

# **SUSTAINABILITY REPORT AND STATEMENT OF NON- FINANCIAL INFORMATION 2023**



[ April 2024 ]

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# **LETTER FROM THE GENERAL MANAGER**

(GRI 2-22)

At Mondragon Assembly (hereinafter MA), the 2023 period has been a year of great project acquisition, hiring many people to deal with workloads, as well as obtaining a large portfolio planned for the coming years.

Despite the geopolitical, economic, social and technological changes we are experiencing, the drastic, unpredictable and unstable changes, we have "weathered" the gust of wind well and we have received orders and work thanks to MA's trajectory and value proposition, and our sustainability strategy followed with the effort of the people who make up the MA group.

We have continued to bring together projects for the supply of equipment and manufacturing lines for photovoltaic modules (solar panels) in the solar sector, continuing with our value proposition and strategic vision for the sector with a joint effort in the coordination of the global team of the Solar Business and the coordination of plants and subsidiaries that collaborate in the business.

We have achieved significant acquisitions, both quantitatively and qualitatively, in the assembly of electric batteries. Once again, because the market demands equipment and lines, but also because in the past we have shown quality in similar equipment, because of the strategy followed in the market and because of the coordination of several plants and subsidiaries of MA Grupo.

And we have managed to remain loyal to the regular customers of the plants and subsidiaries of the MA Group, obtaining the demands for investments, with a large volume of acquisition and reinforcing the relationship of reliability and services with them.

In total, we have considerably exceeded the acquisition targets set, we have not reached the sales target, mainly due to the great overload and the difficulty of arriving on time to the projects, but we have maintained margins and business results.

For all these reasons, in order to respond to the workload and backlog that we have for the coming years, we have increased the number of workers of the MA Group by more than 60 people (+10%), especially in Aretxabaleta (Euskadi) and Querétaro (Mexico), such as programmers or assemblers to deal with work peaks and project deadlines to be met.



*Mikel Gantxegi Gantxegi*

*General Manager*



*Igor Herrarte Letona*

*President*

We are a company committed to the immediate environment, especially to the creation of sustainable and quality employment, also promoting their participation in the organization. Within our commitment, the educational aspect is key and we provide facilities to students in the area by encouraging them to carry out internships, final degree projects and studies in the dual modality of our company. In 2023, the opportunity has been given to more than 20 students with different dedications, jobs and modalities.

On the other hand, following our cooperative values and principles of contributing locally, in 2023 we have continued to work closely with our local suppliers (74% of total purchases have been made with local suppliers) and with various socio-cultural groups. Among other initiatives, we carry out proper waste management according to the ISO1400 system, where we have been following certifications since 2017. Our processes and initiatives are increasingly framed

in sustainability standards where we seek continuous improvement and as a member of the Fagor Group we participate in the Fagor 2030 project, the sustainability strategy that seeks to promote the transformation of cooperatives towards sustainable performance.

To conclude, we can say that we have had a very intense year 2023, especially at the commercial level in the realization of new projects, at the

manufacturing level with very high workloads and saturation, at the HR level with an exceptional number of personnel selection and hiring; but in general with a very high level of load and tasks in all businesses and areas caused by the increase in activity in general. However, thanks to the effort and cooperation, excellent results have been achieved and an outstanding portfolio of work for 2024 and beyond has been secured.



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**ABOUT US**

## 2.1.- Our identity

*"Mondragon Assembly is a world leader in the field of equipment and automatic assembly lines."*

(GRI 2-1, 2-2, 2-6)

Mondragon Assembly is an **international group specialising in the development of automation and assembly solutions**. The parent company in Spain, which is a Cooperative Society, was created in 1977, being one of the pioneers in the development of production and assembly technologies.

"We are specialists in the design, manufacture and installation of a wide variety of equipment for automating assembly processes."

Mondragon Assembly S.Coop. is the parent company, a cooperative society associated with the Mondragon Group, in the division of Mondragon Industry Automation, and belonging to the Fagor Group.



It has its own company, which includes the rest of the subsidiaries distributed worldwide, where various businesses and marketing areas are carried out.

The Group's most important companies are:

- Mondragon Assembly S.Coop (sociedad dominante)
- Mondragon Assembly SA de CV
- Mondragon Assembly do Brazil
- Mondragon Assembly GmbH
- Mondragon Assembly USA
- Mondragon Assembly SA
- Mondragon Assembly Kunshan Co.Ltd
- Mondragon Assembly Tunisia
- Mondragon Assembly India
- Quinhuangdao Visual Automation Co Ltd.

This report reports data from manufacturing companies, not including data from commercial subsidiaries or SFK, a group company with no activity, only participation.

On the other hand, Mondragon Assembly participates in the company Quinhuangdao Visual Automation Co Ltd. of China, whose integration began in 2022 in financial matters, but not in non-financial matters, due to the fact

that there was no accurate data available for the year. In 2023, the entity has been integrated in terms of production processes, and consequently in the report of this report.

## 2.2.- Mission, vision and values

The management of Mondragon Assembly has S.Coop established its vision, mission and values as a starting point for the development of its strategic plan and policy.

### Mission

We are a dynamic and committed Group with a high Sense of Belonging to the Mondragon Assembly Cooperative, which develops Industrial Automation Solutions: we do not only sell machines but we offer a Service that generates Trust in different sectors betting on internationalization.

### Vision

To provide the market with cost-effective and suitable solutions and knowledge for the needs of automation in assembly processes, applying experienced systems and technologies with proven reliability, positioning ourselves as clear world leaders in our activity.

To provide our customers with the security and confidence of having a partner of proven quality that will help them solve the automation problems they may have.

### Values

#### 1. Proactivity/Leadership

It is to work on the development of my skills by becoming a protagonist/responsible person in my area of influence and putting this value at the service of the cooperative.

#### 2. Innovation

Promote the development and implementation of alternative and/or innovative solutions, in both every day and emerging situations.

#### 3. People Development

Promote, facilitate and encourage the learning and/or development of others based on the analysis of their needs and those of the Cooperative.

#### 4. Teamwork

Cooperate and collaborate with others from a place of trust, supporting each other to achieve a common goal.



### 5. Excellence

Continuous search for impeccability in the fulfilment of commitments with attitude and continuous willingness to identify areas and opportunities for improvement and implement them in those places that add value to the client, seeking to be the reference in the market.

### 6. Closeness to the customer

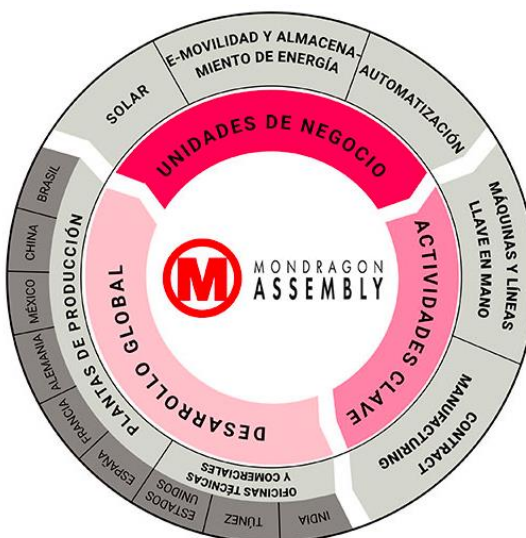
Orient the organization towards the creation and maintenance of personalized and close relationships with the client, generating opportunities for advice and the preparation of proposals on the offer.

## 2.3.- Our business model



(GRI 2-6)

Its main activities in each of these areas include the development of turnkey machines and lines and contract manufacturing, being able to offer solutions anywhere in the world. As a result of the permanent approach to the market and customers, the following business units and key activities have been developed at the Mondragon Assembly plant in Aretxabaleta:



#### Solar

We are a leader in Europe in the **production of technological equipment for the manufacture of solar modules** thanks to the implementation of various cutting-edge technologies. We design and provide high-tech turnkey machinery and production lines for photovoltaic systems.

#### Automation

We are able to understand the needs of our customers and can offer **modular solutions for a wide variety of assembly processes in the manufacture of different industrial components** for different markets: automotive, electrical

components, medical equipment, household appliances, cosmetics, etc.

#### E-mobility and energy storage

We offer **solutions with innovative and flexible systems for the manufacture of modules and battery packs, as well as hydrogen cells for different sectors**, such as mobility and stationery, always adapting to the needs of our customers.



## 2.4.- Global presence

### **INTERNATIONAL PRESENCE**

*BECAUSE WE ARE WHERE OUR CUSTOMERS ARE*

*"With more than 40 years of experience, Mondragon Assembly is a world-class company, with a presence in different countries."*



(GRI 2-1, 2-2)

#### **Group Structure**

The Mondragon Assembly Group is headquartered in the town of Aretxabaleta (Gipuzkoa, Spain) and has 6 production plants located in Brazil, Mexico, France, Germany and China.

In addition, the Group also has three technical sales offices that provide services in India, Mena (Middle East and North Africa) and the United States.

The Mondragon Assembly work centres are located in:

	Company name	Country
PARENT COMPANY - HEAD OFFICE	MONDRAGON ASSEMBLY S.COOP.	SPAIN
SUBSIDIARIES - PRODUCTION PLANTS	MONDRAGON ASSEMBLY GMBH	GERMANY
	MONDRAGON ASSEMBLY DO BRASIL COM. IMP. E EXP LTDA	BRAZIL
	MONDRAGON ASSEMBLY KUNSHAN CO.LTD.	CHINA
	MONDRAGON ASSEMBLY	FRANCE
	MONDRAGON ASSEMBLY S.A. DE C.V.	MEXICO
SUBSIDIARIES - COMMERCIAL PLANTS	MONDRAGON ASSEMBLY	TUNISIA
	MONDRAGON ASSEMBLY USA, INC.	USA
	MONDRAGON ASSEMBLY	INDIA
SUBSIDIARIES – INVESTEE COMPANIES	SFK	SPAIN
	QUINHUANGDAO VISUAL AUTOMATION CO LTD.	CHINA

**The development of hundreds of projects, the ability to promote sustainable development and its international presence are the strengths of Mondragon Assembly.**

## 2.5.- Our activity

(GRI 2-6)

Mondragon Assembly is a **cooperative that carries out a responsible and sustainable business activity**, which seeks profitability in accordance with a code of conduct, compliance with the law and the creation of added value on a permanent basis for its customers and other stakeholders.

From this point on, the Group's model and, therefore, portfolio management is based on the following pillars:

- **Group Aspirations.**
- **Recognition as a global supplier.**
- **Differentiation through the contribution of technology to its customers.** Mondragon

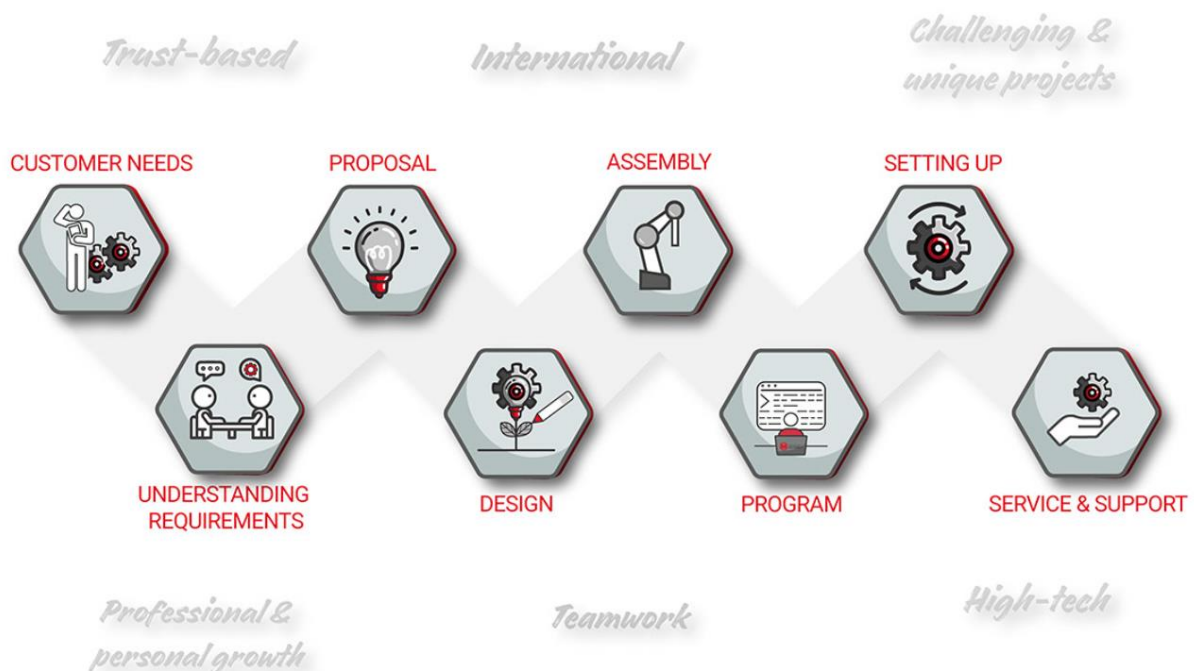
Assembly is a technological partner of our customers.

- Development of **autonomous plants** (both from a technical and financial point of view).
- Coordination to **give the best response to global customers** in global markets and local customers in local markets.

On the other hand, in the development of the daily activity, each project at Mondragon Assembly is challenging and unique. The management of these is based on principles of trust, professional and personal growth, teamwork, the international nature of the teams and the use of high technology.

### PROJECT MANAGEMENT AT MONDRAGON ASSEMBLY

This is how we do it



## Our Products & Services

Mondragon Assembly's portfolio of products/services S.Coop. It is made up of:

- Automation of production processes in the automotive sector.
- Automation of electronic component production processes.
- Automation of medical equipment production processes.
- Automation of production processes for household appliance components.
- Automation of production processes in the cosmetics sector.
- Turnkey Production Lines.
- Turnkey production lines for photovoltaic modules.
- Individual photovoltaic module machines.
- Contract manufacturing.
- Global Projects.

In addition:

- New Module Technologies.
- New Business Development Assistance, Manufacturing.
- Industry 4.0 & Diagnostic Control.
- Module and battery pack solutions for e-mobility and energy storage.
- Hydrogen Technology Solutions.
- Customer service of the machines/lines produced.
- Technological advice and maintenance.
- SAT: Line maintenance and control services.

## 2.6.- At a glance



\*2023 year data based

## 2.7.- What sets us apart

*"Mondragon Assembly belongs to the Automotive Division of the MONDRAGON Corporation and the Fagor Group, sharing values, principles and a unique business model.*

*The core of Mondragon Assembly is the cooperative. Its values, principles, and culture go beyond the business. Its management model focuses on people and the environment that surrounds them and matters to them."*

(GRI 2-23)

Mondragon Assembly is part of the **MONDRAGON Group**, the largest cooperative corporation in the world, made up of more than 80 cooperatives, with more than 140 subsidiaries with a presence on 5 continents, organized into four business areas: Finance, Industry, Distribution and Knowledge. The MONDRAGON Group has its own university and 12 R+D centres and is internationally recognised as a model of inclusive competitiveness.

**Together, MONDRAGON's cooperatives have a turnover of more than €10,000 million and employ more than 70,000 people around the world, more than 40% of whom work in the industrial area. The MONDRAGON Group has various mechanisms of intercooperation and solidarity that make it more resilient and will be**

essential to successfully address the transformations of the coming years.

On the other hand, Mondragon Assembly is also part of the **Fagor Group**, an industrial cooperative group made up of 8 cooperatives with an annual turnover of more than €1,500 million and more than 11,500 workers throughout the world.

The Fagor Group **has started the Fagor 2030 sustainability strategy, a strategy that seeks to promote the transformation of cooperatives so that they remain profitable in a new competitive context increasingly influenced by digitalization and sustainability.**

In addition, as founding members of the **Debagoiena 2030** network for sustainable development, the Fagor Group has a strong commitment to the sustainability of the territory where most of its industrial activity is concentrated, collaborating with local administrations, universities and social agents in the development and financing of various projects that aspire to turn Debagoiena into a smart territory. inclusive and climate-neutral by 2050.

### Intercooperation brings us greater competitiveness

*"Mondragon Assembly is part of a regional group of cooperatives, Fagor Group, whose main objectives are to **develop a common people management model and an intercooperation project in which the Group's cooperatives carry out their activity.**"*

The Fagor Group and MONDRAGON have various mechanisms of intercooperation and solidarity that make them more resilient and competitive. These mechanisms are aimed at supporting cooperatives in three fundamental aspects:

#### **Reconversion of results:**

This mechanism aims, on the one hand, **to support and contribute to the economic recovery of cooperatives in difficulty by compensating part of the losses generated in the year so that they can channel their business projects in complicated economic contexts.**

In this way, cooperatives with positive surpluses contribute at least 10% of their results to compensate for up to 30% of negative results, thus tempering the cooperative's equity

impairment with losses. At the same time, on the other hand, it **also advocates solidarity in the distribution of cooperative returns and extortions (part of the profits or losses that return to the member on the basis of his cooperative activity once the mandatory funds have been endowed) beyond the individual evolutions themselves.**

Likewise, within the framework of the Reconversion, cooperatives with positive results allocate a % of them to the constitution of another mechanism of intercooperation and solidarity that serves to help and support cooperatives to mitigate to some extent the differences in remuneration between the worker

members of the Group's cooperatives, given the fragile patrimonial situation they may be experiencing.

#### **Business Development Support:**

**All MONDRAGON cooperatives, annually and in general, contribute 5% of their positive results to the MONDRAGON Foundation in non-refundable funds for the constitution of the Cohesion and Development Fund for the development of projects that promote the cohesion and development of the MONDRAGON Cooperative Experience.**

Specifically, the destination of this fund is channelled to finance the Promotion Centre, carry out feasibility analyses, or finance R+D+i projects, among others. Likewise, and also on a general basis, they make annual investment contributions equivalent to 5% of the positive results, constituting an International Expansion Fund managed by MONDRAGON Inversiones S.Coop.

**The purpose of these resources is to support cooperatives in their processes of expansion and international growth, to promote different business projects or even to strengthen the patrimonial structures of cooperatives, among others.**

#### **LagunAro features:**

The MONDRAGON cooperatives are part of a **Voluntary Social Welfare entity called LagunAro, in charge of managing an Equity Fund made up of the contributions made by members (mutual society members) based on their employment index, which seeks to guarantee a system of defined benefit pension coverage for its mutual society members** that complements the public retirement benefits recognised by the social security system at the rate of contributions to the self-employed workers' scheme made by LagunAro on behalf of each mutual society member. Along with these retirement benefits, it also manages those relating to the widowhood or orphanhood of mutual society members.

