

# **SUSTAINABILITY REPORT AND NON-FINANCIAL INFORMATION STATEMENT 2022**



[ April 2023 ]

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# **LETTER FROM THE GENERAL MANAGER**

(GRI 2-22)

2022 has been a year of uncertainty with abrupt and significant changes in the economic climate that have had a major influence on the performance and management of the Mondragon Assembly Group. The COVID-19 pandemic has now been normalised in Europe and America, however, in China it has continued to impact our business and our value chain. Nevertheless, progress has been made in integrating the Quinhuangdao Visual Co Ltd. Joint Venture in terms of the account management side, and in 2023 we will continue to work on this integration in terms of the production management side.

In 2022, the lack of supply and the increase in the price of electronic materials that has been dragging on since 2021 in the market and at a global level has continued, which has directly affected many of Mondragon Assembly's projects, causing delays in deliveries and a reduction in production margins.

Despite this, the markets have performed better than expected. The motor vehicle market has shown a slight recovery from 2021 in the manufacture and sale of combustion engine vehicles, but it appears that major investments in electric cars in Europe and the US are already on the horizon.

The solar market has continued to grow exponentially with the opening of many new factories and module product lines, with a particular focus for us in Europe.

The market for household appliance components maintained high production levels until the middle of the year, but declined considerably in the second half of the year, paralysing investments by our customers.

Despite all the above, we have managed to overcome all these difficulties in almost all the plants and have managed to close the 2022 financial year with very good results, both in terms of orders, sales and operating profits, except in the subsidiary in China, where we have not been able to overcome the effects of the country's economy.

Mondragon Assembly is a company committed to the environment. In line with our co-operative values and principles, in 2022 we have reached milestones which we are pleased to share in this Sustainability Report and which demonstrate our commitment to all our stakeholders.

In keeping with the above, this year we have conducted our double materiality analysis in

order to update the material issues that will be key to our management in terms of sustainability. We have taken the Global Risk Report into account, to be able to provide maximum added value through our products and services while managing risks and opportunities in the best possible way.

We are a company that is committed to our immediate environment, giving priority to the creation of sustainable, quality employment in the surrounding area, giving employees a stake in the company. During 2022, 13 employees (8% of the workforce) have been accepted as members of the cooperative. We also provide opportunities for students from the surrounding area and encourage them to carry out work experience, final projects and studies under the dual mode in our company; during 2022, more than 20 students from different fields, with different activities and modalities have been given such opportunities.

In line with our cooperative values and principles, we collaborate with around 60 local suppliers and various socio-cultural groups in the area. And as a part of the Fagor Group, we participate in the Fagor 2030 project, which promotes sustainability.

We perform optimal environmental management, especially with the waste we generate, in accordance with the ISO14000 system, for which we are certified. We also try to counteract the impact of our activity by generating solar energy with self-consumption of the energy generated by the panels installed at our premises. During the 2022 financial year, further panels have been installed on the façade of the MA central building with BIPV (Building Integrated Photo Voltaics) technology. We have also installed solar panels at our plant in Germany.

As a manufacturer of solar energy production systems for the international market, we make a transversal contribution to the use of green energy around the world.

The General Management and the Governing Board also wish to highlight the milestones achieved during 2022 in the subsidiaries of Mondragón Assembly, a key part of the organisation when it comes to moving towards a more sustainable company as a group. This year various initiatives have been carried out at the subsidiaries to improve infrastructures, with a focus on sustainability.

In summary, 2022 has been an intense and challenging year for Mondragón Assembly, filled with new projects and positive results. We are facing the future full of hope, enthusiasm,

dedication and hard work, with a commitment to continue to have a positive impact on our environment and to contribute to this legacy with the company we are building on a daily basis.



*Mikel Gantxegi Gantxegi*  
*General manager*



*Igor Herrarte Letona*  
*President*



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**ABOUT US**

## 2.1.- Our identity

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

(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, was created in 1977, and is one of the pioneers in the development of production and assembly technologies.

"We specialise in the design, production and installation of a wide range of equipment for assembly process automation."

Mondragon Assembly S.Coop. is the parent company, a cooperative associated with the Mondragón Group, in the Mondragón Industria Automation division, and part of the Fagor Group.



It has its own company, which includes the rest of the subsidiaries distributed throughout the world, where various businesses are conducted, and marketing areas.

The most important companies in the Group are:

- Mondragon Assembly S.Coop (general office)
- 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.

In this report we report data from the manufacturing companies only, not including data from the commercial subsidiaries or SFK, a group company with no activity, only a shareholding.

On the other hand, Mondragon Assembly participates in the company Quinhuangdao Visual Automation 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 there is no accurate data available in the financial year 2022 on other matters dealt with in this report. In 2023, the entity will be integrated in terms of production processes, and consequently in this report.

## 2.2.- Mission, vision and values

The management of Mondragón Assembly S.Coop. has established its vision, mission and values as the starting point for developing 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 just sell machines, we offer a Service that generates Confidence in various sectors and we are committed to internationalisation.

### Vision

To provide the market with cost-effective and suitable solutions and knowledge for the automation needs in assembly processes, applying proven systems and technologies with confirmed reliability, positioning us as a clear world leader in our activity.

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

### Values

#### **1. Proactive / Leadership**

It consists of working in the development of one's abilities, becoming a protagonist/leader in one's area of influence and applying this value for the benefit of the cooperative.

#### **2. Innovation**

To promote the development and implementation of alternative and/or novel solutions, in both everyday and emerging situations.

#### **3. People development**

Promoting, enabling and fostering the learning and/or development of others based on the analysis of their needs and those of the Cooperative.

#### **4. Teamwork**

Cooperating and collaborating with others based on trust, supporting each other in the achievement of a common goal.



### 5. Excellence

Continuous search for flawlessness in the fulfilment of commitments with a continuous attitude and willingness to identify areas and opportunities for improvement and implementing them in those places that add value to the customer, seeking to be the market benchmark.

### 6. Closeness to the client

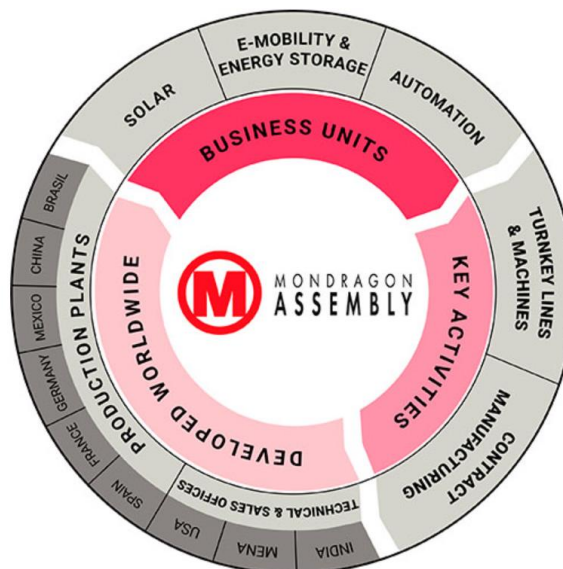
Directing the organisation towards the creation and maintenance of personalised and close relationships with the customer, generating opportunities for advisory services and the preparation of proposals regarding the product.

## 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 outreach to the market and customers, the Mondragon Assembly plant in Aretxabaleta has developed the following **business units and key activities**:

#### Solar

We are Europe's leading **producers of technological equipment for the manufacture of solar modules** thanks to the implementation of various cutting-edge technologies. We design and supply high-tech turnkey machinery and production lines for photovoltaic systems.

#### Automation

We are able to understand the needs of our customers and can provide **modular solutions**

**for a wide range of assembly processes in the manufacture of different industrial components** for a variety of markets: motor vehicles, electrical components, medical equipment, household appliance components, cosmetics, etc.

#### E-mobility and energy storage

We offer **innovative and flexible system solutions for the production of modules and battery packs as well as hydrogen cells for various industries**, such as mobility and stationary, always adapting to the needs of our customers.

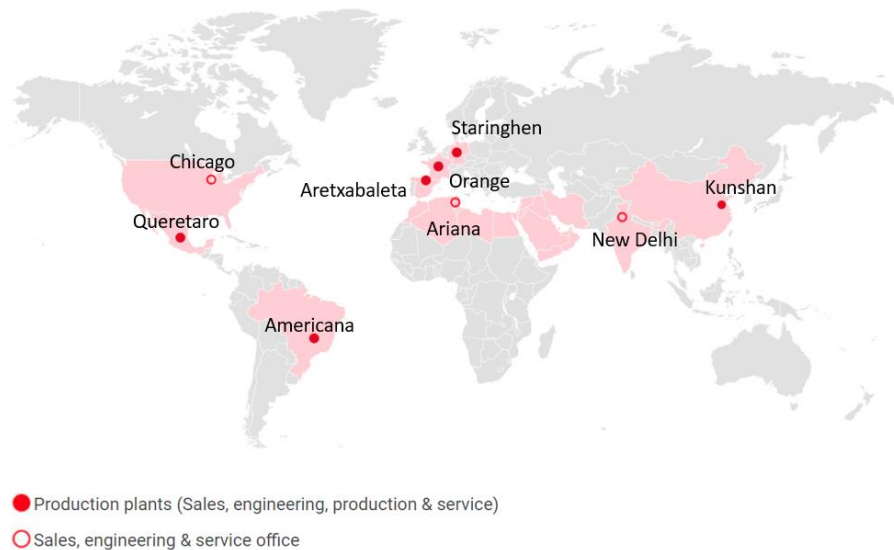


## 2.4.- Worldwide presence

### **INTERNATIONAL PRESENCE**

*BECAUSE WE ARE WHERE OUR CUSTOMERS ARE*

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



(GRI 2-1, 2-2)

#### **Group Structure**

The Mondragon Assembly Group has its headquarters in Aretxabaleta (Gipuzkoa, Spain) and has 6 production plants located in Brazil, Mexico, France, Germany and China.

The Group also has three technical sales offices serving India, MENA 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 capacity to enhance sustainable development and its international presence are the strengths of Mondragón Assembly.**

## 2.5.- Our activity

(GRI 2-6)

Mondragon Assembly is a **cooperative that runs a responsible and sustainable business activity**, which seeks profitability aligned with a code of conduct, compliance with the law, and the creation of added value on an ongoing basis for its customers and other stakeholders.

The Group's model, and hence portfolio management, is based on the following principles:

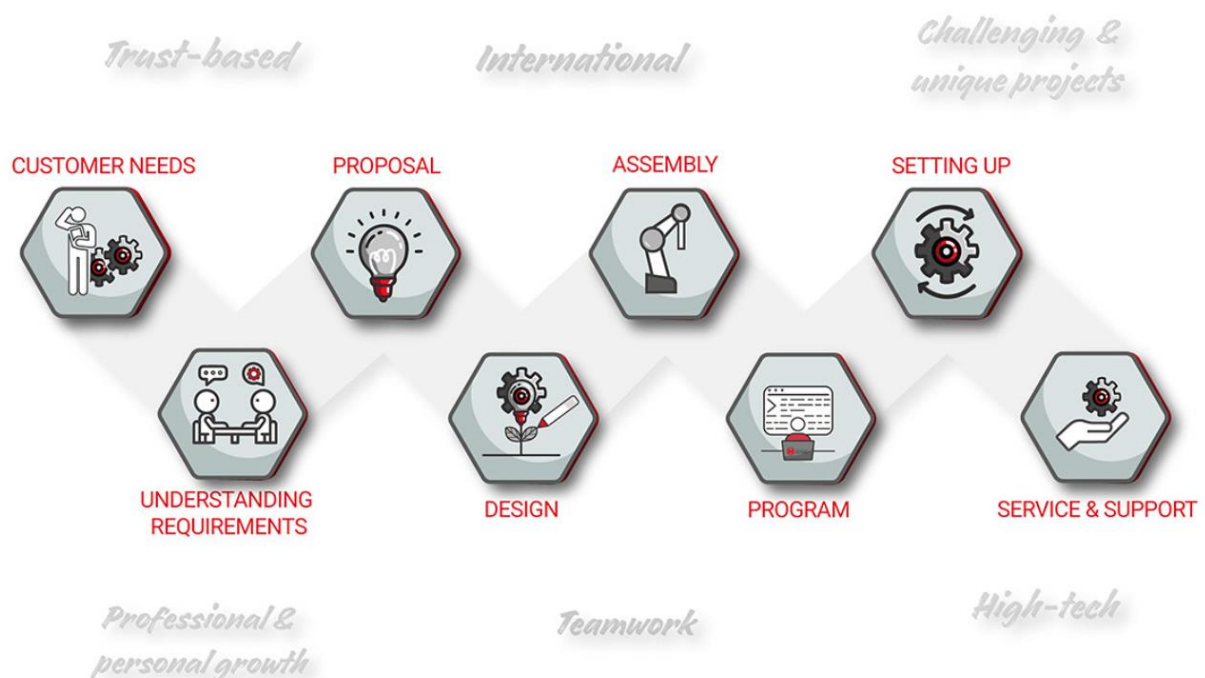
- **Group aspirations.**
- **Recognition as a global supplier.**
- **Differentiation through technological contributions to its customers.** Mondragón Assembly is a technological partner for customers.

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

Each project at Mondragón Assembly is challenging and unique when it comes to the day-to-day activities of the company. The management of these is based on principles of trust, professional and personal growth, teamwork, international approach and the use of high technology.

### PROJECT MANAGEMENT AT MONDRAGON ASSEMBLY

This is how we do it



## Our Products & Services

The Mondragon Assembly S.Coop. portfolio of products/services consists of:

- Automation of production processes in the motor industry
- Automation of production processes for electronic components
- Automation of production processes for medical equipment
- Automation of production processes for household appliance components
- Automation of production processes in the cosmetics industry
- Turnkey production lines
- Turnkey production lines for photovoltaic modules
- Individual machines for photovoltaic modules
- Contract manufacturing
- Global projects

Also:

- New module technologies
- Assistance for developing new companies, manufacturing
- Industry 4.0 and diagnostic control
- Module and battery pack solutions for e-mobility and energy storage
- Hydrogen technology solutions
- Customer support service for the machines/lines manufactured
- Technological advisory and maintenance services
- SAT: Line maintenance and control services

## 2.6.- At a glance



\*2022 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 cooperative is the core of Mondragon Assembly. Its values, principles and culture go beyond business. Its management model focuses on the people and the environment that surrounds them, and it cares."*

(GRI 2-23)

Mondragón Assembly is part of the **MONDRAGON Group**, the largest cooperative corporation in the world, comprising more than 90 cooperatives, with more than 140 subsidiaries with a presence across 5 continents, organised into four business areas: Finance, Industry, Distribution and Knowledge. The MONDRAGON Group has its own university and 15 R&D centres and is internationally recognised as a model of inclusive competitiveness.

