

Mango Climate Approach

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1. Introduction

Our MANGO CLIMATE APPROACH encapsulates all our efforts related to climate change in one comprehensive report.

This document primarily focuses on our trajectory towards 2030, leveraging the outcomes of our past initiatives and our robust emissions calculation framework. It outlines our goals, strategy, and approach, delving into the risks and opportunities, as well as the internal mechanisms driving our climate initiatives.

All the data and information in this report comes either from our latest Sustainability Report and Carbon Footprint Calculation. Mango conducts an annual external audit to verify and review the data in both its carbon footprint calculation and sustainability report:

- The greenhouse gas inventory has been conducted following the **GHG Protocol** (Scope 3 Emissions of the GHG Protocol) by the World Business Council for Sustainable Development (WBCSD) and the World Resources Institute (WRI).
- The Sustainability Report has been conducted

according to the **GRI standards** and the regulations of the Non-Financial Information State (NFIS).

1.1. Governance

In 2021 the Sustainability Committee was established, consisting of various members of the steering committee and other key decision-making areas in the company's sustainability strategy.

The Sustainability Committee holds accountability over all environmental issues by providing strategic direction, managing risks, developing and enforcing policies, monitoring performance, engaging stakeholders, ensuring board-level oversight, and driving continuous improvement.

By doing so, it ensures that the organization remains committed to sustainability, complies with regulations, and takes proactive measures to mitigate its environmental impact. Additionally, executive bonuses are tied to decarbonization targets, reinforcing leadership accountability and commitment to achieving emissions reduction goals across the value chain.

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Elena Carasso Chief Online and Customer Officer
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1. Introduction

1.2. Traceability & Transparency of Our Value Chain

Traceability in the value chain is paramount for obtaining primary data and truly understanding Mango climate impact. At Mango we consider data one of our biggest allies to make informed decisions that can drive positive change. By having access to accurate and detailed data at every stage of the value chain, we can identify areas for improvement, optimize processes, and minimize our environmental footprint. Moreover, transparency fosters trust among our stakeholders and enhances accountability.

Mango wants to prioritize long-term relationships with our suppliers so that they are built on a firm and lasting basis. We also want our suppliers to actively participate in all our strategies by providing feedback, data and relevant information to set ambitious targets for the company. Mango was the first major fashion company in

Spain to publish a list of its traced finished product factories in 2020, as well as a list of its fabric and trim factories and a good portion of its spinning factories in 2022. For more information, you can visit our website.

Additionally, the growing demand for transparency and traceability has led to the need for a robust tool to manage and support this flow of information. In response, Mango has begun implementing TextileGenesis, a platform designed to ensure full product traceability by recording supplier transactions and the origin of materials. In 2024, Mango initiated the integration of this system with the goal of achieving end-to-end traceability, including raw material level.

2. Climate Targets

Mango embraces the concept of decoupling emissions from growth, acknowledging the urgent need to mitigate our adverse environmental and social impacts. Mango recognizes that our commitment to decoupling necessitates a comprehensive transformation, influencing not only our entire value chain but also our approach to product design.

Mango looks towards the future with a focus on elevating the quality, durability, and timelessness of our products, driven by a clear conviction in the efficiency of our productions.

In 2021, we first submitted our Science Based Targets initiative (SBTi), and where approved in 2022. Our SBTi:

- 1. Mango has set a 80% absolute reduction of scope 1 & 2 emissions by 2030, compared to 2019.
- 2. Mango has set a 35% absolute reduction of

Scope 3 emissions by 2030, compared to 2019. Mango also commits to achieve net-zero by 2050.

2.1. Land-related emissions & goals

In 2022, SBTi published the **Forest, Land and Agriculture Science Based Target Setting Guidance (SBTi FLAG)**, which has created the need for organizations to set targets to address land-related emissions (forestry, agriculture and other land uses).

The company's FLAG emissions analysis assessed its effect on biodiversity, given that activities related to forestry, agriculture and land use are crucial factors in the alteration of ecosystems. **Although biodiversity-related emissions do not exceed 20% of total greenhouse gas emissions, Mango continues to integrate these factors into its strategies, implementing proactive actions to manage risks and ensure sustainable use of natural resources.**

Nonetheless, Mango indirectly, has set objectives to reduce FLAG emissions with its objective to achieve 100% more sustainable cotton and man-made cellulose fibres by 2025. **In addition, in 2024 52% of Mango's total wool sourcing was already GRS/RCS recycled.** We also plan to keep increasing this % of recycled wool to keep reducing our FLAG emissions. In 2030, all fibres and materials used by Mango will already be more sustainable than their conventional one.

2.2. Phase-out combustion of thermal coal & transition to renewable energy and electricity in our value chain

Phase-out combustion of thermal coal (or other fossil fuels) goals:

- We have updated our objective to **phase out thermal coal in new tier 1 and tier 2 facilities**, moving the target year to 2026. This adjustment ensures that our commitments are realistic and achievable, as we continue refining our supplier

onboarding processes to integrate stronger environmental criteria. For existing facilities currently using thermal coal, we remain committed to helping them shift towards renewable energy and the electrification of energy-intensive processes through joint decarbonization projects and initiatives led by organizations such as Cascal and the Fashion Pact.

- **By 2030, all facilities tier 1 & 2 used by Mango productions will be thermal coal free**

Renewable electricity & energy goals:

- By 2030, Mango will source a minimum of 30% of its production with **renewable energy**.*
- By 2030, Mango will source a minimum of 30% of its production with **renewable electricity**.