Similarly, another part of the contributions made by mutual society members is used to finance the various benefits such as health care, maternity and paternity coverage, those referring to temporary disability processes or employment aid. The provision of employment aid is an inter-cooperation tool designed to combat adverse economic periods, and among the measures it proposes and co-finances together with cooperatives are those directly related to the maintenance of the employment of members through the financing of early retirement, the mobile calendar, effective unemployment, the professional reconversion of mutual society members and the relocations of members between cooperatives associated with LagunAro both temporarily and permanently.



3

**WE ARE A  
COMPETITIVE AND  
INNOVATIVE GROUP**

### 3.1.- Vision of the environment: economic and sectoral context

The year 2023 can be summed up as a year of great workload due to all the projects that have entered during the course of it. This great burden has had a significant influence on the running and management of Mondragon Assembly:

- The situation stemming from the Covid pandemic normalized in Europe and America the previous year, and finally, this year China has also entered that normality. Hence the increase in workload.
- Regarding the analysis of supply chains in the global context, the situation of the lack of supply has improved, but the increase in the price of electronic material in the market has continued.
- The war in Ukraine has continued to wreak havoc on raising the price of gas, electricity, raw materials, and inflation in general.
- Even so, sales and backlog have only gone up thanks to the excellent reaction of the entire team.

There was also growth and revitalization of sectors such as:

- The automotive market, which has continued to show a significant recovery; and
- The solar market, which has continued with exponential growth and opening of many new factories and module lines, for us with special interest in Europe.

(GRI 3-3)

**Despite all this, in all the plants we have managed to overcome all these difficulties and have managed to end the 2023 financial year with very good results, due to the great work and effort of its partners and collaborators.**

On the basis of this analysis of the economic and sectoral environment, the following risks and management and control measures have been identified:

Risk	Management and control measures 2022
Important changes in European legislation with rapid implementation: on matters related to Criminal Compliance, the environment, sustainability and safety in particular	Six-monthly legal audits on IMS, participation in various corporate forums and continuous training on new regulatory changes
High workloads, and the need for new recruits and strategic profiles	First level objectives for establishing recruitment plans
Need to streamline and to digitalise processes	Digitalisation implementation objectives and analysis of the quality process
Market cost competitiveness and Chinese competition	Establishment of the structural reorganisation in the Solar business
Loss of internal talent in the businesses needed to take on projects.	Create training pathway plans for each profession
Need for adaptation of the physical space	Analysis of the possibilities of adaptation and dimensioning of the plant



## 3.2.- Strategic Plan 2021-2024

(GRI 2-24)

Within this framework of action, **Mondragon Assembly's 2021-2024 Strategic Plan** covers the following challenges, in order to achieve sustainable development and growth in all plants.

### CHALLENGE 00 DIMENSION:

Prioritize profitability over sales to maintain positive results and a stable level of employment.

### CHALLENGE 01 GLOBAL ORGANIZATION MODEL:

New stage of development of the Mondragon Assembly Group, based on the balance between the autonomy of the subsidiaries and the strengthening of the Group, the generation of synergies and the coordination of the activity, consolidating the progress of recent years and strengthening commercial and technical coordination.

### CHALLENGE 02 DIVERSIFICATION:

Ensure a profitable and balanced business portfolio, with openness to new activities and business ideas, both internal and external, in accordance with the DNA of Mondragon Assembly. Diversification also in markets.

### CHALLENGE 03 BRAND/MARKET RECOGNITION:

To be recognized as a leading global company, with strong local capabilities, with a portfolio of loyal customers, with a competitive offer that maintains the focus on quality and customer

service, and alliances with industry and innovation benchmarks.

### CHALLENGE 04 TECHNOLOGICAL DIFFERENTIATION:

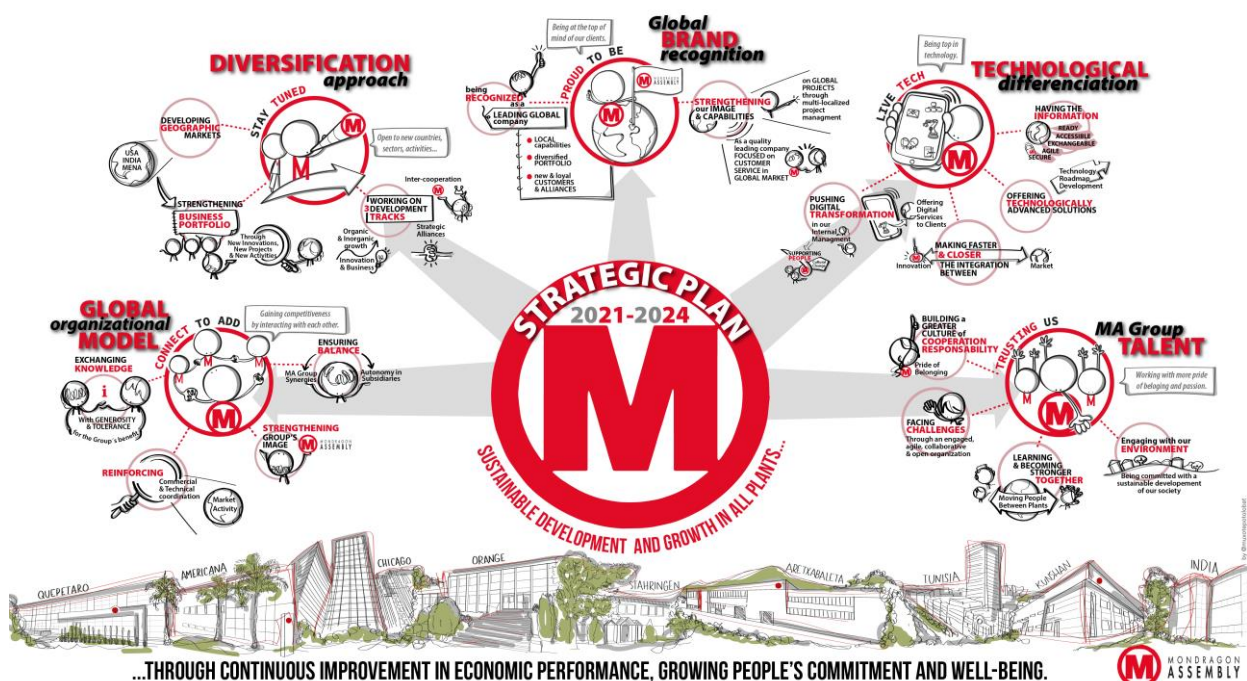
Mondragon Assembly's value proposition characterized by the offer of technologically advanced solutions. Speed and rapprochement between Innovation and Market. Digital transformation, both in application to internal management and in the development of customer service.

### CHALLENGE 05 ATTRACTING AND RETAINING TALENT:

To develop a global company made up of people with a culture of cooperation and responsibility, with systems adapted to each country and a high pride of belonging. Relate to the environment and get involved in projects that promote its development, maintaining business activity with quality employment.

The deployment of the Strategic Plan is carried out annually through a Management Plan, the progress of which is periodically evaluated.

These objectives will be carried out through the definition of objectives of Aretxabaleta's annual management plan and in each of the subsidiaries.



...THROUGH CONTINUOUS IMPROVEMENT IN ECONOMIC PERFORMANCE, GROWING PEOPLE'S COMMITMENT AND WELL-BEING.



### 3.3.- Integrated management systems

(GRI 2-23)

*"Mondragon Assembly is aware that in order to carry out effective business management, it is important to have an integrated system that is clear, dynamic and simple for all stakeholders."*

It is currently working with an integrated management system that includes the following standards:



Mondragon Assembly is reviewing the Integrated Management System for its assessment and planning of the actions to be undertaken next year.

#### Integrated Management System Policy

The management of Mondragon Assembly has S.Coop established its Management Policy in order to set the company's intentions and guidelines in terms of strategy, people, stakeholders and social responsibility.

#### **POLICY STATEMENT**

- **Mondragon Assembly works closely with the client**, seeking their closeness and identification and commitment to their real needs in order to achieve their satisfaction.
- **Mondragon Assembly is an organization based on people** and teamwork.
- **Mondragon Assembly is committed to innovation and development with the promotion of R+D+i projects and continuous improvement** as ways to guarantee its future competitiveness and provide added value to its customers and society in a sustainable way.
- **Mondragon Assembly** is committed to **integrating the management** of Quality, Occupational Health and Safety, the Environment, Corporate Social Responsibility, Criminal Compliance and R+D+i management into all the company's activities and at all levels of the organisation,

defining responsibilities, providing the means and the appropriate training to ensure that they are carried out with a guarantee of success.

- **Mondragon Assembly** integrates Sustainable Development into its decisions at all levels.
- **Mondragon Assembly** has an **international vocation** and is open to the world and other cultures, always with respect for their singularities.

The integrated management system is based on other policies adopted by Mondragon Assembly's senior management that were updated at the end of this 2023 academic year, and which are published on its website:

- Sustainability Policy
- Code of Conduct
- Privacy & Confidentiality
- Anticorruption
- Conflict and harassment
- Grants
- Conflict of interest

#### **Certifications**

Mondragon Assembly S.COOP. It has 5 certifications that accredit the excellence and quality of its processes, products and services.

### 3. We are a competitive and innovative group



Mondragon Assembly Group is a group committed to sustainability. Proof of this are the annual results of the external evaluation at EcoVadis and the development of plans and actions for sustainable development.



#### Management in subsidiaries

In terms of **management in the subsidiaries**, since 2020 we have been working on cooperation with them to promote actions related to the development of Integrated Management Systems. In 2023, we collaborated on communication and awareness-raising issues related to criminal compliance, carbon footprint, cybersecurity and machine safety and documentation (product quality and safety).

In addition, in 2023, the Mondragon Assembly Group continued to make progress in optimising management systems. For this reason, the five production plants already have ISO 9001 quality certification, with the plant in China being the last to achieve it (2023).



In 2022, the digital platform for integrated group management systems was implemented in the Brazilian subsidiary, and during this academic year, the first steps towards implementation in Mexico and Germany have been taken. The translation of the tool's reports into Basque, Portuguese and German has also begun.

This year, in addition, the signing of criminal compliance policies for specially exposed persons of the subsidiaries in India and Mexico has been updated.

#### 3.4.- Our innovation strategy

*"Mondragon Assembly has become a European benchmark in automation and assembly technologies and processes, participating in numerous innovation projects."*

(GRI 3-3)

Since its creation in 1977, **Mondragon Assembly has been committed to innovation as a tool for growth progress, dedicating a large part of its resources to promoting research and development of new products**, as well as expanding its range of comprehensive services. In addition, since 2002, Mondragon Assembly S. Coop. It has its own technology centre, through Koniker, aimed at the development and capture of medium and long-term technologies (SDG 9 Industry, innovation and infrastructure).

During this academic year, a high level of investment in Innovation and Development has continued to be maintained, continuing the volume of investment already increased in the previous year. During 2023, the new projects achieved have been maintained in strategic sectors for MA such as the solar photovoltaic sector, electric batteries, fuel cells, industry 4.0 and robotics.

In 2023, €3,350,734 was invested in innovation at Group level, at Mondragon Assembly S.Coop. 6.9% of turnover has been invested.

With regard to the public subsidies received, the support of the public administrations for the Group's activity is noteworthy, especially in the development of research and development and innovation activities. The amount of operating subsidies recorded in the accompanying consolidated profit and loss account during the financial year 2023 amounts to €2,828,083, of which €2,090,338 correspond to subsidies granted by the parent company with registered office in Spain.

Among the main fields of research are:



#### SOLAR

Máquinas para nuevas aplicaciones solares; BIPV, máquinas para fabricar módulos de alta eficiencia con tecnología HJT



#### ROBÓTICA

Mejorar la eficacia de los procesos de fabricación, aumentando el conocimiento y mejorando la entrega de la robótica.



#### INDUSTRIA 4.0

Sistemas de generación y adquisición de datos en tiempo real para la provisión de servicios avanzados a clientes



#### BATERÍAS

Diseño y simulación de líneas de montaje de baterías de litio, llave en mano, desarrollando controles propios

It is worth mentioning the collaboration with eight entities in the field of innovation and research and development projects, with active projects. For more information, see <https://www.mondragon-assembly.com/es/innovacion/>

### 3.5.- Quality is our priority

(GRI 2-25)

*"Mondragon Assembly develops automatic production lines in which quality is a key factor and offers solutions in which it provides a high level of technological know-how."*

**All of the products are manufactured to the highest quality standards and undergo rigorous quality controls;** In addition, the Group guarantees the safety of the people who interact with the lines and the quality of all the processes through self-certification and/or collaboration with companies and institutions that accredit the quality of the products.

For years, clear quality processes have been in place, which is reflected in the satisfaction of its people and customers.

Thanks to Mondragon Assembly's innovative, honest, transparent, customer-centric nature and excellent management, it has earned the trust of its customers, which has allowed it to become an international reference group for all of them.

**Innovation, excellence in management and closeness to the customer are the three values that have made Mondragon Assembly a benchmark group for customers around the world.**

### 3.6.- Our suppliers

Mondragon Assembly has an international presence thanks to the six production plants in which the entire value chain is covered. In addition, since 2021 it has also had a stake in Quinhuangdao Visual Automation Co Ltd., where part of the machinery that is integrated into Solar's business lines is produced. This is why **it wants to continue to have a network of suppliers capable of offering solutions anywhere in the world and that meet the quality standards.**

His day-to-day work is based on collaboration with his suppliers, as he understands that **they are his great ally when it comes to offering the best solution to his customers.** It is always looking for new partners to help it provide the customers with the highest quality solutions under the best conditions.

In the partners, it not only looks for qualities such as high-quality solutions, competitive prices, well-organized logistics, reliability and flexibility, but also looks for suppliers who are responsible with their people and the environment. Since they are a socially responsible Group, committed to their people and society, they look for these same characteristics in their suppliers.



The objective is to extend the principles applied in Mondragon Assembly to the suppliers. You want to collaborate with companies that integrate workplace health and safety into all their activities, that are environmentally friendly, and ethically and socially responsible.

**In 2023, Mondragon Assembly Group collaborated with 2,803 suppliers, of which the proportion of spending on local suppliers was 74.28%.**

**In 2023, 150 new suppliers have been evaluated.**

SUPPLIERS	Number of suppliers 2022	Amount tendered €	% Total
Local	2.447	59.805.660	%74.28
Continental	213	6.156.956	%7.65
International	143	14.547.300	%18.07
<b>TOTAL</b>	<b>2.803</b>	<b>80.509.915</b>	<b>%100</b>

\*Local suppliers are considered to be those belonging to your country for each of the production centres, continental suppliers to suppliers from the same continent and intercontinental suppliers to those who do not belong to the two previous groups.

Mondragon Assembly distinguishes four supplier families, depending on the type of supply:

- **Suppliers of parts according to drawings:** machining, boilermaking.
- **Suppliers of commercial elements:** electronics, pneumatics, etc.
- **Special equipment suppliers:** machines or devices that we incorporate into our lines.
- **Outsourcing:** outsourced services of various kinds.

*"Mondragon Assembly is committed to promoting and encouraging the suppliers, contractors and external collaborating companies to adopt practices in accordance with the guidelines included in this Code and provides the necessary means for them to know and understand this Code and to be able to comply with it."*

## **Health and safety of our customers**

As part of the quality process, Mondragon Assembly verifies the safety of each of the machines manufactured within the facilities. After the assembly phase, the safety of the machine is checked in terms of inherent risks, possible identification of risks for the user and the set-up of the line.

Subsequently, and prior to the machine's journey to the destination, various verifications are carried out, including the machine validation test and the verification that the machine's file complies with the CE certification regulations, either through internal or external validation audits, issuing the corresponding certificate of conformity. and/or line (integration), in line with the type of machine manufactured.

On occasions and when requested by the customer, we proceed to third-party verification and auditing of the safety of the machines in our and/or at destination.

## **Confidentiality**

Within the service standards, in order to offer a quality service, a confidentiality policy has been defined at the group level, which indicates the

guidelines to be followed to ensure maximum confidentiality in all processes. Privacy and confidentiality are maintained in terms of the protection of personal data and confidentiality of industrial property. In 2023, no complaints regarding customer privacy breaches and loss of customer data have been identified.

## **General Terms and Conditions of Purchase**

Mondragon Assembly publishes through the website the general terms and conditions of purchase of the countries in which it is present: Spain, France, Germany, Brazil, Mexico and China, in the different languages.

The purpose of these conditions is to regulate the legal and commercial relations between the supplier and the buyer.

Through the purchase contract that Mondragon Assembly makes available to suppliers, they adhere to the general conditions of purchase defined, including the code of conduct, with their confirmation.

## **Supplier Code of Conduct**

(GRI 2-25)

Mondragon Assembly's Supplier Code of Conduct is understood as an **extension of our company's Code of Conduct and aims to establish the minimum guidelines that must govern the behaviour of suppliers, contractors and external collaborators in accordance with the business culture and the regulatory system of Mondragon Assembly**. The criteria reflected in this Code are not intended to contemplate all the situations or circumstances that they may encounter, but to establish general guidelines that guide them in the way they act during the performance of their professional activity.

All suppliers, contractors and collaborating companies have the possibility of contacting the Mondragon Assembly Conduct and Compliance Committee confidentially, in good faith and without fear of retaliation, to notify any breach of the guidelines of the Code of Conduct that they observe in their professional performance through the email at the address; [socialresponsibility@mondragon-assembly.com](mailto:socialresponsibility@mondragon-assembly.com).

This Code of Conduct includes the commitments derived from the United Nations Global Compact and the Mondragon Assembly Integrated Management System Policy.

## **Supplier Selection and Evaluation**

(GRI 308-1, 308-2, 414-1, 414-2, 409-1)

Mondragon Assembly S. Coop. It has adopted a supplier management procedure that aims to establish a system for the initial approval or selection of suppliers, and their continuous evaluation to meet the required quality, not only

from the technical, price, time and service point of view, but also from the social point of view, so that they contribute to sustainable development and are socially responsible.

In order to ensure responsible supply chain management, in 2023, the continuous evaluation process was applied to 150 suppliers, taking into account both social responsibility, quality, criminal compliance, health and safety and environmental criteria. Among the issues to be taken into account are: External certifications in these matters, if they have internal policies and procedures for their monitoring, as well as codes of conduct and/or action plans in these matters.

**100% of the new suppliers passed the selection filter according to these criteria**, either because they have such certificates or because they are in the development phase.