**As a whole, the MONDRAGON co-operatives have a turnover of more than 11 billion euros and employ more than 80,000 people all over the world**, of which more than 45% work in the industrial sector. The MONDRAGON Group has several inter-cooperation and solidarity

mechanisms that make it more resilient and which will be fundamental for successfully tackling the transformations in the coming years.

Furthermore, 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 billion euros and more than 10,000 employees throughout the world.

The Fagor Group is currently discussing the **Fagor 2030 sustainability strategy, a strategy that seeks to drive the transformation of cooperatives so that they remain profitable in a new competitive context that is increasingly influenced by digitalisation and sustainability.**

Furthermore, as founding members of the **Debagoiena 2030**, network for sustainable development, the Fagor Group is strongly involved in the sustainability of the region where most of its industrial activity is concentrated, collaborating with local administrations, the university and social agents in the development and financing of various projects that aspire to turn Debagoiena into a smart, inclusive and climate-neutral region by the year 2050.

### Inter-cooperation makes us more competitive

*"Mondragón Assembly is part of a regional group of co-operatives, the Fagor Group, which has as its main objectives the development of a common people management model and an inter-cooperation model within which the Group's co-operatives carry out their activities."*

The Fagor Group and MONDRAGON have various inter-cooperation and solidarity mechanisms that make them more resilient and competitive. These mechanisms are aimed at supporting cooperatives in three key areas:

#### **Restructuring of profits:**

This mechanism aims, firstly, **to support and contribute to the economic recovery of cooperatives experiencing difficulties by compensating part of the losses generated during the year so that they can manage their business projects in difficult economic conditions.**

Hence, cooperatives with positive surpluses contribute a minimum of 10% of their profits to

compensate for up to 30% of the negative results, thus mitigating the deterioration of the equity of the cooperative with losses. Secondly, **it also promotes solidarity in the distribution of cooperative returns and reimbursements (part of the profits or losses that are returned to the member on the basis of their cooperative activity once the obligatory funds have been provided) over and above their own individual performance.**

Also, within the Restructuring framework, cooperatives with positive results allocate a percent of their profits to the creation of another inter-cooperation and solidarity mechanism that serves to help and support cooperatives to mitigate, to some extent, the differences in

remuneration among the worker-members of the Group's cooperatives, given the fragile financial situation they may be experiencing.

#### **Supporting business development:**

**Every year, as a general rule, all MONDRAGÓN co-operatives contribute 5% of their profits to the MONDRAGÓN Foundation, on a non-refundable basis, for the constitution of the Cohesion and Development Fund to be used for implementing projects that promote the cohesion and development of the MONDRAGÓN Co-operative Experience.**

Specifically, this fund is channelled into financing the Promotion Centre, carrying out feasibility analyses and financing R&D&I projects, among other activities. In addition, and also as a general rule, they make annual investment contributions equivalent to 5% of profits, to establish an International Expansion Fund managed by MONDRAGÓN Inversiones S.Coop.

**The purpose of these resources is to support the cooperatives in their international expansion and growth processes, to support the various business projects and even to reinforce the cooperatives' asset structures, among other objectives.**

#### **LagunAro benefits:**

The MONDRAGÓN cooperatives form part of a **Voluntary Social Welfare organisation called**

**LagunAro, responsible for managing an Endowment Fund consisting of the contributions made by the members in accordance with their employment index, which aims to guarantee a system of defined benefit pension cover for its mutual members** that complements the public retirement benefits recognised by the social security on the basis of the contributions made by LagunAro on behalf of each mutual member to the self-employed workers' scheme. As well as these retirement benefits, it also manages those relating to the widows and orphans benefits of its members.

Another portion of the contributions made by members is used to finance, on a mutually funded basis, various benefits such as cover for health care, maternity and paternity, temporary incapacity or employment assistance. The employment assistance benefit is an inter-cooperation instrument designed to combat adverse economic situations, and among the measures that it provides and co-finances together with the co-operatives are those directly related to maintaining the employment of members through funding early retirements, flexible schedules, effective unemployment, the professional retraining of mutual members and the relocation of members among other co-operatives associated with LagunAro, either on a temporary or permanent basis.



**3**

**WE ARE A  
COMPETITIVE AND  
INNOVATIVE GROUP**



### 3.1.- Overview of the situation: economic and sectoral environment

2022 has been full of uncertainty and abrupt and significant changes in economic arenas that have had a great influence on the progress and management of Mondragon Assembly:

- The situation arising from the Covid pandemic has been normalised in Europe and America, but drastic containment measures were maintained in China until December 2022.
- The analysis of supply chains in the global context has shown a continued supply shortage and the rising cost of electronic components in the market
- This situation is compounded by the rising price of gas, electricity, raw materials and general inflation, largely caused by the war in Ukraine.
- Meanwhile, there was a drop in sales at the end of the year in the household appliances sector

There was also growth and a revitalisation of sectors such as:

- The motor vehicle market, which has shown a slight recovery; and
- The solar market, which has continued to grow exponentially and many new factories and production lines of modules have been opened, with special interest for us in Europe.

(GRI 3-3)

**In spite of all this, we have managed to overcome all these difficulties in almost all our plants and have been able to end the 2022 financial year with very good results, due to the work and effort of our 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.- 2021-2024 Strategic Plan

(GRI 2-24)

Within this operational framework, **Mondragon Assembly's 2021-2024 Strategic Plan** covers the following challenges, with the aim of achieving sustainable development and growth in all the plants.

### CHALLENGE 00 DIMENSION:

Prioritise profitability over sales in order to maintain positive results and stable employment levels.

### CHALLENGE 01 GLOBAL ORGANISATION MODEL:

A new stage in the development of the Mondragon Assembly Group, based on the balance between the independence of the subsidiaries and the strengthening of the Group, creating synergies and coordinating activity, consolidating the progress made in recent years and strengthening both commercial and technical coordination.

### CHALLENGE 02 DIVERSIFICATION:

Ensure a profitable and balanced business portfolio, being open to new activities and business ideas both internally and externally, in line with the DNA of Mondragon Assembly. Also diversification in markets.

### CHALLENGE 03 BRAND/MARKET RECOGNITION:

Be recognised as a leading, global company with strong local expertise, with a portfolio of loyal

customers, with a competitive package which keeps the focus on quality and customer service, and partnerships with leaders in Industry and Innovation.

### CHALLENGE 04 TECHNOLOGICAL DISTINCTION:

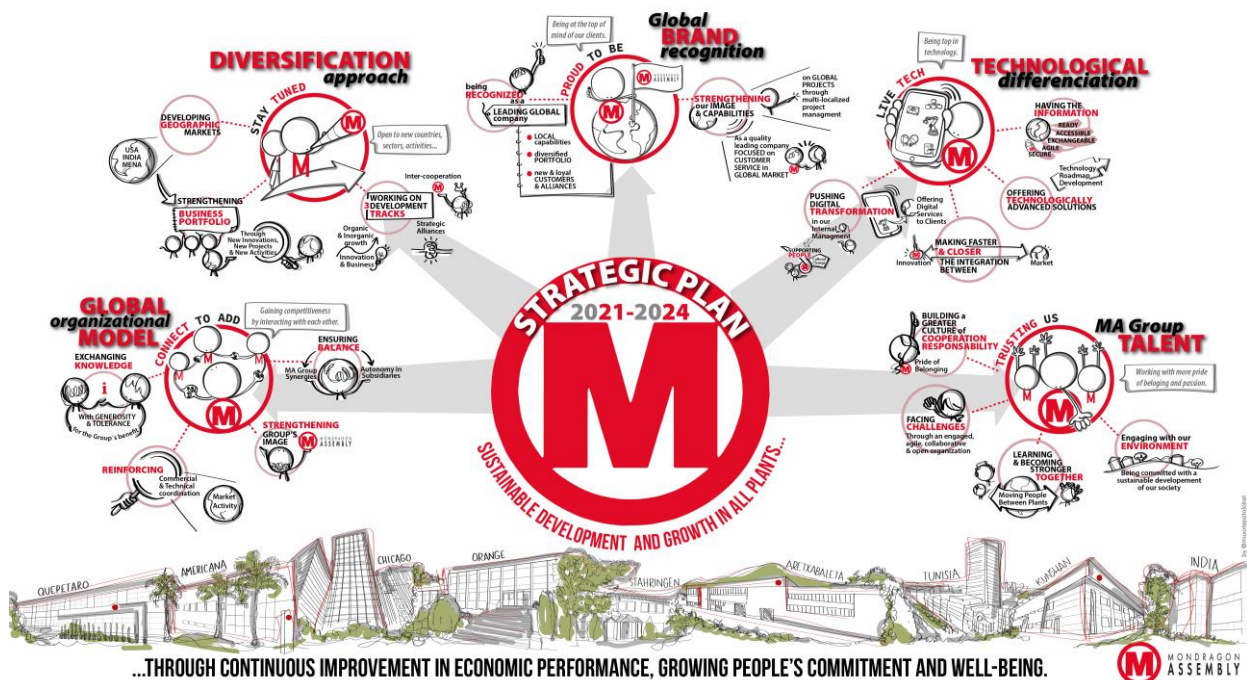
The value proposition of Mondragon Assembly is focused on providing technologically advanced solutions. Speed and alignment of innovation with the market. Digital transformation, both in terms of internal management and customer service.

### CHALLENGE 05 ATTRACT AND RETAIN TALENT:

Build a company made up of people with a culture of cooperation and responsibility; with systems adapted to each country and a strong sense of pride in belonging. We interact with the surrounding area and get involved in projects that support its development, supporting a business activity with quality employment.

The Strategic Plan is deployed annually via a Management Plan, the progress of which is evaluated on a regular basis.

These objectives will be implemented by defining objectives in Aretxabaleta's annual management plan and in each of the subsidiaries.



#### 3.3.- Integrated management systems

(GRI 2-23)

*"Mondragon Assembly is aware that for 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 which includes the following standards:



Mondragon Assembly carries out a review of the Integrated Management System in order to evaluate it and plan the actions to be taken in the coming year.

#### Integrated management system policy

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

#### **DECLARATION OF THE POLICY**

- **Mondragón Assembly works closely with the customer**, seeking closeness and identification, as well as commitment to their real needs in order to achieve their satisfaction.
- **Mondragón Assembly is an organisation 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 manner.
- **Mondragon Assembly** is committed to **integrating the management** of Quality, Occupational Health, the Environment, Corporate Social Responsibility, Criminal Compliance and the management of R&D&I in all activities of the company and at all

levels of the organisation, defining responsibilities and providing the appropriate resources and training so that they can be 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 to other cultures, always respecting their uniqueness.

The integrated management system is supported by other policies adopted by the senior management of Mondragon Assembly which were updated in February 2022 and published on its website:

- Code of Conduct
- Privacy and Confidentiality
- Anti-Corruption
- Conflict and harassment
- Subsidies
- Conflict of Interest

#### Certifications

Mondragón Assembly S.COOP. 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 in EcoVadis and the development of plans and actions for sustainable development.



Also, in 2022, the Mondragon Assembly Group continued its progress on optimising its management systems. To date, four of the plants already have 9001 quality certification and the plant in China plans to achieve certification during 2023.



#### Management in the subsidiaries

With regard to **management in the subsidiaries**, work has been carried out since 2020 in the cooperation to promote initiatives related to the Integrated Management Systems. In 2022, there was collaboration in the area of communication and awareness-raising on issues related to criminal compliance, carbon footprint, cybersecurity and machine safety (quality and product safety).

In 2022, the digital platform for integrated group management systems was implemented in the Brazilian subsidiary, and the first steps have been taken towards implementation in Mexico and Germany. Translation of the reports of the tool into Euskera (Basque), Portuguese and German has also begun.

At the end of 2022, the criminal compliance policies for particularly exposed people in the subsidiaries in India and Mexico were updated.

### 3.4.- Our innovation strategy

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

(GRI 3-3)

Since its creation in 1977, **Mondragon Assembly has been committed to innovation as a means of achieving growth, dedicating a large part of its resources to promoting new product research and development**, as well as expanding its range of end-to-end services. Furthermore, since 2002, Mondragon Assembly S. Coop. has had its own technology centre, by way of Koniker, aimed at developing and acquiring medium and long-term technologies.

In 2022, 2.359.052€ was invested in innovation at Group level, which amounts to 6,9% of turnover.

With regard to public subsidies received, the support of 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 income statement in 2022 totals 1,854,692 euros, of which 1,441,237 euros correspond to subsidies granted in the parent company with registered offices in Spain.

Its main areas of research include:



#### SOLAR ENERGY

Machines for new solar applications; BIPV, machines for high-efficiency module production with HJT technology



#### ROBOTICS

Improving the efficiency of manufacturing processes, increasing knowledge and improving the delivery of robotics.



#### 4.0 INDUSTRY

Real-time data generation and acquisition systems for the provision of advanced customer services



#### BATTERY

Design and simulation of turnkey lithium battery assembly lines, developing in-house controls.

It is worth highlighting the collaboration with eight entities in the field of innovation and research and development projects, with active projects. For further information, please consult our web page: <https://www.mondragon-assembly.com/es/innovacion/>

### 3.5.- Quality is our priority

(GRI 2-25)

*"Mondragón Assembly develops automatic production lines in which quality is a key factor, and offers solutions that provide a high level of technological know-how"*

**All products are manufactured according to the highest quality standards and undergo rigorous quality controls.** The Group also guarantees the safety of the people who are involved with its production lines and the quality of all its processes by means of self-certification and/or collaboration with companies and institutions that accredit the quality of its products.

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

Thanks to Mondragón Assembly's innovative, honest, transparent, customer-focused and excellent management, it has earned the trust of its customers, which has enabled it to become an international benchmark Group for each one of them.

**The innovative character, management excellence and customer proximity are the three values that have made Mondragon Assembly a leading group for customers all over the world.**

#### Health and safety of our customers

As part of its quality process, Mondragon Assembly verifies the safety of each of the machines manufactured on its premises. After the assembly phase, the safety of the machine is checked for inherent risks, potential identification of risks for the user and the set-up of the production line.

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

In some cases and when requested by the customer, third party verification and auditing of the safety of the machines is carried out at our premises and/or at the destination.