*We understand as renewable energy any of the following options:

- Biodiesel
- Biogas
- Geothermal (onsite, self-generation)
- Hydro (onsite, self-generation)
- Mini or Macro-Hydro (onsite, self-generation)
- Purchased Renewables (with PPAs, EACs/ RECs)
- Solar Photovoltaic Electricity (onsite, self-generation)
- Wind (onsite, self-generation)

2.3. Energy procurement of our own offices, distribution centers and stores

In 2024, 69% of total electricity consumption in our own offices, stores and distribution centers was renewable electricity with guaranteed origin reaching 97,187,643 Kwh.

By 2030, all our electricity in own offices, stores, and distribution centers will be renewable electricity. Mainly through purchasing renewable electricity with guaranteed origin.

2. Climate targets

Own stores and facilities

CONSUMPTION (KWH)		
SOURCE	2023	2024
Conventional electricity	42,315,928	43,392,261
Renewable electricity	94,169,365 (69% of the total electricity consumed)	97,187,643 (69% of the total electricity consumed)
Total Electricity	136,485,292	140,579,904
Gas	1,677,558	3,024,228
Other fuels	7,496,876	7,440,979
Total	145,659,727	151,045,110

2. Climate targets

2.4. Just transition

Recognising that environmental sustainability is deeply connected to social sustainability, Mango embraces the principle of 'just transition', ensuring that its actions to address the climate crisis, protect biodiversity and mitigate other environmental impacts respect and promote human rights.

In order to take this commitment forward, we created a working group at the end of 2024 to analyse the social impacts of the climate transition on our value chain and define measures to ensure an equitable and inclusive approach. This group will assess the challenges and opportunities that the transformation of the sector presents for workers, suppliers and communities in relation to the green transition.

3. Our carbon footprint methodology

In 2024, as in previous years, Mango has conducted a thorough and rigorous analysis of its activities using the Greenhouse Gas Protocol, GHG Protocol, as its accounting and reporting standard due to its wide international acceptance. The company has adopted the broadest scope for system analysis, cradle to grave, whereby Mango accounts for all emissions generated throughout the life cycle of the products it markets, from design to end use. Methodologically, Mango has always prioritized primary data, i.e. data recorded first-hand by the organization itself or by third parties. The company has only used secondary data in the event that the former were not available. In these cases, reputable sources such as Cascale (former Sustainable Apparel Coalition), the Ministry for Ecological Transition and the Demographic Challenge (MITECO), the International Energy Agency (IEA), Department for Environment Food and Rural Affairs (DEFRA) and Comprehensive Environmental Data Archive (CEDA), among others.

The magnitude of the carbon footprint demonstrates the challenge the company faces. 99% of emissions occur at some point in the value chain where Mango has indirect influence. For this reason, the company considers it essential to participate in all coalitions and forums where tools or work spaces are generated in this area, as the success of Mango's emissions reduction strategy will depend on the degree of collaboration that the company builds with its entire value chain.

As previously mentioned, Mango follows the GHG protocol.

Hence our scopes are as following:

- **Scope 1:** Direct emissions associated with the company's activity. Emissions generated by fixed and mobile combustion sources, fugitive emissions resulting from the replacement of refrigerant gases in the installations, and others.

- **Scope 2:** Indirect emissions associated with the company's energy consumption. Emissions associated with the energy consumption of offices, warehouses, and owned stores worldwide.

- **Scope 3:** Procurement of goods (materials and product manufacturing) and services. Capital goods. Activities related to energy production (not included in scope 1 or scope 2). Upstream transportation and distribution. Waste generated during operations. Business travel. Commutes between home and work locations for employees. Leased assets used by the organization. Downstream transportation and distribution. Use of products sold by the organization. Waste derived from products sold by the organization. Franchise operations.

4. Our carbon footprint

The table below shows our emissions broken down by scopes from 2019, 2023 and 2024 and its variations using market-based calculation methodology.

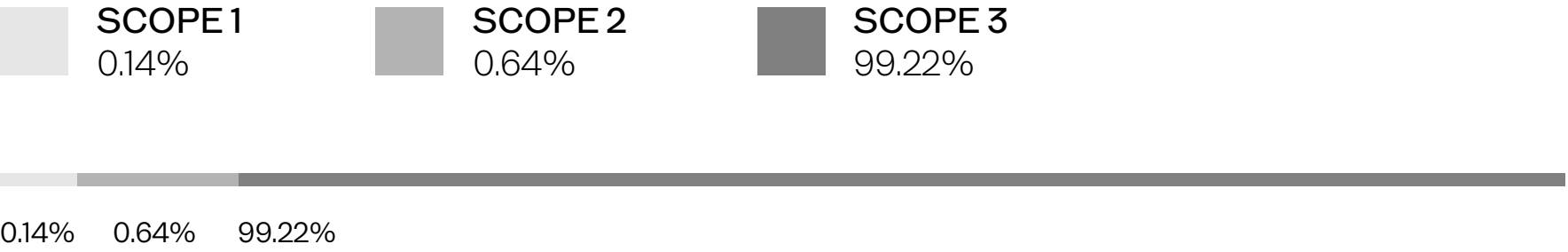
The emissions in 2024 amounted to 2,866,589 tons of CO2e and were distributed among the scopes as follows:

HISTORICAL EVOLUTION*

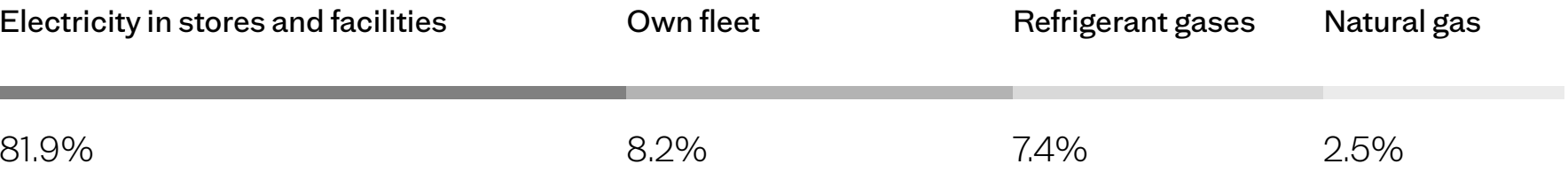
SCOPE	2019 (TN CO ₂ E) Base Year	2023 (TN CO ₂ E)**	2024 (TN CO ₂ E)***
Scope 1	3,200	3,295	4,042
Scope 2	46,025	18,312	18,342
Scope 3	2,561,736	2,684,647	2,844,206
Total	2,610,961	2,706,254	2,866,589

EMISSIONS INTENSITY	2019kgCO ₂ /garment)	2023kgCO ₂ /garment)	2024 (kgCO ₂ /garment)
Total unit emissions****	17.16	16.81	16.67
Unit emissions derived from the use of materials*****	1.83	1.70	1.60

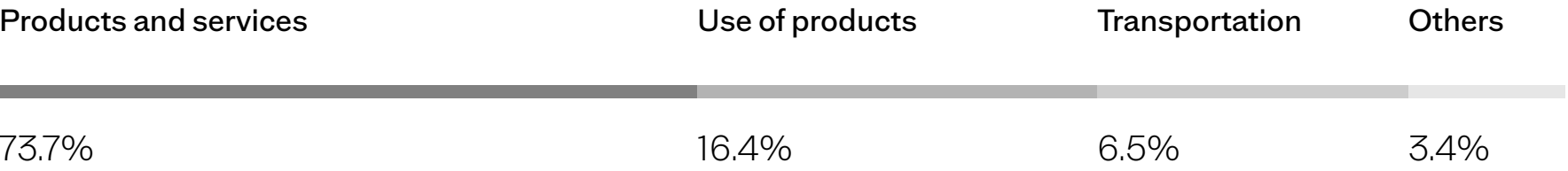
* Data redefined due to a change in methodology in 2024. The values indicated in the table reflect the market calculation methodology.
** According to the localisation methodology, the values corresponding to 2023 are: 3,295 tCO₂e (scope 1); 28,597 tCO₂e (scope 2); 2,689,950 tCO₂e (scope 3).
*** According to the localisation methodology, the values corresponding to 2024 are: 4,042 tCO2e (scope 1); 29,468 tCO2e (scope 2); 2,849,726 tCO2e (scope 3).
**** Calculated as the total emissions from the three scopes divided by the number of garments manufactured in the SS24 and FW24 seasons.
***** Calculated as the emissions derived from the use of materials (tier4) divided by the number of garments manufactured in the SS24 and FW24 seasons.



SCOPE 1 + SCOPE 2



SCOPE 3



SCOPE	CATEGORY		2019 (TONNES CO ₂ E)	2023 (TONNES CO ₂ E)	2024 (TONNES CO ₂ E)	2023 VARIATION (%)	2019 VARIATION (%)
Scope 1	Direct emissions from owned/controlled operations		3.200	3.295	4.042	23%	26%
Scope 2	Emissions from purchased or acquired electricity, steam, heat and cooling		46.025	18.312	18.342	0,2%	-60%
	Total Scope 1 & 2 GHG emissions		49.225	21.607	22.383	3,6%	-55%
Scope 3	1. Purchased goods and services	Garment manufacturing	164.897	149.469	133.997	-10,4%	-19%
		Fabric production	1.205.606	1.305.144	1.392.854	6,7%	16%
		Spinning production	113.675	142.969	150.087	5,0%	32%
		Raw materials extraction	278.678	272.221	275.241	1,1%	-1%
		Other expenditures	89.642	124.699	143.501	15,1%	60%
	4. Upstream transportation and distribution	Sea freight	6.508	12.247	11.298	-7,7%	74%
		Air freight	135.563	111.379	150.427	35,1%	11%
		Land freight	20.401	30.785	23.865	-22,5%	17%
	12. End of life treatment of sold products	End of life of sold products	16.713	14.771	17.340	17,4%	4%
	3. Fuel and energy related activities 5. Waste generated in operations 6. Business travel 7. Employee commuting 8. Upstream Leased Assets 14. Franchises	Other	70.270	76.155	79.095	3,9%	13%
	Total Scope 3 GHG emissions under our science-based target excluding use-phase emissions		2.101.954	2.239.838	2.377.706	6,2%	13%
	11. Use of sold products	Use of sold products	459.783	444.809	466.499	4,9%	1%
	Total Scope 3 GHG emissions		2.561.736,382	2.684.647	2.844.206	5,9%	11%