**To date, no relevant negative environmental/social impacts have been identified in the supply chain: no suppliers with potential or actual negative environmental, social or corruption impacts have been identified and no business relationship with any of them has been terminated as a result of this assessment.**

Similarly, **suppliers with significant human rights risks**, such as forced, compulsory labour or child labour, have not been identified.

The current way of evaluating is very focused on issues related to the safety and quality of suppliers, which is why during 2024 the organization will invest in the review of its value chain to identify the impacts, risks and opportunities and thus develop a long-term sustainability strategy to ensure its best performance in the social spheres. environmental and governance.



4

**WE ARE A  
DEMOCRATIC  
GROUP DEEPLY  
ROOTED IN THE  
REGION**



The corporate experience of Mondragon Assembly has extended democracy to the company, which acts according to the principle of one partner, one vote. Its worker members participate in ownership, profit distribution and management.

### 4.1.- Cooperative model

*"Mondragon Assembly is developing a cooperative governance model committed to the Sustainable Development Goals and its highest body is the General Assemblies, where all the important decisions that determine the future of the Group are made."*

The cooperative model seeks to satisfy the human and social aspirations of its members by achieving a profitable and solid business structure, and to put cooperation at the service of the person, in solidarity with the world and the environment to which the Corporation belongs, in its entirety (at the group level).

- It understands **work as a resource for the progressive satisfaction of human aspirations and the achievement of human progress**, from a demanding and responsible solidarity that fosters an individual and collective commitment to its own business reality.
- **The ownership of the means of production is the responsibility of the working members** and the exercise of social rights is linked to the work of the person and not to the possession of capital.
- **All members of the Cooperative participate in the election of its representative and governing bodies and in the determination of its corporate destiny**, with each member being able to exercise one vote, advocating a democratic model that allows and promotes co-responsibility as a collective, both in the corporate regime and in business management.

These cooperative principles provide behavioural guidelines to the people of the Organization, in order to put into practice the values of the Cooperative. People building a shared project.

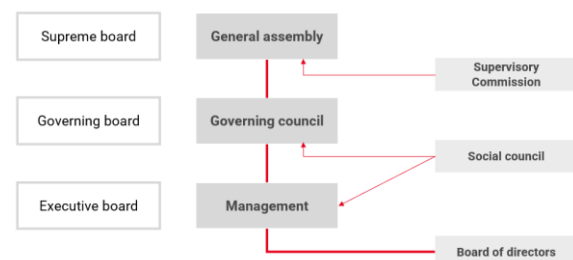
In order to ensure that the governing bodies of the Cooperative and the exercise of their functions are truly democratic, it is encouraged that the members are involved in their election, in their membership, and actively participate in the network of communications and decision-making typical of a system of participation and sovereignty of work.

The democratic nature of the Cooperative also implies a progressive development of self-management and consequently of the participation of the members in the field of business management, through the mechanisms and channels of monthly participation and the transparency of information in relation to the evolution of the basic management variables of the Cooperative.

#### Cooperative Governance System

(GRI 207-2)

Below are the main bodies of Mondragon Assembly that constitute the cooperative governance system.



## 4. We are a democratic group deeply rooted in the region

### GENERAL ASSEMBLY

The corporate body constituted by the members to **deliberate and reach agreements on matters within its competence**, such as examining and censuring the social management, approving the accounts and balance sheet, agreeing on the distribution of surpluses and establishing the criteria for the application of the Contribution for Education and Cooperative Promotion and other purposes of public interest, among others.

### GOVERNING COUNCIL

The collegiate body that is exclusively responsible for the **management and representation of the Cooperative**, also exercising all the powers that are not expressly reserved by law or the Statutes of the General Assembly or other corporate bodies. The Governing Council is responsible for, among other things, appointing the management and, at its proposal, appointing the departmental directors and setting their powers, duties and remuneration.

### PRESIDENCY

The President is the person elected by the group of members (or delegated by the Governing Council) to **represent and lead the socio-business project of the cooperative**. He must preside over the Assembly and the Governing Council, and from his role he personalises the relationship between the Governing Council and Management and the Social Council. Likewise, it personalizes the relationship with the rest of Mondragon's bodies, as well as the institutional representation before third parties.

### MANAGEMENT

He is the **top executive of the Cooperative in all matters related to business functions, acting under the supervision of the Board of Directors**. It will have maximum management autonomy, and its decisions, within its sphere of competence, will be binding on the members and workers of the Cooperative.

### BOARD OF DIRECTORS

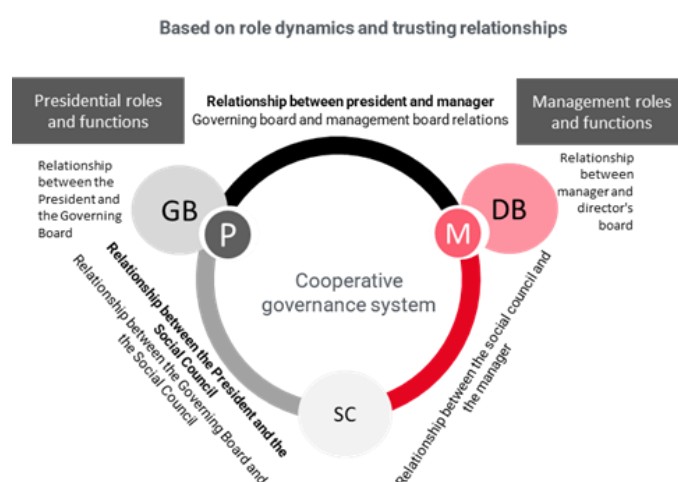
It is the **manager's team and under his/her direction acts with the utmost responsibility in all matters related to the business functions**. Its decisions, within its sphere of competence, will be binding on the members and workers of the Cooperative.

### SOCIAL COUNCIL

It is the **body of permanent participation of the members and acts on their behalf before the internal bodies of the Cooperative**. Organically, it will be an advisory and consultative body to the Governing Council and Management. The basic functions of the Social Council are information, advice and consultation.

### SUPERVISORY COMMITTEE

The body that has the **powers, reviews and supervises the annual accounts and books of the Cooperative, and participates in the Compliance Committee**, having the power to review and consult on any matter that it considers to be of interest.



The diversity of the governing bodies is detailed below:

(GRI 405-1)

Cooperative governance structure	SEX	AGE	DATA
SUPERVISORY COMMITTEE	WOMEN	< 30	0
		31 - 50	0
		> 51	1
	MEN	< 30	0
		31 - 50	1
		> 51	1
GOVERNING BOARD	WOMEN	< 30	0
		31 - 50	2
		> 51	0
	MEN	< 30	0
		31 - 50	5
		> 51	0
SOCIAL COUNCIL	WOMEN	< 30	0
		31 - 50	0
		> 51	0
	MEN	< 30	0
		31 - 50	5
		> 51	1
MANAGEMENT COMMITTEE	WOMEN	< 30	0
		31 - 50	0
		> 51	2
	MEN	< 30	0
		31 - 50	3
		> 51	2

## 4.2.- Code of Conduct

(GRI 2-23)

The Mondragon Assembly's code of conduct, renewed by the Board of Directors in February last year, aims to establish the rules of behaviour that must be followed by the Group's employees in relation to their relations with all its stakeholders and for strict compliance with the legislation and regulations in force in the countries in which it operates. In the case of places where the law and regulations are unclear or less demanding, this code of conduct will be the reference standard for compliance.

It is applicable to all members of the Group's companies, as well as to all persons hired directly, hired through other entities or self-employed professionals, when they work for or on behalf of some of the Group's companies.

It is made public for the knowledge of society in general and efforts will be made to ensure that the priority stakeholders who interact most with Mondragon Assembly, such as suppliers, customers and auditors, are aware of it and assume it.

### Criminal Conduct and Compliance Committee

(GRI 205-2)

To ensure compliance with this specific code of conduct and everything related to criminal compliance, the Governing Council has created a **criminal conduct and compliance committee** that is made up of the members of the Supervisory Committee, plus a member of the Governing Council and another person responsible for conduct and compliance who will be the coordinator and permanent member of this Committee.

This Committee **is the highest guarantor of the supervision, surveillance and control of the obligations arising from compliance management** and is accredited to request and receive the full collaboration of the other bodies of the organization. It has direct and immediate access to the Governing Council in the event that it needs to raise suspicious facts or behaviours or other matters related to its mission.

The Committee's main responsibilities are:

- **Supervision of the "Crime and Criminal Risk Prevention Management System" ("Compliance")** for:
  - promote and monitor its implementation and effectiveness.
  - provide training support to the members of the organization.
  - promote the inclusion of the responsibilities of the organization in the job descriptions and in the performance management processes of the members of the organization.
  - The identification of legal, social, labour and environmental (criminal) risks that may affect the organization, including those related to business partners, for their evaluation and taking actions to avoid them or reduce their probability of occurrence.
- **Communication to the Board of Directors and the Governing Council** on suggestions, initiatives, and proposals for improvement.
- The **dissemination and correct communication of the "Code of Conduct"** and everything related to compliance.
- **Answer queries and doubts** about the interpretation of everything related to the code of conduct and compliance.
- The **investigation of communications and complaints received**, of suspicious situations and of giving the corresponding opinion with its proposal of actions to the Governing Council (governing body). This management is carried out on the basis of the protocol for action in the event of complaints.
- **Carry out an annual review of compliance** and content of everything related to compliance management and make the relevant updates, if necessary.
- **Establish performance indicators** and measure them for compliance management.
- **Report annually** on the results derived from the application of compliance management to the Board of Directors (senior management) and the Governing Council (governing body).

The Committee meets at least once every quarter and whenever circumstances so require.

### 4.3.- Fight against corruption and bribery

(GRI 2-24, 2-25, 2-26, 3-3 c., 205-1)

Mondragon Assembly has several mechanisms to guarantee this and has an **anti-corruption policy**. The purpose of this policy is to identify the measures necessary to prevent, detect and punish fraudulent acts. It is applicable to all worker partners and any other person working under contract for or on behalf of Mondragon Assembly. This policy can be found on the Mondragon Assembly website: **Anti-Corruption Policy**.

*"Under no circumstances will the people of Mondragon Assembly carry out unethical actions to pressure, through blackmail, bribery or threats, third parties to make decisions in favour of Mondragon Assembly, themselves or other persons or entities."*

*"In the same way, the people of Mondragon Assembly will not tolerate being pressured to make decisions that harm the organization and/or benefit third parties."*

In turn, Mondragon Assembly Aretxabaleta has held the **Criminal Compliance Management System Certificate since 2018**.

Through the management of Criminal Compliance, the methodology used by Mondragon Assembly to identify, evaluate and record the criminal risks that the organization may incur due to its own activities and those of the people who make it up is described, in order to determine the probability of occurrence of each of them and, if they are going to occur, the ability to be detected and their severity (SDG 16 peace, justice and strong institutions).

Through the existing procedures, all the offences contemplated in Organic Law 1/2015, of 30 March, amending Organic Law 10/1995, of 23 November, of the Penal Code, and those contemplated in subsequent updates of the law, are identified and evaluated.

For this management, Mondragon Assembly has two main control mechanisms:

On the one hand, **the systematic review through the Steering Committee of the due diligence of important customers and suppliers**. In this regard, project due diligence has been carried out within the Board of Directors.

**During 2023, 18 Due Diligence investigations were carried out on customers and suppliers**

**identified by the Mondragon Assembly Management Committee.**

On the other hand, the Criminal Compliance Committee carries out the annual review of the criminal risk assessment of the commission of crimes of Mondragon Assembly S. Coop. In 2023, the formats created for audits have been integrated into compliance meetings, in order to be able to carry out specific audits of all existing controls throughout the year.

In addition, in 2023, the Human Resources and Management Systems group committee shared the need to continue on the need to raise awareness among all people regarding customer-related industrial confidentiality and criminal compliance. Progress was also made in the renewal of the signing of criminal compliance policies by personnel specially exposed in all subsidiaries.

On the other hand, in 2023 a total of seven people from Mondragon Assembly's Aretxabaleta plant received training on compliance policies and anti-corruption procedures, including two directors, three sales representatives and the members of the criminal compliance committee, renewed in 2023. A total of 7 hours of training in criminal compliance have been given.

#### 4.4.- Commitment to human rights

(GRI 3-3 c., 2-23 b.)

*"Mondragon Assembly respects all internationally recognized human rights, and especially those that are relevant to its activity and its stakeholders."*

Mondragon Assembly is part of the **MONDRAGON Corporation**, a world reference for cooperation work, which is the leading business group in the Basque Country and the tenth in Spain. The MONDRAGON Corporation has a philosophy guided by its **corporate values**:

- **intercooperation,**
- **participation in management,**
- **social responsibility,**
- **innovation**
- **democratic organization,**
- **education and**
- **Social Transformation**

As a general philosophy, the following are considered to be specific cooperative requirements of the Organization:

- Adaptation to the characteristics and needs of the economic and social environment, seeking a human and professional balance in it.
- Respect for the dignity and aspirations of worker members.
- The permanent improvement of working conditions and adaptation to their professional skills, without prejudice to inducing a constant eagerness and encouragement for professional improvement and retraining through the development of one's own work and the enrichment of tasks.
- The development of management and leadership models that facilitate the participation of partners in decision-making.
- The information and intervention of the partners and their representatives in the definition and control of organizational changes.
- The acceptance, by the worker partners, of the requirements derived from business efficiency, assuming the professional obligations and responsibilities assigned to them, the individual and collective objectives that correspond to them, the control of their results, the conditions derived from the coordination of efforts of the individuals and groups of the company, and the consequences of the establishment of staff at an adequate level in correlation with maintenance, in terms of aspiration, of the full employment of the worker members.

- The collaboration of the partners in the improvement of procedures and working methods and in the achievement of productivity, the gradual implementation and subsequent improvement of which constitute a substantial part of the social will of the institution.

(GRI 2-23a., 2-24, 2-25)

Within this framework, the **Group's code of conduct** becomes the guide that spells out the values to be promoted by all people, at all professional levels, and on which relationships between all people linked to the Group must be based, in order to promote a respectful work environment and a positive work environment:

- Proactivity and Leadership
- Innovation
- People Development.
- Teamwork
- Excellence
- Proximity to the Customer

In this code of conduct, Mondragon Assembly expresses its commitment to comply with the human rights recognized in national and international legislation and assumes compliance with declarations and initiatives such as the Fundamental Principles of the Declaration of Human Rights (UN, 1948), the principles of the United Nations Global Compact and others that follow the same philosophy of responsibility. solidarity, freedom, democracy and justice, such as the OECD Guidelines for Multinational Enterprises, the Tripartite Declaration and the Social Policy of the International Labour Organization (SDG 8 decent work and economic growth).

On the other hand, Mondragon Assembly is committed to strict compliance with current legislation (and, as far as possible, to exceed it) in relation to everything that refers to:

- Employment contracts (salary, hours, calendar, insurance, ...)
- Working conditions (healthy, clean and safe environment, ...)
- Rejection of child labour and/or forced or compulsory labour
- Non-discrimination and equal opportunities
- Harassment (a Harassment Policy is in place)
- Right to privacy (LOPD) (has a Privacy and Confidentiality Policy)



- Respect for the right to association and collective bargaining.
- Respect for the rights of ethnic minorities and the peoples in which it operates.

In addition, Mondragon Assembly S. Coop. It pays attention to guarantees of compliance by its suppliers with human rights, the rights of all workers, the non-exploitation of children, non-forced labour and the protection of health and safety at work.

This code of conduct establishes the internal and external channels for the communication of non-compliance. In this way, the person who has indications or suspicions of the commission of a crime, or of the violation of any of the principles and values recognized in the code of conduct and the policies related to social responsibility, must report it directly to any of the members of the criminal conduct and compliance committee. This committee ensures the confidentiality of the communicator.

Mondragon Assembly S. Coop., within the framework of its criminal compliance certification, assesses the different criminal risks it faces due to its activity. In this risk assessment matrix, various controls have been established to try to avoid the **criminal risks of human rights violations**, through the following control measures:

- Consultation of LKS and ENVIRA bulletins on regulatory changes.
- The organization has a training system to ensure the suitability of the person for the position.
- HR staff are trained specifically for their job and their training is regularly updated on legal compliance and human rights.
- The People Manager reviews and signs all contracts.
- External regulatory audits are carried out by AENOR (ISO-9001, ISO-45001, SR-10 and UNE-19601).
- The Reception Plan includes a mention of the worker's right to the protection of his or her personal data.
- List of approved suppliers with a procedure for their evaluation.
- Third-party due diligence to control possible criminal offences.
- Identification of workers particularly exposed to criminal offences (with a specific procedure for their control and training).
- Existence of committees, in several subsidiaries, to denounce possible human rights risks.
- Protocol for action in the event of conflict and/or harassment.
- Protocol for action in the event of complaints.
- Whistleblowing channel open to all stakeholders.

These controls are reviewed annually and in 2023 there are no violations in this regard.

Mondragon Assembly S. Coop. is certified in Corporate Social Responsibility. Within the framework of this certification, existing laws regarding **respect for human rights, privacy and confidentiality of individuals are taken into account**, which is why together with the "compliance" certification, these issues are evaluated within the Organization.

As for the subsidiaries, throughout 2023, various actions have been carried out after receiving the results of the **organizational culture survey** carried out in 2022.

Each of the subsidiaries autonomously analyses the legal compliance of the various statutes of the workers and laws of each country.

**During 2023, no cases of human rights discrimination have been detected.**

(GRI 406-1)

Each of the subsidiaries buys autonomously according to project specifications, and this makes it necessary to buy in countries whose human rights legislation is not as developed as in others. That is why, as part of the Criminal Risk Assessment, Mondragon Assembly Aretxabaleta has identified the risk of making purchases from suppliers that do not comply with the provisions of our supplier code of conduct. In order to be able to identify this type of situation, we have two ways of acting at the group level. On the one hand, the organization's whistleblowing channel, which can be used by both internal and external staff. In the event of a complaint of a possible breach by a supplier, the criminal compliance committee proceeds to investigate it and defines how to proceed with it at group level, informing the management committee and governing council of the situation.

On the other hand, as part of the due diligence of suppliers, the management committee analyses those suppliers that may be susceptible to crimes against human rights such as forced labour and child labour, analysing those cases that are considered potentially dangerous, in order to decide how to proceed with them at the group level and reporting to the governing council and criminal compliance committee.

(GRI 414-3)

The organization has significant investments in Quinhuangdao Visual Automation Co Ltd. Within the agreements with it, and despite the fact that there is no specific clause on human rights, the company is being evaluated in terms of processes and organization. In 2023, the company has been taken into account in terms of financial accounting and economic control,

this is the first step towards its integration into the group. The prolongation of the COVID-19 pandemic during the last academic year in China did not facilitate the full integration of the organization. But, in 2023, the integration of it in terms of production processes and sustainability has begun; To this end, the organization has been evaluated in terms of human rights, safety, quality and the environment.