### 3.6.- Our supplier companies

Mondragon Assembly has an international presence thanks to its six production plants which cover the entire value chain. In addition, since 2021 it also has a stake in Visual, where part of the machinery that is included in the Solar business production lines is produced. For this reason, **the Group wants to continue to have a network of suppliers capable of offering solutions anywhere in the world that meet its quality standards.**

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

The Group not only looks for qualities in its partners such as high quality solutions,

competitive prices, well organised logistics, reliability and flexibility but also looks for suppliers who are responsible towards their people and the environment. As a socially responsible Group, committed to its people and society, it seeks these same characteristics in its suppliers.

Its aim is to extend the principles applied in Mondragon Assembly to its suppliers. It wants to work with companies that integrate health and safety in the workplace into all their activities, that are respectful of the environment and that are ethically and socially responsible.

In 2022, the Mondragon Assembly Group **worked with 1.640 suppliers, where** the proportion of spending on **local suppliers** was **57.52%.**

In 2022, **79 new suppliers were evaluated.**

SUPPLIERS	Number of suppliers 2022	Amount tendered €	% Total
Local	1.245	44.150.737	%57.52
Continental	279	20.375.401	%26.54
International	116	12.240.229	%15.94
TOTAL	1.640	76.766.367	%100

\*local suppliers are considered to be those belonging to their own country for each of the production centres, continental suppliers are those belonging to the same continent and intercontinental suppliers are those that do not belong to the two previous groups.

Mondragon Assembly identifies four groups of suppliers, depending on the type of supply:

- **Suppliers of parts to drawings:** machining, boiler-making.
- **Suppliers of trade items:** electronics, pneumatics, etc.
- **Special equipment suppliers:** machines or devices that we incorporate into our production lines
- **Outsourcing:** various types of sub-contracted services.

*"Mondragon Assembly is committed to promoting and encouraging its suppliers, contractors and external collaborating companies to adopt practices in accordance with the guidelines included in this Code, and provides the necessary resources to ensure that they are aware of and understand this Code and are able to comply with it."*

#### General purchasing conditions

Mondragon Assembly publishes on its website the general purchasing conditions for the countries in which it operates: Spain, France, Germany, Brazil, Mexico and China, in the respective languages.

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

By signing the purchase contract that Mondragon Assembly makes available, the suppliers agree to abide by the defined general purchasing conditions, including the code of conduct.

#### Supplier Code of Conduct

(GRI 2-25)

The Mondragon Assembly Supplier Code of Conduct is seen as an **extension of our company's Code of Conduct and aims to**



**establish the minimum guidelines that should govern the behaviour of suppliers, contractors and external partners in accordance with the business culture and regulatory system of Mondragon Assembly.** The criteria set out in this Code are not intended to cover every situation or circumstance that may arise, but rather to establish general guidelines to guide those concerned in terms of their behaviour during the course of their professional activity.

All suppliers, contractors and collaborating companies may contact the Mondragon Assembly Conduct and Compliance Committee confidentially, in good faith and without fear of reprisal, to report any breach of the Code of Conduct guidelines that they may observe during the course of their professional activities, by sending an e-mail to:  
socialresponsibility@mondragon-assembly.com.

This Code of Conduct includes the commitments established in 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)

Mondragon Assembly S. Coop. has adopted a supplier management procedure that aims to establish a system for the initial approval or selection of suppliers, and their continuous evaluation in order to meet the required quality standards, not only from a technical, price, delivery and service point of view, but also from

a societal point of view, in such a way that they contribute to sustainability and are socially responsible.

In 2022, in order to ensure responsible supply chain management, it applied the continuous assessment process to 79 suppliers, taking into account social responsibility criteria, quality, criminal compliance, health and safety as well as environmental criteria. Among the matters to be taken into account are: external certifications in these areas, if there are internal policies and procedures for their monitoring, as well as codes of conduct and/or action plans in these areas.

**100% of the new suppliers passed the selection filter in accordance with these criteria**, either because they hold these certificates or because they are in the process of obtaining them.

**To date, no significant negative environmental/social impacts have been identified** in the supply chain: no supplier has been identified with potential or actual negative environmental, social or corruption related impacts and no supplier has been terminated as a result of this assessment.

Equally, **no suppliers with significant human rights risks**, such as forced or compulsory labour, have been identified.

The current evaluation approach is very focused on issues related to safety and supplier quality, which is why, as part of the 2023 action plans, Mondragon Assembly will review the parent company's supplier evaluation methodology and define a path for continuous improvement in the identification and evaluation of the supply chain for both social and environmental issues.



4

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

Mondragon Assembly's corporate experience has extended democracy to the company level, operating on the principle of one member 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 Assembly, where all the important decisions that determine the future of the Group are taken."*

The co-operative model aims to satisfy the human and social aspirations of its members by achieving a profitable and solid business structure, and to make co-operation work for the people, in a spirit of solidarity with the world and with the environment in which the Corporation operates.

- It considers **work to be a resource for the ongoing fulfilment of human aspirations and the achievement of human advancement**, based on a challenging and responsible sense of solidarity that fosters an individual and collective commitment to its own business situation.
- **Ownership of the means of production is in the hands of the working members** and the exercise of rights is linked to the work of the individual and not to the ownership of capital.
- **All members of the Cooperative are involved in the election of its representative and governing bodies and in determining its corporate mission**, with each member having one vote, promoting a democratic model that allows and encourages co-responsibility as part of a collective, both in the corporate structure and in the management of the business.

These co-operative principles provide the people of the Organisation with behavioural guidelines for putting the Co-operative's values into practice. Individuals building a shared project.

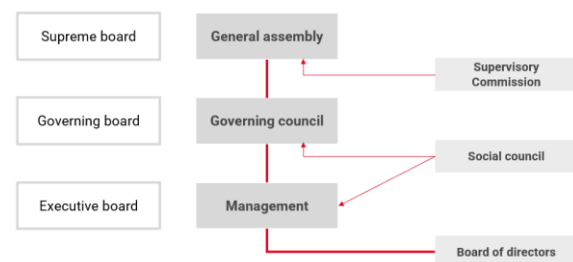
In order to ensure that the Cooperative's governing bodies and the way they perform their functions are truly democratic, members are encouraged to become involved in the elections, in their membership, and to participate actively in the network of communications and decision-making that is typical of a system of participation and sovereignty of labour.

The democratic nature of the Cooperative also implies a progressive development of self-management and consequently of member participation in the area of business management, through monthly mechanisms and channels of participation and transparency of information in relation to the performance of the Cooperative's basic management variables.

#### Cooperative governance system

(GRI 207-2)

The main bodies of Mondragón Assembly that make up the co-operative governance system are set out below.



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

### GENERAL ASSEMBLY

The social body formed by the members to **deliberate and pass resolutions on matters within its remit**, 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 applying the Contribution for Cooperative Education and Promotion and other purposes of public interest, among other matters.

### GOVERNING BOARD

The governing body that is exclusively responsible for **managing and representing the Cooperative**, exercising all the powers not expressly reserved by law or the Articles of Association for the General Assembly or other corporate bodies. The Governing Board is responsible, inter alia, for appointing the management and, based on its proposal, for appointing the departmental directors and determining their powers, duties and remuneration.

### CHAIRMANSHIP

The Chairperson is the person elected by the members (or delegated by the Governing Board) to **represent and lead the co-operative's socio-business project**. The Chairperson shall preside over the Assembly and the Governing Board, and is responsible for the relationship between the Governing and Management Boards and the Social Advisory Board. He/she is also responsible for relations with the rest of the Mondragon bodies, as well as representing the institution in dealings with third parties.

### MANAGEMENT

This is the **highest executive body of the Co-operative in all matters relating to business functions, acting under the supervision of the Governing Board**. It has maximum management autonomy, and its decisions, within its sphere of competence, are binding on the members and workers of the Cooperative.

### BOARD OF DIRECTORS

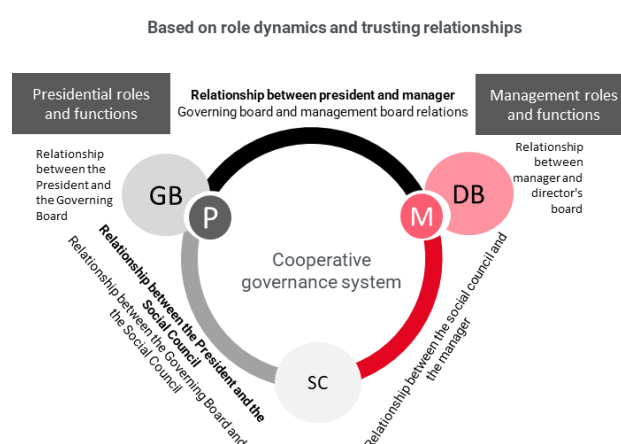
It is **the CEO's team and, under the CEO's supervision, acts with the highest level of responsibility in all matters relating to business functions**. Its decisions, within its sphere of competence, shall be binding on the members and employees of the Cooperative.

### SOCIAL COUNCIL

It is the **permanent participatory body of the members and acts as their representative before the internal bodies of the Cooperative**. Organisationally, it will be an advisory and consultative body to the Governing Board and Management. The basic functions of the Social Council are information, advice and consultation.

### SUPERVISORY COMMITTEE

The body that has the **power to review and supervise the Cooperative's annual accounts and books** and that participates in the Compliance Committee and has the power to review and consult on any matter it considers to be of interest.



The diversity of the governing bodies is shown 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 code of conduct was updated by the Governing Board in February 2022.

Its purpose is to establish the standards of behaviour to be followed by the Group's workforce with regard to their relations with all the stakeholders as well as their strict compliance with the laws and regulations in force in the countries in which it operates. In the case of places where the law and regulations are not clear or are less demanding, this code of conduct shall be the reference standard for compliance.

It applies to all people who are members of Group companies, as well as to all people directly employed, employed through other organisations or self-employed professionals, when working for or on behalf of any of the Group companies.

It is made public for the information of society in general and so that priority stakeholders who interact most with Mondragón Assembly, such as suppliers, customers and auditors, are made aware of it and embrace it.

### **Conduct and criminal compliance committee**

(GRI 205-2)

To ensure compliance with this specific code of conduct and all matters relating to criminal compliance, the Governing Board has set up a **conduct and criminal compliance committee** made up of the members of the Supervisory Committee, plus a member of the Governing Board and another person responsible for conduct and compliance, who will be the coordinator and permanent member of this Committee.

This Committee is the ultimate guarantor of the supervision, monitoring and control of the obligations arising from compliance management and is accredited to request and receive the full cooperation of the other organisational bodies. It has direct and immediate access to the Governing Board in the event that it needs to report suspicious facts or conduct or other matters related to its mission.

The Committee has the following main responsibilities:

- **Supervision of the "crime and criminal risk prevention management system"** (compliance) in order to:
  - promote and supervise its implementation and effectiveness;
  - give training support to the members of the organisation;
  - promote the inclusion of responsibilities in job descriptions and in the performance management processes for members of the organisation;
  - identification of legal, social, labour and environmental (criminal) risks that may affect the organisation, including those related to business partners, in order to assess them and take action to avoid them or reduce their probability of occurrence.
- **Communication to the Board of Directors and the Governing Board** of suggestions, initiatives and proposals for improvement.
- **Dissemination and proper communication of the "Code of Conduct"** and all matters relating to compliance.
- **Answering enquiries and questions** regarding the interpretation of the Code of Conduct and compliance matters.
- **Investigation of communications and complaints received**, of suspicious situations and providing the Governing Board (governing body) with an opinion and a proposal for action. This management is carried out in accordance with the protocol for dealing with complaints.
- **Conduct an annual review of compliance** and the content of all aspects of compliance management and make updates, if appropriate.
- **Establish and measure performance indicators** for managing compliance.
- **Report annually** to the Board of Directors (senior management) and the Governing Board (governing body) on the results of the implementation of compliance management.

The Committee meets at least once each quarter and whenever circumstances so require. Three meetings were held at Mondragon Assembly S. Coop. in 2022, with the fourth to be held in January 2023. In 2022, the members of the Supervisory Committee were updated due to the change in the Supervisory Committee at the General Assembly in May.

### 4.3.- The fight against corruption and bribery

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

Mondragón Assembly has a number of mechanisms in place to ensure the above and it has an **anti-corruption policy**. The purpose of this policy is to determine the measures necessary to prevent, detect and penalise fraudulent acts. It applies to all worker-members and any other person working under contract for Mondragón Assembly or in their name.

*"Under no circumstances shall Mondragón Assembly personnel carry out any unethical activities aimed at coercing, by means of blackmail, bribery or threats, third parties to take decisions that favour Mondragón Assembly, themselves or any other persons or organisations."*

*"Similarly, Mondragón Assembly personnel shall not tolerate being coerced into taking decisions that are detrimental to the organisation and/or that benefit third parties."*

Mondragón Assembly Aretxabaleta has also held the **Criminal Compliance Management System Certificate since 2018**.

Through the management of Criminal Compliance, the methodology used by Mondragón Assembly to identify, evaluate and record the criminal risks that the organisation may incur due to its own activities and those of the people who are part of it is described, in order to determine the probability of occurrence of each one of them and, if they are going to occur, the ability to detect them and their seriousness.

The existing procedures are used to identify and assess all offences covered by Organic Law 1/2015, of 30 March, which amends Organic Law 10/1995, of 23 November, on the Criminal Code, and those that are covered by subsequent updates of the law.

Mondragon Assembly has two main control mechanisms for this process:

Firstly, **the systematic review via the Management Committee of due diligence in relation to major customers and suppliers**. In this respect, due diligence of projects has been carried out within the Board of Directors.

During 2022 and prior to the signing of the agreement/contract, 22 Due Diligence investigations were carried out on customers and suppliers identified in the Mondragón Assembly Management Committee.

Secondly, the Criminal Compliance Committee carries out an annual review of the assessment

of criminal risks and the commission of offences at Mondragón Assembly S. Coop. In 2022, formats have been prepared so that this audit can be integrated into compliance meetings, in order to be able to perform specific audits of all existing controls throughout the year.

In 2022, the Human Resources and Management Systems group committee also shared the need to continue to raise awareness of the need for all people to be aware of customer-related industrial confidentiality and criminal compliance. Progress was also made in renewing the signing of criminal compliance policies by particularly exposed personnel in all the subsidiaries.

Furthermore, in 2022, a total of nine people at Mondragón Assembly's Aretxabaleta plant received training on compliance policies and anti-corruption procedures, including two managers, three sales staff and the members of the criminal compliance committee, which was reappointed in 2022. A total of 8 hours of training were given on criminal compliance

### 4.4.- Commitment to human rights

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

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

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

- **inter-cooperation,**
- **participation in management,**
- **social responsibility,**
- **innovation,**
- **democratic organisation,**
- **education and**
- **social transformation**

As a general philosophy, Organisation-specific co-operative requirements are considered to be:

- Adaptation to the characteristics and needs of the economic and social environment, seeking a human and professional balance within it.
- Respect for the dignity and aspirations of worker-members.
- The permanent improvement of working conditions and adaptation to their professional aptitudes, without prejudice to inducing a constant drive and stimulus for professional improvement and retraining



through job development and the enrichment of tasks.