5. Our decarbonization strategy

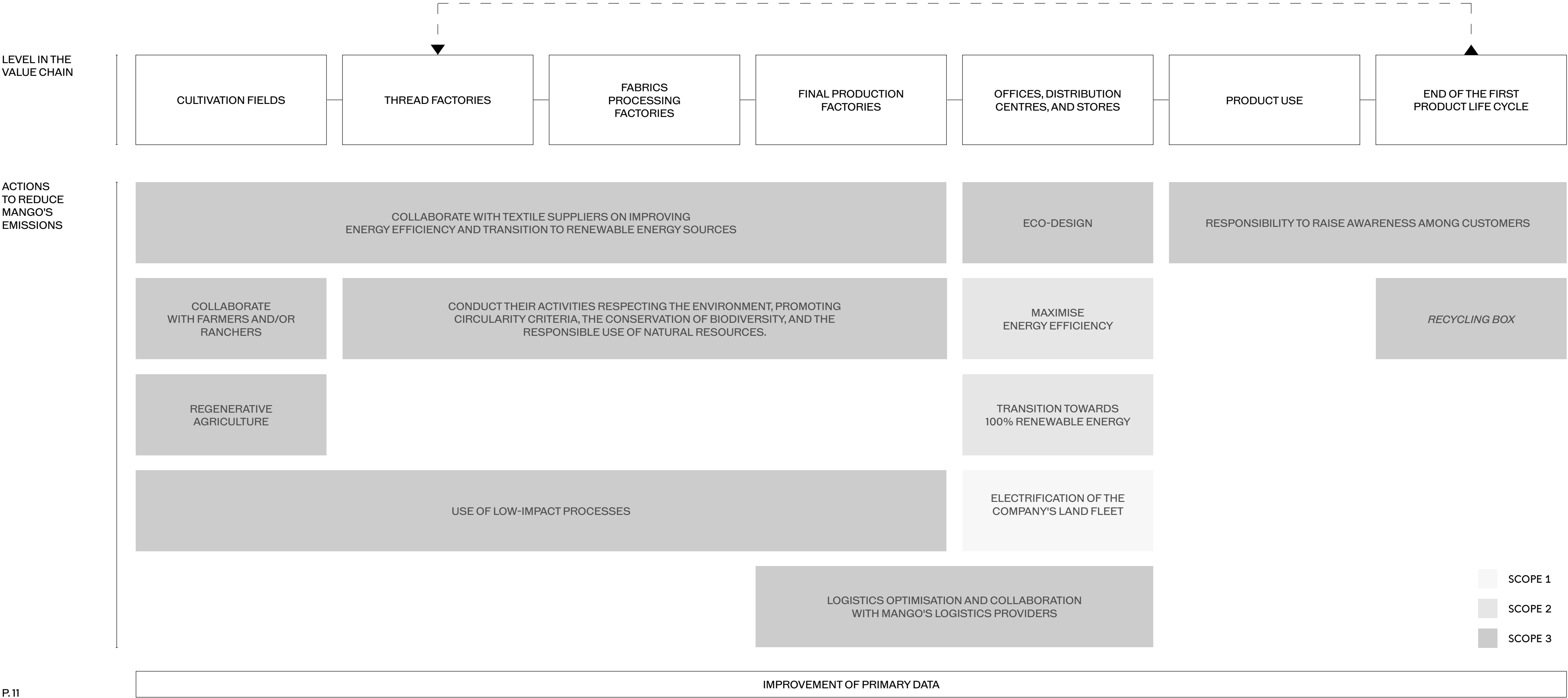
5.1. Focus areas for decarbonization

In 2021, the company established working groups within areas such as product, transportation, maintenance, and construction, among others, with the aim of developing specific action plans for emissions reduction. In 2024, the company continues to advance its sustainability commitments by implementing action plans throughout the entire product lifecycle, as well as in offices and distribution centers.

The definition of proposed initiatives and their results are presented to Mango's sustainability committee for approval and validation, ensuring alignment with the company's strategy.

Lines of Action by Scope

Actions to
Reduce Emissions
in the Value Chain



5. Our decarbonization strategy

technologies such as aerothermal energy and inverter systems, and ventilation with heat recovery systems to optimize energy consumption. Additionally, the facilities include consumption monitoring and restrooms equipped with low-consumption devices. In its stores, Mango has achieved significant energy efficiency improvements over the past 10 years, especially with the **NEW MED 1.0 lighting model**, resulting in a steady reduction in electricity consumption for lighting.

Renewable energy

Among the measures implemented at Mango Campus to incorporate practices that promote renewable energy is the installation of **photo-voltaic solar panels** on the roofs of the buildings and the canopy connecting them. Once the second building is completed, these installations will generate up to 1,040 MWh of renewable electricity annually, enabling a reduction of approximately 260 tons of CO2 per year- equivalent to the positive impact of planting 27,500 trees.

The company is committed to ensuring that all the energy consumed in its headquarters and stores is 100% renewable by 2030. By the end of 2024, 64% of the electricity used in Mango's owned stores is renewable. This equates to around 76,514 MWh with a renewable origin guarantee.

To support this goal, Mango signed a long-term renewable **energy supply agreement (PPA)** with Acciona Energía, valid for ten years. This agreement ensures that the electricity consumed at its headquarters—including the new buildings—its logistics center in Lliçà d'Amunt (Barcelona), and its main stores in Spain comes from renewable

sources. For the remaining owned stores, the company uses a compensation model through guarantees of origin (GoO).

SCOPE 3

Transportation of goods and services

Mango is committed to reviewing and improving the **efficiency of routes, optimising routes and replacing conventional fuels with less polluting options** such as HVO and K-Cube for land transportation.

Product

Mango's approach to reducing Scope 3 emissions linked to its products is built around three **key strategies: product design, product use, and end-of-life management**. This comprehensive approach aims to reduce environmental impact across the entire life cycle of a garment, from the selection of materials to the moment it is discarded, by promoting more responsible design choices, enhancing product durability, and ensuring better recyclability.

1. Product design

Given the significant environmental impact of the materials and natural resources used in its collections, Mango aims to ensure that **100% of the materials in its garments are more sustainable and have a lower environmental footprint by 2030**. To support this ambition, Mango prioritizes materials sourced from more sustainable origins, selecting them based on their impact in key areas such as CO₂ emissions, water use, non-renewable resource consumption, and biodiversity. One of the main tools used to guide

this selection is the **Textile Exchange Preferred Fibre and Material Matrix (PFMM)**.