**5**

**WE ARE A GROUP  
THAT TAKES CARE  
OF ITS PEOPLE**

### At Mondragon Assembly, people are at the centre.

(GRI 3-3C,2-23)

It is the people who build the future with co-responsibility towards the shared project, with the commitment to leave the new generations a better cooperative than the one they have received.

*In order for people to give the best of themselves, Mondragon Assembly works to build an advanced business culture that fosters teamwork, knows how to manage diversity, ensures people's health and allows them to reconcile work and family life.*

#### 5.1.- Solidarity as a basis

*"People are decisive in the future of Mondragon Assembly's socio-business project, due to their creative capacity, initiative, commitment and responsibility."*

The Group's corporate model encourages the participation of these companies, both in ownership, management and results, thus seeking through participatory work, the commitment of people as a fundamental value.

Mondragon Assembly, as a cooperative that has been working in the market for more than 40 years, has a part of social responsibility implicit in its genesis (SDG 8 decent work and economic growth):

- Labor is prioritized over capital.
- Profits are not monetized but reverted to activity.
- There is a solidary distribution of wealth.
- The participation and integration of people in management is encouraged.

#### Our People

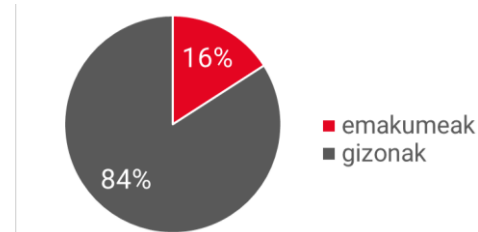
One of the most important pillars of Mondragon Assembly is people, the engine that moves the organization forward in the face of challenges.

Plant name	Workforce
Mondragon Assembly Aretxabaleta	192
Mondragon Assembly Kunshan	73
Mondragon Assembly GmbH	62
Mondragon Assembly France	43
Mondragon Assembly Queretaro	134
Mondragon Assembly USA	5
Mondragon Assembly Brazil	51
Mondragon Assembly Tunisia	4
Mondragon Assembly India	12
QHD Visual Automatization Equipment Co.,Ltd	79
<b>TOTAL</b>	<b>655</b>

### Employment

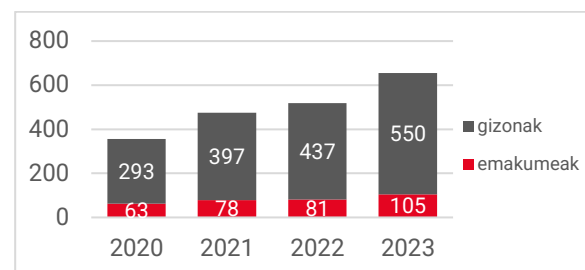
(GRI 2-7)

As of December 31, 2023, a total of 655 people of various nationalities made up the Mondragon Assembly team, made up of 105 women and 550 men.



Number of people employed, by gender	2023	2022	2021
Women	105	81	78
% women	16%	16%	16%
Men	550	437	408
% men	84%	84%	84%
<b>TOTAL</b>	<b>655</b>	<b>518</b>	<b>486</b>

As we can see in the following graph, the number of people has been increasing, although the percentages have remained the same as in recent years.



Number of people employed at group level per country by gender:

	2023	2022	2021
<b>SPAIN</b>	<b>192</b>	<b>166</b>	<b>147</b>
Women	38	35	30
Men	154	131	117
<b>CHINA</b>	<b>73</b>	<b>66</b>	<b>77</b>
Women	18	14	16
Men	55	52	61
<b>GERMANY</b>	<b>62</b>	<b>57</b>	<b>54</b>
Women	6	6	6
Men	56	51	48
<b>FRANCE</b>	<b>43</b>	<b>37</b>	<b>35</b>
Women	5	5	5
Men	38	32	30
<b>MEXICO</b>	<b>134</b>	<b>135</b>	<b>115</b>
Women	17	15	16
Men	117	120	99
<b>USA</b>	<b>5</b>	<b>2</b>	<b>1</b>
Women	1	0	0
Men	4	2	1
<b>BRAZIL</b>	<b>51</b>	<b>46</b>	<b>47</b>
Women	7	6	5
Men	44	40	42
<b>TUNISIA</b>	<b>4</b>	<b>4</b>	<b>3</b>
Women	0	0	0
Men	4	4	3
<b>INDIA</b>	<b>12</b>	<b>2</b>	<b>7</b>
Women	0	0	0
Men	12	2	7
<b>VISUAL</b>	<b>79</b>	<b>0</b>	<b>0</b>
Women	13	0	0
Men	66	0	0
<b>TOTAL</b>	<b>655</b>	<b>518</b>	<b>486</b>
<b>Women</b>	<b>105</b>	<b>81</b>	<b>78</b>
<b>Men</b>	<b>550</b>	<b>437</b>	<b>408</b>

## 5. We are a group that takes care of its people

Number of people employed by type of contract, gender, age group and occupational category:

TYPE	GENDER	AGE RANGE	MANAGEMENT COMMITTEE	PEOPLE IN CHARGE	TECHNICIANS	TOTAL
PERMANENT CONTRACT	WOMEN	< 30	0	0	13	69
		31 - 50	2	11	32	
		> 51	2	1	8	
	MEN	< 30	0	4	95	361
		31 - 50	11	32	168	
		> 51	2	8	41	
	TOTAL		17	56	357	430
TEMPORARY CONTRACT	WOMEN	< 30	0	1	10	36
		31 - 50	1	3	20	
		> 51	1	0	0	
	MEN	< 30	0	1	71	189
		31 - 50	3	8	96	
		> 51	2	1	7	
	TOTAL		7	14	204	225

Note: This is a considerable change compared to the previous year, this is due to the fact that the methodology for systematizing the information with the parent company and subsidiaries has been adjusted.

Number and percentage of people employed by professional category and gender	2023	%	2022
Directors	24	4%	24
Women	6	25%	5
Men	18	75%	19
Responsibles	70	10%	57
Women	16	23%	9
Men	54	77%	52
Technicians	561	86%	426
Women	83	15%	67
Men	478	85%	366

### Contract modalities

In 2023, more than 65% of the workforce of Mondragon Assembly Group in the production subsidiaries, was linked through an indefinite contract and, in turn, more than 97% of the employees had a full-time job. The distribution of contract modalities of the staff and according to the geographical areas was as follows:

Number and percentage of people employed by type of contract and workday	2023	2022	2021
Type of contract	665	518	486
Permanent	430	443	431
Temporary	225	75	55
Type of work day	655	518	486
Full-time	637	494	464
Part-time	18	24	22

Number and percentage of people employed by type of workday, gender, age group and occupational category

TYPE	GENDER	AGE RANGE	MANAGEMENT COMMITTEE	PEOPLE IN CHARGE	TECHNICIANS	TOTAL
FULL-TIME	WOMEN	< 30	0	1	24	96
		31 - 50	3	11	46	
		> 51	3	2	7	
	MEN	< 30	0	7	167	541
		31 - 50	13	38	263	
		> 51	5	11	37	
	TOTAL		24	70	544	638
PART-TIME	WOMEN	< 30	0	0	0	6
		31 - 50	0	0	2	
		> 51	0	0	4	
	MEN	< 30	0	0	0	11
		31 - 50	0	0	8	
		> 51	0	0	3	
	TOTAL		0	0	17	17

Total number and distribution of contract types by geographical area - 2023	Permanent	Temporary
SPAIN	128	64
Women	29	9
Men	99	55
CHINA	11	62
Women	6	12
Men	5	50
GERMANY	62	0
Women	6	0
Men	56	0
FRANCE	34	9
Women	5	0
Men	29	9
MEXICO	123	11
Women	15	2
Men	108	9
USA	5	0
Women	1	0
Men	4	0
BRAZIL	51	0
Women	7	0
Men	44	0
TUNISIA	4	0
Women	0	0
Men	4	0
INDIA	12	0
Women	0	0
Men	12	0
VISUAL	0	79
Women	0	13
Men	0	66
TOTAL	430	225
Women	69	36
Men	361	189

Of the permanent workers of Mondragon Assembly S.Coop., 126 are members of the cooperative, which means that 66% of the workforce are cooperative members.

Likewise, during the 2023 financial year there were 6 layoffs: 1 woman and 5 men, and 72 voluntary departures.

Entries and departures by country and gender 2023	ENTRIES	DEPARTURES Layoffs + voluntary
SPAIN	47	9
Women	8	1
Men	39	8
CHINA	22	10
Women	5	2
Men	17	8
GERMANY	9	5
Women	0	0
Men	9	5
FRANCE	12	5
Women	1	1
Men	11	4
MEXICO	15	16
Women	1	0
Men	14	16
USA	3	1
Women	2	1
Men	1	0
BRAZIL	12	10
Women	2	0
Men	10	10
TUNISIA	0	0
Women	0	0
Men	0	0
INDIA	7	0
Women	0	0
Men	7	0

VISUAL	29	22
Women	4	2
Men	25	20
<b>TOTAL</b>	<b>156</b>	<b>78</b>
<b>Women</b>	<b>23</b>	<b>7</b>
<b>Men</b>	<b>133</b>	<b>71</b>

Type of departures by position, gender, and age:

TYPE	GENDER	AGE RANGE	MANAGEMENT COMMITTEE	PEOPLE IN CHARGE	TECHNICIANS	TOTAL
VOLUNTARY LIVES	WOMEN	< 30	0	0	3	6
		31 - 50	0	0	3	
		> 51	0	0	0	
	MEN	< 30	0	1	31	66
		31 - 50	0	0	32	
		> 51	0	0	2	
	<b>TOTAL</b>		0	1	71	72
DISMISSALS	WOMEN	< 30	0	0	1	1
		31 - 50	0	0	0	
		> 51	0	0	0	
	MEN	< 30	0	0	4	5
		31 - 50	0	0	1	
		> 51	0	0	0	
	<b>TOTAL</b>		0	0	6	6

## Remuneration Solidarity

(GRI 2-19)

One of the areas where the practical application of solidarity can be most clearly seen is in the remuneration system of Mondragon Assembly S. Coop. This system proclaims a sufficient, fair and supportive remuneration for work for all people as a basic principle of management, always within the real possibilities of the Cooperative.

In this way, the Cooperative's remuneration policy is framed by the Fagor Group's Declaration of Principles, which states that *"A company in which its members can achieve ... a decent standard of personal and family life and a progressive improvement of their living and working conditions, in line with the evolution and real possibilities of the company. A company that projects its solidarity to the rest of the cooperative movement and to all the workers, from whose movement it emerged and with whose deep aspirations it identifies."*

This remuneration policy is also defined by the Basic Principles formulated during the First Cooperative Congress that proclaim, "Remuneration Solidarity".

**Mondragon's Cooperative Experience establishes sufficient remuneration and solidarity as a basic principle of its management, expressed in the terms of:**

**Sufficient**, in accordance with the real possibilities of the Cooperative.

**Solidarity**, in the following specific terms:

- Internal. Materialized, among other aspects, in the existence of a solidarity interval of remuneration for work.
- External. This is based on the criterion that the average internal remuneration is equivalent to that of salaried workers in their social environment unless there is a manifest inadequacy of the wage policy in that environment.

Applying this context of general principles to the most immediate operational level, the criteria that inform the Cooperative's remuneration policy are the following:

- The worker member shall be remunerated for his work in such a way that he can satisfactorily meet his ordinary individual and family needs.
- For the updating of the remuneration level, the economic and patrimonial situation and evolution of the Cooperative will be taken into account.
- Remuneration will be periodically adjusted in line with the salary level of the workers in the area unless this is manifestly inadequate.
- If there are negative results in the operation and the subsequent foreseeable evolution puts at risk the normal development and development of the Cooperative, the level of remuneration will be adjusted in the amount and time projection necessary, within a balance in the attention to individual and community needs.

The remuneration policies for the highest governing body and senior executives follow similar guidelines to those applied for the rest of the Cooperative's positions. **All the components of the remuneration for the highest governing body, as well as for the senior executives, are the same as for the rest of the worker members of the Cooperative.**

*"All worker members are professionally classified according to the job they perform, applying appropriate assessment systems and giving rise to what is known as the structural index."*

In addition to the index, depending on the results and the achievement of the objectives defined in the Cooperative, all people will have the option of achieving a variable, regardless of the type of contract.

**No specific or different remuneration criteria are applied to all the Group's employees for Senior Management.** In the 2023 financial year, the average remuneration for the members of the Board of Directors amounted to €109,598.43 and the average remuneration of the members of the Governing Board was €68,888.86. The difference in remuneration between the maximum rate is 3.63 times the minimum.

(GRI 405-2)

As for the ratio of women's base salary and remuneration to men, in 2023 at Mondragón Assembly S. Coop., this was 4% in favour of women, the change is mainly due to the salary increase in the CPI of all workers, and the recent changes in different positions:

Gender pay gap	2023	2022	2021
Gross salary/h for women	33.8	29,50	23,52
Gross salary/h for men	32.41	31,27	21,53
Ratio	1,04	0,94	1,09

In relation to the procedure for determining remuneration, the different positions of the Cooperative are assessed by the **Fagor Group Valuation Committee**, made up of technicians from the different cooperatives and directed by the person responsible for valuation who is a neutral member, belonging to the Fagor Group, but not associated with any of the cooperatives in particular. **In this committee, the different positions are analysed and assessed, taking into account both internal equity and external competitiveness.**

For this assessment, this committee has market reports on the current situation in each of the cooperatives, with the possibility of resorting to the advice of external consultants.

At the level of the subsidiaries, they also make use of market reports and/or support from external consultants to obtain information on remuneration ranges applicable in their relevant market.

### **Welfare system for members**

(GRI 201-3)

The worker members of Mondragon Assembly S. Coop. have a **double retirement benefit**, the one from the general regime in the self-employed regime (RETA) and the one from the LagunAro as a social welfare entity. These benefits derive from a double contribution where the advance provision represents 31.5% of the labour cost. LagunAro is the voluntary social welfare entity of which the cooperatives are members, and whose mission is to provide social protection services to members.

In addition, **through the capital accumulated in the Cooperative, the worker members have an individual pension plan derived from the capitalized cooperative returns (Individual Pension Plan).** Mondragon Assembly annually distributes a percentage of its available profit among its working members, as a cooperative return or share in profits, which is capitalized and added to the share capital held by each of the members, as long as the annual results of the cooperative are positive. Otherwise, there would be a possibility for the partner to collaborate with his capital. This share capital participation is essential until the moment when the working partner ceases to be active in the organization, being practically an individual pension plan after its increase maintained throughout the organization's working life.

On the other hand, the Cooperative has a **retirement savings plan called Arogestion**, created so that members can apply for early retirement in order to improve the employability of new recruits. The company annually analyses the available pre-retirement funds to offer the most senior members early retirement, which must be approved by the Board of Directors.

In terms of social benefits, both full-time, part-time, or temporary employees can enjoy them in the same way.

In this way, Mondragon Assembly assumes, for the benefit of its work partners, the co-payment of the fees required for the annual financing of a comprehensive health care system, complementary to that of the Public Social Security, which it has for its participating members of the MONDRAGON Corporation.

### **Organization of work**

The labour organization imprints character and defines a company; the same is true when it is a cooperative. By virtue of this, **the general policy on the matter seeks the efficiency and profitability of the cooperative without prejudice to the due participation of the members or their representatives in the decisions that affect them and the possible respect for their human and professional interests, so that the work promotes the integral development of the worker members. in general, and corporate participation in particular.**

As established in the Code of Conduct, all the Group's employees are hired in accordance with the current legislation of each country, respecting or improving the legal limits for the establishment of the working day or calendar of the workers.

Particular aspects concerning the working day, such as the duration of the working day and the weekly schedule, the modalities of breaks and their consideration, the treatment of travel time in forced transfers, and others, may be the subject of specific regulations that will be approved by the General Assembly of the Fagor Group, at the proposal of the General Council.

In accordance with current regulations, working hours and vacation periods for the year are defined. In order to achieve a work disconnection, checkpoints are defined that will respond to the needs that may arise during vacation periods. This makes it possible for the rest of the people to disconnect from work during these periods.

**The working day of Mondragon Assembly S. Coop. is 8 hours a day**, to complete an annual calendar of 1,702 hours. The schedule is flexible, entering between 07:30 and 09:30, going out to eat between 12.30 and 14.30 (minimum 30 minutes and maximum 120 minutes for lunch) and ending the day in the afternoon at the corresponding time to complete 8 hours a day staying at least until 16.15, except on days of continuous working hours, and exceptions referring to the care of minors and dependent adults. However, when the situation requires it, the members of the cooperative will assume their responsibilities in response to their obligations due to their dual status as member/worker.

In the rest of the subsidiaries, local regulations are applied in relation to calendars and working hours, applying, in coherence with the headquarters, those measures that promote work-life balance and flexible working hours.

Absenteeism rate by gender and country.

	GENDER	%
SPAIN	Women	0.65
	Men	2.62
CHINA	Women	0
	Men	0
GERMANY	Women	0.03
	Men	0.50
FRANCE	Women	0.49
	Men	1.58
MEXICO	Women	0
	Men	0
BRASIL	Women	0
	Men	0.76
VISUAL	Women	0
	Men	0

## Socio-labour relations

*"The members of Mondragon Assembly exercise their rights in accordance with the legal and statutory rules and the agreements validly adopted by the bodies of the cooperative. The management of the socio-labour relations of non-members is carried out in accordance with the labour laws and regulatory frameworks that govern each geographical area."*

The Code of Conduct makes explicit Mondragon Assembly's respect for the performance of social and public activities by its members, such as freedom of association and collective bargaining in the workplace. Under this framework, as far as the management of socio-labour relations is concerned, it is necessary to consider the different condition of the worker members of the cooperatives and the rest of the workers. And this is based on the principles of Democratic Organization and Participation in the Management of MONDRAGON.

(GRI 2-29)

**The Law on Cooperatives, together with the Articles of Association and the Internal Regulations, are the legal instruments of reference for the group of members of the Mondragon Assembly, regulating their rights and duties** (Articles 22 and 23 of the Law on Cooperatives of the Basque Country).

*"The channels of relationship and dialogue with the workers of each of the plants are in accordance and coherent with the culture, regulations and legislation of each area or region."*

Thus, the consultation and participation of workers is managed in the various forums of the Cooperative, depending on the topic to be discussed:

### Social Council

It is made up of the president of the company along with 5 other workers' representatives and is the body that manages all those issues related to corporate social responsibility, and workers' social issues.