- The development of management and governance models that facilitate the participation of members in decision-making.
- The provision of information and involvement of members and their representatives in defining and monitoring organisational changes.
- Acceptance by the worker-members of the requirements of business efficiency, assuming the professional obligations and responsibilities assigned to them, the individual and collective objectives that apply to them, the monitoring of their results, the constraints arising from the coordination of the efforts of individuals and groups in the company, and the consequences of establishing staffing levels at an adequate level in line with maintenance, in terms of aspiration, of the full employment of the worker-members.
- The collaboration of the members in the improvement of procedures and working methods and in the achievement of productivity, the gradual implementation and subsequent improvement of which is a substantial part of the social will of the institution.

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

Within this framework, the **Group's code of conduct** becomes the guideline that spells out the values to be adopted by all personnel at all professional levels and on which the relationships between everyone associated with the Group must be based, in order to foster a respectful working environment and a positive working climate:

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

This code of conduct states Mondragón Assembly's commitment to comply with the human rights recognised in national and international legislation and its 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 companies, the Tripartite Declaration and the Social Policy of the International Labour Organisation.

Mondragon Assembly is also committed to strict compliance with the current legislation (and as far as possible, to exceed it) in relation to everything related to:

- Employment contracts (salary, schedule, calendar, insurance, etc.)
- Working conditions (healthy, clean and safe environment, etc.)
- The rejection of child labour and/or forced or compulsory labour
- Non-discrimination and equal opportunities
- Harassment (a Policy Against Harassment is available)
- Right to Privacy (LOPD) (there is a Privacy and Confidentiality Policy)
- Respect for freedom of association and collective bargaining
- Respect for the rights of ethnic minorities and the peoples where the activities are developed

Also, Mondragón Assembly S. Coop. pays attention to the guarantees of compliance by its suppliers with respect to human rights, the rights of all workers, non-exploitation of children, non-forced labour, and protection of occupational health and safety.

This code of conduct establishes the internal and external channels for reporting breaches. In this way, any person who has evidence or suspicion of any crime, or of the violation of any of the principles and values recognised in the Code of Conduct and the policies related to social responsibility shall communicate it directly to any of the members of the Conduct and Criminal Compliance Committee. This committee guarantees the confidentiality of the person who communicates with them.

Mondragón Assembly S. Coop., as part of its criminal compliance certification, assesses the various criminal risks it faces in its activities. In this risk assessment framework, a number of controls have been set up to try to avoid the **criminal risks of human rights violations**, by means of the following control measures:

- Consultation of LKS and ENVIRA bulletins about regulatory changes.
- The organisation has a training system in place to ensure the suitability of the person for the job.

- The HR staff has job-specific training and their training is updated on legal compliance and human rights on a regular basis.
- The People Director reviews and signs all contracts.
- The regulatory external audits are carried out by AENOR (ISO-9001, ISO-45001, SR-10 y UNE-19601)
- A mention of the employee's right to protection of his or her personal data is included in the Induction Programme.
- List of approved suppliers with procedure for their evaluation.
- Due diligence towards third parties to check for possible criminal offences.
- Identification of workers particularly exposed to criminal offences (with a specific procedure for their monitoring and training).
- Existence of committees, in several subsidiaries, to report possible human rights risks.
- Protocol for action in the event of conflict and/or harassment.
- Protocol for dealing with complaints.
- Complaints channel open to all stakeholders.

These controls are reviewed annually and in 2022 there was no record of any violations.

Mondragón Assembly S.Coop in Aretxabaleta 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 these matters are evaluated within the Organisation along with the compliance certification.

With regard to the subsidiaries, throughout 2022, various initiatives were carried out after receiving the results of the **organisational culture survey** conducted in 2021.

Each of the subsidiaries independently analyses legal compliance with the various employment statutes and laws of each country.

During 2022, no cases of human rights discrimination were detected.

(GRI 406-1)

Each of the subsidiaries purchases autonomously according to project specifications, and this makes it necessary to purchase in countries whose legislation on Human Rights is not as developed as in others. For this reason, within the Criminal Risk assessment, Mondragon Assembly Aretxabaleta has identified the risk of purchasing from suppliers who 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 channels of action at group level. On the one hand, the organisation's whistle-blowing channel, which can be used by both internal and external personnel. In the event of a report of a possible breach of supplier, the criminal compliance committee investigates it and defines how to proceed with it at group level, informing the management committee and the board of directors of the situation.

On the other hand, within the due diligence of suppliers, the management committee analyses those suppliers that may be susceptible to human rights offences 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 group level and informing the board of directors and the criminal compliance committee.

(GRI 414-3)

The organisation has significant investments in Quinhuangdao Visual Co Ltd. Within the agreements with Quinhuangdao Visual Co Ltd, and although there is no specific clause on human rights, the company is being assessed in terms of processes and organisation. In 2022, the company has been taken into account in terms of financial accounting and economic control, the first step towards its integration into the group. The prolongation of the COVID 19 pandemic into 2022 in China has not facilitated the full integration of the organisation. For this reason, the aim is to take a further step towards 2023 and start integrating the organisation in terms of production processes and sustainability; to this end, the organisation will be assessed in terms of human rights, safety, quality and the environment.



5

**WE ARE A GROUP  
THAT CARES FOR  
ITS PEOPLE**

## At Mondragón Assembly people are at the centre.

(GRI 3-3C, 2-23)

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

*"In order for people to give the best of themselves, Mondragón Assembly strives to build an advanced corporate culture that fosters teamwork, knows how to manage diversity, looks after people's health and makes it possible to reconcile work and family life."*

### 5.1.- Solidarity as a foundation

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

The Group's corporate model encourages participation in ownership, management and results, thus seeking, through participative work, people's commitment as a fundamental value.

As a cooperative that has been working in the market for 40 years, Mondragon Assembly has a part of social responsibility implicit in its origins:

- Priority is given to labour over capital;
- Profits are not monetised, but are invested in the activity;
- The distribution of wealth is based on solidarity;
- Participation and inclusion of people in the management is encouraged.

### Our people

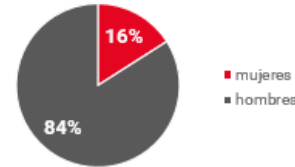
One of the most important foundations of Mondragón Assembly is its people, the driving force that moves the organisation forward in the face of challenges.

Plant name	Workforce
Mondragon Assembly Aretxabaleta	166
Mondragon Assembly Kunshan	66
Mondragon Assembly GmbH	57
Mondragon Assembly France	37
Mondragon Assembly Queretaro	135
Mondragon Assembly USA	2
Mondragon Assembly Brazil	46
Mondragon Assembly Tunisia	5
Mondragon Assembly India	4
<b>TOTAL</b>	<b>518</b>

## Employment

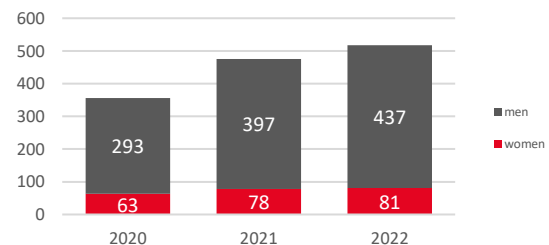
(GRI 2-7)

As at 31 December 2022, a total of **507 people of various nationalities** made up the Mondragón Assembly team, comprising 81 women and 426 men.



Number of people employed, by gender	2022	2021	2020
Women	81	78	63
% women	16%	16%	18%
Men	437	408	293
% men	84%	84%	82%
<b>TOTAL</b>	<b>507</b>	<b>486</b>	<b>356</b>

As we can see in the graph below, the number of people has been increasing, but the values have not changed much in the percentage of women employed.



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

	2022	2021	2020
<b>SPAIN</b>	<b>166</b>	<b>147</b>	<b>151</b>
Women	35	30	32
Men	131	117	119
<b>CHINA</b>	<b>66</b>	<b>77</b>	<b>79</b>
Women	14	16	14
Men	52	61	65
<b>GERMANY</b>	<b>57</b>	<b>54</b>	<b>54</b>
Women	6	6	6
Men	51	48	48
<b>FRANCE</b>	<b>37</b>	<b>35</b>	<b>36</b>
Women	5	5	6
Men	32	30	30
<b>MEXICO</b>	<b>135</b>	<b>115</b>	<b>0</b>
Women	15	16	0
Men	120	99	0
<b>USA</b>	<b>2</b>	<b>1</b>	<b>0</b>
Women	0	0	0
Men	2	1	0
<b>BRAZIL</b>	<b>46</b>	<b>47</b>	<b>36</b>
Women	6	5	5
Men	40	42	31
<b>TUNISIA</b>	<b>4</b>	<b>3</b>	<b>0</b>
Women	0	0	0
Men	4	3	0
<b>INDIA</b>	<b>2</b>	<b>7</b>	<b>0</b>
Women	0	0	0
Men	2	7	0
<b>TOTAL</b>	<b>518</b>	<b>486</b>	<b>356</b>
Women	81	78	63
Men	437	408	293

### 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	1	0	13	74
		31 - 50	2	9	37	
		> 51	2	0	10	
	MEN	< 30	2	7	70	369
		31 - 50	14	38	192	
		> 51	3	7	36	
	TOTAL		24	61	358	443
TEMPORARY CONTRACT	WOMEN	< 30	0	0	7	7
		31 - 50	0	0	0	
		> 51	0	0	0	
	MEN	< 30	0	0	62	68
		31 - 50	0	0	5	
		> 51	0	0	1	
	TOTAL		0	0	75	75

### Number and percentage of people employed by professional category and gender

	2022	%
Directors	24	
Women	5	21%
Men	19	79%
People in charge	57	
Women	9	15%
Men	52	85%
Technicians	426	
Women	67	15%
Men	366	85%

### Contract types

In 2022, more than 86% of the Mondragón Assembly Group's workforce in the production subsidiaries were employed on permanent contracts and more than 95% of employees were employed on a full-time basis. The distribution of contract types among the workforce and according to geographical areas was as follows:

### Number and percentage of people employed by type of contract and workday

	2022	2021
Type of contract	518	486
Permanent	443	431
Temporary	75	55
Type of work day	507	486
Full-time	494	464
Part-time	24	22

### Number and percentage of people employed by type of work day, gender, age group and occupational category

TYPE	GENDER	AGE RANGE	MANAGEMENT COMMITTEE	PEOPLE IN CHARGE	TECHNICIANS	TOTAL
FULL-TIME	WOMEN	< 30	0	0	20	69
		31 - 50	2	8	31	
		> 51	2	0	6	
	MEN	< 30	2	7	132	425
		31 - 50	14	38	187	
		> 51	2	8	35	
	TOTAL		22	61	411	494
PART-TIME	WOMEN	< 30	1	0	0	12
		31 - 50	0	1	6	
		> 51	0	0	4	
	MEN	< 30	0	0	0	12
		31 - 50	0	0	10	
		> 51	0	0	2	
	TOTAL		1	1	22	24

Total number and distribution of contract types by geographical area – 2021	Permanent	Temporary
SPAIN	139	27
Women	31	4
Men	108	23
CHINA	66	0
Women	14	0
Men	52	0
GERMANY	57	0
Women	6	0
Men	51	0
FRANCE	32	5
Women	5	0
Men	27	5
MEXICO	92	43
Women	12	3
Men	80	40
USA	2	0
Women	0	0
Men	2	0
BRAZIL	46	0
Women	6	0
Men	40	0
TUNISIA	4	0
Women	0	0
Men	4	0
INDIA	5	0
Women	0	0
Men	5	0

In 2022, of the 518 workers at Mondragón Assembly, 443 had a permanent employment contract, of which 74 were women and 369 were men. Of the 75 temporary contracts, 7 were for women and 68 for men. Of the permanent employees, 139 are members of the cooperative Mondragon Assembly S.Coop., which means that 83% of the staff are cooperative members.

Likewise, during the 2022 financial year, there were 8 dismissals, 2 women and 6 men, and 47 voluntary departures.

	RECRUITMENT	TERMINATIONS
SPAIN	25	2
Women	3	0
Men	22	2
CHINA	13	22
Women	1	4
Men	12	18
GERMANY	0	0
Women	0	0
Men	0	0
FRANCE	8	5
Women	1	1
Men	7	4
MEXICO	45	13
Women	3	2
Men	42	11
USA	1	0
Women	0	0
Men	1	0
BRAZIL	19	13
Women	6	2
Men	13	11
TUNISIA	1	0
Women	0	0
Men	1	0
INDIA	0	2
Women	0	0
Men	0	2

Type of departures by position, gender and age

TIPO	GENDER	AGE RANGE	MANAGEMENT COMMITTEE	PEOPLE IN CHARGE	TECHNICIANS	TOTAL
VOLUNTARY LIVES	WOMEN	< 30	0	0	5	7
		31 - 50	0	0	2	
		> 51	0	0	0	
	MEN	< 30	0	1	15	40
		31 - 50	1	3	18	
		> 51	1	0	1	
	TOTAL		2	4	41	47
DISMISSALS	WOMEN	< 30	0	0	0	2
		31 - 50	1	0	1	
		> 51	0	0	0	
	MEN	< 30	0	0	3	6
		31 - 50	0	0	1	
		> 51	0	1	1	
	TOTAL		1	1	6	8

## Solidarity in pay

(GRI 3-19)

**One of the areas where the practical application of solidarity can be seen most clearly is in the Mondragón Assembly's remuneration system.** This system proclaims a sufficient, fair and solidarity-based remuneration for work for all people as a basic management principle, always within the realistic possibilities of the Co-operative.

In this way, the Cooperative's remuneration policy is in line with the Fagor Group's Declaration of Principles, which establishes that *"A company in which its members can achieve ... a dignified standard of personal and family life and a progressive improvement in their living and working conditions, in keeping with the performance and actual potential of the company. An enterprise that projects its solidarity to the rest of cooperativism and to all workers, and from which movement it emerged and with which deep aspirations it identifies."*

This remuneration policy is also defined by the Basic Principles formulated during the 1st Co-operative Conference, which proclaim "Solidarity in Pay".

