in marketing communications, including advertising, other promotional activities and sponsorships. 61-63, 92-95

PR.7 (A) Total number of incidents resulting from the noncompliance with regulations relating to marketing communications, including advertising, promotion and sponsorships, distributed according to the type of result of these incidents. N/A

ASPECT: CUSTOMER PRIVACY

PR.8 (A) Total number of justified complaints regarding privacy and the leak of customer personal data. N/A

ASPECT: COMPLIANCE WITH REGULATIONS

PR.9 (P) Cost of major fines resulting from noncompliance with regulations regarding the supply and use of products and the services of the organisation. N/A

(P) Main performance indicators.

(A) Additional performance indicators.
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