### Safety, Health and Environment Committee

In this committee, the workers have three prevention delegates who represent the workers in this committee, where all issues related to the prevention of occupational risks, the health of workers, as well as environmental issues that concern workers are assessed.

### Criminal Conduct and Compliance Committee



In this committee, the workers have a representative of the governing council and three representatives of the supervisory committee who participate in the consultation of issues related to possible criminal offences carried out within the cooperative, and the means of mitigation and operational control established for this purpose. In addition, both workers and people outside the organization have an email address on the website to which they can write if they have any questions or possible complaints, so that they can be analysed by this committee.

In addition to these means of participation, any employee can notify or consult any issue through the members of the Management Committee and/or the Governing Council.

In 2023, 100% of Mondragon Assembly's workforce was covered by labour standards and/or collective agreements or similar.

## 5.2.- Equality and work-life balance

### Promoting equality between women and men

(GRI 2-23, 2-24)

Equal opportunities and non-discrimination are expressly contemplated in the Mondragon Assembly Code of Conduct.

Mondragon Assembly is aware of the importance of effective equality of opportunities between women and men. Thus, it has been highlighted that, under the cooperative spirit, **measures have been progressively introduced in terms of equality and reconciliation of work, personal and family life, in aspects as relevant to promote employment as flexibility of the working day, training or leadership development, strengthening the bases for establishing relationships based on equity. respect and co-responsibility.**

Since 2019, various activities have been carried out to promote equality within the Organization, including (SDG 5 Gender Equality):

- **A Coffee for Equality:** small voluntary meetings organised for the entire Mondragon Assembly group in the cafeteria area that aimed to make visible and share experiences on issues such as the wage gap, mental load or work-life balance.
- **Testimonies from women** who have been in the organization for years, and the progress that women have made within the industry.
- **Celebration of Working Women's Day** at the group level, with a video sharing a purple

witness between women and men from the group's companies.

- Sending **readings, articles and films on equality** to the entire group.
- Communication to the entire group with the aim of **raising awareness on the International Day Against Gender Violence** (25 November).

In 2023, the preparation of the equality plan begun in 2022 for Mondragon Assembly Aretxabaleta was completed in accordance with regulations, and in 2024 it is expected to be able to implement the defined measures and continue moving towards an equality plan integrated into the system.

With regard to the objective of ensuring a balanced representation of women in the company, it should be noted that the Group's senior management and its Board of Directors are progressively moving towards more gender-balanced compositions. **In 2023, the Senior Management is made up of two women and five men, as well as the Governing Council.**

*"Mondragon Assembly recognises the existing cultural differences and the different standards applicable to each country, as well as the importance of providing the same opportunities in access to work and professional advancement, ensuring, at all times, the absence of situations of discrimination based on sex, sexual orientation, race, disability, illness, religion or any other circumstance likely to be a source of discrimination."*

(GRI 2-25)

Mondragon Assembly, within the framework of its Integrated Management System, has a **policy for action in the event of conflict/harassment at work**, which establishes the system that ensures the adequate treatment of possible conflicts and harassment or psychological harassment that may occur in the workplace:

- It applies to all the staff of the organization, without any distinction either by their form of contractual relationship, or by the duration of the same.
- It guarantees the confidentiality and protection of the whistleblower and the correct investigation of the events that occurred.
- It is published on the Mondragon Assembly website and is accessible to all stakeholders.

**The organization has not received any reports of discrimination during the reporting period.**



## Managing diversity

(GRI 405-1)

Mondragon Assembly's policy against all types of discrimination also includes the social inclusion of people with disabilities and universal accessibility. Thus, in previous years, Mondragon Assembly employed people with some type of recognized disability; with the latest additions of two coaches in Germany and a coach in France last year. (SDG 10: Reduced inequalities).

Both from the head office and from each of the plants, we are constantly working to comply with the legal requirements in this area. In this regard, in 2023, in order to encourage the participation of people with disabilities in the Group's activity, on-site integration alternatives have been analysed, with no opportunities for collaboration having been reached so far.

## Co-responsible work-life balance

(GRI 401-3)

In the area of work-life balance with personal and family life, it should be noted that the **Internal Regulations of the Cooperative include conciliation measures as a way to alleviate, through specific leave, the difficulties in meeting urgent needs of a family nature of the members.** These measures are as follows:

- **Flexible working hours.** All employees of the Group can take advantage of the flexible working hours system, a five-day working week from Monday to Friday and flexible working hours, both for entry and exit.
- **Reduction of working hours for childcare.** In 2023, eighteen people enjoyed this measure, 7 women and 11 men.
- **Voluntary leave** of absence for childcare for a period of up to three years. In 2023, two people from Aretxabaleta will enjoy this measure (one of them since 2022 and the other from this year).
- **Possibility of accumulating up to 100 negative hours**, without financial repercussions for personal matters, in exchange for their subsequent recovery.
- **Negotiated leave of absence.** In 2023, five people benefited from this measure (one of them since 2022 and another four from this year).
- Internal agreements, **not to go abroad**, during the first six months of parenthood.
- **Flexible working hours** compared to the mandatory working hours in justified cases of caring for dependent people.

In order to advance in the development of conciliation measures, last year a qualitative objective was developed consisting of elaborating, with the participation of a representative group, the framework for the application of conciliation for the workers of Mondragón Assembly. During this course, work has continued along these lines, defining the next steps in terms of family reconciliation (SDG 09 decent work and economic growth).

Parental leave	2023	2022	2021
People who have been entitled to parental leave	48	24	21
Women	9	5	3
Men	39	19	18
People who have taken parental leave	48	24	21
Women	9	5	3
Men	39	19	18

## 5.3.- We promote the development of our people

(GRI 404-1, 404-2)

The cooperative model considers **comprehensive training as the tool for the development of people in the field of their competencies at work and in business.**

At Mondragon Assembly, training is managed through the human resources department. Annually, the training to be carried out in the various departments and areas included in the training plan is planned. This training is recorded through the Zucchetti platform and the degree of satisfaction is evaluated. In addition to this planned training, employees or their managers can request various training activities throughout the year in collaboration with the human resources department.

On the other hand, the Cooperative has a study aid fund that aims to offer financial aid for those workers who decide to train outside the workplace (SDG 4 quality education).

*"Mondragon Assembly enables employees to participate in both internal and external actions."*

Part of the effort invested by the Group in training corresponds to reception **plans**. For Mondragon Assembly, it is very important that people receive the appropriate training both when they start their work in any of the Group's companies and when there is a change of position. The training provided includes all those aspects that have to do with the correct performance of the job,

contemplating not only technical aspects but also Prevention, Quality and Environment policies, Corporate Social Responsibility, guidelines for action in case of emergency, etc.

During 2023, Mondragon Assembly provided **11,361 hours of training**. This represents **an average of 17 hours of training per employee**.

Hours of training by position and gender:

	MANAGEMENT COMMITTEE	PEOPLE IN CHARGE	TECHNICIANS
WOMENS	184	338,5	1396
MENS	315	1391,5	7736
<b>TOTAL</b>	<b>499</b>	<b>1730</b>	<b>9132</b>

Last year, the Organization's new feedback system was launched, which includes the need for each employee to create his or her own individual development plan (IDP), with the perspective of the 70 20 10 development approach. This new system is focused on improving the skills of all workers and promoting continuous improvement programs in collaboration with direct managers, as well as with the help of the work team.

This year the feedback program has been relaunched, hoping to obtain the same positive results.

#### 5.4.- We manage the health of our people

Mondragon Assembly, aware of the risk involved in the activities carried out in its plants, **always puts the safety and health of people first**, thus making the development of industrial activity compatible with the protection of the environment and the protection of people. Thus, it aspires to develop a culture in which people are committed to occupational health and safety, also prioritizing their well-being, as an essential factor for the sustainable development of the activity.

#### Occupational Health and Safety Management System

*"Mondragon Assembly Aretxabaleta is certified in the ISO 45001:2017 standard, and was previously certified in the OHSAS standard, so it has a management structure following the provisions of this ISO standard."*

(GRI 403-1)

The scope of the certification affects only the headquarters, and the way of acting is replicated for the rest of the centres at the state level, all the workers at the headquarters are considered

within the scope of Mondragon Assembly S. Coop., since Markulete's (Mondragon) activity is considered temporary. In addition, the scope of this certification includes:

- Students who are in both facilities,
- Collaborating partners and
- Subcontractor workers who access the facilities, in what corresponds to the coordination of business activities.

As for the subsidiaries, they follow the various occupational safety and health regulations of their respective countries, some with a more restrictive system than others, depending on the country. Since last year, the health and safety management system of the Mexico plant has been strengthened, due to the increase in the number of hired personnel, and this line will continue in a process of continuous improvement.

The integrated management system policy states the following with regard to occupational health and safety:

- Mondragon Assembly works preventively to ensure the health, safety and well-being of all employees through safe work systems and facilities, carrying out inspections and risk assessments on a scheduled basis, and whenever the situation advises it, to eliminate hazards and reduce risks, with a firm commitment to ensure and continuously improve its performance in this area of health and safety at work by defining and planning Actions and objectives.
- Mondragon Assembly actively monitors the health of its workers and that of the collaborating staff, ensuring their consultation and participation and maintaining clear and fluid communication.
- Mondragon Assembly is committed to ensuring compliance with the legal requirements relating to occupational health and safety and other requirements it defines.

#### Risk Assessment

(GRI 403-2)

Headquarters' senior occupational risk prevention technician is responsible for identifying hazards, assessing risks and investigating incidents within the organization. This is a figure within the Company, with the training of a master's degree that is approved by the joint prevention service for the performance of activities belonging to the management of

occupational risk prevention in the cooperative company.

This figure is responsible for carrying out the occupational risk assessment, considering the risks arising from the facilities, the work to be carried out and the machine-tools to be used for each of the jobs, in the field of occupational health and safety, ergonomics and applied psychosociology and industrial hygiene.

The assessments are reviewed periodically every five years, and each time a new risk is added to the facility or a new job.

Workers, when they join the company, receive the corresponding information and are told how to proceed in the event of detecting a serious and imminent risk in the facilities, which may paralyze their activity, and must then notify the department of the integrated management system of the situation identified for correction. The relevant issues that the workers identify in the workshop, and that they consider should be resolved, must be transmitted through the prevention delegates to the Occupational Health and Safety Committee, which reviews these requests in its monthly meetings.

In the event of any incident or accident, and following the provisions of the emergency plan, workers must notify the integrated management system technician of the situation, so that he can proceed with its investigation, and take the necessary measures to try to avoid the situation in the future. In the incident investigation process, one of the steps to be analysed is to verify that the hazard has been identified in the corresponding risk assessment, and to assess the need to revise or not the assessment, in order to improve preventive measures.

In the case of subsidiaries, and depending on their size, they have their own staff for the management of safety prevention, with specific work brigades in risk prevention issues and/or with subcontracted external support for the management of worker safety.

### **Health & Safety Committee**

Mondragon Assembly Aretxabaleta has a health and safety committee that meets monthly to deal with all those issues that affect workers in their day-to-day work, including those needs detected for the prevention and mitigation of the impacts

on the health of workers derived from their activities.

Among the issues analysed by this committee in 2022 is the incorporation of a new forklift in the facilities for safer loading and unloading, as well as the adaptation of the mobile stations in the plant for programmers as a result of the ergonomic study carried out in 2021.

In the case of subsidiaries, although most do not have specific committees to deal with such issues, each of them has a staff member for requests and consultations regarding security issues.

### **Occupational health services**

(GRI 403-3)

As indicated by state legislation, Mondragon Assembly Aretxabaleta has a health surveillance service subcontracted to an External Prevention Service, whose objective is to establish on a regular basis the health assurance examinations to be carried out on workers, according to the risks of their job.

In 2023, the periodicities and protocols for health surveillance have been updated to the criteria of the new occupational risk assessments.

In those subsidiaries where current legislation requires it, they have their external health surveillance services.

In addition, in the case of Aretxabaleta, the members of the Cooperative have the possibility of carrying out a complete annual analysis through the LagunAro laboratory.

In order to offer a value-added service, Mondragon Assembly Aretxabaleta has the services of an externally contracted doctor from General Medicine for all the Organization's employees.

### **Promoting workers' health**

Mondragon Assembly Aretxabaleta, as part of the Fagor cooperative, has certain LagunAro services to be able to have co-payment medical services in various private centres for all members of a fixed or indefinite duration.

In the centre of Aretxabaleta, the healthy living initiative was launched, which has been carrying out its annual plans since 2019. Each year it has been expanding its reach, obtaining in 2021 the Luxembourg seal of healthy company. In 2023, several activities have been launched within the framework of this activity:

- Training session on nutrition and sport.
- Masterclass de circuit-training.
- Sports activities European Week of Sport.
- Strava sport challenge of Mondragon Assembly Group.
- Yoga Masterclass.

Looking ahead to 2023, a healthy company action plan has been prepared at group level, with various initiatives and the third season of the Strava sports challenge.

Several courses have been held in the subsidiaries this year, including the security workshops held in Brazil and the training of the brigades in Mexico.

In 2022, the focus was on the need to increase training and help in psychosocial health, which is why, in 2023, a series of communications have been planned to promote awareness of mental well-being issues.

That is why this year, a pilot test of a free psychological assistance service for workers and their immediate families has been implemented at the level of Aretxabaleta by the company Stimulus. Thus, strengthening the portfolio of medical services offered to workers. Once the feedback from this service has been obtained, the intention is to open it up at the group level (SDG 3 good health and well-being).

### **Occupational health and safety training**

(GRI 403-5)

In 2023, various trainings on occupational health and safety have continued to be carried out at the Aretxabaleta level, including:

- Fire Suppression
- First aid
- Use of forklift (according to agreement)

In addition, during the 2023 academic year, the planning of the pending training of the metal agreement has been carried out, after the update in 2022 of the training validations for people with vocational training studies. Throughout 2023, 100% of the workforce was trained in occupational risk prevention and internal training on the corrective measures of the risk assessment of their workplace.

When a new person joins the company or after a change of position, an internal reception training has been established, where each worker is given the policies of the integrated management system and the code of conduct and is trained in the field of Integrated Management Systems and Prevention of occupational risks. explaining more explicitly the issues related to health

surveillance, risks of the facilities and their workplace and emergency measures, as well as the roles and responsibilities of their job.

Each time the occupational risk assessment is modified, workers are informed via email of the new assessment, and are summoned to a training plan on the risks of their job.

In addition, participants in the health and safety committee, as occupational risk prevention delegates, must complete the corresponding course, prior to joining the committee.

The teams that participate in the emergency plan are also trained in it with a certain periodicity in the case of first aid and firefighting, and every time there is a change in the emergency plan by groups, they receive the corresponding internal training. Since 2022, people who have agreed to work at Markulete's recently acquired facilities have been regularly trained in terms of Risks arising from the activity, facilities and emergency measures of the new facility.

In the subsidiaries, various trainings have been carried out in terms of health and safety, ergonomics in the workplace and emergency plan, following the training plans established in each branch.

### **Workplace Accident Injuries**

(GRI 403-9)

Within the risk assessment, preventive measures are established to reduce the risks of the activity by workstation, through specific assembly protocols, specific training for certain jobs, or instructions relating to the use of certain machines or work on the mezzanine.

In order to control other risks that may be added to the facilities, due to the concurrence of work with other companies, the coordination of business activities and the control of their passage to the plant is carried out through a contracted platform.

At the entrance to the Mondragon Assembly Group facilities, various mechanisms (information panels, coordination of activities, training prior to access to the facilities...) indicate the existing risks of the facilities in order to try to avoid accidents, injuries and possible emergencies.

Even so, in 2023 the following claims data have been recorded at group level:

Types of accidents	2023	2022	2021
Accidents with sick leave	9	0	6
Men	8	0	5
Women	1	0	1
Accidents without sick leave	2	10	11
Men	2	2	11
Women	0	8	0
Total Accidents	11	10	17

The Accident Frequency Rate (TFA) for 2023 was 9.05. This is due to the 11 accidents that have occurred during 1,215,080 hours worked (TFA= No. of accidents / million hours worked).

As for the Severity Index, 2023 has concluded with an index of 0.04. This index has been obtained by the number of days lost due to the aforementioned accidents (49), among the total hours worked (1,215,080 hours). That is: Severity Index: Number of days lost / thousand hours worked.

In addition, the Incidence Rate of Occupational Diseases (TIEP) was 0. This is because there have been no incidents of occupational diseases. (TIEP = Number of Occupational Disease Incidents / Million Hours Worked).

Deaths due to an accident at work or occupational disease	2023	2022	2021
Deaths	0	0	0
Injuries with serious consequences	0	0	0

In 2023, there were a total of 11 accidents, 9 with sick leave and 2 without sick leave. Even so, the severity indices have remained very low, reaching an index of 0.04. However, the accident frequency rate has increased to 9.05 per million hours worked.

## 5.5.- Commitment to the Basque language

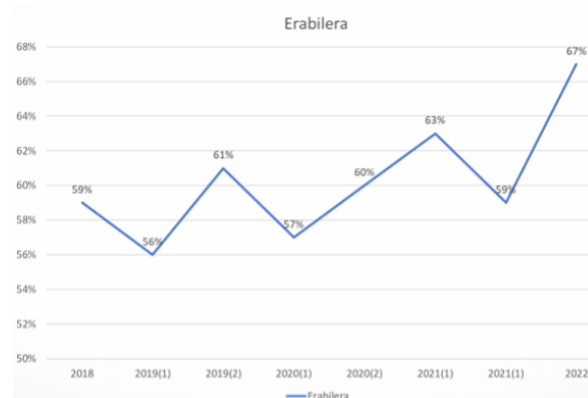
### Functioning of the Basque Commission

The Basque Commission is a working group made up of 8 members from different departments of the Mondragon Assembly Aretxabaleta cooperative. Among these 8 members is the coordinator of the Basque Plan and a member of the Governing Council, while the rest of the members act as a bridge between the different areas of the workshop and the Basque Commission.

This Committee meets monthly and the working groups are distributed according to the actions defined in the annual Management Plan. The Basque Commission is responsible for working as the driving force and monitoring of these actions. When necessary, different means of communication are used to transmit the messages addressed to the organs, as well as to reach the workers of the cooperative and set in motion different dynamics with them. (SDG 4: quality education)

### Basque Language Plan

Mondragon Assembly's Basque Plan has a history of more than 20 years and since then it has been advancing in linguistic normalization. Every four years, together with the different members of the cooperative, the Basque Strategic Plan is drawn up, in which the annual Management Plan is drawn up according to the challenges that arise. In the Strategic Plan that was drawn up for the period 2021-2024, a great mission was established: Mondragon Assembly is a company that lives normally in Basque", for example, the records on its use since 2018:





The 2023 Management Plan includes the following challenges:

- Working language in Basque.
- Internal relations in Basque.
- Relations and model with social partners.
- Strengthen the involvement of people and workers.