**The Mondragon Co-operative Experience establishes sufficient and solidarity-based pay as a basic principle of its management,** expressed in terms of:

**Sufficient**, in line with the Cooperative's realistic possibilities.

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

- Internal. This is embodied, among other things, in the existence of a solidarity-based pay gap.
- External. This is reflected in the criterion that the average internal remuneration should be

equivalent to that of employees in their social environment, unless the wage policy there is manifestly inadequate.

Applying this overview of general principles to the most immediate operational level, the criteria that underpin the Co-operative's remuneration policy are as follows:

- Working members shall be remunerated for their work in such a way as to enable them to provide satisfactorily for their ordinary individual and family needs.
- For updating the level of remuneration, account shall be taken of the Cooperative's financial and equity situation and performance.
- Remuneration shall be periodically adjusted in line with the wage level of workers in the local area, unless this is clearly insufficient.
- If there are negative operating results and the subsequent forecast performance jeopardises the normal running and development of the Cooperative, the level of remuneration will be adjusted by the necessary amount and over the required period of time, in a balanced way that meets the needs of the individual and the community.

Remuneration policies for the highest governing body and senior executives follow similar guidelines to those applied to the other positions in the Co-operative. **All the components of pay for the highest governing body and for senior executives are the same as for the rest of the Cooperative's worker-members.**

*"All working members are professionally classified according to their job, using suitable assessment systems and resulting in what is known as a structural index."*

In addition to the index, and depending on results and achievement of the objectives defined in the Co-operative, all employees will have the option of attaining a variable, irrespective of their type of contract.

**There are no specific or different remuneration criteria applied to senior management as those for the Group's workers as a whole.** In the 2022 financial year the average remuneration for the members of the Board of Directors amounted to 91.629,43 euros and the average remuneration for the members of the Governing Board was 46.169,71 euros. The pay gap between the



maximum rate and the minimum rate is 3.81 times the minimum rate.

(GRI 405-2)

As for the ratio of basic salary and remuneration of women versus men, in 2022 in Mondragón Assembly Aretxabaleta, this was 6% in favour of men, the change is mainly due to the CPI wage increase for all workers, and recent changes in the management committee:

Gender pay gap	2022	2021
Gross salary/h for women	29,50	23.52
Gross salary/h for men	31,27	21.53
Ratio	0,94	1,09

With regard to the procedure for determining remuneration, the different jobs in the Co-operative are evaluated in the **Fagor Group Valuation Committee**, that is made up of specialists from the various co-operatives and led by the person responsible for evaluation, who is a neutral member, belonging to the Fagor Group, but not associated with any of the co-operatives in particular. **This committee analyses and evaluates the various positions, taking into account both internal equity and external competitiveness.**

For this evaluation, the committee has reports on the market and the current situation in each of the cooperatives at its disposal, with the possibility of seeking advice from external consultants.

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

### **Welfare system for members**

(GRI 201-3)

Mondragon Assembly's worker-members are entitled to **double retirement benefit**, that from the general plan in the self-employed scheme (RETA) and that from LagunAro as a social welfare entity. These benefits arise from a double contribution where the advance provision accounts for 31.5% of the labour cost. LagunAro is the voluntary social welfare institution of which cooperatives are members and whose mission is to provide social protection services to its members.

In addition, **the worker-members are provided with an individual pension plan from the capital accumulated in the Cooperative, which is funded by the capitalised cooperative returns (Individual Pension Plan).** Each year, Mondragon Assembly distributes a percentage of its

available profit among its working members, as a co-operative return or share in profits, which is capitalised and added to the share capital contribution held by each member, provided that the co-operative's annual results are positive. If this is not the case, the member would be able to contribute capital. This participation in the capital stock is indispensable until the moment in which the work partner ceases their activity in the organisation, constituting practically an individual pension plan with its increase maintained throughout their working life in the organisation.

The Cooperative also has a **retirement savings plan called Arogestión**, created to enable members to apply for early retirement in order to improve employability of new entrants. In addition, each year the Company analyses the available early retirement funds in order to offer early retirement to senior members, a matter that must be approved by the Governing Board.

As far as social benefits are concerned, full-time, part-time and temporary employees can all enjoy them equally.

In this way, Mondragon Assembly assumes, for the benefit of its working members, the joint payment of the required contributions for the annual financing of a comprehensive health care system, which complements the Public Social Security system, and which is available to the members of the MONDRAGON Corporation.

### **Work organisation**

The organisation of work gives character and defines an enterprise; the same is true for a cooperative. By virtue of this, **the general policy in this respect seeks the efficiency and profitability of the cooperative without prejudice to the due participation of the members or their representatives in decisions affecting them and the necessary respect for their human and professional interests, so that the work is conducive to the overall development of the worker-members in general, and the cooperative's shareholding in particular.**

As established in the Code of Conduct, all Group employees are appointed in accordance with the legislation in force in each country, respecting or improving the legal limits for the definition of the working day or the working schedule of the workers.

Specific aspects concerning the working day, such as the hours per day and the weekly timetable, the types of breaks and their nature, the treatment of travel time in forced

displacements, and other matters, 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 holiday periods are defined for the financial year. With a view to achieving a disconnection from work, the reserves are defined to respond to the needs that may arise during holiday periods. This makes it possible for the rest of the people to disconnect from work during those periods.

**Mondragon Assembly Aretxabaleta's working day is 8 hours a day**, to achieve an annual calendar of 1,697 hours.

The timetable is flexible, starting between 07:30 and 09:30, leaving for lunch between 12.30 and 14.30 (minimum 30 minutes and maximum 120 minutes for lunch) and finishing the day in the afternoon at the appropriate time to complete the 8 hour day, staying at least until 16.15, except on continuous working days.

However, when the situation so requires, members of the co-operative will assume their responsibilities in response to their dual obligations as members/workers.

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

	GENDER	%
SPAIN	Women	0.35
	Men	3.5
CHINA	Women	0
	Men	0
GERMANY	Women	0.05
	Men	0.98
FRANCE	Women	1.13
	Men	4.25
MEXICO	Women	0
	Men	1
BRASIL	Women	0.27
	Men	1

## Socio-labour relations

*"The members of Mondragón Assembly exercise their rights in accordance with the legal and statutory regulations and the agreements validly adopted by the cooperative's bodies. **Management of the social and labour relations of non-members is carried out in accordance with the employment legislation and regulatory frameworks in force in each geographical area.**"*

The Code of Conduct makes Mondragon Assembly's respect for the performance of social and public activities by its members explicit, as well as for freedom of association and collective bargaining in the workplace. Within this framework, as far as the management of social and labour relations is concerned, it is important to consider the different status of worker-members of cooperatives and other workers. This is based on the principles of Democratic Organisation and Participation in the Management of MONDRAGON.

(GRI 2-29)

**The Co-operatives Act, together with the Articles of Association and the Internal Regulations, are the legal instruments of reference for Mondragón Assembly members, regulating their rights and duties** (Articles 22 and 23 of the Basque Cooperative Law).

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

Thus, the consultation with and participation of workers is managed in the various forums of the Cooperative, depending on the issue to be dealt with:

### Social council

It is composed of the company Chairperson together with 5 other worker representatives, and is the body that manages all issues related to corporate social responsibility and worker related social issues.

### Health, Safety and Environment Committee

On this committee, the workers have three prevention officers who represent the workers on this committee, where all issues related to the prevention of occupational hazards, workers' health, as well as environmental issues of concern to the workers are assessed.

### Conduct and criminal compliance committee

On this committee, the workers have one representative from the governing board and three representatives from the supervisory committee who participate in the consultation on issues concerning possible criminal offences carried out within the cooperative, and the means of mitigation and operational control put in place to deal with them. In addition, both the workers and the people outside the organisation have an e-mail address on the website that they can write to in the event of any doubt or possible

complaint, so that it can be analysed by this committee.

In addition to these channels of participation, any employee can report or consult on any issue through the members of the Management Committee and/or the Governing Board.

In 2021, 100% of Mondragon Assembly's workforce was covered by labour regulations and/or collective bargaining agreements or similar.

### 5.2.- Gender equality and joint work-life balance

#### Promoting equality between women and men

(GRI 2-23, 24-2)

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

Mondragon Assembly is aware of the importance of effective equality of opportunities between women and men. It has therefore been emphasised that under the cooperative spirit, **measures have been progressively introduced in terms of equality and the reconciliation of work, personal and family life, in aspects that are crucial to promoting employment such as flexible working hours, training and leadership development, strengthening the foundations for establishing relationships based on equality, respect and co-responsibility.**

Since 2019, a number of activities have been carried out to promote equality within the Organisation, among which the following are worth a special mention:

- **Coffee for equality:** small voluntary meetings organised for the entire Mondragon Assembly staff in the cafeteria area with the aim of making visible and sharing experiences on issues such as the wage gap, mental burden and the work-life balance.
- **Women's testimonies** who have been with the organisation for years, and the progress that women have made within the industry.
- **Celebration of Working women's day** at group level, with a video sharing a purple baton between women and men from the group's companies.
- Sending of **literature, articles and films on equality issues** to the whole community.

- A communication addressed to the entire collective with the aim of **raising awareness on the International Day Against Gender Violence** (25 November).

2022 saw progress in the preparation of the Mondragon Assembly Aretxabaleta equality plan in accordance with regulations, and in 2023 it is expected that the quantitative analysis will be achieved and further progress will be made towards an equality plan integrated into the system.

With regard to the objective of ensuring a balanced representation of women in the company, the Group's senior management and its Board of Directors are progressively moving towards a more gender-balanced composition. **In 2022 the Management board and the Governing Board both consisted of two women and five men.**

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

(GRI 2-25)

As part of its Integrated Management System, Mondragon Assembly has a **policy for dealing with conflict/harassment in the workplace**, which establishes a system that ensures the appropriate treatment of possible conflicts and psychological harassment that may occur at work:

- It applies to all personnel in the organisation, without distinction as to the form of their contractual relationship or the duration of their employment.
- It guarantees the confidentiality and protection of the complainant and a proper investigation of the facts involved.
- It is published on the Mondragon Assembly website and is available to all stakeholders.

The organisation has not received any reports of discrimination during this 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 2022 Mondragon

Assembly employed three people with some kind of recognised disability, while in 2021 the Group employed two people with disabilities. These were three male technicians, two in Germany and one in France (SDG 10 Reducing inequalities).

Both the head office and each of the plants are constantly working to comply with the legal requirements in this area. In this regard, in 2022, in order to encourage the participation of people with disabilities in the Group's activities, alternatives for on-site integration were studied, but for the time being no opportunities for collaboration have been found.

### Joint reconciliation

(GRI 401-3)

In the context of reconciling work, personal and family life, it should be noted that the **Co-operative's Internal Regulations include reconciliation measures as a means of alleviating, by means of specific leave, any difficulties encountered by members in attending to their urgent family needs.** These measures include the following:

- **Flexible work day.** All employees of the Group can take advantage of the flexible working hours system, with a five-day working week from Monday to Friday and flexible working hours, both in and out.
- **Reduced working hours for childcare.** In 2022, sixteen people benefited from this measure, 7 women and 9 men.
- **Voluntary leave** for childcare for a period of up to three years. In 2022, two people from Aretxabaleta benefited from this measure.
- **Possibility of accumulating up to 100 negative hours**, without financial repercussions for personal matters, in exchange for subsequent recovery.
- **Negotiated leave.** In 2022, two people benefited from this measure.
- Internal agreements **of no trips abroad**, during the first six months of paternity.
- **Flexible time** with respect to the compulsory timetable in justified cases of care for dependent persons.

In addition, at the beginning of 2022, containment measures were established that included teleworking for those situations in which it was feasible, in order to ensure compliance with the security measures defined by the Organisation to deal with the health crisis

caused by COVID-19, measures that were progressively phased out throughout the year, until normality was achieved.

In order to make progress in the development of work-life balance measures, a qualitative objective has been developed in 2022 consisting of drawing up, with the participation of a representative group, the framework for the application of work-life balance for Mondragón Assembly employees. In 2023, work will continue along these lines, defining the next steps in terms of family reconciliation (SDG 09 decent work and economic growth).

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

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

(GRI 404-1, 404-2)

The cooperative model considers **integrated training as a tool for developing people in the field of their work and business competences.**

At Mondragon Assembly, training is managed through the human resources department. The training to be carried out in the various departments and areas included in the training plan is organised on an annual basis. This training is recorded via the Zucchetty platform and the degree of satisfaction with it is evaluated. In addition to this planned training, employees or their managers can request various training activities throughout the year in cooperation with the human resources department.

In addition, the Co-operative has a study support fund which aims to provide financial support for workers who decide to study outside the workplace.

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

Part of the effort invested by the Group in training relates to **induction plans**. It is very important for



Mondragon Assembly that people receive the appropriate training both when they start work in any of the Group's companies and when they change jobs. The training provided covers all aspects related to the correct performance of the job, including not only technical aspects but also Prevention, Quality and Environmental policies, Corporate Social Responsibility and guidelines for action in the event of an emergency, etc.

During 2022, Mondragon Assembly provided **10.086 hours of training**. This represents **an average of almost 20 hours of training per employee**.

Hours of training by position and gender:

	MANAGEMENT COMMITTEE	PEOPLE IN CHARGE	TECHNICIANS
WOMENS	204	327,5	1.210,5
MENS	98	1.552,5	6694
<b>TOTAL</b>	<b>302</b>	<b>1.880</b>	<b>7.904,5</b>

In 2022, the Organisation's new feedback system has been implemented, which includes the need for each employee to set up their 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 employees, and to drive continuous improvement programmes in collaboration with line managers, as well as with the help of the work team.

The results have been very positive and in 2023 the feedback programme will be re-launched with some recommendations to facilitate its development within the organisation.

## 5.4.- Managing the health of our people

Mondragon Assembly, mindful of the risk involved in the activities carried out in its plants, **always puts people's health and safety first**, thus making industrial activity compatible with protecting the environment and protecting people. In this way, it aims to develop a culture in which people are committed to occupational health and safety, prioritising their well-being as an essential factor for the sustainable development of the business.

### Occupational health and safety management system

*"Mondragon Assembly Aretxabaleta is certified under the ISO 45001:2017 standard, and was previously*

*certified under the OHSAS standard, and therefore has a management structure in accordance with this ISO standard."*

(GRI 403-1)

The scope of the certification only affects the Aretxabaleta centre, and the way of operating is replicated in the rest of the centres at a national level, all the workers at the headquarters are included within the scope of Aretxabaleta, as the activity of Markulete is considered to be temporary. The following are also included in the scope of this certification:

- Students who are at both premises,
- Collaborating partners and
- The workers of subcontractors who have access to the premises, as far as the coordination of business activities is concerned.