To drive progress, Mango has set clear **intermediate targets for 2025** for its three most commonly used fibres:

- 100% of cotton to be of lower impact;
- 100% of polyester to be recycled;
- 100% of cellulosic fibres (such as viscose, lyocell, and modal) to be of controlled and traceable origin.

Mango conducts regular follow-up meetings with buying departments and product divisions to review the share of lower-impact fibres in each category. This monitoring process allows the company to identify areas for improvement and ensure progress toward its fibre goals. Moreover, the environmental performance of product teams is linked to the integration of lower-impact materials, aligning decision-making incentives with sustainability objectives.

In addition to scaling up existing alternatives, Mango actively explores innovative materials with even lower environmental footprints. In **2024, Mango introduced regenerative cotton into its collections for the first time through a partnership with Materra**, a British-Indian company specialized in regenerative agriculture. The company explores these materials not only for their reduced environmental impact, but also for their potential to contribute to carbon sequestration through regenerative agriculture.

On the following page, you'll find our breakdown of the various types of fibers sourced in 2024 and 2023, along with the percentage change between these two years.

	2024		2023		% CHANGE FROM 2023
	KG	% KG	KG	% KG	
COTTON	21.118.912	38%	18.042.254	35%	17%
Conventional	1.358.131	6%	914.183	5%	49%
Better cotton	17.407.423	82%	16.572.990	92%	5%
Organic	358.841	2%	25.464	0%	1309%
Recycled	1.993.692	9%	529.617	3%	276%
Regenerative (registered trademark: Materra)	825	0%	-	-	-
POLYESTER	15.081.135	27%	16.402.744	32%	-8%
Conventional	5.192.706	34%	10.183.587	62%	-49%
Recycled	9.886.208	66%	6.189.998	38%	60%
Recycled (registered trademarks: Repreve, Solotex, Sorona)	2.221	0%	29.159	0%	-92%
MAN-MADE CELLULOSE FIBERS	6.997.011	13%	6.216.991	12%	13%
Conventional Acetate	6.695	0%	5.808	0%	15%
Naia Acetate	11.007	0%	9.939	0%	11%
Conventional Cellulose	84	0%	13.092	0%	-99%
Conventional Lyocell	173.877	2%	72.312	1%	140%
FSC Lyocell	43.744	1%	3.723	0%	1075%
Registered Trademark Lyocell (Lenzing, Seacell)	458.753	7%	183.906	3%	149%
Conventional Modal	8.489	0%	31.628	1%	-73%
FSC Modal	-	-	254	0%	-

	2024		2023		% CHANGE FROM 2023
	KG	% KG	KG	% KG	
MAN-MADE CELLULOSE FIBERS	6.997.011	13%	6.216.991	12%	13%
Registered Trademark Modal (Lenzing, Tangcell Lenzing, Birla)	52.099	52.099	52.099	1%	1%
Conventional Viscose	1.602.087	1.602.087	1.602.087	28%	28%
Registered Trademark Viscose (Circulose, Ecotang, Ecovero, Enka, Livaeco)	2.892.286	2.892.286	2.892.286	32%	32%
FSC/PEFC Viscose	1.739.674	1.739.674	1.739.674	33%	33%
Recycled Viscose	8.216	8.216	8.216	0%	0%
POLYAMIDE	1.937.794	3%	1.978.900	4%	-2%
Conventional	1.592.304	82%	1.827.162	92%	-13%
Recycled	345.490	18%	151.738	8%	128%
ACRYLIC	1.274.373	2%	1.267.436	2%	1%
Conventional	950.915	75%	75%	88%	-15%
Registered Trademark Radianza	33.038	3%	3%	1%	264%
Recycled	290.420	23%	23%	11%	112%
POLIURETHANE	2.719.759	5%	2.250.595	4%	21%
Conventional	2.583.794	95%	2.225.340	99%	16%
Recycled	22.950	1%	6.790	0%	238%
Water-based	113.015	4%	18.465	1%	512%

	2024		2023		% CHANGE FROM 2023
	KG	% KG	KG	% KG	
LEATHER	1.406.920	3%	1.354.300	3%	4%
Conventional Bovine Leather	39.110	3%	32.407	2%	21%
LWG Bovine Leather	1.096.072	78%	1.034.715	76%	6%
Recycled	-	-	1.629	-	-
Conventional Buffalo Leather	15.045	1%	21.483	2%	-30%
LWG Buffalo Leather	19.722	1%	-	-	-
Conventional Caprine Leather	12.573	1%	-	-	-
LWF Caprine Leather	71.048	5%	44.619	3%	59%
Conventional Ovine Leather	13.720	1%	964	0%	1323%
LWG Ovine Leather	139.630	10%	218.483	16%	-36%
WOOL	1.513.087	3%	1.473.929	3%	3%
Cashmere	3.071	0%	23.595	2%	-87%
Recycled Cashmere	8.922	1%	1.353	0%	559%
Cashmere-GCS	18.161	1%	-	-	-
Conventional Wool	546.878	36%	681.216	46%	-20%
Recycled Wool	782.643	52%	738.022	50%	6%
Responsible WoolStandard	153.412	10%	29.743	2%	416%
LINO	1.749.839	3%	1.275.860	2%	37%
Conventional	196.805	11%	1.001.181	78%	-80%

	2024		2023		% CHANGE FROM 2023
	KG	% KG	KG	% KG	
LINO	1.749.839	3%	1.275.860	2%	37%
European Flax	1.552.586	89%	274.679	22%	465%
Recycled Lino	448	0%	-	-	-
SILK	7.837	0%	7.906	0%	-1%
Conventional	7.837	100%	7.906	100%	-1%
OTHERS (metals, other natural fibers like hemp, synthetic fibers like elastane, ceramics, feathers, etc.)	1.725.944	3%	1.115.248	2%	55%
TOTAL	55.532.611	100%	51.386.163	100%	55%

5. Our decarbonization strategy

2. Product Use

As part of its eco-design commitment, Mango is reinforcing its **Extended Life strategy**, which focuses on enhancing the durability and quality of its garments. Durability is a crucial factor in lowering the environmental impact of clothing by extending its useful life and reducing the need for frequent replacement.