There is a methodology to influence the meetings in response to the aforementioned challenges, the necessary measurements are made, the mechanics are put in place to influence linguistic habits internally, motivational actions are carried out among all colleagues.

However, since 2022, the process of defining Mondragon Assembly Group's Language Policy has become very important. In a process in which many colleagues have participated, it has been specified how to carry out the management of the different languages that exist throughout the group, the place that each language should occupy in daily working relationships, advancing in the standardization of Basque. Therefore, work has been done on the definition of a group language policy that has been approved in this 2023 financial year.





6

**WE ARE A GROUP  
COMMITTED TO THE  
PLANET**

## 6.1.- Environmental management system

*"Mondragon Assembly is committed to respecting the environment by trying to use non-harmful products, preventing environmental impact and pollution by reducing waste generation and resource consumption."*

(GRI 3-3A, 2-23, 2-24, 2-25)

Mondragon Assembly S.Coop. is **ISO 14001:2017** certified with Aretxabaleta scope. Its management is carried out through the Integrated Management Systems department, which is located within the Human Resources department, and is led by the Board of Directors.

The environmental management system has been successfully implemented at the Aretxabaleta plant since 2017. This system is based on the **Integrated Management System Policy** that is known throughout the organization and is available on the website, accessible to all interested parties. <https://www.mondragon-assembly.com/es/integrated-systems-and-certifications/>

Due to the certification requirements, Mondragon Assembly has identified the **environmental aspects** that affect its activity. It is monitored annually through different indicators, and action plans are established in order to mitigate the effects of those that are considered significant.

On the other hand, for those **emergency situations**, within the Aretxabaleta emergency plan, the environmental risk assessment is carried out, establishing the appropriate emergency measures in the event that the accident affects the environment.

### Key Impacts, Risks and Opportunities

Every year, the context and the needs and expectations of the interested parties are reviewed, in order to analyse the **risks and opportunities for improvement in environmental matters**. Once these risks and opportunities have been identified, the objectives and projects to be developed in the period are established and prioritized, in addition to reviewing the degree of achievement of these objectives in each annual management plan.

Initiate the steps towards calculating the carbon footprint in scope 3 at the group level. Propose possible action plans to reduce waste.

Main impacts	
Aspect	Impact
Impact on the natural environment during stay with client	Depletion of natural resources
Total mains energy consumption	Depletion of natural resources
Relocation of workers for the tuning/set-up	Depletion of natural resources
Relocation of workers to the premises	Depletion of natural resources
Emissions to the atmosphere for transport of machines to the customer	Depletion of natural resources
CO2 emissions from transporting scrap	Alteration of air quality
Generation of non-hazardous waste	Potential soil/groundwater contamination
Generation of hazardous waste	Potential soil/groundwater contamination
Possibility of reducing electricity consumption, pollution	Depletion of natural resources
Recycling of spare parts	Potential soil/groundwater contamination
Waste generated in the scrapping process	Potential soil/groundwater contamination
Waste offered on the market	Potential soil/groundwater contamination
Noise generated by machines	Increase in sound level
Risks	
<ul style="list-style-type: none"> <li>Increasingly restrictive regulations at European level with the risk that Mondragón Assembly will be left behind in terms of the aspects required in the near future (client / authority / ...) at the Aretxabaleta level and global projects.</li> <li>Customer requirements regarding sustainability and carbon footprint initiatives</li> </ul>	
Opportunities	
<ul style="list-style-type: none"> <li>Initiating steps towards carbon footprint calculation under scope 3</li> <li>Propose possible action plans to reduce waste</li> <li>Implementation of recommended measures in non-financial status check</li> <li>Recording of the environmental impact of the production lines at Mondragon Assembly</li> </ul>	

### **Legal Compliance Control**

To **control legal compliance**, Aretxabaleta establishes a legal audit that analyses regulatory changes that affect environmental issues through a contracted application that updates and informs the Organization through monthly bulletins. In addition, the Fagor Group holds various conferences and meetings on trends in environmental issues and regulatory changes.

**In 2023, no legal non-compliance on environmental issues has been identified.** As an extra control measure, there is an annual audit in ISO14001 by an external company.

In addition, since 2022, due to the need to calculate the carbon footprint and the need for indicators for the preparation of this report, during this course the subsidiaries have already begun to monitor environmental issues. With a view to 2024, the aim is to systematize the data collection methodology for calculation at the group level.

### **Evaluation and monitoring of the environmental management system**

(GRI 308-2)

The management of Aretxabaleta's environmental system is evaluated through **internal and external certification audits**, carried out annually. They review the effectiveness of internal procedures and their compliance in daily performance.

In addition, the highest governing body, through **review by the Management**, monitors the evaluation of environmental aspects, and its subsequent action plans, as well as the risks and opportunities for improvement identified in the year and the monitoring of those of the previous year. When a relevant issue is identified, it is presented to the Management Committee for analysis.

The results of environmental assessments are communicated to the organization through the internal communication GIS bulletin.

### **Application of the precautionary principle**

Regarding the application of the **precautionary principle**, it should be noted that the products offered by Mondragon Assembly are manufacturing lines designed specifically by and for the customer according to their final product manufacturing needs. Mondragon Assembly, in

its activity, collects materials according to customer specifications and then assembles and assembles these materials and machines to achieve the designed manufacturing process.

As these are such specific equipment, there is usually not much margin when deciding which equipment to integrate into the line. So far, there have been no major developments with environmental approaches in the products offered. Looking ahead to 2023, the first steps will be taken towards the possibility of carrying out a life cycle analysis of one of the organization's repetitive machines, in order to assess its environmental impact. In addition, the Cooperative has an innovation department that constantly seeks to improve efficiency and new manufacturing methods, especially in the Solar business, where the machines and the production process are more standard. As part of its activities, research channels have been opened in the field of digital twins and other aspects of product sustainability.

After the result of the environmental aspects from the point of view of the Product Life Cycle, actions are proposed for the integration of the environmental principle within the production process.

### **Resources dedicated to the improvement of environmental conditions**

**During the 2023 financial year, a total of 342,112 euros was invested to improve environmental conditions.** These resources were used, among others, in:

- Innovation projects in the improvement of the facilities, including the installation of a solar park on the façade of the Aretxabaleta facilities.
- Reinforcement of the roof of pavilion B of the Aretxabaleta facilities.
- Resources for the preparation of the sustainability report.
- Waste management of the facilities.
- Lighting improvements and replacement of luminaires at the Aretxabaleta and Markulete facilities.

## 6.2.- Climate change

*"In a context of climate emergency at a global level, Mondragon Assembly is committed to making the development of its business activity compatible with the maximum protection of the environment and the effect on the climate."*

(GRI 305-1, 305-2)

The efficient use of energy prioritises renewable sources, so that the electricity supply means fewer greenhouse gas emissions.

**All the energy consumed at the Mondragon Assembly Aretxabaleta facilities is 100% renewable energy.**

With the aim of making progress in the commitment to fight climate change, progress continues to be made in the calculation of the carbon footprint for Scope 1 and 2 at the group level, obtaining the following results in the year:

Corporate carbon footprint by sources 2023 in tCO2eq			
SCOPE	SUB-CATEGORY	SOURCE	TOTAL
SCOPE 1: DIRECT GHG EMISSIONS	1.1 FIXED SOURCES	Diesel C	32.85
	1.1 FIXED SOURCES	Natural gas	56.19
	1.2 MOBILE SOURCES	Diesel A	90.59
	1.4 FUGITIVE EMISSIONS	R-417A	0.00
SCOPE 1: DIRECT GHG EMISSIONS			179.63
SCOPE 2: INDIRECT GHG EMISSIONS FROM IMPORTED ELECTRICITY	ELECTRICITY CONSUMPTION	Renewable	0,00
		Non-renewable	433.28
SCOPE 2: INDIRECT GHG EMISSIONS FROM IMPORTED ELECTRICITY			433.28
TOTAL (Market-based)			620.43

The calculation has been carried out in accordance with the ISO 14064:1-2018 standard, using the reference emission factors published by recognized entities and differentiated into categories according to this standard.

The reduction goals voluntarily established in the medium and long term to reduce Mondragon Assembly's GHG emissions will be defined in 2024, after drawing up an action plan with the point of view of becoming a NET-0 organization.

The GHG emission reduction measures adopted in 2023 include, but are not limited to:

- Possible collaboration projects at the Group level from the Innovation area.
- Training of those responsible for the system in terms of carbon footprint and strategies to reduce the effects on the environment.
- Use of self-produced energy by solar panels (Aretxabaleta, Germany and France, among others).

## 6.3.- Circular economy and waste prevention and management

(GRI 306-1, 306-2)

Mondragon Assembly understands the circular economy as a **system of resource use where the reduction of elements prevails**.

At Aretxabaleta, the management of waste generated upstream within the facilities is carried out, mainly including the packaging of the products and components transported to the facilities.

Regarding the generation of downstream waste, recommendations are available in the machine manual so that the customer takes environmental issues into account when scrapping the product. In both cases, Mondragon Assembly has limited possibilities for reduction, although it is in the process of defining certain environmental requirements related to the materials to be used in such packaging, which make it possible to reuse or recycle them.

In addition, in order to reduce packaging waste and make the most of it, all parcel shipments made by the organization through its warehouse are made by reusing both the cardboard boxes for collecting materials and the bubble wraps from them, in order to avoid the depletion of new natural resources.

Regarding the reuse of equipment replaced in some projects at the request of the customer, as long as their condition and warranty are optimal and they are not components considered critical for the operation of the machine, they are relocated in new projects or are delivered for use and exploitation in the innovation department. Prior to scrapping them, they are donated to whomever it is appropriate, for example, the donation of the replaced CPU in Aretxabaleta to an electricity company in the area. In 2023, the recovery of this waste has been accounted for in order to be able to manage these processes from the point of view of sustainability and the circular economy (SDG 12 responsible production and consumption).

Regarding internal waste management:

- Hazardous waste is managed by third parties, ensuring legal compliance, verifying that the corresponding company is registered in the official registers and that it is an approved company for transport and scrapping or waste management.
- Urban non-hazardous waste is also managed by an external entity that is monitored in the same way.

- Plastics, paper, organic waste and waste are managed by the association.

In the case of subsidiaries, they manage the removal of waste in compliance with the legislation corresponding to each country.

Below are some figures relating to the circular economy and the waste resulting from the Group's activities:

Waste by type and disposal method 2023	
Total weight of the <b>hazardous waste (Kg)</b>	TOTAL
External management	6.713
Total weight of the <b>non-hazardous waste (Kg)</b>	TOTAL
Recycling	33.467
Landfill	104.794

It should be noted that within the Mondragon Assembly's waste categorisation, the remains of coolant, batteries, paint cans, aerosol cans, crystals, discarded solar modules, electrical equipment, fluorescents, contaminated empty product containers and activated carbon waste are considered hazardous waste.

**In 2023, €29,651.25 was dedicated to the management of waste generated in Aretxabaleta.**

#### 6.4.- Sustainable use of resources

##### Water

(GRI 303-1, 303-5)

In the facilities of Mondragon Assembly Group, only sanitary tap water is used, the one used in the sinks by the cistern, the various taps and the showers. Therefore, the only control carried out at the Aretxabaleta facilities are the legionella inspections carried out by an external company on a regular basis, and the temperature control carried out by the general facilities staff. There are no water discharges beyond domestic running water. **In addition, within the group, water consumption is direct from the municipal supply network; In total, 5,908,750 litres of water were consumed in 2023. (SDG 6 clean water and sanitation).**

##### Raw Materials & Materials

The main raw material of all Mondragon Assembly are the components purchased for the assembly of machines, that is, small machinery and electronic components that are assembled on the manufacturing machines, which as they arrive at the warehouse are unpacked and assembled inside the machinery. **In 2023, the purchase of these materials was €8,044,738.**

We also work with small blocks of steel and aluminium in the machining and feeding area, which is sometimes formed within the facilities,

but is usually requested from third parties and retouches are made within the facilities, so the stock of raw material is minimal. **In 2023, raw material consumption was €5,643,630 at group level.**

Another of the raw materials used is electrical wiring and assembly elements, used for the fabrication of the machines. **In 2023 €510,159 and €18,672,998 have been spent respectively.**

Due to the small amount of raw material used in the facilities, its use is normally efficient, disposing of little as waste after its formation in the manufacturing process.

##### Sustainable use of energy

(GRI 305-5)

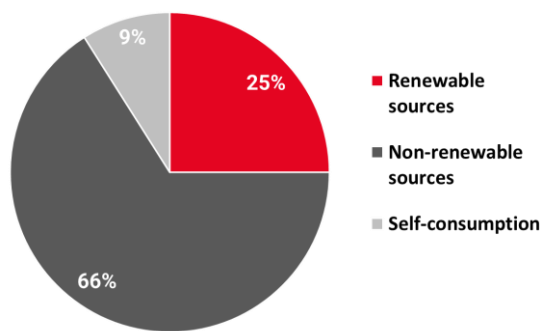
Mondragon Assembly S.Coop, has an installation of photovoltaic panels on the roof of Aretxabaleta for self-consumption, with a power of 100 kW installed. During this year, it has been possible to take advantage of the photovoltaic installation installed the previous year on the side façade of the Aretxabaleta building. Installation with BIPV modules by the innovation area, used for testing the department and self-consumption (SDG 7 affordable and non-polluting energy).

At the facilities in Germany, a significant investment has been made for the installation of a photovoltaic park on its 286kW roof.

Since the beginning of 2021, actions have been carried out to improve energy efficiency at the Aretxabaleta facilities, as a level D (140) in primary energy consumption and a level C (23) in CO2 emissions per year were obtained.

Within the organization, the following amount of energy was consumed in 2023, with 34% of it coming from renewable sources or self-consumption, an important figure compared to 6% from renewable sources in 2021. This is largely due to the acquisition of contracts with distributors for the purchase of certified energy from renewable sources.

### Energy consumption



ENERGY CONSUMPTION (kWh)	2023	2022
From renewable sources (kWh)	515.111	628.252
From non-renewable sources (kWh)	1.356.325	1.297.190
Self-consumption (kWh)	175.557	109.840
<b>TOTAL</b>	<b>2.036.993</b>	<b>2.035.282</b>
% renewable source	%34	%36

### Biodiversity:

Within the analysis of environmental aspects carried out in Aretxabaleta, the possibility of affecting biodiversity in issues related to the production of machinery is contemplated. The main focus has been the creation of office and manufacturing buildings in environmentally protected areas, with the risk being very low, since all of Mondragon Assembly's facilities are located outside protected biodiversity areas, all of them in industrial estates. The second possible impact would be given by the noise generated in the facilities and its effect on the local fauna, this risk being very low, since the noise emissions of the assembly and fine-tuning activity do not generate a continuous noise and the activities are always carried out inside the facilities. avoiding outside noise.





7

**WE ARE A GROUP  
THAT PROMOTES  
COMMUNITY  
DEVELOPMENT**

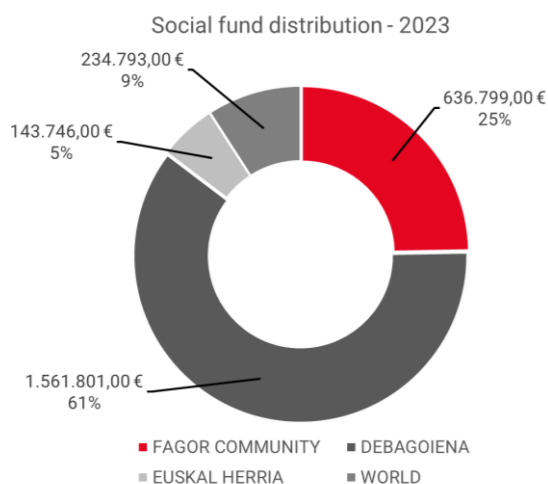
(GRI 2-23, 2-24, 201-1, 203-1, 203-2, 413-1)

We are a group of cooperatives created to promote the socio-economic development of the Debagoiena region based on solidarity and community self-organization.

The new century brings new challenges and it is urgent that, like companies, territories move towards sustainability. To this end, the Fagor Group promotes alliances with the rest of the agents to travel this path together, cooperating to achieve the Sustainable Development Goals. That is in line with SDG 17. Partnerships to achieve the goals.

According to the Law on Cooperatives of the Basque Country, cooperatives have to allocate 10% of annual profits to the Social Fund. However, instead of the legal 10%, the Fagor Group allocates 12% to this fund, as a sign of our commitment to the challenges of society.

Through this fund, we promote the self-organization of society as a lever for the achievement of the Sustainable Development Goals. In this sense, in 2023, we have allocated €2,577,139 from the Fagor Group's Social Fund to different projects linked to the following four scales.



### 7.1.- Membership of associations in the sector and the environment

(GRI 2-28)

The large number of relationships established by Mondragon Assembly with external entities for the defence of collective interests shows its commitment to collaboration and cooperation. These entities become allies of the Group when it comes to developing its socio-business project.

In 2023, Mondragon Assembly has collaborated with the following foundations in the area:

- GOIENER
- Red Cross
- Mundukide
- Esku Hutsik

In addition, Mondragon Assembly collaborates with **eight technology centres** worldwide, especially for developments in product and process innovation, with more than 10 active projects.

Fagor allocates an additional 2% to this fund, a sign of its commitment to the community of which it is a part.

The bulk of this fund is used to promote strategic projects that seek to generate long-term impact, and a less significant part is used to grant aid to countless social, cultural and sports agents.

Mondragon Assembly, with **its commitment to inter-cooperate with the environment to respond to the real needs of society, contributed a total of €298,540 to this fund in 2023**. This inter-cooperation project is governed by a regulation "Standard 1/2018, on Criteria for the application of the Contribution to Education and Cooperative Promotion and Other Purposes of Public Interest" (COFIP) and establishes that 12% of the profits of the cooperatives of the Fagor Group are destined to support the development of community aid projects. in the areas of Education, Social and Cooperative Development, and Community Distribution.

Along with the economic resources, there are the people of Mondragon Assembly who work to add value in favour of this commitment.

The strategic projects that Fagor promotes through this fund are described below.