As for the subsidiaries, they follow the various occupational health and safety regulations of their respective countries, some with a more restrictive system than others, depending on the country. In 2022, the health and safety management system at the Mexico plant was strengthened due to the increase in the number of people hired.

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

- Mondragon Assembly works on a preventive basis to ensure the health, safety and well-being of all employees by means of safe working systems and equipment, carrying out inspections and risk assessments on a scheduled basis and, whenever the situation makes it advisable, eliminating hazards and reducing risks, with a firm commitment to ensuring and continuously improving its performance in this area of occupational health and safety by defining and planning actions and objectives.
- Mondragon Assembly actively monitors the health of its workers and that of collaborating personnel, ensuring their involvement and participation and maintaining clear and fluent communication.
- Mondragon Assembly undertakes to ensure compliance with the legal requirements concerning health and safety at work and other defined requirements.

### Risk assessment

(GRI 403-2)

Aretxabaleta's senior occupational risk prevention officer is responsible for identifying hazards, assessing risks and investigating incidents within the organisation. This is a professional within the company, who holds a Master's degree and who is approved by the joint prevention service to carry out activities pertaining to the management of occupational risk prevention in the cooperative company.

This officer is responsible for carrying out the assessment of occupational risks, taking into account the risks arising from the plant, the work to be carried out and the machine-tools to be used for each of the workstations, in terms of occupational health and safety, ergonomics and applied psycho-sociology and industrial hygiene.

The assessments are reviewed regularly every five years, and every time a new risk is added to the plant or a new workstation is added.

On joining the company, workers receive the appropriate information and are instructed on how to proceed in the event of detecting a serious and imminent risk in the plant, whereby they may stop their activity and must then notify the integrated management system department of the situation identified so that it can be corrected. Any significant issues that workers identify in the workshop, and which they believe need to be resolved, must be relayed through the prevention officers to the Occupational Health and Safety Committee, which reviews these requests at 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/she can proceed with the investigation and take the necessary measures to try to avoid the situation in the future. During the incident investigation process, one of the steps to be analysed is the verification that the hazard has been identified in the respective risk assessment, and evaluating whether or not the assessment needs to be revised in order to improve the preventive measures.

In the case of the subsidiaries, depending on their size, they have their own staff for safety prevention management, specific risk prevention teams and/or outsourced external support for worker safety management.

## **Health and Safety Committee**

Mondragon Assembly Aretxabaleta has a health and safety committee that meets monthly to deal with all those issues that affect workers on a daily basis, including those needs detected for the prevention and mitigation of impacts on the health of workers arising from their activities.

The issues considered by this committee in 2022 included the incorporation of a new forklift truck in the plant for safer loading and unloading, as well as the adaptation of mobile workstations in the plant for programmers as a result of the ergonomic study carried out in 2021.

In the case of the subsidiaries, although most do not have specific committees to deal with such issues, each subsidiary has a staff member in charge of requests and questions regarding safety issues.

## **Occupational health services**

(GRI 403-3)

As indicated in state legislation, Mondragon Assembly Aretxabaleta has a health surveillance service subcontracted to an External Prevention Service, the aim of which is to establish with a defined frequency the health assurance examinations to be carried out on workers, in accordance with the risks of their jobs.

In 2022, the intervals and protocols for health surveillance have been updated to the criteria of the new occupational risk assessments.

In those subsidiaries where the legislation in force so requires, they have their own external health surveillance services.

Also, in the case of Aretxabaleta, members of the Cooperative have the possibility of having a complete annual blood test carried out by the LagunAro laboratory.

In order to offer an added value service, Mondragon Assembly Aretxabaleta employs an externally contracted General Practitioner for all the Organisation's employees.

## **Promoting the health of workers**

Mondragon Assembly Aretxabaleta, being part of the Fagor cooperative, benefits from certain Lagun Aro services enabling it to provide co-payment medical services in various private centres for all its permanent or indefinite members.



The healthy living initiative was launched in the Aretxabaleta centre, which has been carrying out its annual plans since 2019. Each year it has been expanding its scope, obtaining the Luxembourg Healthy Company seal of approval in 2021. In 2022, several activities were launched within the framework of this activity:

- Training session on nutrition and sport
- Circuit-training masterclass
- European sports week activities
- Strava sports challenge at Mondragon Assembly Group level
- Yoga Masterclass

For 2022, a healthy company action plan was prepared at group level, with a number of initiatives and the second season of the Strava sports challenge.

A number of courses were held in the subsidiaries this year, including safety workshops in Brazil and training for the Mexican teams.

In 2022, the focus was on the need to increase training and support for psychosocial health, which is why a series of communications to raise awareness of mental wellbeing has been planned for 2023.

In addition, the first steps have been taken to implement a pilot test of a free psychological assistance service for workers and their direct family members at Aretxabaleta with the Stimulus company, thus reinforcing the portfolio of medical services offered to workers, with the intention of opening this service to the group as a whole.

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

(GRI 403-5)

In 2022, and after the end of the COVID measures, various training courses on health and safety at work were held in Aretxabaleta, among which the following are worth mentioning:

- Fire fighting
- First aid
- Use of forklift truck (as per agreement)

In addition, for 2023, training has been planned pending the metal workers' agreement, following the update in 2022 of the validation of training for people with vocational training studies. Over the course of 2023, the aim is to train 100% of the workforce in occupational risk prevention and provide in-house training on the corrective measures in the risk assessment for their workplace.

When a new person joins the company or after a job change, there is an internal induction training, where each employee is presented with the policies of the integrated management system and the code of conduct, and is trained in Integrated Management Systems and Occupational Risk Prevention, explaining more explicitly the issues related to health surveillance, risks of the plant and their workstation and the emergency measures, as well as the roles and responsibilities of their job.

Whenever the occupational risk assessment is modified, workers are informed by email of the new assessment and requested to attend a training plan on the risks of their job.

Furthermore, participants on the health and safety committee, as occupational risk prevention officers, must complete the appropriate course prior to joining the committee.

The teams involved in the emergency plan also receive training on a regular basis for first aid and firefighting, and whenever there is a change in a group emergency plan, they receive the appropriate in-house training. In 2022, the people who were hired to work at the Markulete site were trained on the Risks arising from the activity, the plant and the emergency measures at the new site.

In the subsidiaries, various training courses were held on health and safety, ergonomics in the workplace and the emergency plan, in accordance with the training plans established in each subsidiary.

### **Injuries due to accidents at work**

(GRI 403-9)

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

For the control of other risks that may be introduced into the premises, due to the combination of work with other companies, a coordination of business activities is carried out and the control of their presence in the plant is ensured by means of a contracted platform.

When entering the Mondragon Assembly Group premises, various mechanisms (information panels, coordination of activities, training prior to entering the premises, etc.) are used to indicate the risks existing in the premises in order to try to

avoid any accidents, injuries or possible emergencies.

Despite this, the following accident figures were recorded at group level in 2022:

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

AFR (Accident Frequency Rate)	2022	2021
No. of accidents	8	17
Hours worked	5.929.111	2.190.632
AFR	1,35	7,76

AFR = No. of accidents / million hours worked (not taking into account in-itinere accidents)

Severity Index	2022	2021
No. of working days lost due to accidents at work	0	13
Hours worked	5.929.111	2.190.632
Severity Index	0	0,01

Severity Index = No. of working days lost / thousand hours worked

ODIR (Occupational Disease Incidence Rate)	2022	2021
No. of incidents of occupational diseases	0	0
Hours worked	5.929.111	2.074.532
ODIR	0	0

ODIR = no. of incidents of occupational diseases / million hours worked

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

In 2022, there were a total of 10 accidents, all of them without sick leave, including two in-itinere road accidents and several bumps and trips that did not require sick leave due to work activity. This is reflected in the organisation's severity rate of 0.01.

## 5.5.- Commitment to the Basque language

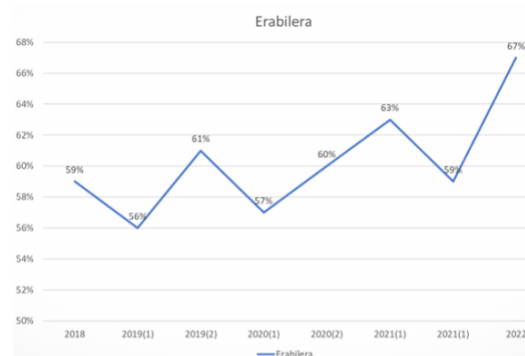
### Functioning of the Basque Language Committee

The Basque Language Committee is a working group made up of 8 members from different departments of the Mondragon Assembly Aretxabaleta cooperative. These 8 members include the coordinator of the Basque Language Plan and a member of the Governing Board, while the rest of the members act as a bridge between the different areas of the workshop and the Basque Language Committee.

This Committee meets monthly and the working groups are distributed according to the initiatives defined in the annual Management Plan. The Basque Language Committee is responsible for driving and monitoring the above-mentioned initiatives. When necessary, various means of communication are used to convey the messages addressed to the different bodies, as well as to reach the cooperative's workers and to set up a range of different dynamics with them.

### Basque Language Plan

The Mondragon Assembly Basque Language Plan has been in existence for more than 20 years and has been making progress in linguistic standardisation ever since. Every four years, the Basque Language Strategic Plan is drawn up jointly with the various members of the cooperative, whereby the annual Management Plan is devised in accordance with the proposed goals. In the Strategic Plan that was developed for the 2021-2024 period, a major mission was set out: Mondragon Assembly is a company that usually operates in the Basque language", an example of which is the record of its use since 2018:



The 2022 Management Plan includes the following challenges:

- Basque as the working language;
- Internal relations in Basque;
- Relations and model with social partners;
- Strengthening the involvement of people and workers.

There is a methodology for influencing the meetings in order to address the above-mentioned challenges, the necessary measures are taken, mechanisms are put in place to influence linguistic habits internally, motivational initiatives are undertaken among all co-workers, etc.

However, in 2022, the process of defining the Mondragon Assembly Group's Language Policy

became very important. During a process in which many colleagues took part, a decision was taken on how to manage the different languages that exist in the group, the place that each language should occupy in everyday working relations, thus advancing the normalisation of Basque.



6

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

## 6.1.- Environmental management system

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

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

Mondragon Assembly S.Coop. is **ISO 14001:2017** certified at Aretxabaleta. It is managed through the Integrated Management Systems department, which is part of 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** which is known throughout the organisation and is available on the website, accessible to all stakeholders.  
<https://www.mondragon-assembly.com/es/integrated-systems-and-certifications/>

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

Also, for **emergency situations**, as part of the Aretxabaleta emergency plan, an environmental risk assessment is carried out, establishing the appropriate emergency measures in the event of an accident that affects the environment.

### Main impacts, risks and opportunities

The context and the needs and expectations of stakeholders are reviewed annually in order to be able to analyse any **environmental risks and opportunities for improvement**. Once these risks and opportunities have been identified, the objectives and projects to be undertaken during the period are established and prioritised, and the degree of achievement of these objectives is reviewed in each annual management plan.

In 2022, the following main environmental impacts, risks and opportunities were identified:

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>	

### **Monitoring of legal compliance**

To **monitor legal compliance**, Aretxabaleta has established a legal audit that analyses regulatory changes affecting environmental issues using an external application that updates and informs the organisation through monthly bulletins. Furthermore, the Fagor Group holds a number of conferences and meetings on trends in environmental issues and regulatory changes.

In 2022, there were no environmental non-compliance issues identified. As an extra control measure, an annual ISO14001 audit is carried out by an external company.

Also, from 2022, due to the need to calculate the carbon footprint and the need for indicators for the preparation of this report, the subsidiaries will begin to monitor environmental issues. The aim for 2023 is to systematise the data collection methodology at the group level.

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

(GRI 308-2)

The management of the Aretxabaleta environmental system is evaluated by means of **internal and external certification audits**, carried out annually. These audits review the effectiveness of internal procedures and compliance in their day-to-day performance.

In addition, the highest governing body, by way of the **Management review**, monitors the evaluation of environmental aspects and their subsequent action plans, as well as the risks and opportunities for improvement identified during the year and the monitoring of those of the previous year. When important issues are identified, they are presented to the Management Committee for analysis.

The environmental assessment results are communicated to the organisation through the internal communication IMS report.

### **Applying the precautionary principle**

With regard to applying the **precautionary principle**, it should be pointed out that the products offered by Mondragon Assembly are manufacturing lines designed specifically by and for the customer according to their end product

manufacturing needs. Mondragon Assembly, as part of its business, procures materials according to customer specifications and subsequently fits and assembles these materials and machines to achieve the designed manufacturing process.

As the equipment is so specific, there is usually not much leeway in deciding which equipment to include in the production line. So far, there have been no major developments with an environmental focus on the products offered. In 2023, the first steps will be taken towards the possibility of carrying out a life cycle analysis of one of the organisation's repetitive machines in order to assess its environmental impact. Moreover, the Cooperative has an innovation department that is constantly looking for efficiency improvements and new ways of manufacturing, especially in the Solar business, where the machines and the production process are more standardised. As part of its activities, it has opened research channels on 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, initiatives are proposed to integrate the environmental principle into the production process.

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

**During the financial year 2022, a budget for the improvement of environmental conditions of 75,922.76 euros was approved.** Specifically, these resources were used for, among other things:

- Innovation projects to improve facilities, including the installation of a solar park on the façade of the Aretxabaleta facilities.
- Platform for updating legal requirements according to CNAE and activity for legal audit management.
- Resources for the preparation of the sustainability report.
- Waste management at the facilities.
- Improvements to lighting and replacement of luminaires at the Aretxabaleta and Markulete facilities.



## 6.2.- Climate change

*"Against a background of global climate emergency, Mondragón Assembly is committed to making its business activities compatible with the maximum protection of the environment and the impact on the climate"*

(GRI 305-1, 305-2)

The efficient use of energy prioritises renewable sources, so that the electricity supply results in lower greenhouse gas emissions.