To support this, **Mango collaborates with certified laboratories to assess the current durability of its products**. Tests include wear simulations through repeated washing, resistance analysis, colour retention, and overall performance across wash cycles. These evaluations are conducted across all product categories, including knitwear and woven items, and help Mango implement specific improvements to meet high durability standards.

These standards are aligned with the most ambitious targets set in emerging regulatory fra-

meworks and reflect Mango's commitment to offering customers longer-lasting garments. By increasing durability, Mango not only delivers higher-quality products but also promotes a more circular and responsible model of consumption.

3. End-of-Life

At the end of the product life cycle, Mango continues to integrate design improvements that enhance the recyclability of its garments. The company works to ensure that each product is easier to recover, dismantle, and reintroduce into the production cycle, thus minimizing textile waste and supporting circularity.

By **considering recyclability from the earliest design stages**, Mango seeks to optimize the potential for garment recovery and revalorization, reinforcing its commitment to reducing environmental impact across all stages of the product lifecycle.

Collaboration with our suppliers

Mango understands that meaningful progress in decarbonization requires strong, long-term collaboration with its supplier network. To this end, the company evaluates its suppliers each season to optimize the supplier portfolio and strengthen loyalty. The evaluation process involves all departments that interact with suppliers and is based on key criteria such as quality, innovation capacity, compliance with Mango's requirements, and contribution to sustainability goals.

Environmental sustainability is a fundamental pillar of our **supplier evaluation process** and currently accounts for 30% of the total supplier scorecard, alongside quality and social criteria. The environmental score is calculated on a scale of 0 to 100. In cases where wet processes are present, the score is composed of 50% climate performance and 50% water and chemical management. In facilities without wet processes,

the environmental score is based 100% on climate performance. This evaluation is primarily informed by the **Higg Facility Environmental Module (Higg vFEM)** scores of the relevant production sites. Through this structure, Mango ensures that environmental impact is systematically integrated into sourcing decisions and supplier engagement, supporting the company's broader climate and sustainability goals.

In parallel, Mango is also participating in collaborative industry initiatives aimed at decarbonizing the supply chain. In May 2024, Mango joined the **Future Supplier Initiative**, a cross-brand project designed to support the financing of decarbonization and energy-efficiency investments in shared factories in Bangladesh. Through this collaborative model, participating brands help facilitate access to funding for suppliers, accelerating progress in high-priority regions and enabling their transition to lower-emission operations.

Strengthening supplier engagement is also a key component of Mango's climate strategy. In 2024, the company hosted the fourth edition of its **Mango Vendor Summit**, a strategic forum to share updates, receive feedback, and reinforce alignment with its long-term sustainability roadmap. Senior leaders from the company participated to highlight Mango's commitment to transparency, traceability, and compliance with its Code of Conduct, while emphasizing the crucial role of suppliers in achieving climate targets.

These summits represent the starting point for building closer, more collaborative relationships with suppliers. From this foundation, Mango has facilitated **country-specific dialogue** aimed at identifying realistic **decarbonization pathways** tailored to each supplier's local context and aligned with the company's broader climate strategy. These pathways are essential for achieving individualized emissions reduction targets, focusing on key levers such as renewable energy adoption, energy efficiency improvements, and process optimization.

5. Our decarbonization strategy

In 2025, this engagement has taken shape through three dedicated meetings held in China, Bangladesh, and Turkey, fostering open exchanges of perspectives, technical knowledge, and shared opportunities for emissions reduction.

This partnership-based approach reflects our belief that meaningful climate action requires collaboration, mutual understanding, and a shared commitment to building a more sustainable supply chain together.

5.2. Achieving net-zero

5.2.1. Biodiversity

As part of its commitment to achieving net zero emissions by 2030, Mango recognises that the preservation and restoration of biodiversity is a critical component of effective climate action. For this reason, Mango is currently working on the development of a more comprehensive biodiversity strategy, designed to strengthen the

company's ability to mitigate environmental impacts throughout its value chain and support the resilience of ecosystems.

In 2024, Mango made significant progress by taking the initial steps towards aligning with the Science-Based Targets for Nature (SBTN) framework. A key milestone in this process was the completion of its first estimated Land Footprint assessment, a tool derived from traceability analysis that will play an essential role in shaping future biodiversity-related strategies.

In parallel, in 2023, Mango joined the working group The Deforestation-Free Call to Action for Leather, led by Textile Exchange, World Wide Fund for Nature (WWF) and Leather Working Group (LWG), focused on transforming the bovine leather supply chain by addressing critical issues such as deforestation, traceability, and animal welfare. As part of this effort, Mango has also participated in the Leather Impact Partnership Incentives (LIPI) in Brazil, committing to a

three-year investment that promotes responsible practices and financially rewards farmers who meet high sustainability standards. This collaboration reinforces Mango commitment to turning science into action, providing access to ongoing initiatives and the opportunity to contribute to the creation of new guidelines and measures for the industry.