## 7.2.- Community development

### Debagoiena 2030

*"We promote the transition towards sustainability in the Debagoiena region; and we also contribute to the development of educational infrastructures."*

**Debagoiena 2030 is the network created to promote the sustainable development of the territory where most of the production plants of the Fagor Group's cooperatives are located.**

With the conviction that the transition of the Debagoiena region towards sustainability requires collaboration between different agents of the valley (university, public institutions, companies and social agents), in 2018 we opted to promote the Debagoiena 2030 initiative. It is a long-term commitment that, based on collaboration between agents, has as its main objective to respond to the challenges defined in the European Green Deal. To this end, it works on initiatives and projects of various kinds. The main areas included in the European Green Deal and considered by Debagoiena 2030 to be priorities are the following:

- The transformation of the industry towards the circular economy.
- Energy transition.
- Sustainable and smart mobility.
- Local food production.
- Monitoring and restoration of ecosystems and biodiversity.

Throughout 2023, special care has been taken to work on the energy transition portfolio (SDG 7, affordable and clean energy). In addition to subsidizing this portfolio, we have been particularly involved in the development of energy communities. We are committed to being collaborative partners of the energy communities that are being created in the region.

We put our experience in the administration and management of cooperatives at their disposal.

In total, in 2023, we have allocated €74,664 to the debagoiena 2030 project.

### Elkarrekin Herrigintza Program

As mentioned in the introduction, in order to boost the cooperative community of the Fagor Group, the Fagor Elkarrekin tool was launched last year. In 2023 and with last year's data, 927 people are registered today.

Overall, we have published 24 initiatives in the Fagor Elkarrekin tool. These initiatives include: offers for volunteering; requests for donations (including fundraising to help ensure clean water, hygiene and health products, and psychosocial assistance for children impacted by the war in Ukraine); and even a campaign to collect materials.

Through the remaining 11 publications, we have provided members with information on the initiatives and projects of different social agents. In addition to offering information, we have also sometimes carried out raffles related to these initiatives, as in the case of the musical HAZIA. In total, we have distributed 50 double tickets among the members of the Fagor Group.

In total, we have allocated €3,180 from the Social Fund to finance the initiatives of the Fagor Elkarrekin programme.

### Fostering local partnerships

Part of its COFIP distribution is used to subsidize the activity of the various associations that operate in the localities where our cooperatives are located.

## 7.3.- Commitment to education

### Humanity

Through the Gizabidea Foundation, we have been collaborating for more than 40 years with the cooperative educational agents of the territory, helping to finance the infrastructures necessary to offer quality education in the region (SDG 4 quality education). During all these long years, the Gizabidea Foundation has worked especially on the development of the University of Mondragon, among other reasons, because it has understood that the university is a strategic agent for the development of the region and its business fabric.

In 2023 we continue with the agreements signed with MGEP, HUHEZI and Ikastola Arizmendi, detailing the projects to be subsidized in a decade.

In total, in 2023, we have allocated €586,983 to the Gizabidea Foundation.

### 7.4.- Development cooperation

#### **Companion of the World**

In order to respond to the universal vocation of cooperativism and to help developing countries create endogenous processes of community development, we created the Mundukide Foundation more than ten years ago together with other MONDRAGON cooperatives and several local Non-Governmental Organisations (SDG 11 sustainable cities and communities). Mundukide works mainly in Mozambique and Brazil and has been promoting the endogenous development of its communities for years, in line with the cooperative philosophy.

We are part of the Board of Trustees and actively participate in the challenges of the Foundation. In addition to financing their activity, the members of our cooperatives have the possibility of participating as aid workers in the countries where Mundukide has programs.

In 2023 we have allocated €234,793 to the Mundukide Foundation, as a sign of our commitment to the SDGs. 1. End poverty.

#### **Development**

Garabide is an entity that collaborates in the processes of recovery of minority languages (SDG 4 quality education, SDG 10 reduction of inequalities), sharing the lessons learned from the process of recovering Basque with the processes of other countries and learning from their experiences. It works with these communities to enrich their socio-economic development through the process of recovering their language.

In 2023 we have allocated €1,272 to the Garabide association.

### 7.5.- Fagor Community

We want the commitment to the Sustainable Development Goals not only to be an institutional commitment, but also to the people who are part of the Fagor Group. To this end, we offer different opportunities for our people to participate.

The Social Transformation Committee, made up of representatives of cooperatives, is the body responsible for working along these lines, with the commitments defined at the beginning of last year being the following:

- Strengthen the Fagor Mugi project to promote more sustainable commuting by people in the Fagor Group.
- Influence individual consumption habits, giving visibility to projects that surround us and promoting responsible purchasing, among other aspects; and also, to provide information on the communities that are emerging around energy consumption (those that are being formed at the local and county level).
- Monitoring of projects focused on social inclusion and analysis of the possibilities of participation in them.
- Through the Fagor Group's Social Fund, to strengthen the collaboration channels we have established with different social agents, designing a new process for the distribution of part of this fund, inviting associations from all over the Basque Country to participate in them and creating ways for the people of the Fagor Group to decide which projects to help.

To respond to all this, at the beginning of last year a new digital tool was launched to promote internal communication and the participation of the people of the Fagor Group, and from there the Fagor Elkarrekin tool was born. This tool is currently being used by Mondragon Assembly.

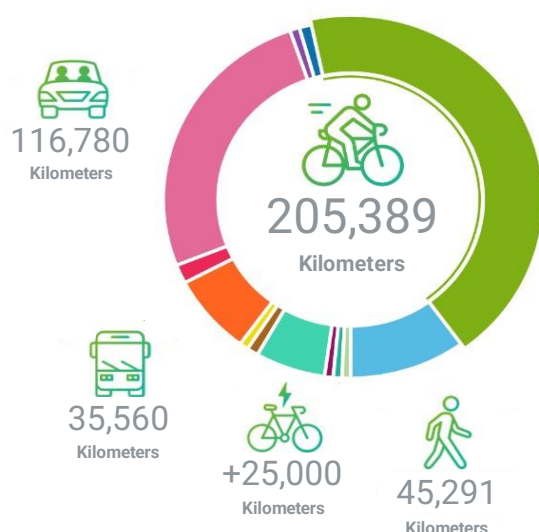
Some of the initiatives mentioned are a direct response to the activation of members.

## Fagormugi

In 2020, we launched the Fagor Mugi initiative to promote sustainable mobility in commuting from home to work (SDG 13: climate action). Since then, a total of 413,106 km has been carried out by the members and employees of the Fagor Group in a more sustainable means of transport (of which almost half have been by bicycle).

We distribute some incentives to reward the effort of users through the Fagor Mugi program. In 2023, a total of 130 users have received an award for the points obtained. The most sought-after prize was the loading of money from the Mugi ticket, used on public transport in Gipuzkoa.

To finance the Fagor Mugi programme, we have allocated €3,599 from the Social Fund in 2023.



## 7.6.- Tax information

Mondragón Assembly's commitment to the areas in which it operates is also demonstrated through its responsible management. Among other things, this responsible management includes compliance with its financial and tax obligations.

FINANCE DATA	2023
YEAR-END PROFITS	4.694.215
TAXES ON PROFITS PAID	1.454.894
PUBLIC SUBSIDIES RECEIVED	2.828.083

The Mondragon Assembly Group contributes to the finances of the countries where it operates by paying its tax obligations on time, complying with its formal tax obligations, including providing the competent authorities with the information that is relevant or required by law or for the correct determination of tax obligations in relation to its business activities.

The following table shows the profit before tax, broken down by country, and the corporate income tax paid in each country:

SOCIETY	Countries	Expenditure corporate income tax
Mondragón Assembly, S.Coop.	Spain	0
Mondragón Assembly, S.A. de CV	Mexico	567.730
Mondragón Assembly, S.A	France	364.608
Mondragón Assembly do Brazil	Brazil	0
Mondragón Assembly Kunshan Co. Ltd	China	0
Mondragón Assembly GMBH	Germany	415.573
Mondragón Assembly Tunisia	Tunisia	0
Mondragón Assembly USA	United States	0
Mondragón Assembly India	India	0
SFK	Spain	0
Quinhuangdao Visual Equipment	China	106.983
<b>TOTAL accrued corporate income tax expense</b>		<b>1.454.894</b>



8

# **PROCEDURE FOR PREPARING THE REPORT**



**This Report presents the Statement of Non-Financial Information of Mondragon Assembly, in accordance with the requirements of Law 11/2018**, of December 28, 2018, amending the Commercial Code, the revised text of the Capital Companies Law approved by Royal Legislative Decree 1/2010, of July 2, and Law 22/2015, of 20 July, on the Audit of Accounts, in matters of non-financial information and diversity. It is also presented as the Group's first Sustainability Report.

The Statement of Non-Financial Information is presented in a separate document, although the contents of the Statement of Non-Financial Information are part of the Consolidated Management Report.

The Report, which gathers the necessary information to understand the evolution, results and situation of the Mondragon Assembly Group and the impact of its activity on environmental, social and economic issues from January 1, 2023 to December 31, 2023, has been prepared under the GRI Standards methodology, in accordance with the Essential option, and it is a reflection of the importance that Mondragon Assembly attaches to its stakeholders and its commitment to sustainability, in order to ensure that the Group's economic activity is aligned with the basic principles that enable sustainable social and environmental development over time.

The preparation of this Report is not only a clear exercise in transparency and accountability, but also contributes to the improvement of the Group's own management processes and strategy, through the identification of new opportunities for improvement that may materialise in the short and medium term.

The process of preparing the Report has had the direct participation of the Management and the people responsible for the main areas of Mondragon Assembly, as well as the presidency of the Group's Governing Council, as a representative of the members.

All the information included refers to the parent company and all the subsidiaries that make up the Mondragon Assembly Group considered in the Consolidated Financial Statements.

## 8.1.- Process of defining relevant topics

### Our Stakeholders

Mondragon Assembly shows its commitment to the following stakeholders:

- Clients
- Workers
- Partners and Allies (Mondragon, MIA, Fagor)
- Outdoor Plants
- Local Communities-NGOs-Associations of the Environment
- Business Subsidiaries
- Public administration
- Subcontractors
- Technological and/or market alliances
- Suppliers
- Educational Institutions-Universities
- United Nations (Sustainable Development Plans)

### Material Themes of Mondragon Assembly

To give it consistency, credibility and comply with the guidelines established by the GRI Standards, Mondragon Assembly has developed a materiality analysis process with the aim of identifying relevant sustainability-related issues from a business and stakeholder perspective.

The materiality analysis process is carried out from the internal perspective (considering the people who have decision-making power within the company) and from the external perspective, considering the opinion of the stakeholders of Mondragon Assembly.

The different phases of the materiality process, as established by the GRI Standards, are indicated below.

#### PHASE 1: IDENTIFICATION

First of all, the cooperative's stakeholders have been identified and defined, in addition to prioritizing them according to the relevance they exercise.

Subsequently, potentially relevant economic, social, environmental and governance issues linked to positive and negative impacts on the cooperative from a sustainability perspective have been identified. To carry out this

identification, internal and external sources of information have been used:

1. Global Trends in Sustainability
  - 2020 Annual Report on *SustainAbility Trends*.
  - United Nations Sustainable Development Goals.
  - Global Reporting Initiative (GRI) standards.
2. Industry Trends in Sustainability
  - Estándares del Global Reporting Initiative (GRI) –Sustainability topics for sectors-
  - SASB Materiality Map.

Once the possible material topics have been identified, they have been classified into six areas, which are directly related to the topics of the GRI Standards, covering all the business activity of the cooperative:

- Economy
- Ethics and Corporate Governance
- Environment
- Work Practices
- Products & Services
- Society

## PHASE 2: PRIORITIZATION

In this phase, the material issues that should be included in the Sustainability Report have been identified.

In order to prioritise the most relevant issues according to the degree of importance from the perspective of the cooperative and the stakeholders, an internal analysis (relevance according to Mondragon Assembly) and an external analysis (relevance for stakeholders) have been developed.

## PHASE 3: REVIEW AND VALIDATION

The aim is to ensure that the materiality offers a reasonable and balanced view of the most relevant issues for the sustainable and responsible economic, environmental and social development of Mondragon Assembly.

## PHASE 4: DUAL MATERIALITY

At the end of 2022, with the intention of including the concept of double materiality in the analysis, the data obtained from the most relevant material issues of stakeholders will be incorporated into the provisions of the "World Economic Forum" report, the ESG risks of the group's key sectors and the Risk Horizon platform. Once this is included, in an internal session with representation from the major groups of the organization, the material issues are evaluated from a financial point of view.

As a result, the following materiality matrix remains for the 2022 data report.

Impacto social y ambiental	Baja	Calidad del empleo Formación y desarrollo profesional	Media	Innovación	Alta	Energía Desempeño económico - solidez financiera
	Media			Aplicación de las mejores prácticas en Gobierno corporativo Implicación en las comunidades locales Ética, anticorrupción e integridad en los negocios		Seguridad y salud en el trabajo
	Baja					Gestión eficiente de recursos
		Baja	Media	Alta		
		Materialidad financiera				

Thus, the material issues resulting from the materiality analysis are as follows:

ECONOMY	ETHICS AND CORPORATE GOVERNANCE	WORKING PRACTICES	ENVIRONMENT	PRODUCTS AND SERVICES	SOCIETY
Economic performance - Financial soundness	Ethics, anti-corruption and business integrity  Applying best practices in corporate governance	Quality employment  Training and professional development  Occupational health and safety	Energy  Efficient resource management	Innovation	Involvement in local communities

## 8.2.- Table of contents of Law 11/2018 on non-financial information and diversity

Information required by the Law on non-financial information and diversity		Reference chapter/Omissions	Related GRI standards and other non-GRI indicators
<b>General information</b>			
Business model	Brief description of the group's business model	2.5.- Our activity	2-1 Organisational details
		2.4.- Global presence In this report we report data from the manufacturing companies, not including data from the commercial subsidiaries or from SFK, a group company with no activity, only a shareholding. On the other hand, Mondragon Assembly participates in the company Quinhuangdao Visual Co Ltd. of China, whose integration has been initiated in 2022 in financial matters, but will not be reported in this report, due to the fact that the necessary information is not currently available. In 2023, the entity will be integrated in terms of production processes.	2-2 Organisations included in the presentation of sustainability reports
		2.3.- Our business model	2-6 a. Activities, value chain and other business relationships
		2.5.- Our activity	2-6 a. Activities, value chain and other business relationships
	Geographical presence	3.1.- Overview of the environment: economic and sectoral context	Non-GRI, operational environment (economic and sectoral)
	Organisational objectives and strategies	2.4.- Global presence	2-1 d. Organisational details
General	Mention in the report the national, European and international reporting framework used for the selection of the non-financial key performance indicators included in each of the sections	3.2.- Strategic plan 2021-2024	Non-GRI, objectives and strategies
		1.- Letter from the general manager	2-22 Sustainable development strategy statement
	Main factors and trends that may affect its future development	3.1.- Overview of the environment: economic and sectoral context	NON-GRI: Main factors and trends that may affect its future performance
General	Mention in the report the national, European and international reporting framework used for the selection of the non-financial key performance indicators included in each of the sections	8.- Procedure for drafting the report	GRI use statement.
	If the company complies with the non-financial reporting law by issuing a separate report, it must be expressly stated that such information forms part of the management report	The information contained in this Statement of non-financial information forms part of the management report.	

## 8. Procedure for preparing the report

Information required by the Law on non-financial information and diversity		Reference chapter/Omissions	Related GRI standards and other non-GRI indicators
<b>Information on environmental issues</b>			
Management approach	Description of the group's policies with respect to these issues, including due diligence procedures applied for the identification, assessment, prevention and mitigation of significant risks and impacts and for verification and monitoring, including the measures that have been taken	6.1- Environmental management system	3-3 Management of material issues (in relation to the environment) 2-23 Commitments and policies
	The results of these policies, which should include relevant non-financial key performance indicators, enable monitoring and evaluation of progress to aid comparison across societies and sectors, in accordance with the national, European and international frameworks of reference used	6.1- Environmental management system	2-24 Incorporation of commitments and policies
	The main risks related to these issues associated with the group's activities, including, where relevant and proportionate, its business relationships, products and services that may have an adverse impact in these areas, and how the group manages these risks, explaining the procedures used to identify and assess them in accordance with national, European and international frameworks of reference for each matter. This should include information on the impacts identified, with their breakdown, in particular on the main risks in the short, medium and long term.	6.1- Environmental management system	(2-25) Processes to remedy negative impacts
Environmental management	Current and foreseeable effects of the company's activities on the environment and, where applicable, on health and safety	6.1- Environmental management system	307-1 Non-compliance with environmental legislation and regulations
		3.6.- Our supplier companies	308-2 Negative environmental impacts on the supply chain and measures taken
	Environmental assessment or certification procedures	3.3.- Integrated management systems	Non-GRI, environmental assessment or certification
	Resources dedicated to environmental risk prevention	6.1- Environmental management system	Non-GRI, environmental investments
	Applying the precautionary principle	6.1- Environmental management system	2-23 Commitments and policies
Pollution	Measures to prevent, reduce or remedy emissions that seriously affect the environment; taking into account any form of activity-specific air pollution, including noise and light pollution	6.1- Environmental management system	2-23 Commitments and policies
		6.1- Environmental management system	Non-GRI, environmental investments
		6.2.- Climate change	2-25 Processes to remedy negative impacts
		6.2.- Climate change	Non-GRI, measures to prevent, reduce or remedy emissions
Circular economy and waste prevention	Measures for prevention, recycling, reuse, other forms of recovery and disposal of waste	6.1.- Environmental management system. It has been analysed as an environmental impact and is not significant. The sources of noise pollution are within the established legal limits.	Non-GRI, measures to prevent, reduce or remedy noise pollution
		The sources of light pollution are within the established legal limits.	Non-GRI, measures to prevent, reduce or remedy light pollution
		6.3.-Circular economy and waste prevention and management	301-2 Recycled inputs
		6.3.-Circular economy and waste prevention and management	306-1 Waste generation and significant waste-related impacts
	Actions to combat food waste	Not applicable, dining area is provided on the premises but there is no catering facilities.	306-2 Management of significant waste-related impacts 306-4 Waste not destined for disposal
Sustainable use of resources	Water consumption and water supply in accordance with local constraints	6.4.- Sustainable use of resources	Non-GRI, actions to combat food waste
		6.4.- Sustainable use of resources	303-1 Interacting with water as a shared resource
		6.4.- Sustainable use of resources	303-2 Managing impacts related to water discharges
		6.4.- Sustainable use of resources	303-3 Water extraction 303-5 Water consumption