**From 2022 all the energy consumed at the Mondragon Assembly Aretxabaleta plant will be 100% from renewable sources.**

With the aim of furthering the commitment to combat climate change, progress continues to be made in calculating the carbon footprint for Scope 1 and 2 at a group level, with the first Scope 3 measurement being carried out for the Aretxabaleta and Markulete sites with a report for the year 2022, obtaining the following results for the year:

Corporate carbon footprint by source 2021 in tCO2eq			
SCOPE	SUB-CATEGORY	SOURCE	TOTAL
SCOPE 1: DIRECT GHG EMISSIONS	FIXED SOURCES	Diesel C	153.92
	FIXED SOURCES	Natural gas	7.78
	MOBILE SOURCES	Diesel A	13.30
	FUGITIVE EMISSIONS	R-407C	4.87
SCOPE 1: DIRECT GHG EMISSIONS			179.88
SCOPE 2: INDIRECT GHG EMISSIONS FROM IMPORTED ELECTRICITY	ELECTRICITY CONSUMPTION	Renewable	0.00
		Non-renewable	485.24
		Location-based	621.02
SCOPE 2: INDIRECT GHG EMISSIONS FROM IMPORTED ELECTRICITY			485.24
TOTAL (Market-based)			665.13
TOTAL (Location-based)			800.9

The calculation has been carried out according to ISO 14064:1-2018, using the reference emission factors published by recognised organisations and differentiated into categories according to said standard.

The voluntarily established medium and long-term targets to reduce Mondragon Assembly's GHG emissions will be defined in 2023, after drawing up an action plan with a view to becoming a NET-0 organisation.

GHG emission reduction measures adopted in 2022 include, among others:

- Possible collaboration projects at Group level in the Innovation area.
- Training of system managers on carbon footprint and strategies to reduce environmental impacts.

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

(GRI 306-1, 306-2)

Mondragon Assembly understands the circular economy as a **system for making the most of resources and where the reduction of elements is a priority.**

Aretxabaleta manages waste generated upstream within the premises, mainly including the packaging of products and components transported to the site.

With regard to downstream waste generation, recommendations are available in the machine manual for the customer to take 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 the packaging, making it possible to reuse or recycle them.

Also, in order to reduce packaging waste and make the most of it, all the parcels sent by the organisation through its warehouse are reused, both the cardboard boxes used to store the materials as well as the bubble wrap, with the aim of avoiding the depletion of new natural resources.

As for the reuse of equipment replaced in some projects at the request of the customer, as long as its condition and guarantee are optimal and the components are not considered critical for the operation of the machine, they are reused in new projects or are sent for their use and exploitation in the innovation department. Prior to their scrapping, they are donated to whomever is appropriate. An example of this is the donation of the CPU replaced in Aretxabaleta to an electricity company in the area. In 2023, the aim is to start accounting for the recovery of this waste in order to be able to manage these processes from the point of view of sustainability and the circular economy.

As regards internal waste management:

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

- Plastics, paper, organic waste and refuse are managed by the local authority.

In the case of the subsidiaries, they manage the removal of waste in compliance with the legislation of 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 2022	
Total weight of the <b>hazardous waste (Kg)</b>	TOTAL
Landfill	1.294
Total weight of the <b>non-hazardous waste (Kg)</b>	TOTAL
Recycling	19.318
Landfill	454.765

It should be noted that within Mondragon Assembly's waste categorisation, the following are considered to be hazardous waste: cutting fluid residues, batteries, paint tins, aerosol canisters, glass, discarded solar modules, electrical equipment, fluorescent bulbs, empty contaminated product containers and active carbon waste.

In 2022, **27,924.27€** was spent on the management of waste generated in Aretxabaleta.

#### 6.4.- Sustainable use of resources

##### Water

(GRI 303-1, 303-5)

At the Mondragon Assembly Group premises, only domestic tap water is used, the water used in the wash rooms for flushing, the various taps and the showers. Therefore, the only control carried out at the Aretxabaleta site are the periodic legionella inspections carried out by an external company and the temperature control carried out by the general building staff. There are no water discharges besides domestic tap water. In addition, within the group, water consumption is direct from the municipal supply network, in total 1,803,266 litres of water have been consumed, a %40 less than in 2021 (4,535,000 litres) (SDG 6 clean water and sanitation).

##### Raw materials and supplies

The main raw material of all Mondragon Assembly is the components purchased for the assembly of machines, i.e. small machinery and electronic components that are assembled in the manufacturing machines, which are unpacked and assembled inside the machinery as they

arrive at the warehouse. In 2022, the purchase of these materials amounted to 17,839,430€.

Small blocks of steel and aluminium are also used in the machining and feeding area, which are sometimes formed on site, but are usually ordered from third parties and are then refurbished on site, so raw material stock is minimal. In 2022, aluminium consumption was 4.390€ and steel consumption was 2.180€ at group level.

Another raw material used is electrical wiring and screws, used to assemble the machines; in 2022, 3.013.879€ and 423.661€ were spent respectively.

Due to the small amount of raw materials used in the facilities, their use is normally efficient, with little being discarded as waste after being shaped in the manufacturing process.

##### Sustainable use of energy

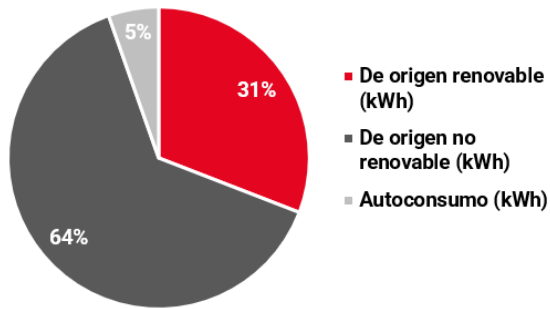
(GRI 305-5)

Mondragon Assembly S.Coop, has installed photovoltaic panels on the roof of Aretxabaleta for self-consumption, with an installed power of 100 kW. Throughout 2022, the photovoltaic installation was carried out on the façade at the side of the Aretxabaleta building, with BIPV modules by the innovation area, for testing and self-consumption.

At the Staringhen site, a major investment was made to install a photovoltaic system on the roof.

Since the beginning of 2021, actions have been taken to improve energy efficiency at the Aretxabaleta plant, having achieved a level D (140) in primary energy consumption and a level C (23) in CO<sub>2</sub> emissions per year.

Dentro de la organización en 2022 se ha consumido la siguiente cantidad de energía, siendo un 36% de origen renovable o autoconsumo, un dato importante en comparación con el 6% de origen renovable del 2021. Esto se debe en gran medida a la adquisición de Aretxabaleta de un contrato con la distribuidora para la compra de energía certificada de origen renovable.



ENERGY CONSUMPTION (kWh)	2021	2022
From renewable sources (kWh)	0	628,252
From non-renewable sources (kWh)	1,780,304	1,297,190
Self-consumption (kWh)	107,640	109,840
<b>TOTAL</b>	<b>1,887,944</b>	<b>2,035,282</b>
% renewable source	6%	36%

### **Biodiversity:**

Within the analysis of environmental aspects carried out in Aretxabaleta, the possibility of affecting biodiversity is considered in matters related to the production of machinery. The main focus is the creation of office and manufacturing buildings in environmentally protected areas, the risk being very low, as all Mondragon Assembly's facilities are located outside protected biodiversity areas, all of them in industrial estates. The second possible impact would come from the noise generated in the facilities and its effect on local fauna, this risk being very low, as the noise emissions from assembly and tuning activities do not generate continuous noise and the activities are always carried out inside the facilities, avoiding external noise.



7

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

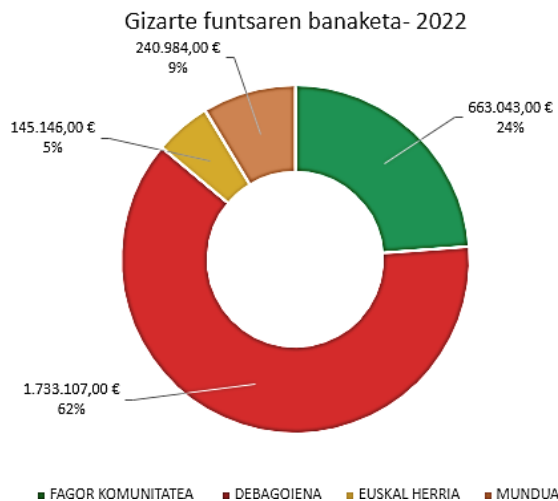
(GRI 2-23, 2-24, 201-1, 203-1, 203-2, 413-1)

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

The new century brings new challenges and it is urgent that, like companies, regions also move towards sustainability. To this end, the Fagor Group promotes alliances with other agents so as to follow this path together, cooperating in order to achieve the Sustainable Development Goals. This is in line with SDG 17. Partnerships to achieve the objectives.

According to the Basque Cooperatives Law, cooperatives have to allocate 10% of their annual profits to the Social Fund. However, instead of the statutory 10%, in the Fagor Group we allocate 12% to this fund, as a sign of our commitment to the challenges facing society.

We use this fund to promote the self-organisation of society as a lever for the achievement of the Sustainable Development Goals. In this regard, in 2022, we allocated €2,782,280 from the Fagor Group's Social Fund to different projects linked to the following four categories.



### 7.1.- Belonging to associations in the sector and the local area

(GRI 2-28)

The large number of relationships established by Mondragon Assembly with external entities for the defence of collective interests is proof of its commitment to collaboration and cooperation. These entities become allies of the Group when

it comes to developing its socio-entrepreneurial programme.

In 2022, Mondragon Assembly collaborated with the following foundations in the local area:

- GOIENER
- Red Cross
- Mundukide

Mondragon Assembly also collaborates with **eight technology centres** worldwide, especially in product and process innovation initiatives, 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 a long-term impact, and a smaller part is used to award grants to a wide range of social, cultural and sporting organisations.

Mondragon Assembly, with **its commitment to intercooperate with the environment to respond to the real needs of society, contributed a total of 447.810€ to this fund in 2022**. This intercooperation project is governed by a regulation "Regulation 1/2018, on Criteria for the application of the Contribution for Cooperative Education and Promotion and Other Purposes of Public Interest" (COFIP) and establishes that 12% of the profits of the Fagor Group's cooperatives are earmarked to support the development of community aid projects, in the fields of Education, Social and Cooperative Development, and Community Distribution.

Alongside the economic resources are the people of the Mondragón Assembly who work to contribute 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 area and we also contribute to the development of educational infrastructures."

**Debagoiena 2030 is the network created to promote the sustainable development of the**

### area in which most of the Fagor Group's cooperative production plants are located.

With a conviction that the transition of the Debagoiena region towards sustainability would require collaboration between a range of agents in the valley (university, public institutions, companies and social agents), in 2018 we committed ourselves to promoting the Debagoiena 2030 initiative. It is a long-term commitment which, based on collaboration between participants, has the main objective of meeting the challenges defined in the European Green Pact. It works on initiatives and projects of a diverse nature. The main areas included in the European Green Pact and which Debagoiena 2030 considers to be a priority are:

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

Throughout the year 2022, special care has been taken to work on the energy transition portfolio (SDG 7 affordable and clean energy). In addition to subsidising this portfolio, we have been particularly involved in the development of energy communities. We have committed ourselves to being a collaborating partner of the energy communities that are being created in the region.

We offer them our experience in the administration and management of the cooperatives.

On the other hand, in 2022 we have made a financial contribution of €335,400 to the ekiola project in the leniz valley, a cooperative project for the generation of renewable energy at kilometre 0 that promotes energy self-sufficiency through self-consumption systems.

In total, in 2022, we have allocated €937,860 to the debagoiena 2030 project.

### **Elkarrekin Herrigintzan Programme**

As mentioned in the introduction, in order to boost the Fagor Group cooperative community, in 2022 we launched the Fagor Elkarrekin tool. We started the initiative in July and by the end of the year 718 people were registered.

Overall, we have published 18 initiatives within the Fagor Elkarrekin tool. 3 of them were offers

for volunteering; 2 were requests for donations (among them, a collection of funds to help guarantee drinking water, hygiene and health products and psychosocial assistance for children suffering from the impact of the war in Ukraine); another for the dynamics to vote for the Fagor Herrigintza programme and one for the campaign to collect materials.

The remaining 11 publications provided members with information on the initiatives and projects of various social organisations. In addition to providing information, we have sometimes held prize draws in connection with these initiatives, as in the case of the HAZIA musical. In total, we have awarded 50 double tickets to members of the Fagor Group.

In addition, in 2022 we contributed €12,000 to the EITB marathon.

In total we have allocated €54,584 from the Social Fund to finance initiatives of the Fagor Elkarrekin programme.

### **Promoting local associations**

Part of the COIP distribution is used to subsidise the activities of the various associations operating in the communities in which our cooperatives are located.

## 7.3.- Commitment to education

### **Gizabidea**

For over 40 years, we have been collaborating with the cooperative educational agents in the area via the Gizabidea Foundation, helping to finance the necessary infrastructures to offer quality education in the region. For all these years, the Gizabidea Foundation has worked especially hard on developing the Mondragon University, among other reasons, because it understands that the university is a strategic agent in the development of the region and its business fabric.

In 2022 we signed several agreements with MGEP, HUHEZI and Ikastola Arizmendi, detailing the projects to be subsidised over a decade.

In 2022, we allocated a total of €602,460 to the Gizabidea Foundation.



### 7.4.- Development cooperation

#### **Mundukide**

In order to respond to the universal vocation of cooperativism and to help developing countries to create endogenous community development processes, more than ten years ago we created the Mundukide Foundation together with other MONDRAGON cooperatives and several local NGOs. Mundukide mainly works 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 opportunity to participate as cooperative volunteers in the countries where Mundukide has programmes.

In 2022 we allocated €230,984 to the Mundukide Foundation, as a sign of our commitment to SDG 1. The end of poverty.

#### **Garabide**

Garabide is an organisation that contributes to the recovery of minority languages, sharing the lessons learned from the process of recovering the Basque language with processes in other countries and also learning from their experiences. It works with these communities to enrich their socio-economic development through the process of recovering their language.

In 2022 we allocated €10,000 to the Garabide association.

### 7.5.- Fagor Community

We want the commitment to the Sustainable Development Goals to be not only at the institutional level, but a commitment from the people who form part of the Fagor Group. To this end, we offer a number of opportunities for our people to participate.

The Social Transformation Committee, made up of representatives from the cooperatives, is the body responsible for working in this area, and the

commitments defined at the beginning of 2022 were as follows:

- To strengthen the Fagor Mugi project to encourage the Fagor Group's people to travel to work in a more sustainable way.
- To influence individual consumption habits, giving visibility to projects that surround us and encouraging responsible purchasing, among other things; and also to offer information on the communities that are emerging around energy consumption (those that are being formed at local and regional level).
- Monitoring of projects focused on social inclusion and analysing the possibilities of participating in them.
- Through the Fagor Group's Social Fund, reinforcing the channels of collaboration we have established with different social agents, designing a new process for distributing part of this fund, inviting associations throughout the Basque Country to participate in them and creating channels so that the people of the Fagor Group can decide which projects to help.

To respond to all this, at the beginning of 2022 we planned the launch of a new digital tool to promote internal communication and the participation of the people from the Fagor Group, and this is how the Fagor Elkarrekin tool was born.