5.2.2. Offsetting

Since 2009, we have been offsetting part of the emissions we generate through projects that operate in our areas of greatest influence to stimulate their sustainable development.

In 2024, 43,000 tons of CO2e were offset, covering at least all emissions within scopes 1 and 2 for 2023. In particular, Mango has offset the emissions derived from its direct activities (Scope 1), electricity consumption in its warehouses, offices and own stores (Scope 2), as well as emissions generated by business travel, daily

commuting of employees and the use of assets leased by the company.

Qianbei Afforestation Project

The Qianbei Afforestation Project, located in Guizhou province (China) and carried out in a region affected by desertification, aims to **support regional biodiversity by establishing interconnected forest habitats**. In addition to preserving local flora and fauna, the project focuses on the challenges of soil and water conservation, while capturing significant amounts of greenhouse gases.

The Qianbei afforestation project started in 2015 and aims to be active for 30 years. The transformation of more than 50,000 hectares of barren land to native forest is expected to remove more than 21 million tons of CO2 equivalent from the atmosphere. In 2024 Mango acquired carbon credits VCS (Verified Carbon Standard) certified, a globally recognised standard for certifi-

ying carbon credits for offsetting emissions, and CCB (Climate, Community and Biodiversity), a standard that certifies and evaluates projects that both contribute positively to the capture of greenhouse gases and support local communities and promote biodiversity conservation. At the socioeconomic level, the Qianbei project has given a boost to the community, generating new jobs and raising the quality of life of local communities. The Qianbei Reforestation Project is achieving a comprehensive and sustainable impact on the local community, the environment and the fight against climate change. Its focus on community participation, job creation, and ecological restoration positions it as a model for the successful convergence between environmental conservation and human development in the fight against environmental challenges.

Degraded Lands Reforestation in India

The Reforestation of Degraded Lands in India project aims to optimize forest management

5. Our decarbonization strategy

practices to enhance carbon sequestration and reduce emissions. Certified by Verra under the VCS2404 standard, this initiative is designed to support disadvantaged farmers and tribal communities who lack the necessary resources to carry out afforestation without external financial and technical assistance.

The project falls within the Farm Forestry Scheme and covers 12,437 plots, totaling 14,969 hectares, involving 12,002 farmers. It extends across seven districts in the states of Odisha, Andhra Pradesh, and Chhattisgarh. This initiative contributes to carbon capture while fostering the sustainable development of local communities.

Forest Management Improvement Project in Yunnan Xishuangbanna

The Forest Management Improvement Project in Yunnan Xishuangbanna, China, aims to increase forest cover and protect the local ecosystem to reduce carbon emissions. This is achieved

through the implementation of advanced forest management practices and the conversion of previously exploited areas into protected forests. Certified by Verra under the VCS1664 standard, the project is carried out in the Xishuangbanna Autonomous Prefecture, Yunnan Province, and is managed by the Xishuangbanna Forestry Bureau. It covers 6,691 hectares of secondary tropical forest, with a small fraction (1.2%) consisting of artificial forests on agricultural lands. The project area is distributed across the localities of Jinghong, Menghai, and Mengla.

The predominant species include Pinus Kesiya and broadleaf trees, with ages ranging from seedlings to mature forests. Most broadleaf trees are in the seedling or mid-aged forest stages. This project contributes to carbon sequestration and emissions reduction by optimizing forest management and restoring degraded areas. Additionally, it promotes local ecological conservation and supports the long-term sustainability of the region's natural resources.

6. Climate-related risks & opportunities

Mango acknowledges that climate change presents risks and opportunities that can impact its direct and indirect operations, affecting activities within its supply chain and even its business model. Therefore, it is essential for the company to effectively identify and manage climate risks and opportunities throughout its production chain and global network of stores.

As part of its Sustainable Vision 2030 strategy, Mango conducted a comprehensive analysis of physical and transition risks, as well as climate opportunities, in 2022. This analysis was updated in 2024 to ensure that the actions driven by the company are fully aligned with the current context of the climate crisis.

Risks Arising from Climate Change

• **Physical:** These are related to climatic phenomena such as floods and droughts, which affect the locations where the company and its

suppliers operate. These risks can lead to production interruptions, asset damage, and an increase in operational and logistical costs.

Exposure to these events may intensify in the future due to more extreme climate scenarios, which demands ongoing strategic planning and adaptation measures to minimise the consequences.

• **Transition:** The new environmental policies and regulations, along with changes in consumer preferences, present significant challenges for Mango. The implementation of regulatory mechanisms, such as adjustments in carbon pricing and environmental standards, may increase costs associated with raw materials and the production process. Additionally, the shift in consumer expectations towards more sustainable products compels the company to adapt its offerings to avoid potential market losses and damage to its reputation. The decarbonisation of the supply chain emerges as another key cha-

llenge that requires close collaboration with suppliers to meet emission reduction targets.

Opportunities Arising from Climate Change

• The adoption of **renewable energies** in its operations not only reduces Mango's operating costs but also decreases the company's emissions.

• The development of **sustainable products** and the use of **alternative materials** strengthen its commitment to sustainability and respond to consumer demands, enhancing the brand's competitiveness.

• Investing in **low-carbon transportation solutions and circular economy practices** contributes to more efficient resource management and supports the achievement of the company's climate goals.

These risks and opportunities significantly influence Mango's strategy and financial position

in the short, medium, and long term. Therefore, the company is currently assessing the associated financial impacts in order to implement proactive measures to mitigate risks and capitalise on opportunities. This approach of keeping the analysis constantly updated ensures that Mango can face climate challenges resiliently, maintaining its commitment to a sustainable and responsible business model.