## 8. Procedure for preparing the report

	Consumption of raw materials and measures taken to improve the efficiency of their use	6.4.- Sustainable use of resources				301-1 Materials used by weight or volume	
		PURCHASE RAW MATERIAL (€)	TYPE	Renewable	Non-renewable		
				Aluminium	5.637.052		-
				Steel	6.578		-
			TOTAL	5.643.630	-		
		SEMI-FABRICATED PIECES (€)	Integrated in production	6.942.639	1.102.099		
		PROCESS MATERIAL (€)	Wiring	260.159	250.000		
				Fasteners and assembly elements	18.571.146		101.852
		PACKAGING MATERIAL (€)	TOTAL	25.773.944	1.453.951		
Metals	50.356						
Wood	195.962			4.629			
Plastic	5.271			-			
		TOTAL	251.588	4.629			
Direct and indirect energy consumption	6.4.- Sustainable use of resources				302-1 Energy consumption within the organisation		
	6.4.- Sustainable use of resources				302-2 Energy consumption outside the organisation		
	6.4.- Sustainable use of resources				302-3 Energy intensity		
	Measures taken to improve energy efficiency				302-4 Reduction of energy consumption		
Use of renewable energies	6.4.- Sustainable use of resources				302-1 Energy consumption within the organisation		
Climate change	Significant elements of greenhouse gas (GHG) emissions generated as a result of the company's activities, including the use of the goods and services it produces	6.2.- Climate change				201-2 Financial implications and other risks and opportunities arising from climate change	
		3.1.- Overview of the environment: economic and sectoral context				305-1 Direct GHG emissions (Scope 1)	
		6.2.- Climate change				305-2 Indirect GHG emissions from energy generation (Scope 2)	
		6.2.- Climate change				305-3 Other indirect GHG emissions (Scope 3)	
		6.2.- Climate change. In 2022, scope 3 is measured at Aretxabaleta level, with the intention of starting measurements at group level by 2025.				305-4 Intensity of GHG emissions	
	Non aviable				201-2 Financial implications and other risks and opportunities arising from climate change		
	Measures adopted in order to adapt to the consequences of climate change	6.2.- Climate change				305-5 Reduction of emissions	
Voluntary medium and long-term reduction targets for reducing greenhouse gas emissions and the means implemented to achieve such targets	6.2.- Climate change						
Protection of biodiversity	Measures taken to preserve or restore biodiversity	6.4.- Sustainable use of resources				Non-GRI, measures taken to preserve or restore biodiversity	
	Impacts caused by activities or operations in protected areas	6.4.- Sustainable use of resources				304-1 Owned, leased or managed operation sites located within or adjacent to protected areas or areas of high biodiversity value outside protected areas	
		6.4.- Sustainable use of resources 6.1.- Environmental management system				304-2 Significant impacts of the activities, products or services on biodiversity	

## 8. Procedure for preparing the report

Information required by the Law on non-financial information and diversity		Reference chapter/Omissions	Related GRI standards and other non-GRI indicators																								
Information on social and staff issues																											
Management approach	Description of the group's policies with respect to these issues, including due diligence procedures applied for the identification, assessment, prevention and mitigation of significant risks and impacts and for verification and monitoring, including the measures that have been taken	5.- We are a group that takes care of its people. 4.2.- Code of conduct 4.4.- commitment to human rights	3-3 Management of material issues (in relation to staff matters) 2-23 Commitments and policies																								
	The results of these policies, including relevant non-financial key performance indicators that allow for the monitoring and evaluation of progress and that support comparability across societies and sectors, in accordance with the national, European or international frameworks of reference used	5.- We are a group that takes care of its people. 4.2.- Code of conduct 4.4.- commitment to human rights	2-24 Incorporation of commitments and policies																								
	The main risks related to these issues associated with the group's activities, including, where relevant and proportionate, its business relationships, products and services that may have an adverse impact in these areas, and how the group manages these risks, explaining the procedures used to identify and assess them in accordance with national, European and international frameworks of reference for each matter. This should include information on the impacts identified, with their breakdown, in particular on the main risks in the short, medium and long term	4.2.- Code of Conduct 4.3.- Fight against corruption and bribery 4.4.- Commitment to Human Rights 5.1.- Solidarity as a basis	(2-25) Processes to remedy negative impacts																								
Employment	Total number and distribution of employees using criteria representative of diversity (gender, age, country, etc.)	5.1.- Solidarity as a basis	2-7 a. Employees (plus age breakdown)																								
		4.1.- Cooperative governance	405-1 Diversity in governing bodies and employees																								
	Total number and distribution of types of employment contracts, average annual number of permanent contracts, temporary contracts and part-time contracts by sex, age and occupational classification	5.1.- Solidarity as a basis	2-7b. Employees																								
	Average annual number of permanent contracts, temporary contracts and part-time contracts by sex, age and occupational classification	5.1.- Solidarity as a basis	Non-GRI, Average annual number of permanent contracts, temporary contracts and part-time contracts by sex, age and occupational classification																								
	Number of terminations by sex, age and occupational classification	5.1.- Solidarity as a basis	Non-GRI, number of terminations by sex, age and occupational classification																								
	Average earnings and their trends broken down by sex, age and occupational classification or equivalent value	<table><tr><td></td><td>EDAD</td><td>MOD</td><td>MOI</td></tr><tr><td rowspan="3">MU</td><td>&lt;30</td><td>35.714,02</td><td>33.045,80</td></tr><tr><td>31-50</td><td>39.445,38</td><td>39.674,60</td></tr><tr><td>&gt;50</td><td>54.969,46</td><td>55.610,20</td></tr><tr><td rowspan="3">HO</td><td>&lt;30</td><td>26.348,77</td><td>36.105,59</td></tr><tr><td>31-50</td><td>38.623,94</td><td>51.845,56</td></tr><tr><td>&gt;50</td><td>45.454,59</td><td>38.896,94</td></tr></table> <p>MOI: Mano de obra indirecta MOD: Mano de obra directa MOI: Mano de obra indirecta MOD: Mano de obra directa</p> <p>&lt;30 years old: They constitute a small group of which not all have worked the full year, due to the high rate of new recruits for MOD positions for both women and men.</p> <p>31-50years: The men in this group include people who are in positions of responsibility, which raises the difference between men and women, as of the female MOIs in this band, many have positions of responsibility.</p> <p>&gt;50 years old: Men in this age group have managerial positions, while women are mostly in technical and managerial positions.</p>		EDAD	MOD	MOI	MU	<30	35.714,02	33.045,80	31-50	39.445,38	39.674,60	>50	54.969,46	55.610,20	HO	<30	26.348,77	36.105,59	31-50	38.623,94	51.845,56	>50	45.454,59	38.896,94	Non-GRI, average earnings by sex, age and occupational classification or equivalent value
		EDAD	MOD	MOI																							
MU	<30	35.714,02	33.045,80																								
	31-50	39.445,38	39.674,60																								
	>50	54.969,46	55.610,20																								
HO	<30	26.348,77	36.105,59																								
	31-50	38.623,94	51.845,56																								
	>50	45.454,59	38.896,94																								
Wage gap, pay for equivalent jobs or average pay in the community	5.1.- Solidarity as a basis	2-21 Total annual compensation ratio																									
	5.1.- Solidarity as a basis	405-2 Ratio of basic salary and remuneration of women versus men																									



## 8. Procedure for preparing the report

	Average remuneration of directors and senior management	5.1.- Solidarity as a basis	2-19 Remuneration policies
	Payments to long-term savings provision schemes and any other gender-disaggregated payments	5.1.- Solidarity as a basis	Non-GRI, average remuneration of directors and senior management
	Implementation of work disconnection policies	5.1.- Solidarity as a basis	201-3 Defined benefit and other pension plan obligations
	Employees with disabilities	5.2.- Equality and conciliation	Non-GRI, work disconnection policies
Work organisation	Organisation of work time	5.1.- Solidarity as a basis	405-1 Diversity in governing bodies and employees
	Number of hours of absence	5.4.- Managing the health of our people	Non-GRI, organisation of work time
	Measures aimed at enabling the enjoyment of work-life balance and encouraging co-responsibility on the part of both parents	5.2.- Equality and conciliation	403-9 Injuries due to accidents at work
Health and safety	Health and safety conditions in the workplace	5.4.- Managing the health of our people	Non-GRI, work-life balance measures
		5.4.- Managing the health of our people	403-1 Occupational health and safety management system
		5.4.- Managing the health of our people	403-2 Hazard identification, risk assessment and incident investigation
		5.4.- Managing the health of our people	403-3 Occupational health services
		5.4.- Managing the health of our people	403-5 Training of workers on health and safety at work
		5.4.- Managing the health of our people	403-6 Promoting the health of workers
	Accidents at work, in particular their frequency and severity, as well as occupational diseases, disaggregated by sex	5.4.- Managing the health of our people	403-7 Prevention and mitigation of impacts on the health and safety of directly linked workers
Social relationships	Organisation of social dialogue, including procedures for informing, consulting and negotiating with the workforce	5.1.- Solidarity as a basis	403-9 Injuries due to accidents at work
		5.1.- Solidarity as a basis. 3 months' notice period for changes in holiday entitlement on calendar days. Notice periods in the event of voluntary sick leave, in compliance with the provisions of labour law and the Gipuzkoa metalworkers' agreement, and in the case of members, with the provisions of the law on cooperatives.	2-29 Approach to the participation of stakeholders (human team)
		5.1.- Solidarity as a basis	402-1 Minimum notice periods for operational changes
		5.1.- Solidarity as a basis	403-1 Worker representation in formal worker-company health and safety committees
	Percentage of employees covered by collective bargaining agreements by country	5.1.- Solidarity as a basis	407 Management approach (policies that may affect the decision of workers to form or join trade unions, bargain collectively or engage in trade union activities)
	The statement of collective agreements, particularly in the field of health and safety at work	5.1.- Solidarity as a basis	2-30 Collective bargaining agreements
		5.1.- Solidarity as a basis	403-4 Worker participation, consultation and communication on matters of occupational health and safety at work
Training	Policies implemented in the field of training	5.3.- We favour the development of our people	403-8 Workers covered by an occupational health and safety management system
	The total number of training hours by occupational category	5.3.- We favour the development of our people	404-2 Employee skills enhancement programmes and transition assistance programmes
			404-1 Average hours of training per year per employee

## 8. Procedure for preparing the report

Universal accessibility for people with disabilities	Integration and universal accessibility for people with disabilities	5.2.- Equality and conciliation	405-1 Diversity in governing bodies and employees
Equality	Measures taken to promote equal treatment and opportunities for women and men	5.2.- Equality and conciliation	2-22 Commitments and policies
		5.2.- Equality and conciliation	2-24 Incorporation of commitments and policies
	Equality plans (Chapter III of Organic Law 3/2007, of 22 March, for the effective equality of women and men), measures taken to promote employment, protocols against sexual harassment and harassment on grounds of sex	5.2.- Equality and conciliation	405-1 Diversity in governing bodies and employees
	Integration and universal accessibility for people with disabilities	5.2.- Equality and conciliation	Non-GRI, Integration and universal accessibility for people with disabilities
	Anti-discrimination policy and, where applicable, diversity management policy	5.2.- Equality and conciliation	2-23 Commitments and policies
		5.2.- Equality and conciliation	2-24 Incorporation of commitments and policies
		5.2.- Equality and conciliation	406-1 Cases of discrimination and remedial action taken

Information required by the Law on non-financial information and diversity		Reference chapter/Omissions	Related GRI standards and other non-GRI indicators
<b>Information on respect for human rights</b>			
Management approach	Description of the group's policies with respect to these issues, including due diligence procedures applied for the identification, assessment, prevention and mitigation of significant risks and impacts and for verification and monitoring, including the measures that have been taken	4.4.- Commitment to human rights	3-3 Management of material issues (in relation to human rights)
	The results of these policies, which should include relevant non-financial key performance indicators, enable monitoring and evaluation of progress to aid comparison across societies and sectors, in accordance with the national, European and international frameworks of reference used		2-23 Commitments and policies
	The main risks related to these issues associated with the group's activities, including, where relevant and proportionate, its business relationships, products and services that may have an adverse impact in these areas, and how the group manages these risks, explaining the procedures used to identify and assess them in accordance with national, European and international frameworks of reference for each matter. This should include information on the impacts identified, with a report on their breakdown, in particular on the main risks in the short, medium and long term	4.4.- Commitment to human rights	(2-25) Processes to remedy negative impacts
	Implementation of human rights due diligence procedures; prevention of the risks of human rights violations and, where applicable, measures to mitigate, manage and redress any abuses committed.	4.4.- Commitment to human rights	2-25 Processes to remedy any negative impacts
		4.4.- Commitment to human rights	412-1 Operations subject to reviews or assessments of human rights impact
		4.4.- Commitment to human rights	412-2 Employee training on human rights policies and procedures
		4.4.- Commitment to human rights	414-1 New suppliers that have passed selection filters according to the social criteria
	Complaints of human rights violations. Promotion and compliance with the provisions of the core	4.4.- Commitment to human rights	2-26 Mechanisms for seeking advice and raising concerns

## 8. Procedure for preparing the report

	conventions of the International Labour Organisation relating to respect for freedom of association and the right to collective bargaining; the elimination of discrimination in respect of employment and occupation; the elimination of forced or compulsory labour; the effective abolition of child labour.	4.4.- Commitment to human rights	409-1 Operations and suppliers with significant risk of cases of forced or compulsory labour
		4.4.- Commitment to human rights	406-1 Cases of discrimination and remedial action taken
Management approach	Description of the group's policies with respect to these issues, including due diligence procedures applied for the identification, assessment, prevention and mitigation of significant risks and impacts and for verification and monitoring, including the measures that have been taken	4.3.- Fighting against corruption and bribery	3-3 Management of material issues (in relation to corruption and bribery) 2-23 Commitments and policies
	The results of these policies, which should include relevant non-financial key performance indicators, enable monitoring and evaluation of progress to aid comparison across societies and sectors, in accordance with the national, European and international frameworks of reference used	4.3.- Fighting against corruption and bribery	2-24 Incorporation of commitments and policies
	The main risks related to these issues associated with the group's activities, including, where relevant and proportionate, its business relationships, products and services that may have an adverse impact in these areas, and how the group manages these risks, explaining the procedures used to identify and assess them in accordance with national, European and international frameworks of reference for each matter. This should include information on the impacts identified, with their breakdown, in particular on the main risks in the short, medium and long term	4.3.- Fighting against corruption and bribery	(2-25) Processes to remedy negative impacts
Information relating to the fight against corruption and bribery	Measures taken to prevent corruption and bribery	4.3.- Fighting against corruption and bribery	2-26 Mechanisms for seeking advice and raising concerns
		4.3.- Fighting against corruption and bribery	205-1 Operations assessed for corruption-related risks
	Measures to combat money laundering	4.3.- Fighting against corruption and bribery	205-2 Communication and training on anti-corruption policies and procedures
	Contributions to foundations and non-profit organisations	7.- We are a group that promotes community development.	201-1 Direct economic value generated and distributed
Management approach	Description of the group's policies with respect to these issues, including due diligence procedures applied for the identification, assessment, prevention and mitigation of significant risks and impacts and for verification and monitoring, including the measures that have been taken	7.- We are a group that promotes community development.	3-3 Management of material issues 2-23 Commitments and policies
	The results of these policies, which should include relevant non-financial key performance indicators, enable monitoring and evaluation of progress to aid comparison across societies and sectors, in accordance with the national, European and international frameworks of reference used	7.- We are a group that promotes community development.	3-3 Management of material issues 2-24 Incorporation of commitments and policies
	The main risks related to these issues associated with the group's activities, including, where relevant and proportionate, its business relationships, products and services that may have an adverse impact in these areas, and how the group manages these risks, explaining the procedures used to identify and assess them in accordance with national, European and international frameworks of reference for each matter. This should include information on the impacts identified, with their breakdown, in particular on the main risks in the short, medium and long term	7.- We are a group that promotes community development.	(2-25) Processes to remedy negative impacts
Company commitments to sustainable development	Impact of the company's activity on employment and local development	7.- We are a group that promotes community development.	413-1 Operations with local community participation, impact assessments and development programmes
		7.- We are a group that promotes community development.	201-1 Direct economic value generated and distributed
	Impact of the company's activity on local populations and the region	7.- We are a group that promotes community development.	411-1 Cases of violations of indigenous peoples' rights
		7.- We are a group that promotes community development.	413-2 Operations with significant negative impacts –real or potential– in local communities

## 8. Procedure for preparing the report

	Relationships with local community actors and the modalities of dialogue with these groups	7.- We are a group that promotes community development.	2-29 Approach to the participation of stakeholder groups
	Sponsorship and partnership initiatives	7.- We are a group that promotes community development.	2-28 Membership of associations
Subcontracting and suppliers	Inclusion of social, gender equality and environmental issues in procurement policy	3.6.- Our supplier companies	308-1 New suppliers that have passed evaluation and selection filters according to environmental criteria
		3.6.- Our supplier companies	414-1 New suppliers that have passed evaluation and selection filters according to social criteria
	Consideration in dealings with suppliers and subcontractors of their social and environmental responsibility	3.6.- Our supplier companies	308-1 New suppliers that have passed evaluation and selection filters according to environmental criteria
		3.6.- Our supplier companies	414-1 New suppliers that have passed evaluation and selection filters according to social criteria
	Monitoring and audit systems and their results	3.6.- Our supplier companies	2-25 Processes to remedy negative impacts
		3.6.- Our supplier companies	308-2 Negative environmental impacts on the supply chain and measures taken
		3.6.- Our supplier companies	414-2 Negative social impacts on the supply chain and measures taken
	Consumer health and safety measures	3.5.- Quality is our priority	2-25 Processes to remedy negative impacts
		3.5.- Quality is our priority	416-1 Health and safety impact assessment of product or service categories
		3.5.- Quality is our priority	417-1 Requirements for information and labelling of products and services
Consumers	Complaint systems, complaints received and their resolution	3.5.- Quality is our priority	2-25 Processes to remedy negative impacts
		3.5.- Quality is our priority. No cases of non-compliance have been detected.	416-2 Cases of non-compliance concerning health and safety impacts of product and service categories
		3.5.- Quality is our priority	418-1 Substantiated complaints regarding breaches of customer privacy and loss of customer data
Tax information	Profits earned on a country-by-country basis, taxes on profits paid	7.5.- Fiscal information	201-1 Direct economic value generated and distributed
		7.5.- Fiscal information	207-1 Taxes paid by country
	Information on public subsidies received	7.5.- Fiscal information	201-4 Financial assistance received from the Government

### 8.3.- External verification