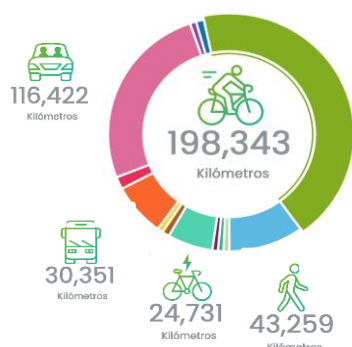
Some of the above-mentioned initiatives respond directly to the activities of the members.

#### **Fagormugi**

In 2020 we launched the Fagor Mugi initiative to promote sustainable mobility for commuting to and from work. Since then, a total of 413,106 km have been travelled by Fagor Group members and workers using a more sustainable means of transport (almost half of which were by bicycle).

We distribute incentives to reward the efforts of our users through the Fagor Mugi programme. In 2022, a total of 110 users have received a prize for points earned. The most popular prize was Mugi ticket credits, used on public transport in Gipuzkoa.

In 2022 we allocated €30,097 from the Social Fund to finance the Fagor Mugi programme.



## 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	2022
YEAR-END PROFITS	4.094.053
TAXES ON PROFITS PAID	1.658.648
PUBLIC SUBSIDIES RECEIVED	1.854.692

The Mondragón 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 on time 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	Rate of taxation
Mondragón Assembly, S.Coop.	Spain	0	20%
Mondragón Assembly, S.A. de CV	Mexico	1.198.795	30%
Mondragón Assembly, S.A	France	178.400	28%
Mondragón Assembly do Brazil	Brazil	0	15%
Mondragón Assembly Kunshan Co. Ltd	China	0	15%
Mondragón Assembly GMBH	Germany	189.733	30%
Mondragón Assembly Tunisia	Tunisia	0	-
Mondragón Assembly USA	United States	0	-
Mondragón Assembly India	India	0	-
SFK	Spain	0	10%
Quinhuangdao Visual Equipment	China	91.719	15%
TOTAL accrued corporate income tax expense		1.658.648	-



8

# **PROCEDURE FOR PREPARING THE REPORT**

This report presents the Non-Financial Information Statement of Mondragon Assembly, in accordance with the requirements of Law 11/2018, of 28 December, which amends the Code of Commerce, the revised text of the Capital Companies Act approved by Royal Legislative Decree 1/2010 of 2 July and Law 22/2015 of 20 July on the Audit of Accounts, in relation to 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 content of the Statement of Non-Financial Information forms part of the Consolidated Management Report.

The Report, which contains the information necessary to understand the performance, results and situation of the Mondragon Assembly Group and the impact of its activity with regard to environmental, social and economic issues from 1 January 2021 to 31 December 2021, has been prepared using the GRI Standards methodology, in accordance with the Essential option, and 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, by identifying new opportunities for improvement that may materialise in the short and medium term.

The process of preparing the Report involved the direct participation of Management and the people responsible for the main areas of Mondragon Assembly, as well as the Chair of the Group's Governing Board, as the representative of the members.

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

## 8.1.- Process of defining the relevant issues

### Our stakeholders

Mondragon Assembly demonstrates its commitment to the following stakeholders:

- Customers
- Workers
- Partners and Allies (Mondragon, MIA, Fagor)
- External plants
- Local communities-NGOs-Local associations
- Commercial subsidiaries
- Public authorities
- Sub-contractors
- Technological and/or market alliances
- Suppliers
- Educational Institutions-Universities
- United Nations (sustainable development plans)

### Material themes of Mondragon Assembly

In order to provide consistency and credibility and to comply with the guidelines established by the GRI Standards, Mondragon Assembly has developed a materiality analysis process with the aim of identifying relevant sustainability issues from a business and stakeholder perspective.

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

The different stages of the materiality process, as set out in the GRI Standards, are outlined below.

#### PHASE 1: IDENTIFICATION

Firstly, the co-operative's stakeholders were identified and defined, and prioritised according to their relevance.

Next, potentially relevant economic, social, environmental and governance issues linked to positive and negative impacts on the co-operative from a sustainability perspective were identified. Internal and external sources of

information were used to carry out this identification:

1. Global trends in sustainability
  - 2020 Annual report on trends in *Sustainability*.
  - United Nations sustainable development goals.
  - *Global Reporting Initiative* (GRI) standards.
2. Sectoral trends in sustainability
  - Global Reporting Initiative (GRI) Standards – Sustainability topics for sectors
  - SASB materiality map.

Once the potential material topics were identified, they were classified into six areas, which are directly related to the topics of the GRI Standards, covering the entire business activity of the co-operative:

- Economy
- Ethics and corporate governance
- Environment
- Working practices
- Products and services
- Society

### PHASE 2: PRIORITISATION

In this phase, the material issues to be included in the Sustainability Report were identified.

In order to prioritise the most relevant issues according to their degree of importance from the

perspective of the cooperative and stakeholders, an internal analysis (relevance according to Mondragon Assembly) and an external analysis (relevance for stakeholders) were carried out.

### PHASE 3: REVIEW AND VALIDATION

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

The results of the materiality analysis are presented below using the materiality matrix, which shows the degree of relevance of each topic for Mondragon Assembly and for stakeholders.

### PHASE 4: DUAL MATERIALITY

At the end of 2022, in order to include the concept of dual materiality in the analysis, the data obtained from the most relevant material stakeholder issues, the World Economic Forum report, the ESG risks of the Group's key sectors and the Risk Horizon platform were incorporated into the data obtained. Once this was included, in an internal session with representation from the main groups of the organisation, the material issues were assessed from a financial point of view.

This resulted in the following materiality matrix for the 2022 reporting data.

Impacto social y ambiental	Calidad del empleo Formación y desarrollo profesional	Innovación	Energía Desempeño económico - solidez financiera
		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
			Gestión eficiente de recursos
	BAJA	Media	ALTA
	Materialidad financiera		

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

## 8. Procedure for preparing the report

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	Non-GRI, operational environment (economic and sectoral)
	Geographical presence	3.1.- Overview of the environment: economic and sectoral context	2-1 d. Organisational details
	Organisational objectives and strategies	2.4.- Global presence 3.2.- Strategic plan 2021-2024	Non-GRI, objectives and strategies
General	Main factors and trends that may affect its future development	1.- Letter from the general manager	2-22 Sustainable development strategy statement
		3.1.- Overview of the environment: economic and sectoral context	NON-GRI: Main factors and trends that may affect its future performance
	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.	



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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
	Amount of provisions and guarantees for environmental risks	6.1- Environmental management system	Non-GRI, environmental investments
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	6.2.- Climate change	2-25 Processes to remedy negative impacts
		6.2.- Climate change	Non-GRI, measures to prevent, reduce or remedy emissions
		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
Circular economy and waste prevention	Measures for prevention, recycling, reuse, other forms of recovery and disposal of waste	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
		6.3.-Circular economy and waste prevention and management	306-2 Management of significant waste-related impacts
		6.3.-Circular economy and waste prevention and management	306-4 Waste not destined for disposal
	Actions to combat food waste	Not applicable, dining area is provided on the premises but there is no catering facilities.	Non-GRI, actions to combat food waste
Sustainable use of resources	Water consumption and water supply in accordance with local constraints	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
		6.4.- Sustainable use of resources	303-5 Water consumption

## 8. Procedure for preparing the report

	Consumption of raw materials and measures taken to improve the efficiency of their use	<table><tr><th colspan="4">6.4.- Sustainable use of resources</th></tr><tr><th>COMPRA</th><th>TIPO</th><th>Renovables</th><th>No renovables</th></tr><tr><td rowspan="3">MATERIAS PRIMAS (€)</td><td>Aluminio</td><td>-</td><td>4.390</td></tr><tr><td>Acero</td><td>-</td><td>2.180</td></tr><tr><td>TOTAL</td><td>-</td><td>6.571</td></tr><tr><td rowspan="3">PIEZAS SEMI-FABRICADAS (€)</td><td>Integran en producción</td><td>-</td><td>17.839.430</td></tr><tr><td>Cableado</td><td>-</td><td>3.013.879</td></tr><tr><td>Tomillería y otros</td><td>-</td><td>423.661</td></tr><tr><td rowspan="3">MATERIALES DE PROCESO (€)</td><td>TOTAL</td><td>-</td><td>3.437.540</td></tr><tr><td>Madera</td><td>-</td><td>154.376</td></tr><tr><td>Plástico</td><td>50</td><td>-</td></tr><tr><td>MATERIALES DE ENVASADO (€)</td><td>TOTAL</td><td>50</td><td>154.376</td></tr></table>	6.4.- Sustainable use of resources				COMPRA	TIPO	Renovables	No renovables	MATERIAS PRIMAS (€)	Aluminio	-	4.390	Acero	-	2.180	TOTAL	-	6.571	PIEZAS SEMI-FABRICADAS (€)	Integran en producción	-	17.839.430	Cableado	-	3.013.879	Tomillería y otros	-	423.661	MATERIALES DE PROCESO (€)	TOTAL	-	3.437.540	Madera	-	154.376	Plástico	50	-	MATERIALES DE ENVASADO (€)	TOTAL	50	154.376	301-1 Materials used by weight or volume
6.4.- Sustainable use of resources																																													
COMPRA	TIPO	Renovables	No renovables																																										
MATERIAS PRIMAS (€)	Aluminio	-	4.390																																										
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MATERIALES DE ENVASADO (€)	TOTAL	50	154.376																																										
	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	6.4.- Sustainable use of resources	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																																											
		6.2.- Climate change	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. In 2022, scope 3 is measured at Aretxabaleta level, with the intention of starting measurements at group level by 2025.	305-3 Other indirect GHG emissions (Scope 3)																																										
	Non aviable	305-4 Intensity of GHG emissions																																											
	Measures adopted in order to adapt to the consequences of climate change	6.2.- Climate change	201-2 Financial implications and other risks and opportunities arising from climate change																																										
	Voluntary medium and long-term reduction targets for reducing greenhouse gas emissions and the means implemented to achieve such targets	6.2.- Climate change	305-5 Reduction of emissions																																										
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>28.608,21</td><td>37.631,67</td></tr><tr><td>31-50</td><td>35.250,51</td><td>49.773,08</td></tr><tr><td>&gt;50</td><td>35.454,09</td><td>43.720,90</td></tr><tr><td rowspan="3">HO</td><td>&lt;30</td><td>31.022,08</td><td>29.581,28</td></tr><tr><td>31-50</td><td>38.915,95</td><td>40.633,62</td></tr><tr><td>&gt;50</td><td>40.268,90</td><td>58.954,49</td></tr></table> <p>MOI: Mano de obra indirecta MOD: Mano de obra directa <b>&lt;30 years old:</b> 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. <b>31-50years:</b> 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. <b>&gt;50 years old:</b> Men in this age group have managerial positions, while women are mostly in technical and managerial positions.</p>		EDAD	MOD	MOI	MU	<30	28.608,21	37.631,67	31-50	35.250,51	49.773,08	>50	35.454,09	43.720,90	HO	<30	31.022,08	29.581,28	31-50	38.915,95	40.633,62	>50	40.268,90	58.954,49	Non-GRI, average earnings by sex, age and occupational classification or equivalent value
		EDAD	MOD	MOI																							
MU	<30	28.608,21	37.631,67																								
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HO	<30	31.022,08	29.581,28																								
	31-50	38.915,95	40.633,62																								
	>50	40.268,90	58.954,49																								
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
		5.1.- Solidarity as a basis	Non-GRI, average remuneration of directors and senior management
	Payments to long-term savings provision schemes and any other gender-disaggregated payments	5.1.- Solidarity as a basis	201-3 Defined benefit and other pension plan obligations
	Implementation of work disconnection policies	5.1.- Solidarity as a basis	Non-GRI, work disconnection policies
Work organisation	Employees with disabilities	5.2.- Equality and conciliation	405-1 Diversity in governing bodies and employees
	Organisation of work time	5.1.- Solidarity as a basis	Non-GRI, organisation of work time
	Number of hours of absence	5.4.- Managing the health of our people	403-9 Injuries due to accidents at work
	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	Non-GRI, work-life balance measures
Health and safety	Health and safety conditions in the workplace	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
		5.4.- Managing the health of our people	403-7 Prevention and mitigation of impacts on the health and safety of directly linked 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	403-9 Injuries due to accidents at work
Social relationships	Organisation of social dialogue, including procedures for informing, consulting and negotiating with the workforce	5.1.- Solidarity as a basis	2-29 Approach to the participation of stakeholders (human team)
		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.	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
		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)
	Percentage of employees covered by collective bargaining agreements by country	5.1.- Solidarity as a basis	2-30 Collective bargaining agreements
	The statement of collective agreements, particularly in the field of health and safety at work	5.1.- Solidarity as a basis	403-4 Worker participation, consultation and communication on matters of occupational health and safety at work
		5.1.- Solidarity as a basis	403-8 Workers covered by an occupational health and safety management system
Training	Policies implemented in the field of training	5.3.- We favour the development of our people	404-2 Employee skills enhancement programmes and transition assistance programmes
	The total number of training hours by occupational category	5.3.- We favour the development of our people	404-1 Average hours of training per year per employee

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Universal accessibility	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) 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		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 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 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	2-26 Mechanisms for seeking advice and raising concerns
		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

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Information required by the Law on non-financial information and diversity		Reference chapter/Omissions	Related GRI standards and other non-GRI indicators
<b>Information relating to the fight against corruption and bribery</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	4.3.- 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



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Information required by the Law on non-financial information and diversity		Reference chapter/Omissions	Related GRI standards and other non-GRI indicators
<b>Society information</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	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
	Impact of the company's activity on local populations and the region	7.- We are a group that promotes community development.	201-1 Direct economic value generated and distributed 411-1 Cases of violations of indigenous peoples' rights
	Relationships with local community actors and the modalities of dialogue with these groups	7.- We are a group that promotes community development.	413-2 Operations with significant negative impacts –real or potential– in local communities
	Sponsorship and partnership initiatives	7.- We are a group that promotes community development.	2-29 Approach to the participation of stakeholder groups
	Inclusion of social, gender equality and environmental issues in procurement policy	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
	Consideration in dealings with suppliers and subcontractors of their social and environmental responsibility	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	308-1 New suppliers that have passed evaluation and selection filters according to environmental criteria
	Monitoring and audit systems and their results	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
	Monitoring and audit systems and their results	3.6.- Our supplier companies	308-2 Negative environmental impacts on the supply chain and measures taken
Consumers	Consumer health and safety measures	3.5.- Quality is our priority	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 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
	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

### 8.5.- External verification