6. Climate-related risks & opportunities

Main Physical Climate Risks Identified

DESCRIPTION OF THE IDENTIFIED RISK	TYPE OF RISK	TERM	AREAS OF ACTION FOR ADDRESSING RISKS
Floods and heat stress in the supply chain	Physical (chronic)	Medium and Medium-Long	Implement climate adaptation measures in the supply chain, working closely with suppliers to offer training that encourages the adoption of these measures. Additionally, evaluate climate risk in critical locations, with the aim of preventing production disruptions and potential cost increases.
Heat stress and fire risk in franchises	Physical (chronic)	Longand Medium-Long	Evaluatevulnerabilities in key assets, develop contingency plans, improve infrastructure, and training for climate risk management.
Stress due to rainfall and droughts in the production and supply chain	Physical (acute)	Medium-Long; Current	Strengthen the resilience of the supply chain in collaboration with suppliers through logistical optimisation and strategic storage.
Stress due to rainfall in franchises	Physical (acute)	Current	Establish rapid response protocols for emergencies, training for franchises, and review insurance contracts to include protection against extreme weather events.
Stress due to fire risk, heat stress, and rainfall stress in own operations, stores, and distribution centres	Physical (chronic)	Long	Implement risk monitoring systems, improve infrastructures to withstand extreme events, and policies for transitioning to more sustainable operations that reduce exposure to climate risk.
Introduction of carbon pricing mechanisms such as the Carbon Border Adjustment Mechanism (CBAM) in Mango's supply chain, which is expected to increase	Transition (political and legal)	Medium-Long	Monitor the evolution of CBAM regulations and calculate the financial impact for applicable product categories. Anticipate the identification, evaluation, and management of the supply chain to minimise the financial impacts of potentially affected products.
Stricter environmental regulations in circularity, derived from the EU Circular Economy Package and the Ecodesign for Sustainable Products Regulation	Transition (political and legal)	Medium-Long	Anticipate and adapt circular product design strategies to comply with future regulations and investment in R&D for the development of sustainable materials.
Shift in customer preferences towards garments with greater durability and more sustainable features	Transition (change in customer preferences)	Short-Medium	Develop product lines that prioritise durability and sustainability, and consumer education on the positive impact of more circular product choices.
Increase in the cost of raw materials, rise in operational costs, and need for greater investment in the development and production of sustainable materials	Transition (cost of raw materials)	Short-Medium	Establish long-term agreements with suppliers who excel in sustainability, promote the use of recycled or regenerative materials, and optimise production processes to minimise operational costs.

6. Climate-related risks & opportunities

Main Physical Climate Risks Identified

DESCRIPTION OF THE IDENTIFIED RISK	TYPE OF RISK	TERM	AREAS OF ACTION FOR ADDRESSING RISKS
Higher cost of capital as sustainability criteria become more closely linked to access to financing	Transition (reputation)	Short-Medium	Improve Mango's sustainability performance and transparent reporting of progress, ensure alignment of the sustainability strategy with international standards to attract investors with sustainable criteria.
Decarbonisation of suppliers, with Net Zero Emissions (NZE) to drive carbon reduction in the supply chain, with an associated cost increase due to increased investment in renewable energy	Transition (reputation)	Short	Encourage suppliers to adopt renewable energy sources, establish joint emission reduction targets, and co-finance supply chain decarbonisation projects.
Investment in manufacturing technologies for the production of sustainable materials	Transition (technology)	Medium	Increase investment in advanced technologies for sustainable manufacturing, collaborating with innovative projects in the sector and scaling technological solutions that reduce environmental impact.
Decarbonisation of the fleet and distribution, with increased development and investment in low-carbon emission transportation	Transition (technology)	Short-Medium	Adapt electric vehicles in the transportation fleet, promote partnerships with sustainable logistics providers, and optimise routes to minimise distances and delivery times.
Transition to renewable energy consumption (installations such as solar panels or energy purchased through EAC)	Energy sources	Short-Medium	Mango's emissions reduction strategy includes an 80% reduction in scope 1 and 2 emissions. To achieve this, the works and sustainability department is prioritising the negotiation and purchase of renewable energy for the company's own stores. In 2024, 64% of the total electricity supply for the company's own stores came from renewable electricity.
Waste reduction through alternative materials (especially in packaging)	Products and services	Short-Medium	In 2024, Mango has ensured that 100% of its factories have access to recycled plastic bags or paper bags, reinforcing its commitment to eliminating single-use plastic. Additionally, efforts are being made to eliminate unnecessary components and packaging,and seek alternatives with less impact. The goal is to achieve 100% packagingwith a lower environmental impact.
Adoption of energy efficiency measures (LED, efficient refrigeration systems)	Resource efficiency	Short-Medium	Implement energy-efficient technologies such as LED lighting and low-consumption refrigeration systems to reduce environmental impact and operational costs.
Decarbonisation of the fleet and transportation	Resource efficiency	Medium-Long	Logistics represents a significant part of Mango's carbon footprint. The transition to electric vehicles will reduce fuel costs and emissions generated by internal combustion engines.

7. Closing remarks

We are dedicated to reducing emissions throughout our value chain to limit global temperature rise to below 1.5°C. While we are walking our long journey to achieve our ESG objectives, notable challenges persist. In order to transform these systematic challenges into actions, the industry needs collaboration among all stakeholders (government, academy, brands, retailers, manufacturers, farmers, etc.).

In recent years, we have made substantial advancements in refining our data and calculation methodologies to accurately assess emissions and track improvement initiatives. This ongoing effort will continue as we intensify our focus on decarbonization.

8. Contact information

For any inquiries regarding the company's GHG emissions inventory and the Decarbonization Action Plan, please contact:

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